County of Monterey

Government Center - Board Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Meeting Agenda - Final

Tuesday, October 7, 2025
9:00 AM

Join via Zoom at https://montereycty.zoom.us/j/224397747 or in person at the address listed above

Board of Supervisors

Chair Supervisor Chris Lopez - District 3
Vice Chair Supervisor Wendy Root Askew - District 4
Supervisor Kate Daniels- District 5
Supervisor Luis A. Alejo - District 1
Supervisor Glenn Church - District 2

Participation in meetings

While the Board chambers remain open, members of the public may participate in Board meetings in 2 ways:

1. You may attend the meeting in person; or,

2. You may observe the live stream of the Board of Supervisors meetings at https://monterey.legistar.com/Calendar.aspx, http://www.mgtvonline.com/, www.youtube.com/c/MontereyCountyTV or https://www.facebook.com/MontereyCoInfo/

If you choose not to attend the Board of Supervisors meeting but desire to make general public comment, or comment on a specific item on the agenda, you may do so in 2 ways:

a. submit your comment via email by 5:00 p.m. on the Monday prior to the Board meeting. Please submit your comment to the Clerk of the Board at cob@co.monterey.ca.us. In an effort to assist the Clerk in identifying the agenda item relating to your public comment please indicate in the Subject Line, the meeting body (i.e. Board of Supervisors Agenda) and item number (i.e. Item No. 10). Your comment will be placed into the record at the Board meeting.

b. you may participate through ZOOM. For ZOOM participation please join by computer audio at: https://montereycty.zoom.us/j/224397747

OR to participate by phone call any of these numbers below:

+1 669 900 6833 US (San Jose)
+1 346 248 7799 US (Houston)
+1 312 626 6799 US (Chicago)
+1 929 205 6099 US (New York)
+1 253 215 8782 US
+1 301 715 8592 US

Enter this Meeting ID number: 224397747 when prompted. Please note there is no Participant Code, you will just hit # again after the recording prompts you.

You will be placed in the meeting as an attendee; when you are ready to make a public comment if joined by computer audio please Raise your Hand; and by phone please push *9 on your keypad.

PLEASE NOTE: IF ALL BOARD MEMBERS ARE PRESENT IN PERSON, PUBLIC PARTICIPATION BY ZOOM IS FOR CONVENIENCE ONLY AND IS NOT REQUIRED BY LAW. IF THE ZOOM FEED IS LOST FOR ANY REASON, THE MEETING MAY BE PAUSED WHILE A FIX IS ATTEMPTED BUT THE MEETING MAY CONTINUE AT THE DISCRETION OF THE CHAIRPERSON.

Participación en reuniones

Mientras las cámaras de la Junta permanezcan abiertas, los miembros del público pueden participar en las reuniones de la Junta de 2 maneras:

1. Podrá asistir personalmente a la reunión; o,

2. Puede observar la transmisión en vivo de las reuniones de la Junta de Supervisores en https://monterey.legistar.com/Calendar.aspx, http://www.mgtvonline.com/, www.youtube.com/c/MontereyCountyTV o https://www.facebook.com/MontereyCoInfo/

Si elige no asistir a la reunión de la Junta de Supervisores pero desea hacer comentarios del público en general o comentar un tema específico de la agenda, puede hacerlo de 2 maneras:

a. envíe su comentario por correo electrónico antes de las 5:00 p.m. el lunes anterior a la reunión de la Junta. Envíe su comentario al Secretario de la Junta a cob@co.monterey.ca.us. En un esfuerzo por ayudar al secretario a identificar el tema de la agenda relacionado con su comentario público, indique en la línea de asunto el cuerpo de la reunión (es decir, la agenda de la Junta de Supervisores) y el número de artículo (es decir, el artículo n.º 10). Su comentario se colocará en el registro en la reunión de la Junta.

b. puedes participar a través de ZOOM. Para participar en ZOOM, únase por audio de computadora en: https://montereycty.zoom.us/j/224397747

O para participar por teléfono llame a cualquiera de estos números a continuación:

+1 669 900 6833 EE. UU. (San José)
+1 346 248 7799 EE. UU. (Houston)
+1 312 626 6799 EE. UU. (Chicago)
+1 929 205 6099 EE. UU. (Nueva York)
+1 253 215 8782 EE. UU.
+1 301 715 8592 EE. UU.

Ingrese este número de ID de reunión: 224397747 cuando se le solicite. Tenga en cuenta que no hay un código de participante, simplemente presione # nuevamente después de que la grabación lo solicite.

Se le colocará en la reunión como asistente; cuando esté listo para hacer un comentario público si se une al audio de la computadora, levante la mano; y por teléfono, presione *9 en su teclado.

TENGA EN CUENTA: SI TODOS LOS MIEMBROS DE LA JUNTA ESTÁN PRESENTES EN PERSONA, LA PARTICIPACIÓN DEL PÚBLICO POR ZOOM ES ÚNICAMENTE POR CONVENIENCIA Y NO ES REQUERIDA POR LA LEY. SI LA ALIMENTACIÓN DE ZOOM SE PIERDE POR CUALQUIER MOTIVO, LA REUNIÓN PUEDE PAUSARSE MIENTRAS SE

INTENTA UNA SOLUCIÓN, PERO LA REUNIÓN PUEDE CONTINUAR A DISCRECIÓN DEL PRESIDENTE.

The Board of Supervisors welcomes you to its meetings, which are regularly scheduled each Tuesday. Your interest is encouraged and appreciated. Meetings are held in the Board Chambers located on the first floor of the Monterey County Government Center, 168 W. Alisal St., Salinas, CA 93901.
As a courtesy to others, please turn off all cell phones and pagers prior to entering the Board Chambers.

ALTERNATE AGENDA FORMATS: If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals with a disability requiring a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may make these requests to the Clerk of the Board Office.
CEREMONIAL/APPOINTMENTS/OTHER BOARD MATTERS: These items may include significant financial and administrative actions, and items of special interest, usually approved by majority vote for each program. The regular calendar also includes “Scheduled Items,” which are noticed hearings and public hearings.
CONSENT CALENDAR: These matters include routine financial and administrative actions, appear in the supplemental section by program areas, and are usually approved by majority vote.
TO ADDRESS THE BOARD ON A MATTER ON THE AGENDA: Walk to the podium and wait for recognition by the Chair. In order that all interested parties have an opportunity to speak, please be brief and limit your comments to the specific subject under discussion. Time limitations shall be at the discretion of the Chair, with equal time allocated to opposing sides of an issue insofar as possible. Allocated time may not be reserved or granted to others, except as permitted by the Chair. On matters for which a public hearing is required, please note that a court challenge to the Board’s action may be limited to only those issues raised at the public hearing or in correspondence delivered to the Board at or before the public hearing.
TO ADDRESS THE BOARD DURING PUBLIC COMMENT: Members of the public may address comments to the Board concerning each agenda item and may comment when the Chair calls for general public comment for items that are not on the day's agenda. The timing of public comment shall be at the discretion of the Chair.
DOCUMENT DISTRIBUTION: Documents related to agenda items that are distributed to the Board less than 72 hours prior to the meeting shall be available for public inspection at the Clerk of the Board Office, 168 W. Alisal Street, 1st Floor, Salinas, CA. Documents distributed to the Board at the meeting by County staff will be available at the meeting; documents distributed to the Board by members of the public shall be made available after the meeting.
INTERPRETATION SERVICE POLICY: The Monterey County Board of Supervisors invites and encourages the participation of Monterey County residents at its meetings. If you require the assistance of an interpreter, please contact the Clerk of the Board located in the Monterey County Government Center, 168 W. Alisal St., Salinas - or by phone at (831) 755-5066. The Clerk will make every effort to accommodate requests for interpreter assistance. Requests should be made as soon as possible, and at a minimum 24 hours in advance of any meeting of the Board of Supervisors.
La Cámara de Supervisores del Condado de Monterey invita y apoya la participación de los residentes del Condado de Monterey en sus reuniones. Si usted requiere la asistencia de un interprete, por favor comuníquese con la oficina de la Asistente de la Cámara de Supervisores localizada en el Centro de Gobierno del Condado

de Monterey, (Monterey County Government Center), 168 W. Alisal, Salinas – o por teléfono al (831) 755-5066. La Asistente hará el esfuerzo para acomodar los pedidos de asistencia de un interprete. Los pedidos se deberán hacer lo mas pronto posible, y a lo mínimo 24 horas de anticipo de cualquier reunión de la Cámara de Supervisores.

All documents submitted by the public must have no less than ten (10) copies.
The Clerk of the Board of Supervisors must receive all materials for the agenda packet by noon on the Tuesday one week prior to the Tuesday Board meeting.
Any agenda related writings or documents distributed to members of the County of Monterey Board of Supervisors regarding any open session item on this agenda will be made available for public inspection in the Clerk of the Board's Office located at 168 W. Alisal St., 1st Floor, Salinas, California. during normal business hours and in the Board Chambers on the day of the Board Meeting, pursuant to Government Code §54957.5

HELPFUL INFORMATION/INFORMACION UTIL

Sign Up For Alerts on items you may be interested in to keep informed and up to date on the Monterey County Board of Supervisors

To create an Alert please Sign Up and follow the User Guide to create alerts for calendars, meeting details, agenda items and item details at the following link:

https://monterey.legistar.com/Default.aspx

If assistance is needed please contact our office at the following email: cob@co.monterey.ca.us

Regístrese para recibir alertas sobre artículos que le pueden interesar para mantenerse informado y actualizado sobre la Junta de Supervisores del Condado de Monterey

Para crear una alerta, regístrese y siga la Guía del usuario para crear alertas para calendarios, detalles de reuniones, elementos de agenda y detalles de elementos en el siguiente enlace:

https://monterey.legistar.com/Default.aspx

Si necesita ayuda, comuníquese con nuestra oficina al siguiente correo electrónico: cob@co.monterey.ca.us

NOTE: All agenda titles related to numbered agenda items are live web links. Click on the title to be directed to the corresponding Board Report.

PUBLIC COMMENT: Members of the public may address comments to the Board concerning each agenda item. The timing of public comment shall be at the discretion of the Chair.

9:00 A.M. - Call to Order

Roll Call

Additions and Corrections for Closed Session by County Counsel

County Counsel will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

Closed Session

1. Closed Session under Government Code section 54950, relating to the following items:

   a. Pursuant to Government Code section 54956.9(d)(1), the Board will confer with legal counsel regarding existing litigation:
   (1) Petra Mansfield (Worker's Compensation Appeals Board No. ADJ10872733, ADJ15272980)
   (2) Matthew Mendoza (Worker's Compensation Appeals Board No. ADJ11907243, ADJ14459661, ADJ8699092, ADJ18699094)
   (3) Gilbert Flores (Worker's Compensation Appeals Board No. ADJ6643290, ADJ7768457

Public Comments for Closed Session

The Board Recesses for Closed Session Agenda Items

Closed Session may be held at the conclusion of the Board's Regular Agenda, or at any other time during the course of the meeting, before or after the scheduled time, announced by the Chairperson of the Board. The public may comment on Closed Session items prior to the Board's recess to Closed Session.

9:30 A.M. - Reconvene on Public Agenda Items

Roll Call

Pledge of Allegiance

Additions and Corrections by Clerk

The Clerk of the Board will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

Appointments

2. Appoint Elizabeth Yanez to the Area Agency on Aging Advisory Council representing District 5 filling an unexpired term with a term end date of January 1, 2028 (District Specific, District 5 - Supervisor Daniels)

Attachments: Notification to Clerk of Appt - Elizabeth Yanez
Application - Elizabeth Yanez

Approval of Consent Calendar – (See Supplemental Sheet)

3. See Supplemental Sheet

General Public Comments

4. General Public Comments

Scheduled Matters

5. Watsonville Hospital Update

Attachments: Item No. 5 Presentation

6. a. Receive a presentation from Grow America and CVL Economics on the Comprehensive Economic Development Strategy (CEDS) year three (3) annual update; and
b. Authorize the County Administrative Officer or designee to submit the CEDS year 3 annual update to the U.S. Department of Commerce, Economic Development Administration.

Attachments: Board Report
CEDS Year 3 Update Report
CEDS Year 3 Update Presentation

Other Board Matters

Referral Matrix and New Referrals

7. Referral Matrix and New Referrals

Attachments: Board Referral Matrix 10-7-25

Referral Responses

8. a. Receive a presentation in response to Board Referral No. 2024.13 (Alejo) on the history of *Recurso de Fuerza*, a low barrier navigation center currently in development in partnership with the County of Santa Cruz;
b. Consider the following options for renaming *Recurso de Fuerza*:
    a) Retain the name *Recurso de Fuerza*;

b) Rename the program *Casitas de Fuerza*; or

c) Direct staff to rename the project through a public engagement process; and

c. Provide direction as necessary.

Attachments: Board Report
MOU with Santa Cruz County
Encampment Resolution Funding 2-R Notice of Funding Availability
Encampment Resolution Funding State Application
Presentation

County Administrative Officer Comments

9. County Administrative Officer Comments

Board Comments

10. Board Comments

Read Out from Closed Session by County Counsel

Read out by County Counsel will only occur if there is reportable action(s).

Adjournment

Upcoming Board of Supervisors Meetings for 2025

2025 Board of Supervisors Meeting Schedule

Attachments: 2025 Board of Supervisors Meeting Dates

Supplemental Sheet, Consent Calendar

Natividad Medical Center

11. a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with Philips Healthcare for Software Evolution Services and additional software modules at NMC for an amount not to exceed $655,080 with an agreement term September 1, 2025, through August 31, 2030.
b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than 10% ($65,508) of the original cost of the agreement in total.
c. Approve the NMC's Chief Executive Officer's recommendation to accept non-standard indemnification and limitations on liability provisions within the agreement.

Attachments: Board Report
Philips Healthcare Software Evolution Master Agreement

Department of Social Services

12. a. Approve and authorize the Director or designee of the Department of Social Services to execute a no cost Privacy and Security Agreement (PSA) with the California Department of Social Services (CDSS) to continue to use data hosted by the Social Security Administration (SSA) and the Medi-Cal Eligibility Data System (MEDS), for the period of "Upon Execution" through September 1, 2028; and
b. Authorize the Director or designee of the Department of Social Services to sign up to three future amendments to this Agreements where the amendments do not significantly change the responsibilities of the parties.

Attachments: Board Report
Agreement

13. a. Approve and authorize the Director or designee of the Department of Social Services to sign an Agreement with Kendal White dba K&D Landscaping Inc to provide services to pour concrete slab and place dog tunnel at SHARE Center, retroactive to September 1, 2025 for the period of September 1, 2025 through June 30, 2026, in the amount of $40,000; and
b. Authorize the Director or designee of the Department of Social Services to sign up to three amendments to this Agreement where the total amendments do not exceed 10% ($4,000) of the amended contract amount, do not significantly change the scope of work, and do not exceed the maximum aggregate amount of $44,000.

Attachments: Board Report
Agreement

Criminal Justice

14. a. Authorize and direct the Contracts Purchasing Officer or their designee to execute a non-standard agreement with Ganete Solutions Inc., dba ArmorerLink. for firearms tracking purposes, etc., for the period to November 1, 2025 through October 31, 2028 and thereafter may increase annually to a total annual amount not to exceed $25,000 beginning November 1, 2028 and will auto-renew each year thereafter until terminated.
b. Authorize the Sheriff or Sheriff's designee to approve annual service in an amount not to exceed $25,000 annually.

Attachments: Board Report
ArmorerLink Non-Standard Agreement.pdf
Quote #18036.pdf
Quote #18037.pdf
Quote #18038.pdf

15. a. Authorize the Contracts and Purchasing Officer or their designee to execute Amendment 2 to the agreement (A-16608) with In Time Services, Inc., dba In Time, extending the agreement an additional two (2) year period (October 18, 2025 through October 17, 2027) for a revised full agreement term of October 18, 2022 through October 17, 2027 and adding $131,914 for a revised total agreement amount not to exceed $328,218.

Attachments: Board Report
Amendment #2.pdf
Board Order with Agreement & Amendment #1.pdf

General Government

16. a. Approve and authorize the County Administrative Officer or designee, to execute Amendment No. 1 to the Development Management Agreement #A-17471 with DignityMoves, a California non-profit corporation, to add $1,088,075 towards construction costs of a 34-unit Low Barrier Navigation Center to be located at 118 First Street in the City of Watsonville, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area, for a revised agreement amount not to exceed $6,122,666 with no change to the contract term ending of June 30, 2026; and,
b. Approve and authorize the County Administrative Officer or designee, to sign up to two (2) future amendments to this agreement where amendments do not exceed 10% ($612,266) and do not significantly alter the scope of services as determined by the Director of Homeless Services and subject to approval by County Counsel.

Attachments: Board Report
Amendment No. 1
Board Order
Original Agreement

17. Adopt a Resolution to:

a. Amend the FY 2025-26 Health Department Adopted Budget (Fund 001, Department 4000, Unit 8124, Appropriations Unit HEA003) to approve the reallocation and reclassification of one (1) Health Program Coordinator to one (1) Public Health Program Manager I as indicated in Attachment A, effective October 4, 2025; and

b. Direct the County Administrative Office and the Auditor-Controller to incorporate the approved position changes in the FY 2025-26 Adopted Budget and the Human Resources Department to implement the changes in the Advantage Human Resources Management (HRM) system.

Attachments: Board Report
Attachment A
Resolution

18. Adopt a Resolution to:

a. Amend Personnel Policies and Practices Resolution (PPPR) No. 98-394 Appendix A and B to adjust the base wage salary range of the Registrar of Voters classification as indicated in attachment A;

b. Direct the Human Resources Department to implement the changes in the Advantage HRM system.

Attachments: Board Report
Attachment A
Resolution

County of Monterey

Board Report

Legistar File Number: CS 25-047

Item No.1

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

October 07, 2025

Introduced: 9/26/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Closed Session

Closed Session under Government Code section 54950, relating to the following items:

a. Pursuant to Government Code section 54956.9(d)(1), the Board will confer with legal counsel regarding existing litigation:
(1) Petra Mansfield (Worker's Compensation Appeals Board No. ADJ10872733, ADJ15272980)
(2) Matthew Mendoza (Worker's Compensation Appeals Board No. ADJ11907243, ADJ14459661, ADJ8699092, ADJ18699094)
(3) Gilbert Flores (Worker's Compensation Appeals Board No. ADJ6643290, ADJ7768457

County of Monterey

Board Report

Legistar File Number: APP 25-151

Item No.2

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

October 07, 2025

Introduced: 9/29/2025
Version: 2

Current Status: Appointment
Matter Type: Appointment

Appoint Elizabeth Yanez to the Area Agency on Aging Advisory Council representing District 5 filling an unexpired term with a term end date of January 1, 2028 (District Specific, District 5 - Supervisor Daniels)

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

To: Clerk of the Board's Office

From: Supervisor Kate Daniels

RE: Notification to Clerk of Appointment

Board of Supervisors Meeting Date: 10/07/2025

Appointment to the Area Agency on Aging Advisory Council

Nominated Appointee: Elizabeth Yanez

Nominated by: Supervisor Kate Daniels

Representing: District 5

Reason for Nomination:

- ○ New Term
- ○ Reappointment
- ◉ Filling an Unscheduled / Unexpired Term

  Replacing Member: Richard Kuehn

  Reason:

  ◉ Resignation ○ Death ○ Term Not Completed ○ Other (explain)

  Clerk Noticed of Unscheduled/Unexpired Term on: 09/19/2025

  Earliest Board of Supervisors' meeting date appointment can be set: 09/30/2025

Term:

Start Date: 10/07/2025 Term End Date: 01/01/2028

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

Area Agency on Aging Advisory Council Application

Elizabeth Yanez

District: 5
Initialed Application: Yes

Applicant

First Name: **Elizabeth**
Middle Initial:
Last Name: **Yanez**

Employment

Occupation: **LVN**
Job Title: **Business Development Manager**
Employer: **Central Coast VNA & Hospice**

Interests and Experiences

Able to attend meetings regularly and devote the time necessary to fulfill duties as a member?

Yes

Currently serving on a County of Monterey Board, Commission, Committee or other Community Advisory Group?

Yes

Senior Roundtable of Monterey County

Has served on an advisory group before?

No

Please tell us about yourself and why you want serve:

I have been working within Home Health, Palliative Care, Hospice and Senior Living in the past 11-12 years. I have a passion in advocating for those that need those services the most and educating our community regarding services available to them. In working in Senior Living and with seniors that didn't have family support, I made myself available to help them get the care that they needed and gathering resources for them.

Please state the reason you would like to be a member of this board committee/commission/district:

I would like to be a part of shaping our aging services and impacting care for seniors in our community. Having my nursing degree and experience in the fields stated above, I believe that I can utilize my skills and give my perspectives regarding gaps in healthcare and community services available. Personally, I have been looking for a service to give back to the community and I believe that The Area Agency on Aging is a great organization giving back to the community.

How did you hear about the position?:

Aimee Cuda

Please identify any specialized accommodations needed for equal participation:

none

County of Monterey

Board Report

Legistar File Number: OBM 25-144

Item No.3

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

October 07, 2025

Introduced: 9/2/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Other Board Matters

See Supplemental Sheet

County of Monterey

Board Report

Legistar File Number: OBM 25-145

Item No.4

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

October 07, 2025

Introduced: 9/2/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Other Board Matters

General Public Comments

County of Monterey

Board Report

Legistar File Number: 25-705

Item No.5

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

October 07, 2025

Introduced: 9/30/2025

Version: 1

Current Status: Agenda Ready

Matter Type: General Agenda Item

Watsonville Hospital Update

Watsonville Community Hospital Update

Monterey County Board of Supervisors
Tuesday, October 7, 2025

PAJARO VALLEY HEALTH CARE DISTRICT | WATSONVILLE COMMUNITY HOSPITAL

Our Journey

1895 - 1998

Non-profit hospital

1998 - 2019

For-profit ownership by Community Health Systems & Quorum (multi-hospital corporations)

2019-2021

For-profit ownership by Halsen Healthcare hospital building & land sold to Medical Properties Trust

Dec 2021

Bankruptcy proceedings began

Our Journey

Feb 2022

SB 418 signed by governor to create Pajaro Valley Health Care District

March - Sept 2022

Largest fundraising campaign in SC County history: $64.3 million provides hospital a second chance

Sept 2022

Pajaro Valley Health Care District officially begins operating Watsonville Community Hospital

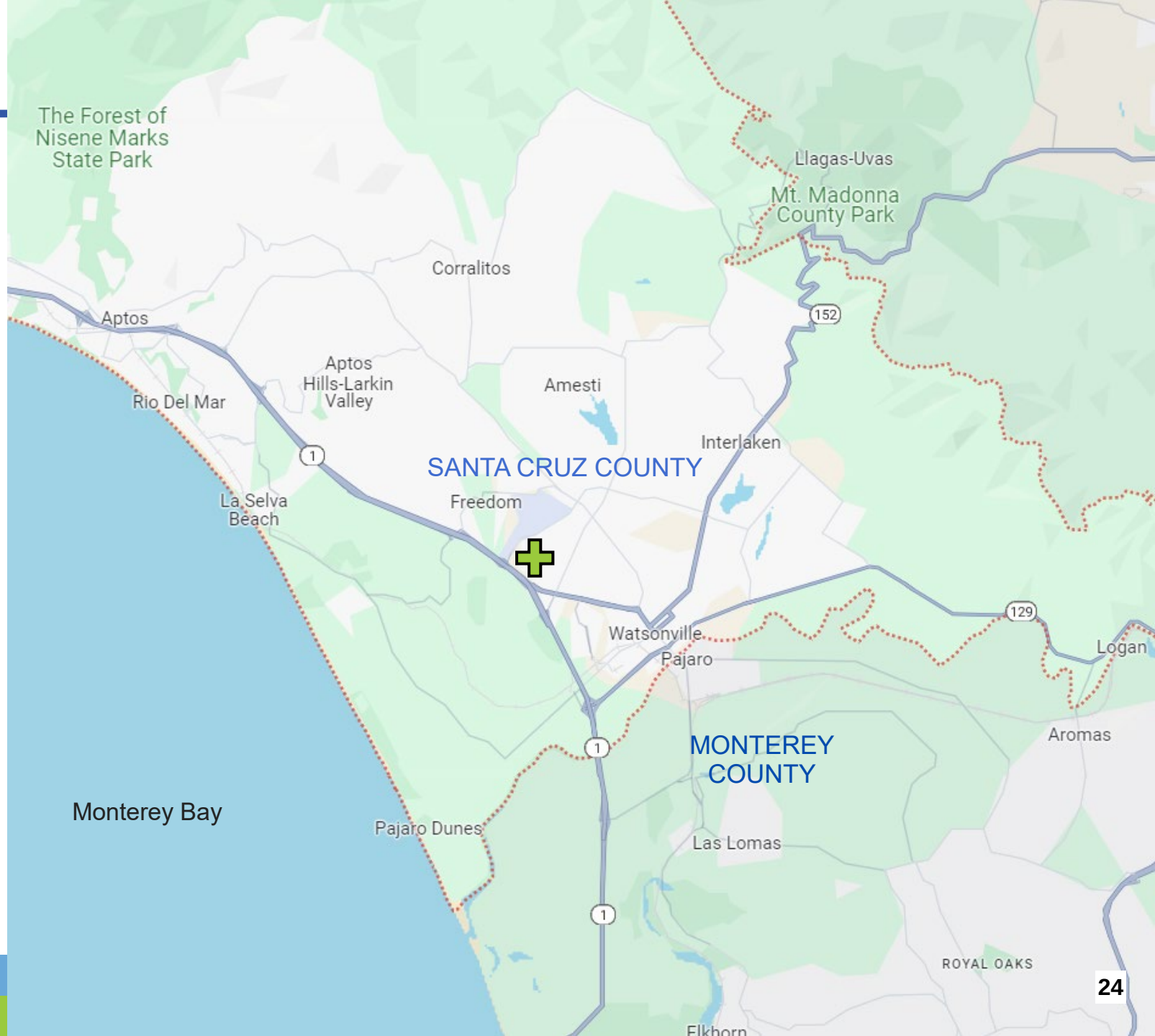
Jan 2023

Watsonville Community Hospital Foundation established

PAJARO VALLEY
HEALTH CARE DISTRICT
Property Lease
Public oversight
WATSONVILLE COMMUNITY HOSPITAL FOUNDATION
Raises money
Pays costs
WATSONVILLE COMMUNITY HOSPITAL
Patient Services
Pays costs
COASTAL HEALTHCARE

WATSONVILLE COMMUNITY HOSPITAL

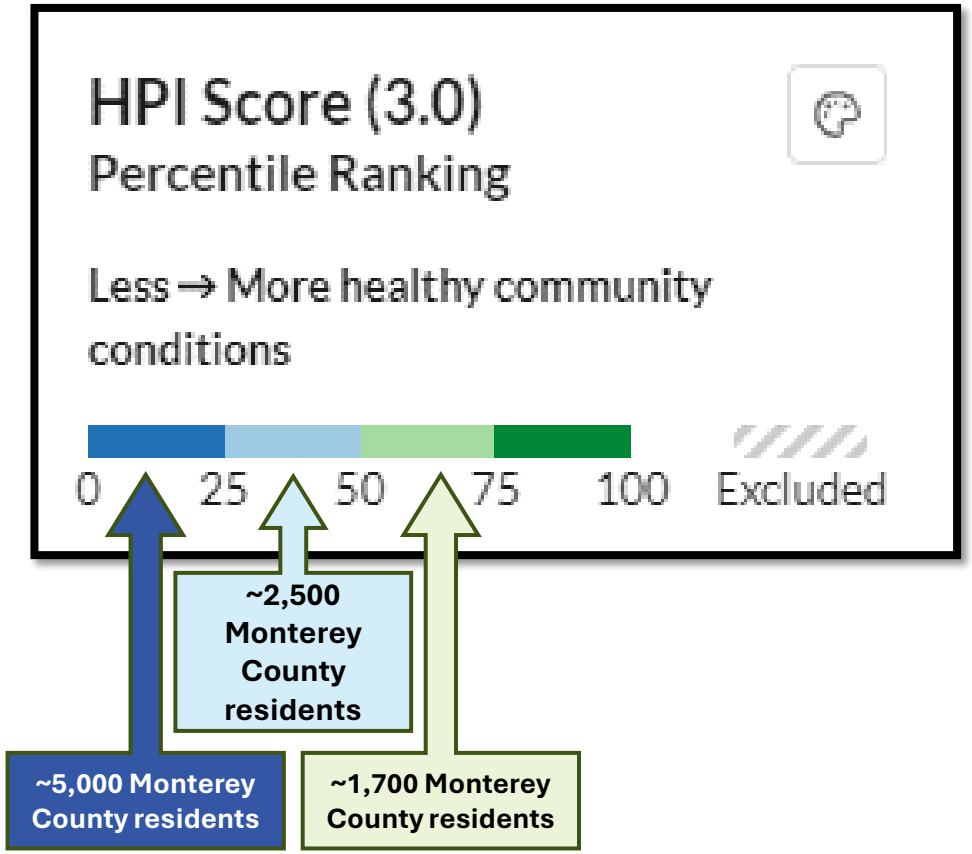
Pajaro Valley Health Care District

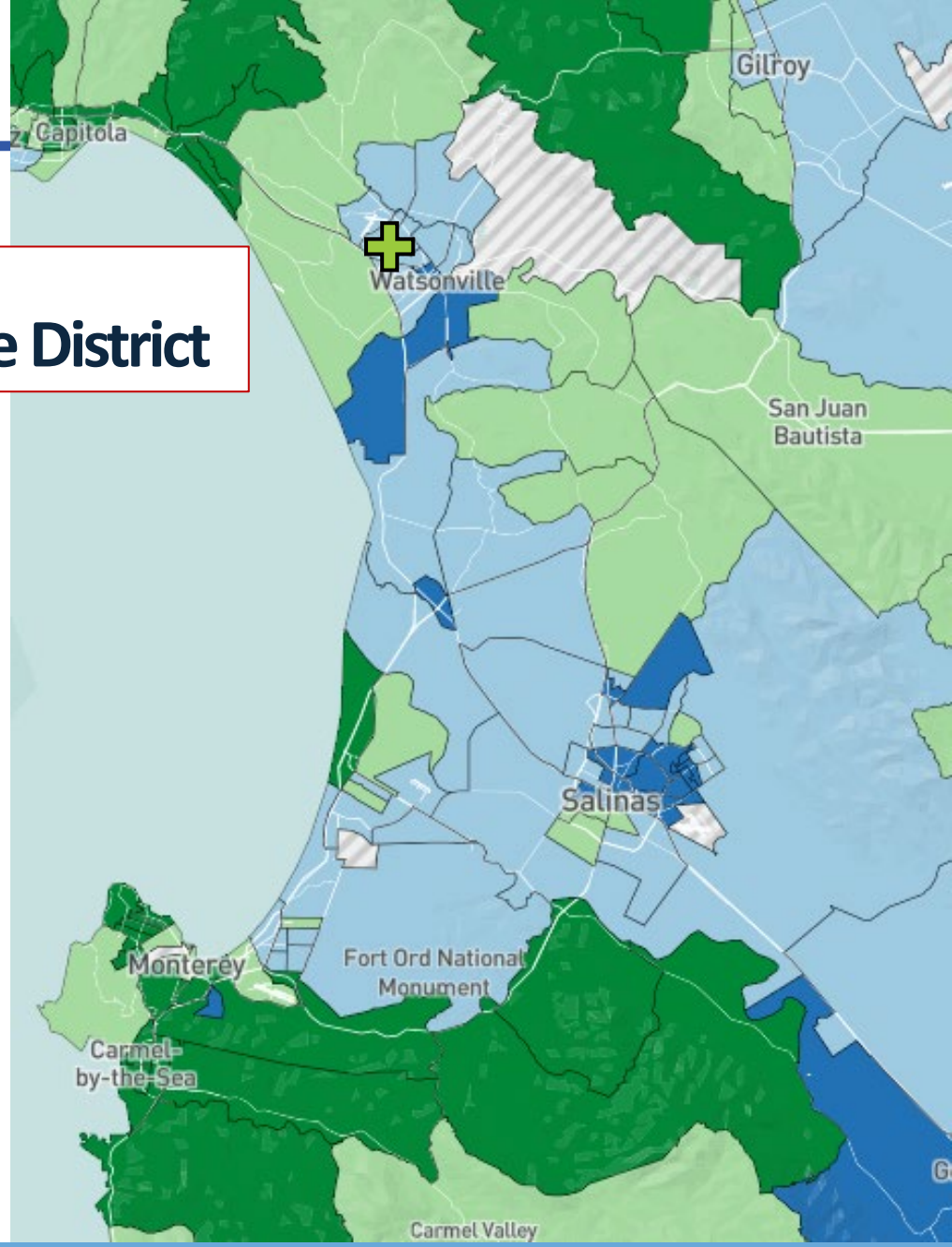


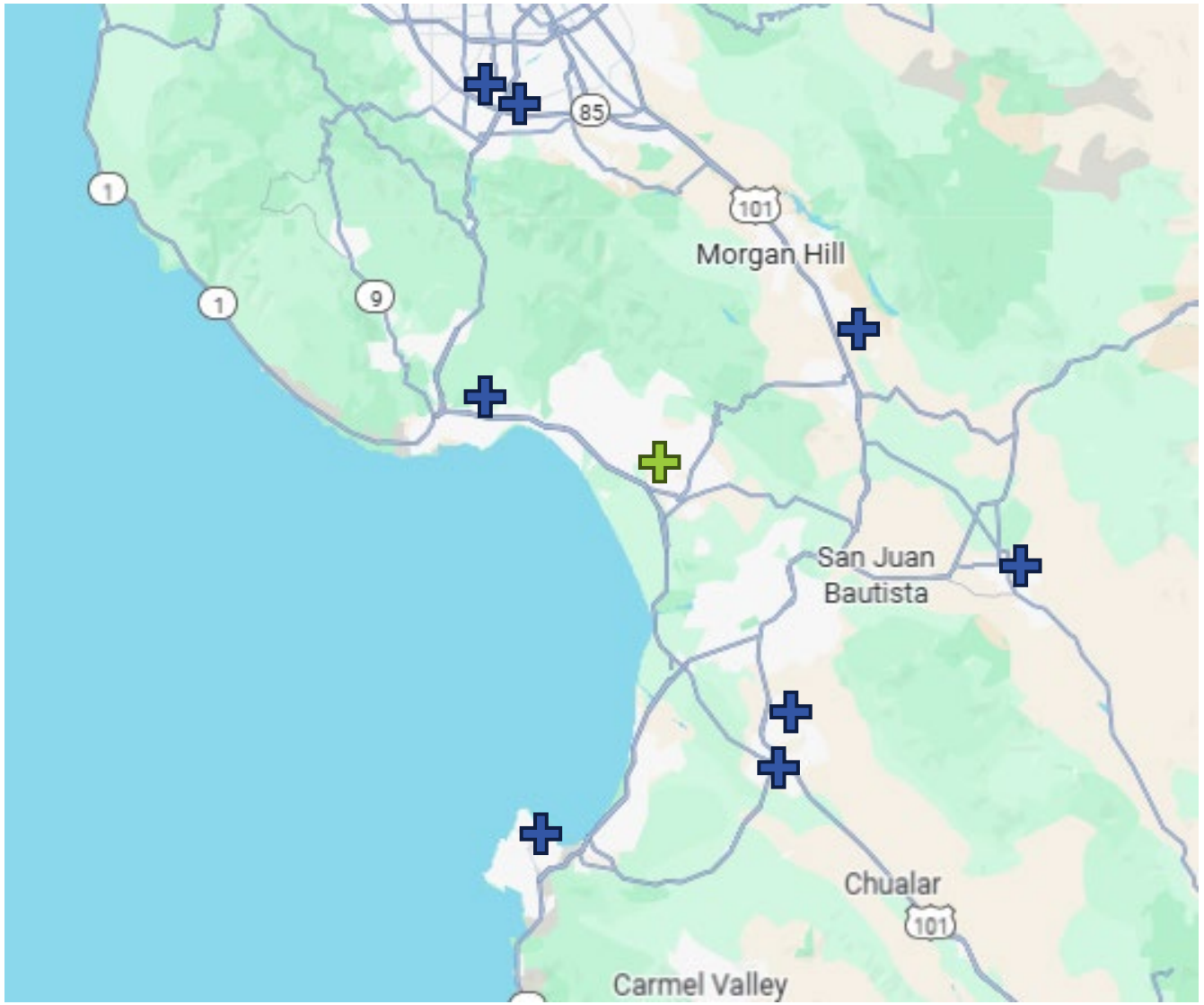
Watsonville Community Hospital

Healthy Places Index

Pajaro Valley Health Care District



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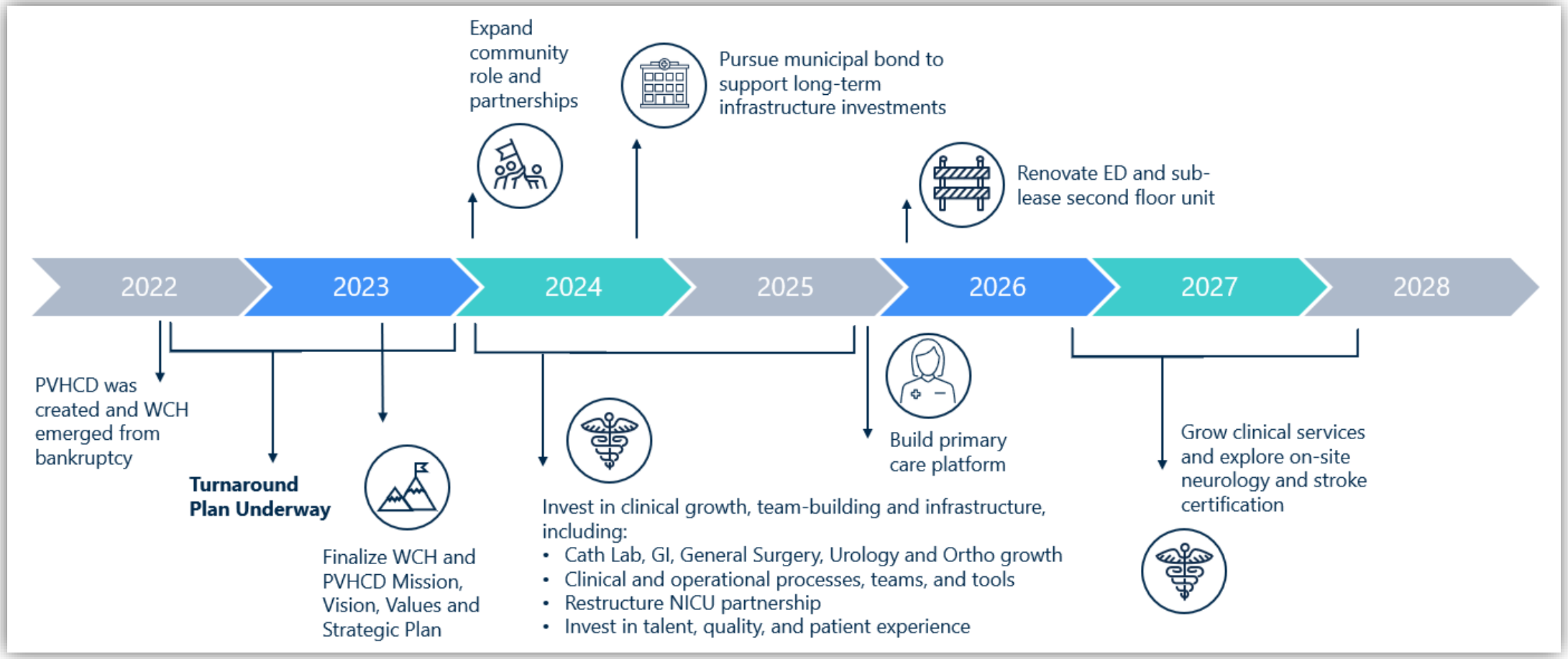
101
Morgan Hill
1
1
9
San Juan
Bautista
Chualar
101
Carmel Valley

7

Strategic Plan Roadmap



Source: July 2023 Chartis Group Strategic Plan Summary and Roadmap

Measure N (general obligation bond)

Passed by the District Voters (68.2%) in March 2024

- Buy the property
- Replace imaging equipment, such as MRI and CT
- Plumbing, HVAC, roofs, elevators, etc.
- Renovate and expand our Emergency Department (12 → 20+ beds)
- Repair and renovate patient rooms

WCH Community Hospital Model

- In the future, WCH will **preserve its community hospital role, with a focused set of services and specialties** that are most appropriate given core community needs, clinical capabilities, and financial realities.
- WCH will offer **inpatient services focused on community-based medical and surgical services** for patients whose conditions are sufficiently stable to be cared for in a **moderate intensity, mid complexity setting including ICU services.**
- WCH will continue to serve as a **primary facility for obstetric services** for patients in the region.
- WCH will **transfer patients with high intensity, subspecialty, and/or more complex care requirements** to other providers, as needed.
- WCH will **continue offering a breadth of ambulatory services and create a foundation of primary care services.**
- WCH will act as a **trusted community partner** and participate in a population health delivery model for community members.

Source: July 2023 Chartis Group Strategic Plan Summary and Roadmap

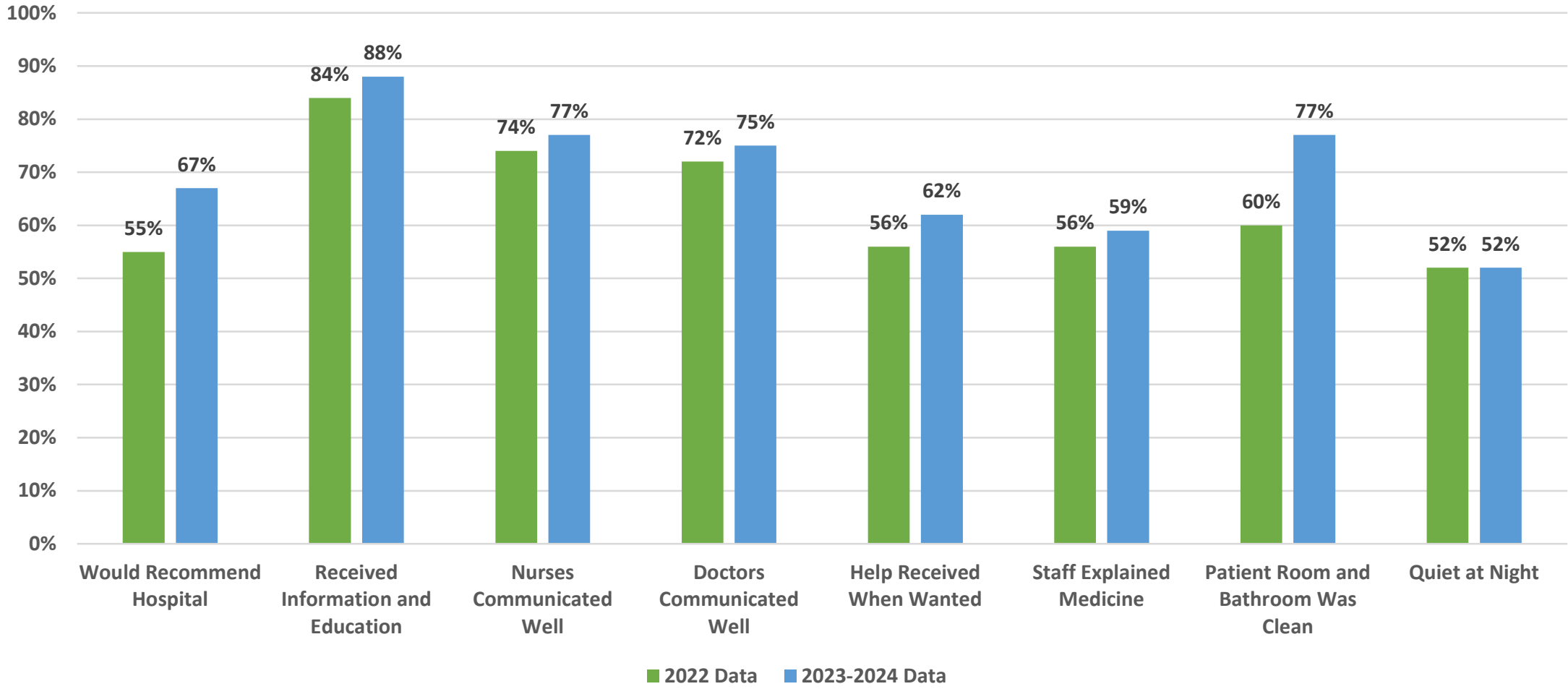
Our most important work

Patient data from 2024

34,896	Emergency Room visits
2,050	Surgeries
764	Babies delivered
41,000	Scans (X-rays, MRIs, CT scans, ultrasounds)
56,000	Non-emergency outpatient visits
7,000	Rehab sessions (Physical, Occupational & Speech Therapy)
4,285	Wound care procedures
650	**Staff Members**
300	**Physicians on Medical Staff**

WCH continues to improve its Hospital Grade published by the Leapfrog Group

WCH Patient Experience Trends, 2022 vs. 2023-2024



Source: calhospitalcompare.org, data pulled 2/1/2024 and 9/12/2025

WCH's financial picture is significantly improved from 2022, but has faced critical challenges since the 2024 election

- Improved financial losses from $30M (2022) to $100K (2024).
- 2025's finances have worsened. December 2024 cyber-attack, lower inpatient volumes, loss/retirement of some physicians and physician groups, immigration concerns causing patches of lower patient visits.
- District took over Hospital operations in September 2022 with very low cash on hand.
- H.R. 1 will severely impact our revenues, starting in January 2026. Estimating a negative impact of $4.3M to $9.8M per year for the next three years (more if Hospital Fee Program is cut or denied).

Paths Forward

- District / Hospital Combined Board Study Session, 8/4/2025
  - Short-term financing options
  - Long-term collaborations
- District Board revisited the Guiding Principles for partnership/collaboration at the 8/27/2025 Board meeting, and approved a new set on 9/3/2025

Guiding Principles for Strategic Partnership

1. Arrangements must align with the **mission, vision, and values** of the District and WCH.
2. Arrangements must prioritize **innovation, growth, financial sustainability, and equitable access**.
3. Arrangements must commit to honoring existing **union relationships** through the end of the existing contracts, negotiating extensions and future labor contracts in good faith with the unions currently at WCH, and retaining WCH employees, with the ability to consolidate services for efficiency through attrition.
4. The District shall **maintain ownership of the property and capital assets** throughout and after the term of any arrangement.
5. Any arrangement **shall not dissolve the Health Care District** and its Board of Directors.

Guiding Principles for Strategic Partnership

6. We will **continue to provide information to the public**, allowing for their input into the future direction of the District and Hospital, as required under SB 418 and the law.
7. Any arrangement must contain adequate protections to ensure the continued **success of the District and Hospital Corporation at the end of any term**.
8. Arrangements must comply with all **Measure N Bond covenants** to maintain funding.
9. Arrangements must comply with **existing legislation (i.e., SB 418)** and/or allow for amendments to existing District and Hospital Corporation agreements that contain covenants or other restrictive language (e.g., Packard loan, Distressed Hospital Loan Program loan, West Coast Community Bank line of credit).
10. Only **not-for-profit or government-based agencies, and only agencies that already provide healthcare in northern California**, shall be considered.

What makes us a valuable community partner

- The only seismically-compliant hospital in Santa Cruz County
- Capacity in inpatient (all private rooms) and operating rooms
- The only hyperbaric oxygen treatment chamber (2) in Santa Cruz County
- Brand new cardiac catheterization lab
- Level II NICU
- New MRI and CT scanners coming early 2026
- New E.D. central patient monitoring system coming early 2026
- Future partnership with UCSC/UCD medical school
- Measure N general obligation bond funding through the District
- Positive IGT cash flows through the District, starting in 2026
- Strong community support for their Community Hospital

WATSONVILLE
COMMUNITY HOSPITAL

Q&A

Thank you for your support!

Introduced: 9/22/2025 **Current Status:** Scheduled PM

Version: 1 **Matter Type:** General Agenda Item

a. Receive a presentation from Grow America and CVL Economics on the Comprehensive Economic Development Strategy (CEDS) year three (3) annual update; and
b. Authorize the County Administrative Officer or designee to submit the CEDS year 3 annual update to the U.S. Department of Commerce, Economic Development Administration.

RECOMMENDATION:

It is recommended that the Board of Supervisors:
a. Receive a presentation from Grow America and CVL Economics on the Comprehensive Economic Development Strategy (CEDS) year three (3) annual update; and
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SUMMARY:

In June 2021, the County of Monterey (County) released the CEDS for the period of 2021-2026. The County must prepare a new CEDS at least every five years for local communities and organizations to qualify for U.S. Economic Development Administration (EDA) funding. More broadly, the CEDS development process provides a vehicle for regional stakeholders including but not limited to community-based organizations, nonprofits, organized labor, local governments, academic institutions, and private industry to chart a path towards greater economic wellbeing. This document serves as the year three (3) update to the economic analysis conducted in the most recent CEDS. The Year 3 update presents new data analysis to provide a snapshot of the current economic landscape across the County and to inform near-term economic development planning.

On January 7, 2025, the Board approved an agreement with Grow America to perform all tasks necessary to conduct a Year 3 CEDS update for the County.

Work on Year 3 Update began in January 2025 with data analysis update for the three target sectors (*Agriculture*, *Tourism & Hospitality*, and *Health Care*). The focus of this year's update to Monterey County's CEDS builds on previous years' look at the county's emerging technology ecosystem with respect to agriculture and climate resilience. The project team also met with the Board of Supervisors on an individual basis to gain perspectives and insights into the opportunities and

constraints governing technology and innovation ecosystem development.

In collaboration with the County, Grow America and CVL Economics identified additional stakeholders to interview over the course of the project to gain broader insights into challenges, needs, and priorities across multiple economic dimensions. The County also convened one focus groups (one that convened agriculture stakeholders) which served as the narrative basis for this report.

DISCUSSION:

The CEDS process analyzes existing regional conditions, opportunities, and global economic conditions, leading to a region-specific strategy-driven plan for economic prosperity. The CEDS must be updated every five years to stay relevant with changing economic conditions and to qualify for EDA funding assistance under its Public Works and Economic Adjustment Assistance programs. Annual assessments of progress to date and plans for the coming year are also required.

The EDA requires the following components be incorporated into the document in some form:
Background Summary: The summary presents current, relevant data to describe local economic conditions.
SWOT Analysis: This analysis of strengths, weaknesses, opportunities, and threats (SWOT) provides an understanding of a region's capabilities, capacity, and aspirations.
Strategic Direction / Action Plan: The strategic direction and associated action plan outlines priorities, goals, objectives, and specific activities to be implemented over a set period.
Evaluation Framework: The evaluation framework serves to gauge progress on the successful implementation of the overall CEDS.
Economic Resilience: in the context of economic development, "resilience" has three primary attributes: the ability to recover quickly from a shock, the ability to withstand a shock, and the ability to avoid the shock altogether.

Success of the CEDS hinges on the implementation of specific action recommendations. The planning of the CEDS initiated the process of building support among partner agencies and will continue throughout the duration of the five-year CEDS period. Not every CEDS strategy will apply to every jurisdiction in Monterey County. However, each strategy is crafted to have the most impactful results on economies and industries that show the greatest economic potential, thereby having positive results for the region as a whole and allowing other businesses to thrive.

Adoption of the CEDS is a federal requirement that the County, and qualified organizations within the County, must meet to apply to EDA for Public Works or Economic Adjustment Assistance Program grants. EDA has been an important partner in financing economic development projects, extending from King City to Pajaro, and including the reuse of the former Fort Ord and programs at California State University at Monterey Bay.

Since 2011, the Economic Development Division has developed a CEDS in the County.

The County utilizes a consultant team, Grow America and CVL Economics, to conduct the CEDS

outreach process, analyze data, and develop the report.
Additionally, the CEDS identifies projects that may be eligible for federal grant funding. Each jurisdiction that completes a CEDS, including the County, is then eligible to prepare individual grant applications for funding.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:
Staff consulted with County Counsel.

FINANCING:
Receiving this report has no financial impact.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
The Comprehensive Economic Development Strategy supports the Board approved strategic plan.

Mark a check to the related Board of Supervisors Strategic Plan Goals:
This assists with attracting and retaining businesses that will improve the well-being of County residents.
____ Well-Being and Quality of Life
____ Sustainable Infrastructure for the Present and Future
____ Safe and Resilient Communities
__X_ Diverse and Thriving Economy

Link to the Strategic Plan:
<https://www.countyofmonterey.gov/home/showdocument?id=139569>

Prepared by: Isela Sandoval, Management Analyst II, x7214
Approved by: Richard Vaughn, Economic Development Manager, x5602
Approved by: Deborah Paolinelli, Assistant County Administrative Officer, x5309

Attachments:
CEDS Year 3 Update Report
CEDS Year 3 Update Presentation

Introduced: 9/22/2025
Version: 1

Current Status: Agenda Ready
Matter Type: General Agenda Item

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FINANCING:
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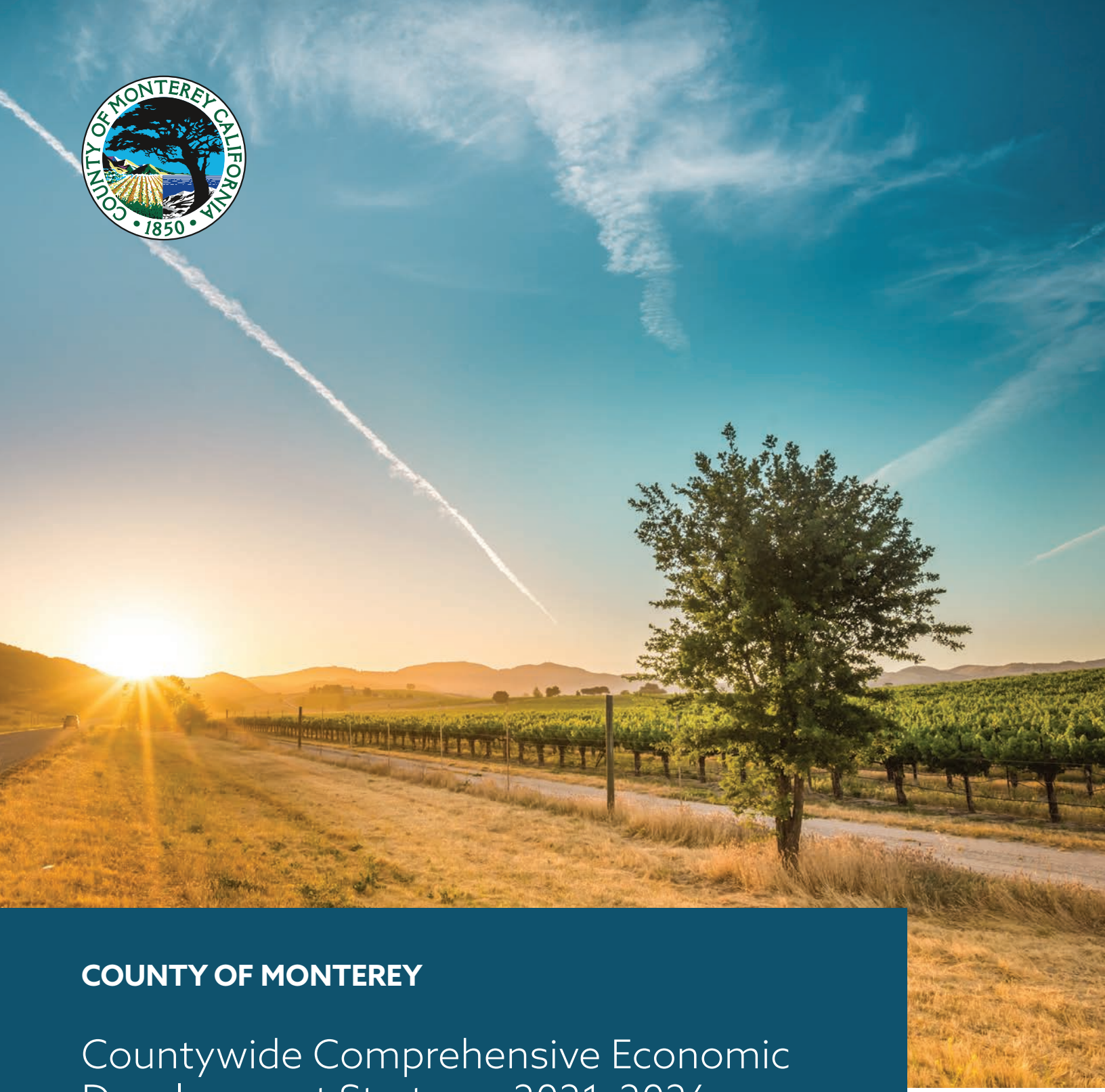

COUNTY OF MONTEREY

Countywide Comprehensive Economic Development Strategy: 2021–2026

YEAR 3 UPDATE (2023–2024)

SEPTEMBER 2025

ACKNOWLEDGEMENTS

COMMISSIONED BY THE COUNTY OF MONTEREY

Monterey County is located on the Central Coast of California just south of the Bay Area, about 45 miles from San Jose, and 106 miles from the City of San Francisco. The rich Salinas Valley extends through the heart of the County, making Monterey the third largest agricultural county in California. The County also offers the longest coastline of any California county and attracts more than 3 million visitors annually to destinations such as Fisherman's Wharf, the Cannery, and the Monterey Bay Aquarium. As a subdivision of the state, the County is charged with providing numerous services that affect the lives of all residents, including law enforcement, tax collection, public health protection, public social services, elections, and flood control.

PREPARED BY:

Grow America, formerly NDC, is the first dedicated American community and economic development nonprofit organization. Founded in 1969, the organization focuses on four program areas: investments in community development, innovative lending and entrepreneurial support, advisory support for community and economic development, and professional education and training. Grow America's mission is to invest capital to craft equitable, vibrant futures and to improve the lives of millions of people through new economic opportunity. Learn more at growamerica.org

CVL Economics is an economic consulting firm that takes a data-driven, human-centric approach to equitable development and sustainable growth. Founded in 2021, CVL Economics partners with communities, municipalities, organizations, and institutions to address today's most complex challenges and foster bold action. Coupling robust economic models with innovative research methodologies, we provide decision-makers with the actionable insights needed to effect change, expand opportunity, and improve economic well-being.

Note: All figures and tables that appear throughout this document are based on the most recent data available at the time of analysis.

PREFACE

In June 2021, the County of Monterey released the Countywide Comprehensive Economic Development Strategy (CEDS): 2021–2026. The County must prepare a new CEDS at least every five years for local communities and organizations to qualify for U.S. Economic Development Administration (EDA) funding. More broadly, the CEDS development process provides a vehicle for regional stakeholders—including, but not limited to, community-based organizations, nonprofits, organized labor, local governments, academic institutions, and private industry—to chart a path towards greater economic wellbeing.

This document is the third update to the most recent CEDS. The Year 1 Update focused on Monterey County's recovery from the Covid-19 pandemic with respect to numerous economic, demographic, and housing metrics and an emphasis on target sectors, and the Year 2 Update assessed the county's emerging technology ecosystem. This year's report dives deeper into the state of the county's Agriculture sector and examines how climate change is affecting the economic landscape.

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- Considerations

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- Climate Risks
- Economic Implications
- Opportunities

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- A. Additional Target Sectors
- B. Year 3 Update Development Process
- C. Project Participants

INTRODUCTION

Monterey County stands at a pivotal moment in its economic development trajectory, where traditional approaches to growth and prosperity face unprecedented challenges that demand innovative, integrated solutions. The region's economic foundation rests on three primary pillars—agriculture, tourism and hospitality, and healthcare—yet these sectors operate within an increasingly complex web of interconnected pressures that threaten their long-term viability and the communities they sustain.

The county's economic landscape over the past couple of years exhibits characteristics of a region undergoing structural transformation, where established industries can perform well while simultaneously creating conditions that challenge long-term sustainability. This paradox emerges from a fundamental economic tension where sector-specific achievements in agriculture and tourism coincide with systemic challenges in housing affordability and infrastructure capacity, creating feedback loops where economic success in primary industries generates secondary effects that can limit continued expansion.

Housing emerges as perhaps the most critical challenge threading through every aspect of economic development, illustrating how Monterey County must navigate the relationship between growth and the structural requirements that support that growth. The crisis manifests differently across the county's diverse communities but creates universal constraints on growth and prosperity. In some areas, dramatic demographic shifts since 2020 have brought new residents, while other communities struggle with workforce retention as median home prices approach $830,000. This "missing middle" housing problem affects essential workers across all sectors, from agricultural laborers to medical professionals, forcing lengthy commutes that double some cities' populations each weekday and creating significant environmental impacts with limited public transportation alternatives.

The interconnected nature of these challenges becomes particularly evident when examining how climate change, federal policy uncertainty, and local resource constraints compound existing problems. Traditional economic development strategies that focus primarily on business attraction and job creation metrics prove insufficient for addressing these systemic issues. Instead, the current environment demands approaches that integrate workforce development, housing, transportation, environmental resilience, and social equity as inseparable components of sustainable economic growth. This reality becomes especially acute as federal funding streams face uncertainty under changing national priorities, necessitating greater local self-sufficiency and innovative approaches to revenue generation and economic resilience.

YEAR 3 UPDATE FOCUS

The focus of this year's update to Monterey County's Comprehensive Economic Development Strategy (CEDS) responds to these realities by building on previous years' analysis of the county's emerging technology ecosystem with an emphasis on agriculture and climate resilience. These two areas receive particular emphasis this year because they represent both the greatest immediate risks and the most significant opportunities for positioning Monterey County as a national leader in sustainable economic development.

The agriculture sector's evolution from traditional farming toward technology-integrated, climate-resilient practices offers pathways for creating higher-wage employment while maintaining the county's role as a vital food production center. Similarly, proactive climate adaptation strategies can transform environmental challenges into competitive advantages, attracting investment and innovation while protecting the natural assets that anchor both agricultural productivity and tourism appeal.

The report begins with a comprehensive examination of existing conditions within the agriculture sector, analyzing employment trends, workforce demographics, economic impacts, and the mounting challenges that threaten the industry's sustainability. It also explores how technological integration and market repositioning can serve as platforms for broader regional development rather than constraints on growth.

Next, a spotlight on climate risk and resilience examines how rising temperatures, extreme weather events, water scarcity, and sea level rise affect not only agricultural productivity but also tourism infrastructure, community safety, and overall economic stability. This climate focus reflects growing recognition that economic development strategies must integrate environmental resilience as a core component rather than treating it as a separate concern; this would position the county for resilient economic development that can withstand external shocks and maintain competitiveness over extended periods.

Understanding these interconnections—between housing and workforce retention, between climate resilience and agricultural sustainability, between federal policy changes and local economic security—provides the foundation for developing strategies that can navigate current uncertainties while building long-term prosperity for all residents of Monterey County.

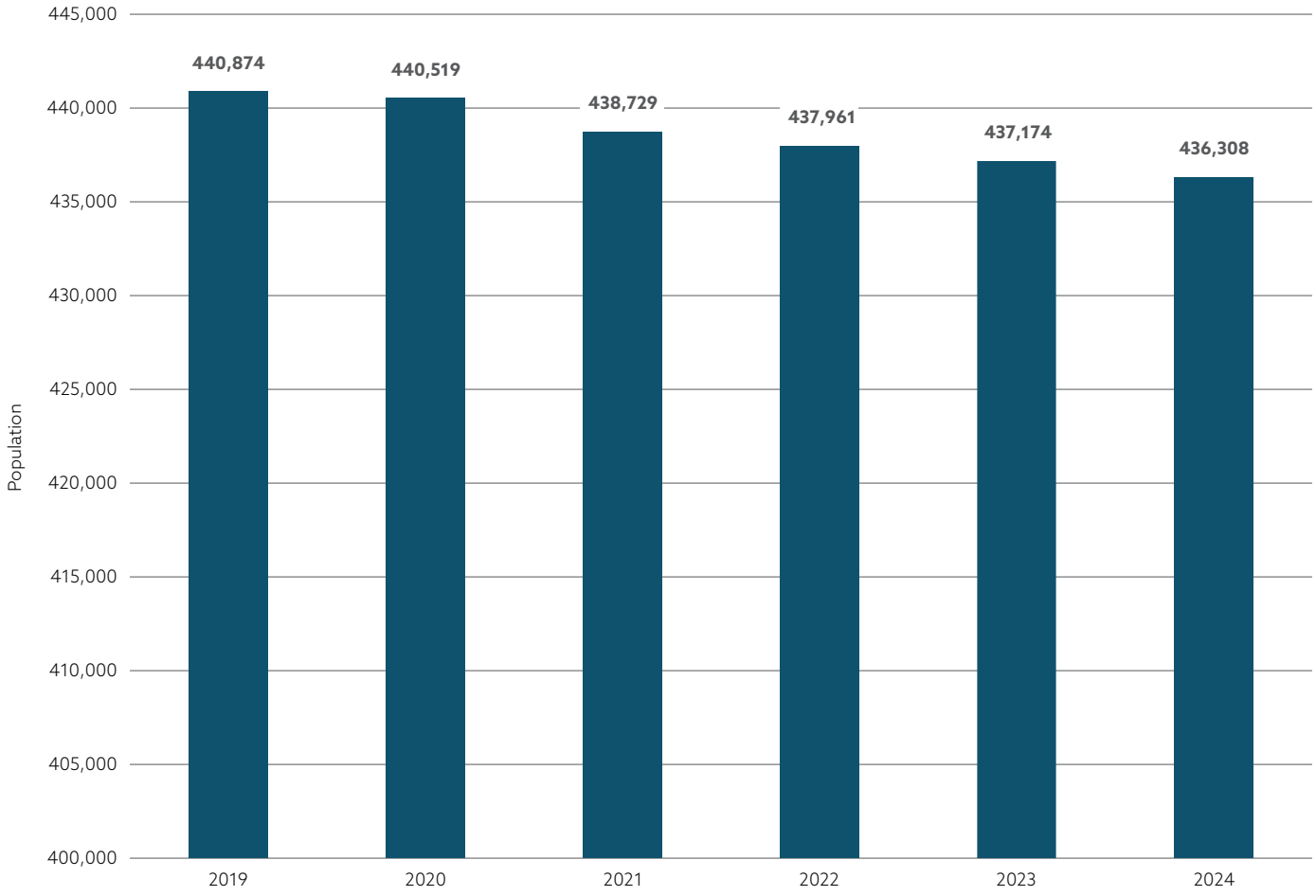
ECONOMIC CONDITIONS

In 2024, Monterey County was home to just over 436,300 residents. Since 2019, the county has experienced a continuous year-over-year decline, shedding a total of more than 4,500 residents over five years (Figure 1). This trend reflects broader patterns of slowed population growth and outmigration seen in parts of coastal California, particularly in regions facing high housing costs and economic uncertainty in key industries like agriculture and tourism.

Population changes fluctuated at the city level. Seaside saw the steepest decline, with a 6.4% drop in population—losing over 2,000 residents. Monterey and Soledad also experienced notable declines of 3.5% and 3.0%, respectively. In contrast, King City grew by 7.0%, adding 935 residents, and Marina grew by 2.3%, likely due to their relative affordability to other cities. Salinas, the county's largest city, remained essentially flat with no significant population change over the same period.

FIGURE 1: CHANGE IN RESIDENT POPULATION
2019 TO 2024

(A) MONTEREY COUNTY



(B) SELECT CITIES IN MONTEREY COUNTY | 2019 VS. 2024

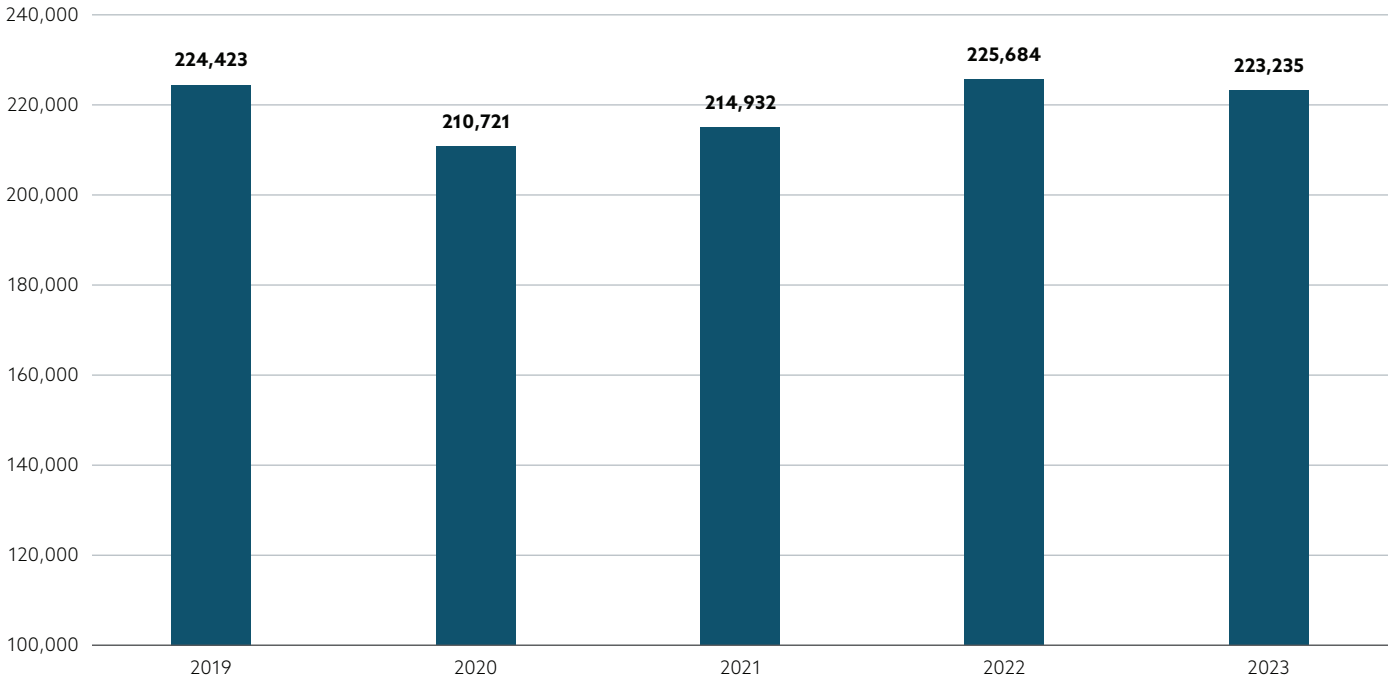
	2019 POPULATION	2024 POPULATION	ABSOLUTE CHANGE	PERCENT CHANGE
Salinas	162,008	162,037	29	0.0%
Seaside	32,272	30,197	-2,075	-6.4%
Monterey	28,100	27,106	-994	-3.5%
Soledad	27,799	26,966	-833	-3.0%
Marina	22,190	22,695	505	2.3%
King City	13,281	14,216	935	7.0%

Source: California Department of Finance, CVL Economics.

Between 2019 and 2023, total employment in Monterey County fluctuated, reflecting both the impacts of the COVID-19 pandemic and the region's shifting economic landscape (Figure 2). In 2019, the county had just over 224,400 jobs, followed by a sharp decline in 2020 to roughly 210,700 jobs—a drop of over 13,700 jobs, or 6%, driven largely by widespread pandemic-related shutdowns and contractions in hospitality, retail, and service sectors. Employment increased to over 214,900 in 2021 and peaked above pre-pandemic levels at nearly 225,700 in 2022. Employment declined again to about 223,250 in the following year as the labor market began to cool amid growing uncertainty across key sectors. This net change—roughly 1,200 fewer jobs in 2023 compared to 2019—masks considerable variation across industries, with some sectors experiencing steady growth and others facing notable declines.

On the growth side, Construction led all industries with a 6.5% increase, adding over 550 jobs. Educational Services (+6.3%) and Health Care & Social Assistance (+4.7%) also expanded (Table 1). Smaller gains were also seen in Arts, Entertainment & Recreation and Government. However, several sectors experienced contraction. Retail Trade and Accommodation & Food Services—two historically strong sources of local employment, but impacted by pandemic-era volatility and longer-term shifts in consumer behavior—declined by 3.6% and 2.5%, respectively. Agriculture, the county's foundational industry, saw a slight decline of 0.7% (or 400 jobs). More acute losses occurred in Utilities (–30.5%), Finance & Insurance (–11.7%), and Information (–11.5%).

FIGURE 2: EMPLOYMENT IN MONTEREY COUNTY
2019 TO 2023



Note: Includes W-2 and self-employed workers.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

TABLE 1: EMPLOYMENT BY SECTOR IN MONTEREY COUNTY

2019 VS 2023

	NUMBER OF JOBS		
	2019	**2023**	**% Change**
Construction	8,557	9,111	6.5%
Educational Services	2,871	3,053	6.3%
Health Care & Social Assistance	18,989	19,883	4.7%
Arts, Entertainment & Recreation	3,563	3,636	2.1%
Management of Companies & Enterprises	1,514	1,544	2.0%
Government	40,057	40,485	1.1%
Real Estate & Rental & Leasing	2,685	2,702	0.6%
Wholesale Trade	5,868	5,848	-0.3%
Agriculture, Forestry, Fishing & Hunting	57,567	57,157	-0.7%
Admin., Support, Waste Management & Remediation Services	9,602	9,531	-0.7%
Other Services (except Public Administration)	10,295	10,109	-1.8%
Professional, Scientific & Technical Services	6,794	6,665	-1.9%
Accommodation & Food Services	23,798	23,204	-2.5%
Retail Trade	17,671	17,043	-3.6%
Manufacturing	5,658	5,390	-4.7%
Transportation & Warehousing	3,818	3,487	-8.7%
Mining, Quarrying & Oil and Gas Extraction	266	240	-9.8%
Information	1,150	1,017	-11.5%
Finance & Insurance	2,865	2,531	-11.7%
Utilities	833	579	-30.5%
Total	**224,423**	**223,235**	**-0.5%**

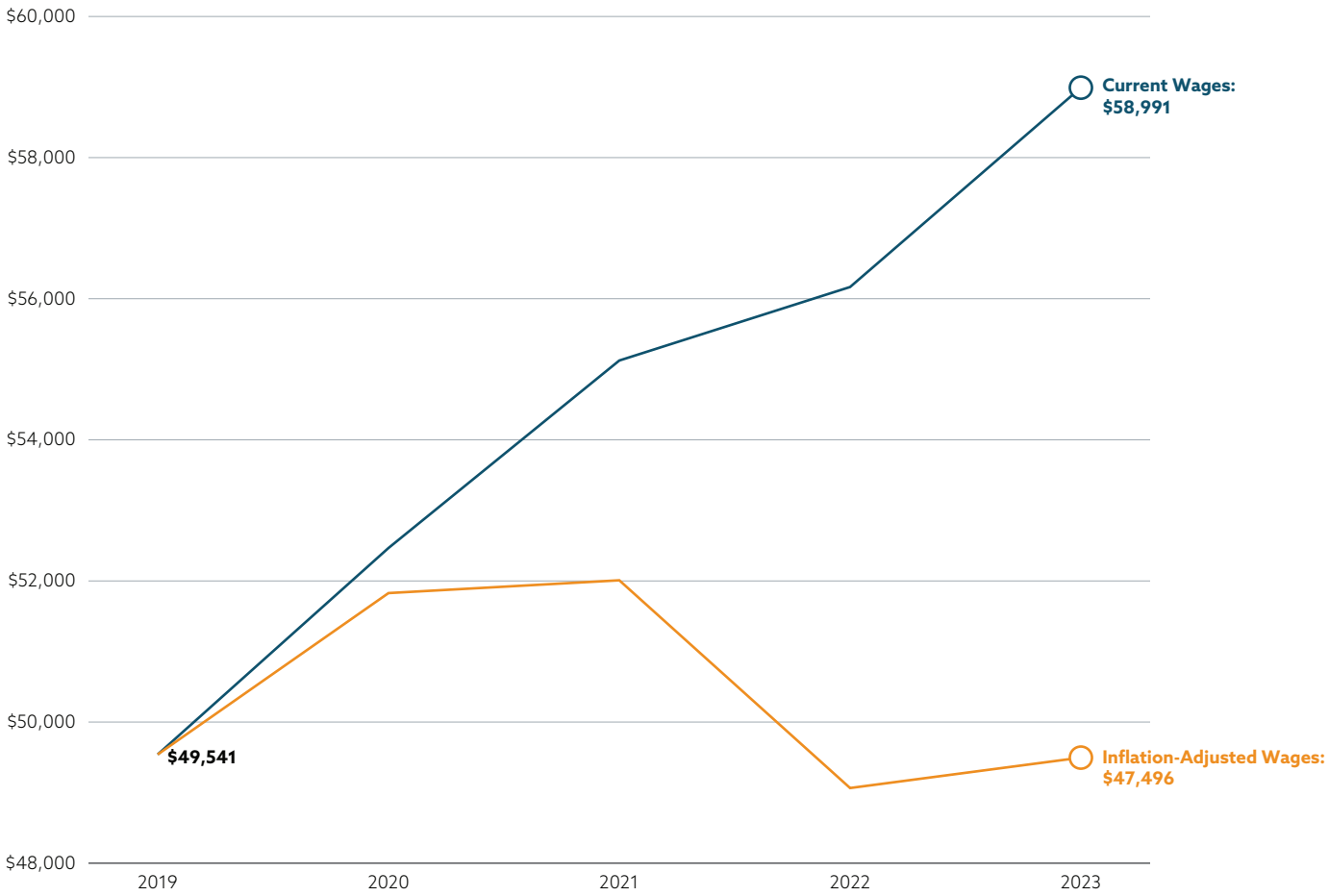
Note: Includes W-2 and self-employed workers. Highlighted rows indicate Monterey County's target industries.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

Between 2019 and 2023, the average annual wage in Monterey County rose from $49,541 to $58,991, an increase of nearly 20% in nominal (non-adjusted) terms (Figure 3). On the surface, this suggests strong wage growth across the local economy. However, when adjusted for inflation, the picture is less optimistic. Real wages—which reflect actual purchasing power—have remained flat over the five-year period, starting at $49,541 in 2019 and ending slightly lower at $49,496 in 2023.

This divergence highlights a key challenge facing Monterey County's workforce: while paychecks may be getting larger, rising costs for housing, transportation, food, and other essentials have eroded any real gains in income. The sharpest drop in inflation-adjusted wages occurred between 2021 and 2022, mirroring broader statewide trends driven by post-pandemic inflation. For many workers—especially in lower-wage sectors like agriculture, food service, and retail—this means continued financial strain despite upward movement in headline wage figures.

FIGURE 3: AVERAGE ANNUAL WAGES IN MONTEREY COUNTY
2019 TO 2023



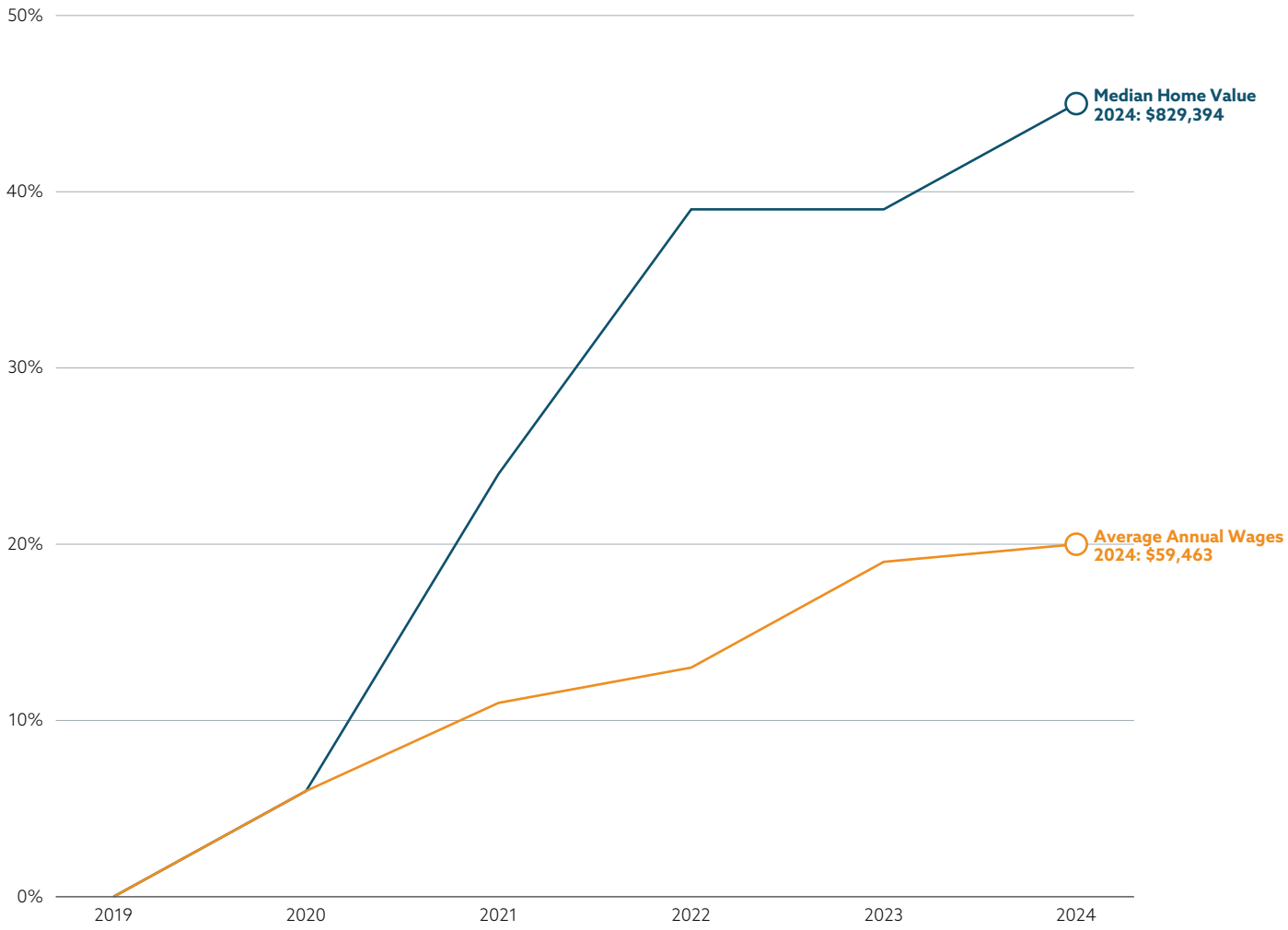
Note: Includes wages for W-2 and self-employed workers.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

A closer look at changes in housing prices relative to wages provides a case in point. Between 2019 and 2024, home prices in Monterey County have surged far beyond local wage growth, deepening affordability challenges across the region (Figure 4). While nominal average annual wages increased by about 20% over this five-year period—reaching $59,463 in 2024—nominal home values have risen by more than 50%, with the median home price reaching $829,394 in 2024.

This growing gap between wages and housing costs underscores a persistent strain on working families, particularly for those in lower-wage sectors like Agriculture, Leisure & Hospitality, and Retail. Wages have failed to keep pace with the cost of homeownership, making it increasingly difficult for residents to buy homes or remain in the communities where they work. The widening disconnect between earnings and housing affordability remains a core challenge for regional economic resilience and workforce stability.

FIGURE 4: PERCENT CHANGE IN HOME PRICES AND AVERAGE ANNUAL WAGES IN MONTEREY COUNTY
2019 TO 2024



Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Zillow, CVL Economics.

THE AGRICULTURE SECTOR

Monterey County's agriculture sector stands at a critical juncture, balancing its position as a national leader in crop production with mounting pressures that threaten its long-term viability. As the United States' top-ranked county for vegetable production and third-highest overall for agricultural market value, Monterey generated $4.4 billion in agricultural output in 2023, directly employing over 58,000 workers across 57,000 jobs in the broader agriculture industry. This economic powerhouse extends far beyond the farmlands, supporting an additional 15,712 jobs through indirect and induced impacts while contributing $8.2 billion in value added to the regional economy and generating nearly $2 billion in tax revenue across all levels of government.

However, beneath these impressive figures lies a sector grappling with fundamental structural shifts that demand urgent attention. The industry faces an acute labor shortage exacerbated by an aging workforce, immigration policy uncertainties, and the county's dramatic increase in H-2A visa certifications—increasing from just 44 positions in 2013 to over 8,000 in 2023, now representing nearly 30% of California's total. This workforce transformation occurs alongside accelerating consolidation, as small and mid-sized farms struggle with disproportionate regulatory burdens, escalating compliance costs, and food safety requirements that can destroy hundreds of feet of crops due to minor infractions. Climate pressures compound these challenges, as increasing water scarcity, extreme heat events, and flooding threaten crop viability while pushing some growers to fallow land entirely.

The wine industry exemplifies these broader struggles, with 3,000 to 4,000 acres of vineyards removed in recent years due to declining consumption patterns and economic pressures. Meanwhile, rising housing costs create workforce retention challenges across all skill levels, from field workers to the emerging AgTech professionals needed for the sector's technological evolution. Despite significant investments in agricultural workforce housing, the "missing middle" housing gap persists, affecting the very workers essential for the industry's modernization and sustainability efforts that could position Monterey County as a global leader in agricultural innovation and climate resilience.

CURRENT LANDSCAPE

Monterey County stands at the forefront of U.S. agriculture, consistently ranking among the top three counties nationwide for agricultural market value. In 2022, it led California—and the nation—in crop production, driven by production of vegetables, while also ranking highly for fruits and berries (Table 2).

Monterey County's $4.4 billion in agriculture production market value in 2023 was actually a drop from the previous year, sitting slightly below pre-pandemic levels (Figure 5). While still one of the highest-producing agricultural counties in the nation, the decline from the 2022 peak of $4.6 billion reflects mounting challenges facing the region's growers. Rising labor costs, limited water availability, and shifting market dynamics have all contributed to increased volatility in year-to-year production value.

TABLE 2: RANK OF MONTEREY COUNTY AGRICULTURE PRODUCTS BY MARKET VALUE

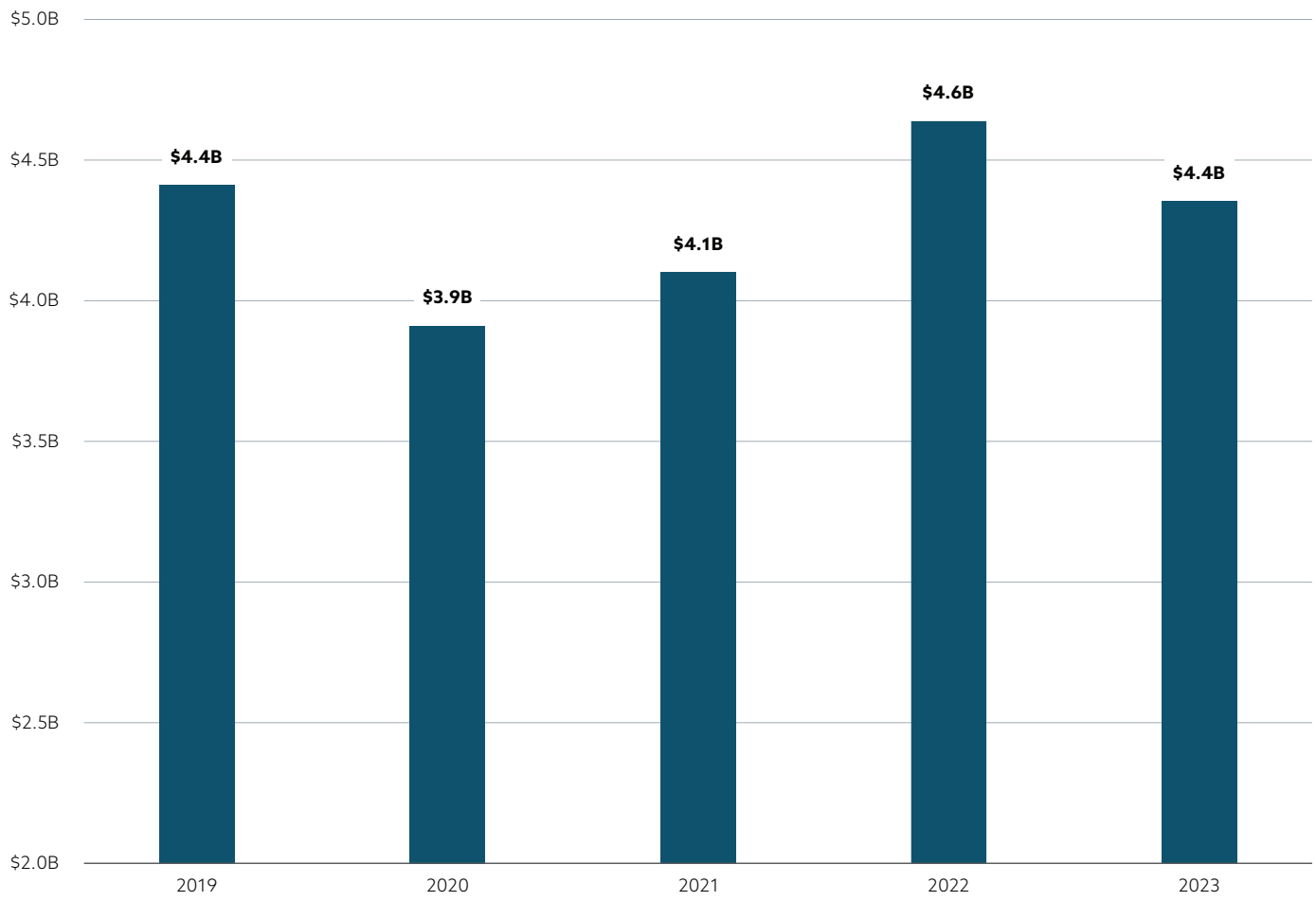
2022

	RANK IN CALIFORNIA	RANK IN UNITED STATES
Crops	1	1
Vegetables, melons, potatoes, sweet potatoes	1	1
Fruits, tree nuts, berries	5	5
Nursery, greenhouse, floriculture, sod	7	19
Grains, oilseeds, dry beans, dry peas	26	2,040
Livestock, poultry, and products	19	1,080

Source: U.S. Census of Agriculture.

FIGURE 5: GROSS PRODUCTION VALUE OF MONTEREY COUNTY AGRICULTURE PRODUCTS

2019 TO 2023



Source: County of Monterey Office of the Agricultural Commissioner, CVL Economics.

Monterey County's crop portfolio remains both diverse and high-value. Strawberries, leaf lettuce, and head lettuce were the top three crops by value in 2023, collectively generating more than $2.1 billion (Table 3). These crops not only drive local revenues but also serve as core exported goods (Table 4). Yet sustaining this level of productivity in the face of ongoing climate stress and labor shortages will require strategic investments in irrigation efficiency, workforce infrastructure, and long-term resource planning. At the same time, changes in federal trade policy can shift market dynamics in ways that local growers have little control over, adding another layer of uncertainty to an already complex landscape.

Several of the county's top crops are moderately to highly water intensive, placing pressure on already limited supplies.

TABLE 3: MONTEREY COUNTY TOP CROPS BY PRODUCTION VALUE
2023

CROPS	CROP VALUE
Strawberry	$903.8 Million
Leaf Lettuce	$782.1 Million
Head Lettuce	$493.5 Million
Broccoli	$468.9 Million
Wine Grape	$194.6 Million
Cauliflower	$188.2 Million
Celery	$173.8 Million
Spinach	$139.0 Million
Nursery & Flower	$128.9 Million
Livestock & Poultry	$115.6 Million

Source: County of Monterey Office of the Agricultural Commissioner, CVL Economics.

TABLE 4: MONTEREY COUNTY TOP EXPORTS BY COMMODITY
2023

COMMODITY	TOTAL POUNDS
Lettuce	88,567,000
Strawberry	80,100,000
Celery	18,486,000
Spinach	16,882,000
Cabbage	16,551,000
Broccoli	16,042,000
Cauliflower	10,901,000
Brussels Sprouts	3,445,000
Radicchio	2,618,000
Raspberry	2,436,000

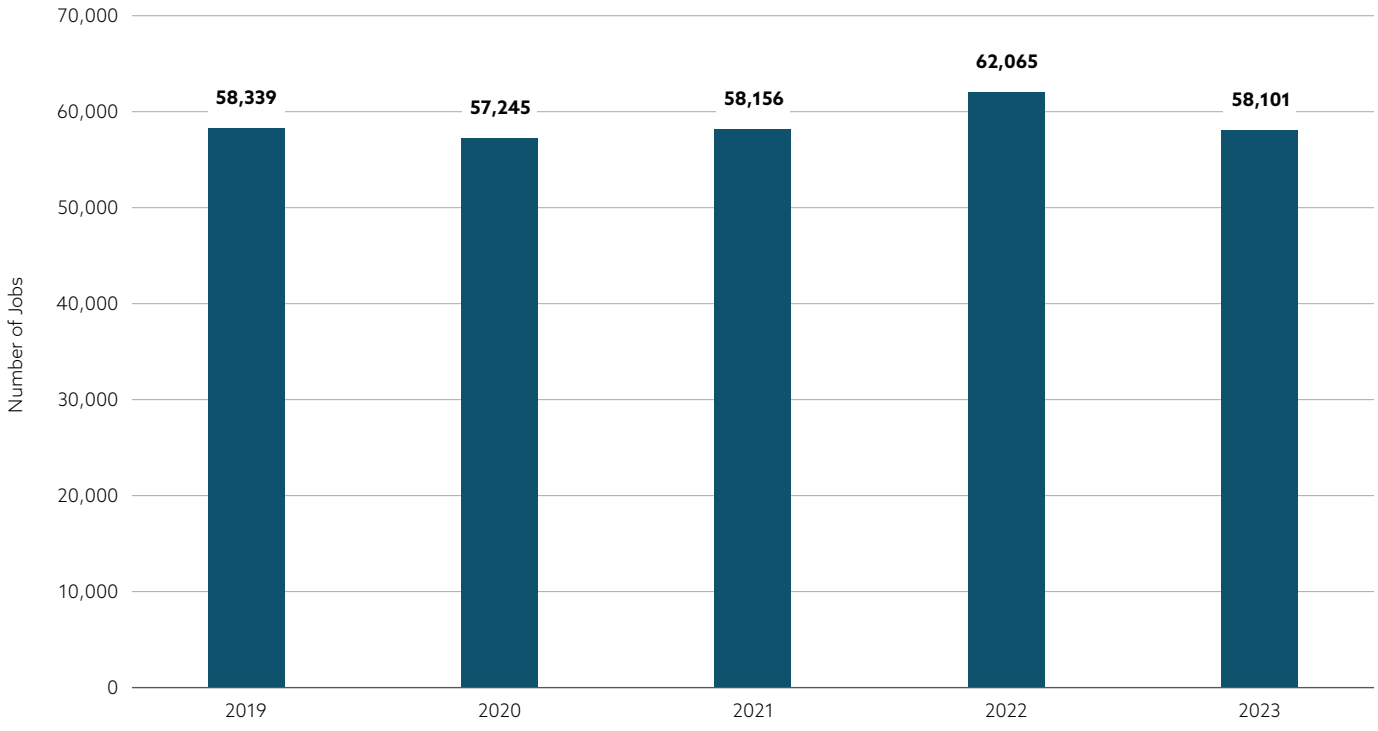
Source: County of Monterey Office of the Agricultural Commissioner, CVL Economics.

EMPLOYMENT AND WAGES

Agricultural employment in Monterey County totaled 58,101 jobs in 2023, slightly below pre-pandemic levels (Figure 6). In 2019, the sector directly employed 58,339 jobs, but employment dipped in 2020 amid pandemic-related disruptions. While there was a temporary rebound in 2022—reaching a high of 62,065 jobs—the sector shed nearly 4,000 jobs the following year. While overall agricultural employment in Monterey County has remained relatively stable, the underlying subsectors have experienced notable shifts in recent years (Figure 7). Crop Production, the county's largest agriculture subsector, saw little movement between 2019 and 2023, but sat one percentage point below pre-pandemic levels in 2023. In contrast, Animal Production experienced a strong rebound during the pandemic—growing by 15% between 2019 and 2020 and continuing upward through 2022—but saw a steep 24% drop in 2023 from 2019 levels.

The standout trend lies in Manufacturing & Processing, which has expanded dramatically—growing 173% between 2019 and 2023. However, this remains the county's smallest agriculture subsector, with only 82 jobs in 2023. Meanwhile, wineries—which faced significant setbacks during the early pandemic years—declined sharply by 24% in 2020, before rebounding to 11% growth in 2023 from 2019 levels. Together, these trends illustrate both the resilience and the structural shifts occurring within Monterey County's diverse agricultural economy.

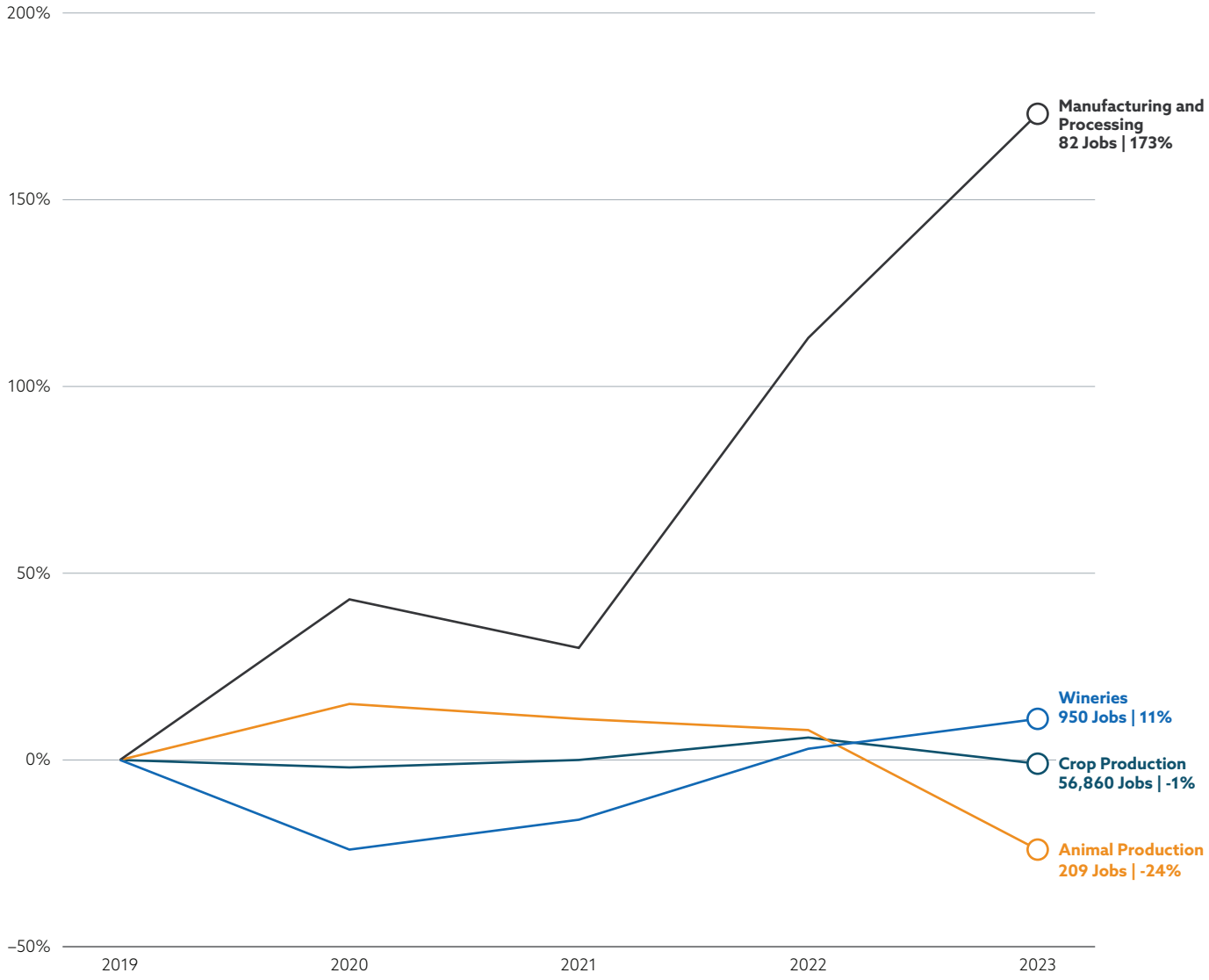
FIGURE 6: AGRICULTURE EMPLOYMENT IN MONTEREY COUNTY
2019 TO 2023



Note: Includes W-2 and self-employed workers.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

FIGURE 7: EMPLOYMENT GROWTH BY AGRICULTURE SUBSECTOR IN MONTEREY COUNTY
2019 TO 2023

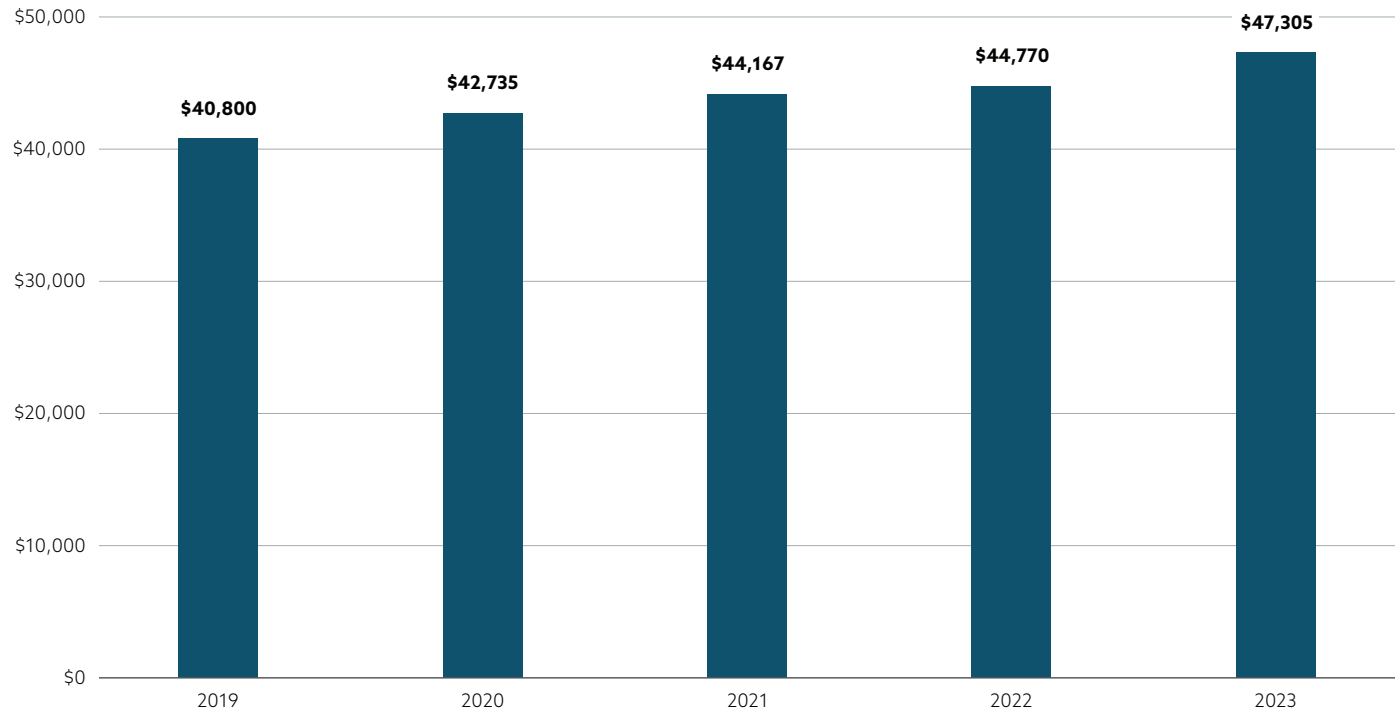


Note: Includes W-2 and self-employed workers.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

Between 2019 and 2023, the average annual wage in Monterey County's agriculture sector rose from $40,800 to $47,305, marking a 16% increase over five years (Figure 8). While this reflects steady year-over-year growth, it falls slightly below the cumulative inflation rate of approximately 19% during the same period. Agricultural wages remain well below the countywide average across all industries, which reached nearly $59,000 in 2023. In a region where housing and living costs have grown rapidly, especially in areas like the Monterey Peninsula and Salinas Valley, these wage levels continue to present affordability challenges for many workers. While the agriculture sector remains the largest employer in the county, ensuring that wage growth keeps pace with rising costs of living will be essential for workforce retention, economic mobility, and long-term sector resilience.

FIGURE 8: AGRICULTURE AVERAGE ANNUAL WAGES IN MONTEREY COUNTY
2019 TO 2023



Note: Includes wages for W-2 and self-employed workers.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

ECONOMIC IMPACT

Beyond its direct employment, Monterey County's agriculture sector creates significant ripple effects throughout the regional economy. In 2023, an additional 30,252 jobs were supported through indirect and induced impacts—ranging from trucking and equipment services to retail, health care, and education (Table 5). These jobs reflect the broader ecosystem that agriculture sustains: businesses that supply inputs, process products, maintain equipment, and provide services to both farms and farmworkers. As agriculture and associated employees spend their earnings on goods and services in the community, their household spending further circulates dollars through local businesses, amplifying the sector's economic footprint. Altogether, the sector generated over $6.0 billion in labor income and contributed $9.1 billion in value added—the local component of GDP—demonstrating how agriculture fuels both job creation and economic growth far beyond the fields.

The agriculture sector also generates significant fiscal contributions. In 2023, the industry contributed nearly $13.8 billion in federal, state, and local tax revenue across direct, indirect, and induced activity. This includes almost $9.4 billion from direct agricultural operations alone, underscoring the sector's importance not just to rural livelihoods but to the broader public sector. These tax revenues help fund essential services such as schools, infrastructure, and public health, making agriculture a foundational pillar to Monterey County's economy.

TABLE 5: ECONOMIC AND FISCAL IMPACT OF THE AGRICULTURE INDUSTRY IN MONTEREY COUNTY
2023

	EMPLOYMENT	LABOR INCOME	VALUE ADDED	TAX REVENUE
Direct	58,101	$3,969,550,887	$6,067,454,789	$9,389,024,931
Indirect	16,601	$1,110,936,448	$1,433,176,784	$1,902,166,324
Induced	13,651	$931,541,724	$1,631,140,954	$2,465,501,212
Total	**88,353**	**$6,012,029,058**	**$9,131,772,528**	**$13,756,692,467**

Note: Tax Revenue includes Federal, State, and Local tax revenue generation.

Source: IMPLAN, CVL Economics.

WORKFORCE DEMOGRAPHICS

The majority (55%) of the agriculture workforce in Monterey County are Hispanic or Latino (Table 6). About a third (33%) of the sector are White, 6.2% are Asian, and 4.3% are Black or African American. Smaller shares identify as Two or More Races (1.1%), American Indian or Alaska Native (0.4%), or Native Hawaiian or Other Pacific Islander (0.3%).

Crop, Nursery, and Greenhouse Farmworkers are the largest occupation group in Monterey County's agriculture industry, comprising 50% of the total industry. This segment represents the backbone of the region's agricultural labor force, responsible for the hands-on work of planting, tending, and harvesting the county's high-value crops. These roles are predominantly held by Hispanic or Latino workers, who account for nearly 68% of the workforce in this category—significantly higher than their share of the overall industry.

TABLE 6: RACE AND ETHNICITY OF AGRICULTURE SECTOR AND FARMWORKERS IN MONTEREY COUNTY
2023

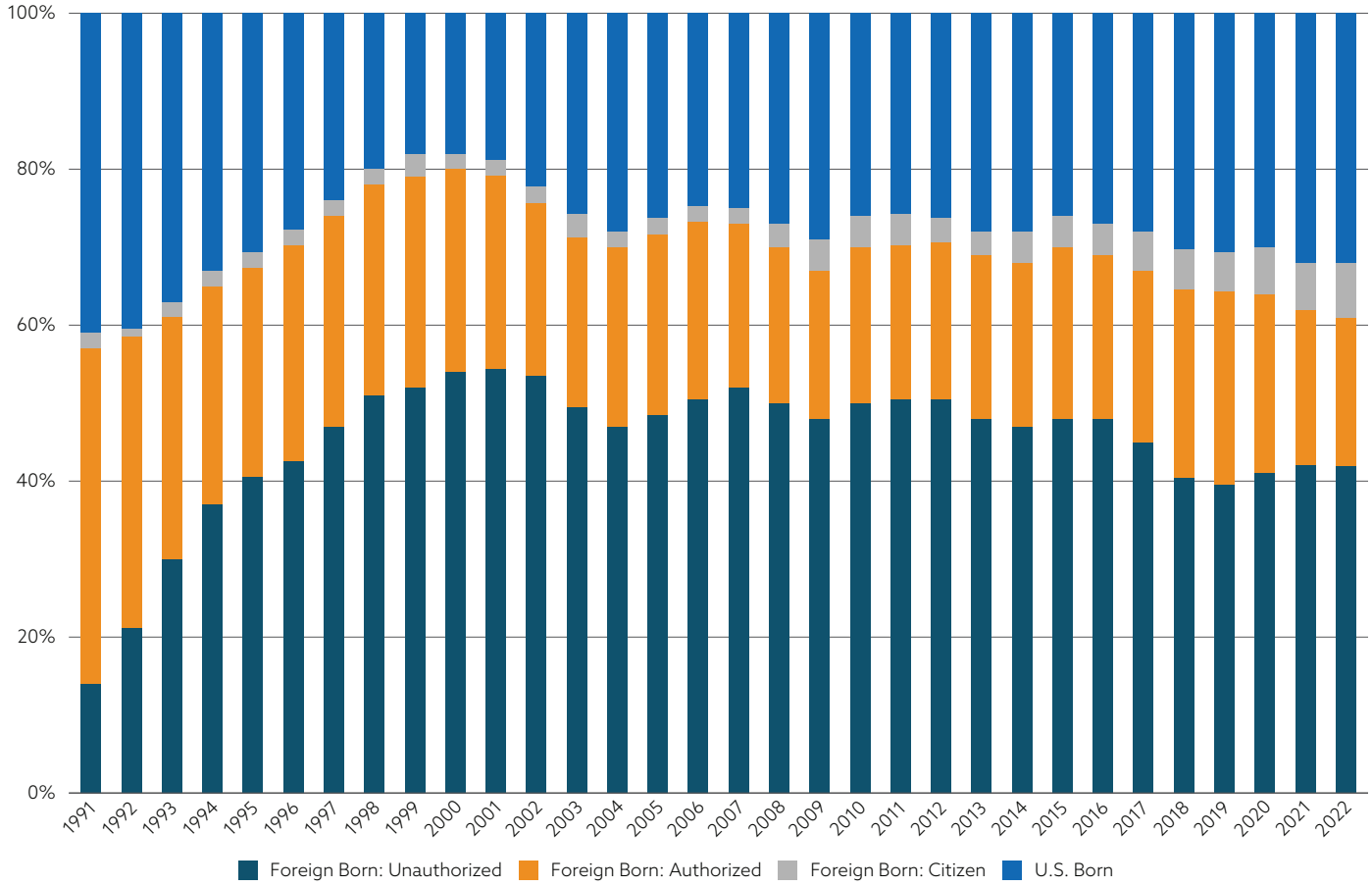
RACE/ETHNICITY	TOTAL AGRICULTURE SECTOR	CROP, NURSERY, AND GREENHOUSE FARMWORKERS
Hispanic or Latino	54.6%	67.8%
White	33.1%	23.3%
Asian	6.2%	4.6%
Black or African American	4.3%	3.1%
Two or More Races	1.1%	0.6%
American Indian or Alaska Native	0.4%	0.4%
Native Hawaiian or Other Pacific Islander	0.3%	0.2%

Source: U.S. Census Bureau, CVL Economics.

A significant share of farmworkers are foreign-born, and many are immigrants from Mexico and Central America. From the mid-1990s through the early 2000s, the share of unauthorized farmworkers in the U.S. peaked at over 50%, highlighting the agricultural sector's long-standing reliance on undocumented labor nationwide (Figure 9). Although that share has slightly declined in recent years, sitting at 42% in 2022, the share of U.S.-born farmworkers has remained relatively low compared to immigrant labor. This national trend mirrors what's unfolding in Monterey County, where labor-intensive crops are increasingly supported by temporary foreign workers recruited through the H-2A visa program.

The rise in H-2A guestworker certifications in Monterey County over the past decade has been dramatic (Table 7). In 2013, just 44 H-2A positions were certified in the county, representing only 1.0% of California's total. By 2023, that number had surged to 8,157, accounting for nearly 30% of all H-2A certifications statewide, the highest share of any California county. This exponential growth—an increase of over 18,400%—reflects Monterey County's increasing dependence on immigrant labor to sustain its agricultural output. Monterey now issues more H-2A certifications than any other county in California, signaling a structural shift in how the region is sourcing and managing its workforce.

FIGURE 9: LEGAL STATUS OF HIRED CROP FARMWORKERS IN THE UNITED STATES
1991 TO 2022



Source: U.S. Department of Agriculture, U.S. Department of Labor, CVL Economics.

TABLE 7: H-2A CERTIFICATIONS BY SELECT COUNTIES IN CALIFORNIA
2013 VS. 2023

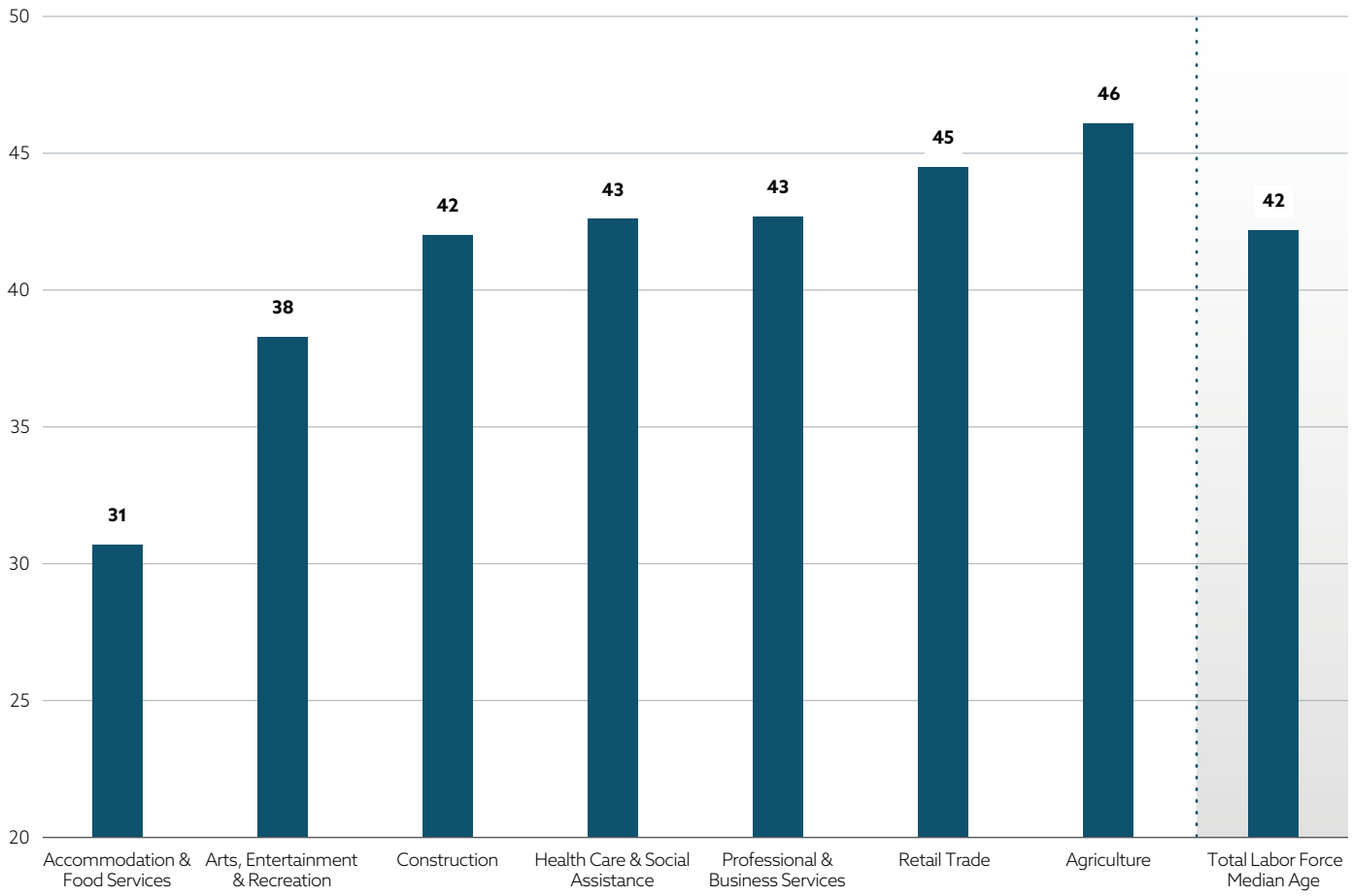
	2013		2023	
	COUNT	% OF TOTAL	COUNT	% OF TOTAL
Kern	48	1.1%	230	0.8%
Monterey	44	1.0%	8,157	29.4%
Fresno	9	0.2%	1,089	3.9%
Tulare	21	0.5%	80	4.7%
Santa Barbara	158	3.5%	4,581	16.5%
Imperial	661	14.7%	1,481	5.3%
Total California	**4,505**	**-**	**27,759**	**-**

Source: UC Davis Labor and Community Center of the Greater Capital Region, U.S. Department of Labor, Department of Homeland Security, CVL Economics.

The sector's workforce also skews older than in previous decades, with a growing proportion of agriculture workers aged 40 and above, reflecting both limited pipeline development and declining entry among younger generations (Figure 10).[1] The median age of agriculture workers in the U.S. is 46 years old, compared to 43 in Health Care & Social Assistance (another key sector in Monterey County), and below 40 in sectors like Accommodation & Food Services and Arts, Entertainment & Recreation. On average, agricultural workers are four years older than the median age of the entire U.S. labor force. These demographic realities—combined with language barriers, limited access to healthcare, and heightened climate vulnerability—underscore the urgent need for workforce development strategies that center equity, legal protections, and long-term economic mobility.

[1] U.S. Census Bureau (American Community Survey Public Use Microdata Sample.

FIGURE 10: MEDIAN AGE OF U.S. EMPLOYMENT BY INDUSTRY
2024



Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau (Current Population Survey), CVL Economics.

NEEDS ASSESSMENT

While Monterey County remains a national leader in crop production, the region's agricultural sector is facing major challenges. A combination of workforce instability, resource scarcity, regulatory burdens, and structural shifts threatens the long-term viability of smaller operations and the profitability of larger corporations. The following needs have emerged as critical priorities for the region's agricultural resilience and economic future:

- **Labor Shortages and Workforce Vulnerability:** Monterey's growers face acute labor shortages, exacerbated by immigration enforcement concerns and a lack of legal pathways for consistent farm labor. Increasing reliance on H-2A workers comes with its own challenges, including housing, transportation, and integration needs. Compounding this is a broader population decline and shrinking school enrollments, which narrow the pipeline of future local agricultural workers. Labor uncertainty is already prompting some producers to scale back operations or shift to crops that can be more easily mechanized.

- **Regulatory Complexity and Compliance Burdens:** Local growers have repeatedly cited a regulatory environment that is increasingly difficult to navigate. Concerns include prolonged project approval timelines, CEQA litigation risks, and electrification mandates that are difficult to implement in field-based operations. These regulations tend to disproportionately burden small and mid-sized farms, which lack the administrative and financial capacity to absorb additional compliance costs. As a result, some smaller growers are leasing or selling their land, fueling a trend of industry consolidation that runs counter to public interest in preserving small, community-rooted farms.
- **Housing Affordability and Infrastructure Barriers:** With median home prices approaching $1 million, housing affordability remains a top concern for attracting and retaining both field and high-skill agricultural workers. Although over 5,000 farmworker beds have been built in the last decade, access to housing for AgTech professionals, drone operators, and skilled mechanics remains limited. Regulatory hurdles continue to slow housing approvals, and many potential development sites lack basic utility access. These constraints inhibit both labor force stability and regional economic diversification.
- **Climate Stress and Water Security:** Extreme heat, drought, and increasingly erratic weather are changing the viability of key crops and threatening farmland in low-lying areas such as the Salinas Valley (see Spotlight: Climate Risk and Resilience). Water supply remains one of the most urgent concerns. With limited storage and no connection to the State Water Project, growers rely on increasingly stressed groundwater and localized surface supplies. SGMA-related pumping restrictions, saltwater intrusion, and regulatory uncertainty have already pushed some land into fallowing, particularly for smaller and resource-limited farms. Delays in implementing approved reservoir and recycling projects further heighten the risk.
- **Technology Access and Education Gaps:** While AgTech offers significant potential—particularly in automation, precision irrigation, and data analytics—adoption remains uneven. Small and mid-sized farms face steep barriers in accessing capital, training, and technical support needed to modernize. Meanwhile, K–12 agricultural education in much of the county remains under-resourced, limiting awareness of career paths in farming, ag mechanics, or sustainable land stewardship. Successful high school FFA programs in areas like Greenfield and King City show what's possible, but many other districts lack the facilities or staffing to build robust agriculture career pipelines. Stakeholders emphasized the importance of expanding career technical education and promoting ag-related fields starting in middle and high school, especially as student interest grows in areas like drone operation and mechatronics.

CONSIDERATIONS

Stakeholders across the industry stressed that addressing complex issues cannot happen in isolation. What's needed is a coordinated, countywide vision that aligns agriculture with broader economic development goals and fosters collaboration among public, private, and educational partners. With the right structures and shared priorities in place, Monterey has the opportunity to evolve from a center of production into a national leader in agricultural innovation and sustainability.

POSITIONING MONTEREY COUNTY AS AN AGTECH LEADER

Monterey County is well-positioned to become a national leader in AgTech. Stakeholders identified a rising demand for skilled operators in precision agriculture, drone piloting, and data-driven farm management. Institutions like Hartnell College and Rancho Cielo are expanding training programs in AgTech Mechatronics, aviation mechanics, and drone certification, aligning with employer needs. However, political fragmentation and the absence of a unified county-wide AgTech strategy limit momentum.

Investments in incubators, mechatronics training, drone certification, and data science offer a viable path to high-wage, innovation-based employment. Making AgTech a formal priority of the County, with workforce pipelines and startup infrastructure, could rebrand the region as a leader in modern agriculture and technology.

Recommendation: Position Monterey County as a leader in agricultural technology innovation by supporting AgTech startup incubation, workforce development, and regional marketing efforts that emphasize the County's unique crop profile and technological edge.

CASE STUDY

Fresno-Merced Future of Food (F3) Innovation Initiative

Part of the broader Fresno DRIVE strategy, the F3 Initiative is a regional AgTech ecosystem effort backed by a $65 million Build Back Better EDA grant. The initiative unites Fresno County, UC Merced, community colleges, and AgTech startups to develop technology solutions tailored to specialty crops. It features AgTech incubators, demonstration farms, and targeted workforce development—all coordinated through a regional innovation hub model. With strong alignment across research institutions, economic development leaders, and workforce agencies, the F3 Initiative demonstrates how a rural region can lead in agricultural innovation through strategic collaboration.

REIMAGINING WORKFORCE DEVELOPMENT AND EDUCATION

The workforce pipeline remains a central concern. While postsecondary programs are expanding, stakeholders expressed frustration at the lack of investment in agricultural education at the K–12 level. To recruit the next generation, education must reflect the modern agricultural reality: robotics, sustainability, data, and global food systems. Stakeholders urged the County to support CTE completion pathways, update facilities, and treat agricultural education as essential economic infrastructure.

Recommendation: Strengthen the education pipeline from middle school through college by investing in and expanding CTE pathways, upgrading agricultural program facilities, and aligning curricula with emerging AgTech careers.

CASE STUDY

Central Valley Ag Prep Academies

In the Central Valley, school districts in Tulare and Modesto have implemented Ag Prep Academies that integrate agricultural science, technology, and business education into high school curricula. Students can earn college credit, gain hands-on experience, and transition into postsecondary AgTech programs. These programs are often supported by local employers and community colleges, creating a full pipeline from high school to high-wage careers.

REVITALIZING SMALL FARMS THROUGH ECOSYSTEM DEVELOPMENT

The current trajectory of industry consolidation is squeezing out small and mid-sized farms. While consumers express strong support for local and organic agriculture, policy and regulatory burdens disproportionately affect smaller operators. Stakeholders pointed to a need for land access programs, mentorship for new farmers, and inclusion in AgTech training to help keep small farms viable.

Monterey County is already home to a leading example in this space: the Agriculture and Land-Based Training Association (ALBA) in Salinas, which provides aspiring farmers—many of them former farmworkers—with access to land, organic farming education, and small business support. Building on models like ALBA, there is also an opportunity to expand regenerative agriculture demonstration sites as community learning and incubation spaces—helping farmers access land, water, and knowledge.

Recommendation: Develop demonstration projects and targeted support programs to improve small and mid-sized farmers' access to land, regenerative practices, and new technologies that promote long-term resilience.

CASE STUDY
Marin Carbon Project

The Marin Carbon Project is a nationally recognized initiative that pioneered carbon farming on working lands, showing how practices like compost application and rotational grazing can sequester carbon in soil. Led by a coalition including the Marin Agricultural Land Trust (MALT), UC Berkeley, NRCS, and local ranchers, the project helped shape California's Healthy Soils Program and set the standard for climate-beneficial farming practices now replicated across the state and beyond.

ADDRESSING THE HOUSING IMBALANCE

Housing affordability is the linchpin of workforce retention. Despite progress in building 5,000+ units of agricultural workforce housing, most developments cater to field workers, not the skilled AgTech and management workforce. High costs, long timelines, and CEQA-related delays are persistent barriers.

There is growing interest in alternative models like community land trusts to help lower costs and support a more stable agricultural ecosystem. Housing solutions must be diversified to match the sector's changing labor profile—from field to firmware.

Recommendation: Advocate for regulatory reforms and explore community land trust models to increase the supply of affordable housing, particularly for mid-skill and AgTech professionals in the agricultural workforce.

CASE STUDY

Watsonville Community Land Trust

The Community Land Trust of Santa Cruz County (CLT-SCC) has developed several permanently affordable housing projects in and around Watsonville, a predominantly agricultural community with a high concentration of farmworkers and low-wage agricultural employees. Through the CLT model, the land is owned by the nonprofit trust, while residents own or rent the homes with long-term affordability agreements in place.

BUILDING MONTEREY COUNTY'S REPUTATION AS A LEADER IN AGRICULTURAL SUSTAINABILITY

Climate adaptation is both an existential challenge and an area of innovation. From electrification mandates to extreme heat, Monterey's farms are at the frontlines of climate stress. While mandates like those for electric farm equipment raise serious operational concerns, initiatives like carbon markets, cooling stations, and regenerative demonstration farms show a proactive path forward. Stakeholders called for greater alignment across sectors to develop a "culture of sustainability," connecting water, land use, forestry, and energy policies to agricultural resilience.

Recommendation: Create a compelling narrative around sustainable agriculture that positions Monterey County as a national leader in climate resilience, carbon farming, and regenerative innovation—with cross-sector coordination to match.

UNLOCKING AGRICULTURAL TOURISM AND STORYTELLING POTENTIAL

Agricultural tourism remains underutilized due to food safety regulations and restrictive zoning policies. However, there is renewed momentum around creative alternatives like Highway 68's potential transformation into an agricultural showcase corridor. Projects at Regenerative California and Reservoir Farm highlight how tourism, public education, and sustainability can intersect. More than just a revenue stream, agricultural tourism presents an opportunity to reshape the public narrative of agriculture—from a struggling industry to an innovative, sustainable driver of the regional economy.

Recommendation: Develop agritourism demonstration sites along key corridors (e.g., Highway 68) to connect regenerative farming, AgTech, and public education while working to modernize zoning and general plan policies that currently limit growth.

SPOTLIGHT:

CLIMATE RISK AND RESILIENCE

The effects of climate change have already impacted the lives of Californians in profound ways. Rising temperatures have intensified the frequency and severity of extreme weather events, such as wildfires, drought, and storms. With 85% of the state's population living in coastal counties, rising sea levels pose one of the most urgent climate risks. At the same time, growing water scarcity and instability increase the risks of both floods and droughts. Wildfires, now synonymous with the Golden State, have burned an average of 865,000 acres annually between 2000 and 2023.[2]

Monterey County is certainly not immune to these challenges. Its coastal location is one of its main attractions and central to its economy, but it also makes it increasingly vulnerable to rising sea level impacts and shifting temperature patterns. Warmer conditions and more frequent extreme heat days are reshaping seasonal norms. Wildfires, fueled by prolonged drought and dry vegetation, are increasingly a year-round threat. Drought also heightens flood risk by reducing the land's ability to absorb and store water, making the region more vulnerable during periods of heavy rainfall and rising sea levels. Without sufficient groundwater recharge or storage, much of this excess water is lost rather than captured for future use. As a result, even in wet years, long-term water scarcity remains a persistent challenge, especially for the county's agriculture-driven economy. This spotlight section takes a closer look at how each of these climate threats is affecting Monterey County today.

CLIMATE RISKS

TEMPERATURES AND EXTREME HEAT DAYS

There is little doubt that Monterey County's climate is getting warmer. In 2024, the average annual temperature was 60.1° Fahrenheit (Table 8). Between 1974 and 2024, Monterey's annual average temperature has gone up by roughly 2.3° F, which is a faster rate compared to the statewide average (an increase of 1.8° F to 59.2° F over the same period). Summer temperatures have increased at a similar pace, with 24-hour cycle temperatures between June and August in Monterey consistently exceeding 70° F on average annually in the last few years.

[2] California Department of Forestry and Fire Protection (CAL FIRE), State of California Office of Environmental Health "Hazard Assessment."

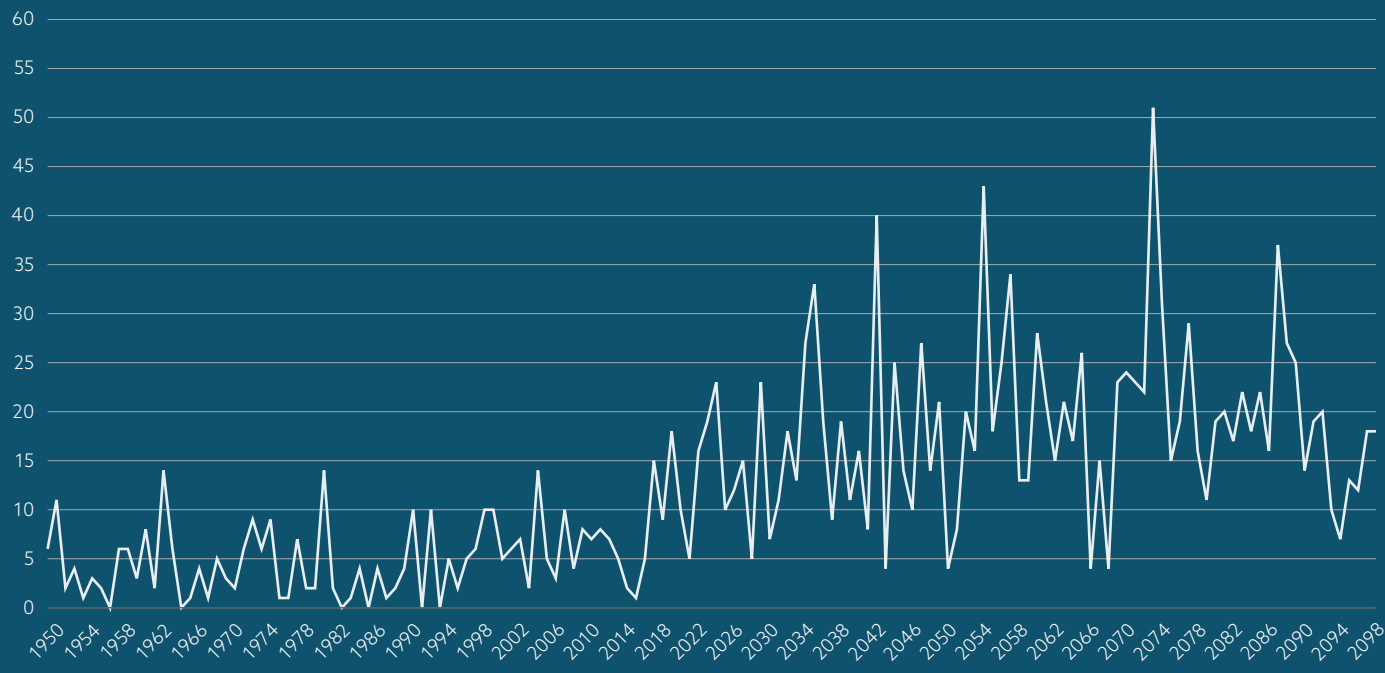
TABLE 8: MONTEREY COUNTY AVERAGE TEMPERATURES BY DECADE

TIME PERIOD	ANNUAL TEMPERATURE (JANUARY TO DECEMBER)	SUMMER TEMPERATURES (JUNE TO AUGUST)
1990 to 1999	58.54	68.15
2000 to 2009	58.65	68.78
2010 to 2019	59.52	69.3
2020 to Present	59.60	70.32

Source: National Centers for Environmental Information, National Oceanic and Atmospheric Administration, CVL Economics.

According to the California Department of Public Health, Monterey County's future annual average temperature increase can range from moderate to significant, based on the volume of carbon emissions, and is expected to continue rising. Average annual temperatures in a low-emissions scenario are expected to reach 62.3°F in Monterey by the end of the century (Figure 11). In a high-emissions scenario, temperatures are expected to average 64.4°F by the end of the century—a 5.2°F increase from the historical average. The number of extreme heat days in Monterey County (an extreme heat day is defined as having a temperature of 92.5° F or higher) between 2010 to 2024 was on average nine a year. From 2025 to 2040, the average number of extreme heat days is expected to jump up to 16 days a year. Between 2050 and 2099, the number of extreme heat days is forecasted to average 20 a year.

FIGURE 11: OBSERVED AND FORECASTED NUMBER OF EXTREME HEAT DAYS IN MONTEREY COUNTY
1950 TO 2100



Source: Cal-Adapt, CVL Economics.

WILDFIRES

Wildfires have become all too familiar for California residents, with events occurring on an annual basis throughout various regions across the state. Since 1911, Monterey County has averaged four wildfires a year, with roughly 17,000 acres burned annually. The county's largest wildfire, the Marble Cone Fire, occurred in 1977, with almost 178,000 acres burned. The next three largest wildfires have all occurred since 2008, with the most recent being the Dolan Fire, which resulted in over 128,000 acres of burned land. There is now strong scientific consensus that climate change has exacerbated the severity of wildfires. Of the top ten largest wildfires in Monterey County's history, three of them have occurred in just the last five years.

Monterey County's topography, combined with occasional drought and rising heat, increases the region's susceptibility to wildfires. Areas with the highest risk of fires include Carmel Valley, State Highway 68 corridor, Pine Canyon, North Monterey County, and Pebble Beach. In total, approximately 80% of Monterey County's land is classified as high, very high, or extreme fire threat.[3]

FLOODING

Monterey County is no stranger to flooding. From the March 1995 flood to the October 2009 storm and, more recently, the Pajaro flood in 2023, there has been extensive damage done due to flooding in the county. Monterey County is at risk to primarily four types of flooding: coastal (high tide events), riverine (overbank flooding), flash flooding, and localized storm water flooding (flooding due to storm drainpipes being at overcapacity). Floods have brought significant economic damage to Monterey County in the past: in the last ten years, floods in 2016, 2017, and 2019 caused over $60 million in infrastructure damage alone.[4]

Beyond infrastructure, flooding in Monterey County has had serious repercussions on businesses, especially its agriculture industry. Flood events in 2017 and 2023 affected tens of thousands of acres, delaying planting, damaging crops, and impacting harvests. These repeated disruptions underscore the increasing vulnerability of Monterey's farming sector to extreme weather events.

[3] County of Monterey Department of Emergency Management, https://www.readymontereycounty.org/prepare/wildfires.

[4] County of Monterey Department of Emergency Management, https://www.readymontereycounty.org/prepare/flooding.

WATER SCARCITY

Monterey County faces significant water challenges shaped by its limited local supply and heavy demand from households, businesses, and particularly its agriculture sector, which accounts for over 90% of the county's total water usage.[5] Unlike many regions in California, Monterey County does not receive water from the Sierra Nevada snowpack due to its geographic separation and infrastructure limitations (i.e., not being connected to water deliveries from the State Water Project or Central Valley Project). Instead, it relies primarily on two local sources: the Carmel River and the Seaside Groundwater Basin. However, these supplies are becoming increasingly stressed, prompting regulatory restrictions and ongoing efforts to manage extraction more sustainably.

As climate conditions grow more erratic, the risk of prolonged droughts and shifting precipitation patterns threatens the region's crop reliability, jobs, and trade. Water scarcity also constrains urgently needed residential development. Restrictions on new water connections have led to de facto building moratoriums in parts of the county, stalling efforts to expand housing—especially affordable housing and workforce units.

In response to long-standing water shortages, agencies like California American Water (Cal Am) and the Monterey Peninsula Water Management District have pursued alternative solutions to support the region's growing needs. Key efforts include the Monterey Peninsula Water Supply Project, the Pure Water Monterey recycled water program, and a proposed desalination facility to serve thousands of households. While these projects aim to diversify and strengthen the County's water portfolio, as demand grows and climate risks intensify, ensuring a reliable, affordable, and sustainable water future remains one of Monterey County's most pressing challenges.[6]

ECONOMIC IMPLICATIONS

AGRICULTURE

The impact of climate change on agriculture in Monterey County is multifaceted. At its core are the direct effects of shifting weather patterns and rising temperatures, which threaten both crop yields and the stability of the broader agricultural economy. Increases in the number of extreme heat days, particularly during the spring and summer growing seasons, pose a critical threat to Monterey County's most valuable crops, including lettuce, broccoli, and celery, which are all cool-weather crops that thrive around 60° F. Even strawberries, another staple crop of the region that can survive in higher temperatures, face growth challenges when temperatures exceed 85° F, particularly during flowering and fruit development.

[5] County of Monterey Agricultural Commissioner, 2023 County of Monterey Crop and Livestock Report, https://www.countyofmonterey.gov/home/showpublisheddocument/132827/638798007408370000.

[6] Monterey Peninsula Water Supply Project and Desalination Project, https://www.watersupplyproject.org/fact-sheet#:~:text=The%20Need%20in%20Monterey%20County,water%20supplies%20at%20greater%20risk.

As temperatures rise, so too does the presence of pests and plant diseases, necessitating more intensive and costly pest management.[7] Drier conditions in the summer due to increased temperatures can lead to greater fire risks, affecting not only the crops and animal stock, but also the agriculture infrastructure and workforce.[8] Meanwhile, altered precipitation patterns—including more rainfall and less snowfall—are shifting the timing and availability of surface water. Prolonged drought and declining groundwater reliability have led to some growers to fallow land or take fields out of production entirely. However, prolonged drought can also harden and dry out soil, making it less able to absorb water when heavy rains do arrive—exacerbating flood risks. When floods occur, they can cause soil erosion, nutrient loss, and, in severe cases, render farmland temporarily or permanently unusable.[9]

The economic ripple effects extend beyond the field. In 2023, heavy rains and flooding inundated an estimated 20,000 acres of farmland in the county, causing nearly $1 billion in regional damages, including $500 million in direct agricultural and infrastructure losses, and an additional $500 million in indirect impacts to sectors reliant on farming, such as warehousing, logistics, and local small businesses.[10] Flooded highways and damaged roadways also interrupted the transport of goods, delaying exports and reducing access to imported supplies.

Perhaps most severely affected are the people working on the ground. Agricultural workers—many of whom are immigrants or low-income residents—are especially vulnerable to climate impacts. The 2023 Pajaro flood forced more than 2,000 residents to evacuate, damaged over 900 homes, and displaced a largely farmworker community.[11] In a county already facing a housing crisis, extreme weather events deepen inequality and leave marginalized communities with few recovery options.

The California Department of Public Health has highlighted that low-income and marginalized communities are disproportionately at risk of climate impacts, including heat, floods, and agricultural disruption.[12] In Monterey County, protecting these communities—many of whom sustain the very industries most at risk—will require targeted investments in climate adaptation, workforce protection, and resilient infrastructure.

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[7] "General Climate Trends and Impact," California Climate Hub, U.S. Department of Agriculture, https://www.climatehubs.usda.gov/sites/default/files/2024-11/Module2_Area2Impacts.pdf

[8] Ibid.

[9] Al-Kaisi, Mahdi, "Soil Erosion: An agricultural production challenge," Iowa State University Extension and Outreach, July 24, 2000, https://crops.extension.iastate.edu/encyclopedia/soil-erosion-agricultural-production-challenge

[10] Richard Smoley, "Estimating the Monterey storm damage costs," Blue Book, March 28, 2023, https://www.bluebookservices.com/estimating-the-monterey-storm-damage-costs/; Todd Fitchette, "Monterey County continues to tally flood damage," Farm Progress, May 26, 2023, https://www.farmprogress.com/vegetables/monterey-county-continues-to-tally-flood-damage.

[11] Zach Fuentes and Lauren Martinez, "Monterey County flooding forces evacuations as farmers face serious impacts," ABC7 News, March 14, 2023, https://abc7news.com/levee-break-in-monterey-county-pajaro-river-breach-locations-flooding-california/12950556/; Jessica Flores, "Residents warned of hazards as they return to flood-devastated Pajaro," San Francisco Chronicle, March 22, 2023, https://www.sfchronicle.com/climate/article/pajaro-flood-levee-return-17854414.php.

[12] "Climate Change and Health Equity, " California Department of Public Health, https://www.cdph.ca.gov/Programs/OHE/Pages/Climate-Health-Equity/Health-Impacts.aspx.

TOURISM & HOSPITALITY

Tourism & Hospitality is one of Monterey County's primary economic drivers, with millions of visitors drawn each year to its coastline, natural landmarks, wineries, and much more. While in the short-run the effects of climate change are not likely to alter tourism significantly, there is greater cause for concern in the medium- and long-term as to how Monterey County can maintain its tourist appeal amidst changing weather patterns and environmental hazard-related road closures during peak travel seasons.

One of the biggest concerns in the long run is the sea level changes that have been forecasted to occur along the coastline of Monterey County. Coastal erosion threatens the region's popular beaches, trails, and scenic routes. Some forecasts have estimated that Monterey County may see an increase of 150cm, or almost 60 inches, in sea level by the end of the century. A vulnerability assessment done by the City of Carmel-by-the-Sea found that should forecasts be accurate, much of Carmel Beach from its southern end and its northern end will be severely impacted. Even if changes to sea levels aren't as high as 60 inches, the beaches will nonetheless become narrower and inaccessible during and after severe storms.[13] Monterey County's coastline plays a huge role in drawing in tourists annually. A loss of access to these natural sites means loss of visitors, and significant decline in revenue annually.

Moreover, environmental threats can cause visitors to reconsider their travel, even if there is little damage done. For example, while the Los Angeles fires in January 2025 were devastating to the communities of Pacific Palisades and Altadena, most of Los Angeles County was fortunately unscathed. However, word of mouth and media exposure caused tourism to drop. Hotel cancellations increased and local businesses—even those miles away from the fires—saw notable losses of revenues.[14] Monterey County is similarly at risk given the increase in wildfire threats as temperatures rise. With the summer months (June–September) being the most popular times to visit the county, there is also potential for disruption given that it aligns with "fire season."

[13] "City of Carmel-by-the-Sea Vulnerability Assessment," City of Carmel-by-the-Sea, April 2021, https://ci.carmel.ca.us/sites/main/files/file-attachments/vulnerability_assessment_rpt_working_draft_040921.pdf?1618005161#:~:text=This%20phenomenon%20of%20beach%20loss,normal%20conditions%20(Figure%203)

[14] Chris Dong, "A plea to tourists: Los Angeles wants you back," San Diego Union-Tribune, March 17, 2025, https://www.sandiegouniontribune.com/2025/03/17/a-plea-to-tourists-los-angeles-wants-you-back/.

INFRASTRUCTURE

The effects of climate change on infrastructure are far reaching. While the coastline is at risk of sea level changes, inland areas—which make up about 80% of the county—are at risk of wildfire damage. Over the next thirty years, there are over 85,500 properties in Monterey County identified as at some risk of wildfire exposure, with 82,300 residential properties and 5,200 commercial properties at risk. Property losses have severe downstream effects, from increases in homelessness to loss of fiscal revenue from government agencies. Infrastructure protection and mitigation efforts not only protect residents and their homes but also provide protection against fiscal losses from severe climate-related events.

Public infrastructure is also at threat of climate-related events. Sea level changes affect roads, treatment plants, and harbors. In Moss Landing, rising sea levels could compromise harbor operations, disrupting jobs and trade with severe economic and fiscal losses. The cost to protect the coastal infrastructure in just the City of Monterey is estimated to exceed $74 million by 2040, while the total cost for the County could reach $628 million.[15] Flooding and fires can disrupt and damage access to highways, cutting links between residents' homes, jobs, and essential commercial stores. Agricultural routes can also be disrupted, further impacting the industry and trade, increasing costs for producers and eventually consumers.

OPPORTUNITIES

While the threats posed by climate change are severe, there is opportunity to develop strategies to help limit these effects as well as invest towards a more sustainable, resilient economy. Several cities in Monterey County have been active in protecting their resources against the threats of climate change, with the City of Monterey and Carmel-by-the-Sea developing vulnerability assessments to strategize on how to protect coastlines and inland areas.

Monterey County is surrounded by academic and research institutions that can play a huge role in understanding climate-related changes, how they could affect the region, and how to develop climate-resilient strategies. Developing partnerships with Monterey Bay Aquarium Research Institute (MBARI) or the Naval Postgraduate School (NPS) can provide the County with the right tools and information on climate adaptation, wildfire mitigation, and sustainable practices. The Middlebury Institute of International Studies, located in Monterey, has done extensive research through the Center for the Blue Economy on ocean and coastal resource management, climate adaptation, and environmental policy. California State University Monterey Bay (CSUMB) has partnered with local farmers to research and develop "climate-smart" practices that aim to offset greenhouse gas emissions and make farms more resilient to climate change.[16]

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[15] "Susan Landry, "Water, Water Everywhere: State and local cities tackle challenges of sea level rise," Voices of Monterey Bay, June 27, 2019, https://voicesofmontereybay.org/2019/06/27/water-water-everywhere.

[16] Elena Neale-Sacks, "Cal State Monterey Bay researchers are expanding climate-smart practices through a partnership with local farmers," 90.3 KAZU, December 17, 2024, https://www.kazu.org/kazu-news/2024-12-17/cal-state-monterey-bay-researchers-are-expanding-climate-smart-practices-through-a-partnership-with-local-farmers

The Monterey County Regional Conservation Investment Strategy, which began in January 2019 and was approved by the Transportation Agency Board of Directors in 2021, helps provide guidelines on how conservation efforts can work hand-in-hand to mitigate the effects of climate change–related events on vulnerable species and habitats. This includes land acquisition, habitat protections, and restoration efforts—which will benefit public health and safety, agriculture, transportation air quality, and more.[17]

Natural infrastructure has proven to be a cost-effective and sustainable method in mitigating the risk of climate-related events. The former Hamilton Air Force Base in Marin County was converted into a wetland, which has developed a thriving natural ecosystem with various wildlife and vegetation; this has also created a natural buffer against sea level changes and storm surges.[18] The City of Ventura relocated the coastal trail alongside Surfers' Point and restored the beach with vegetated sand dunes, which created a natural infrastructure to protect against coastal threats.[19]

Entrepreneurship plays a key role in driving research around climate change mitigation, as well as adopting the strategies to help generate sustainable growth. In California's Central Valley, AgTech companies are using advanced technologies to enhance water efficiency as a measure to fight against water scarcity. Farmonaut, an AgTech firm specializing in AI for agriculture, has found success in improving water efficiency by 20% and seeing a 30% drop in crop losses.[20] The Environmental Science Associates (ESA), a California-based consulting organization, has proven successful in coastal restoration efforts, which help mitigate long-term shoreline erosion and flooding.[21] ESA has worked across multiple fields in sustainability, including water resources, flood and stormwater management, and climate change resilience.

Developing tools to mitigate the environmental threats to residents, wildlife, and infrastructure through sustainable practices not only provides returns on investments through new jobs but also helps support the key sectors that the County relies on, especially agriculture and tourism. Without a proper strategic plan to protect the region from future climate-related threats, these sectors will be vulnerable to shocks that can result in increased homelessness, business closures, and loss of fiscal revenue. Investing in a sustainable economy is investing in Monterey County's future and its economic development.

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[17] The Monterey County Regional Conservation Investment Strategy | SB 1 Adaptation Planning Grant: Final Case Study, ResilentCA.org, https://resilientca.org/case-studies/monterey-regional-conservation-investment

[18] "Hamilton Wetland Restoration Project," US Army Corps of Engineers, https://budm.el.erdc.dren.mil/ss/hamiltonwetland.html

[19] "Surfers' Point Shoreline Management," Environmental Science Associates, https://esassoc.com/projects/surfers-point-shoreline-management/#:~:text=The%20Surfers'%20Point%20Managed%20Shoreline,infrastructure%20away%20from%20coastal%20hazards.

[20] "Revolutionizing Agriculture: How Farmonaut's AI and Remote Sensing Technologies Are Shaping California's Future Farms," Farmonaut, https://farmonaut.com/usa/revolutionizing-agriculture-how-farmonauts-ai-and-remote-sensing-technologies-are-shaping-californias-future-farms?utm_source=chatgpt.com

[21] "Coastal Restoration," Environmental Science Associates," https://esassoc.com/services/restoration/coastal-estuarine-restoration/

CONCLUSION

Monterey County stands at a defining crossroads where the choices made today will determine whether the region emerges as a national leader in sustainable economic development or succumbs to the mounting pressures threatening its foundational industries. The convergence of climate change, housing affordability challenges, workforce transformation, and technological evolution demands a fundamentally different approach to economic development—one that integrates agriculture, climate resilience, and innovation as inseparable components of a unified strategy rather than competing priorities. This moment of challenge also presents an opportunity unique to the region: Monterey County possesses the agricultural expertise, research infrastructure, natural assets, and entrepreneurial capacity to pioneer solutions that other regions can eventually adopt and thus position itself at the forefront of the climate-resilient economy of the future.

The agriculture sector's evolution toward technology integration and sustainable practices can serve as the foundation for broader economic transformation, while proactive climate adaptation strategies can attract investment and innovation rather than merely respond to threats. By positioning AgTech as a County priority, strengthening educational pipelines from middle school through college, addressing housing imbalances through innovative models like community land trusts, and developing compelling narratives around sustainable agriculture and tourism, Monterey County can transform current vulnerabilities into competitive advantages. The path forward demands bold leadership, sustained collaboration, and the recognition that economic resilience and environmental sustainability are not constraints on growth, but rather the prerequisites for long-term prosperity in an era of unprecedented change.

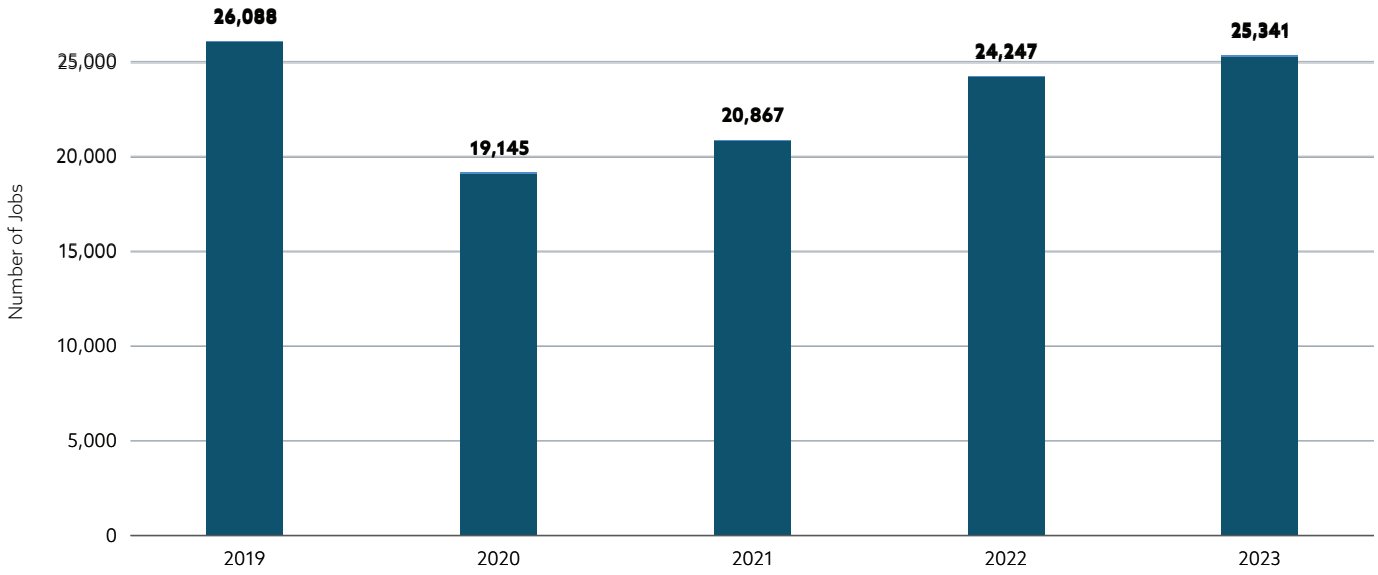
APPENDIX A: ADDITIONAL TARGET SECTORS

TOURISM & HOSPITALITY

Tourism & Hospitality operates as a significant employment sector with economic characteristics that illustrate both the benefits and inherent instabilities of visitor-dependent industries. With 25,341 jobs in 2023, the sector shows a 2.5% decline from pre-pandemic levels, revealing sensitivity to external disruptions even as other parts of the economy recovered; yet, the industry's broader economic impact extends to 33,342 total jobs when including indirect and induced effects. This employment base generates $3.4 billion in value added and over $5 billion in tax revenue, demonstrating tourism's substantial capacity to bring external dollars into the regional economy and create economic activity beyond direct visitor services.

However, wage patterns within the sector typically fall below county medians, contributing to regional income disparities even as the industry supports substantial employment numbers, illustrating how visitor-dependent economies must balance job creation with income quality considerations. The sector's vulnerability to infrastructure disruptions and external market perceptions creates volatility that affects not only direct employment but also the broader network of businesses dependent on visitor spending. Examining tourism requires understanding how this industry balances revenue generation with community impacts, infrastructure demands, and the challenge of maintaining competitive positioning while managing the costs and uncertainties associated with dependence on external visitor flows.

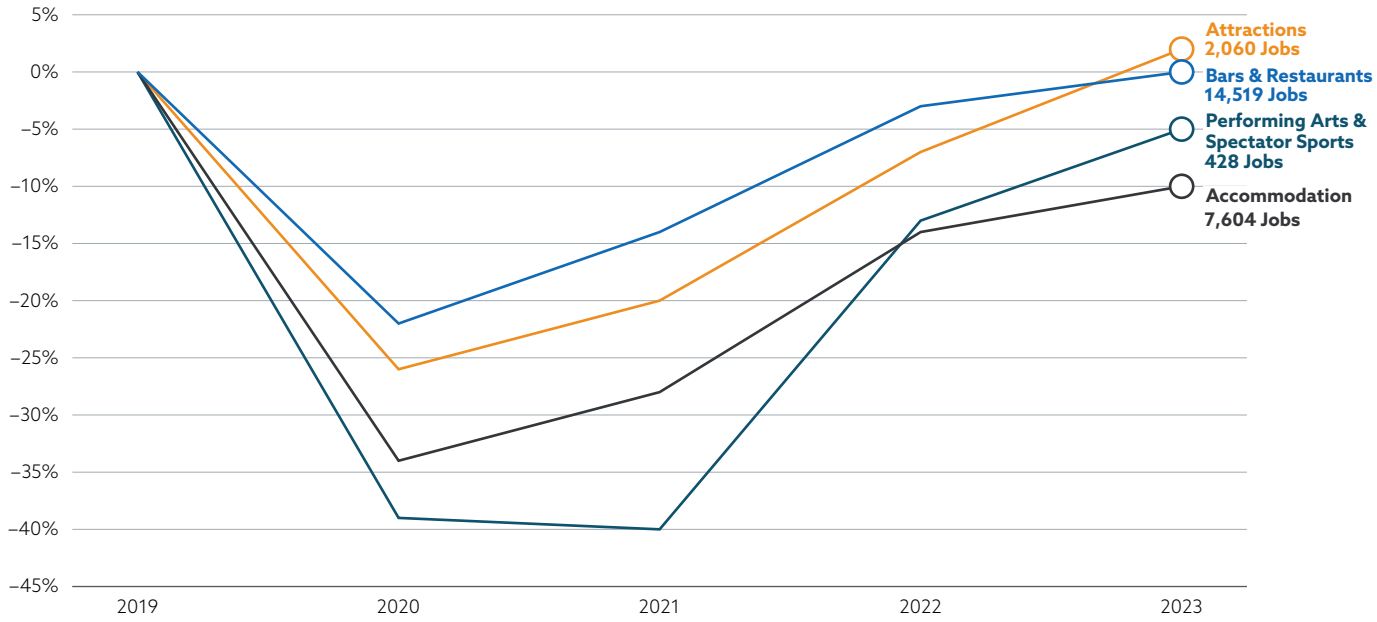
FIGURE A1: TOURISM & HOSPITALITY EMPLOYMENT IN MONTEREY COUNTY
2019 TO 2023



Note: Includes W-2 and self-employed workers.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

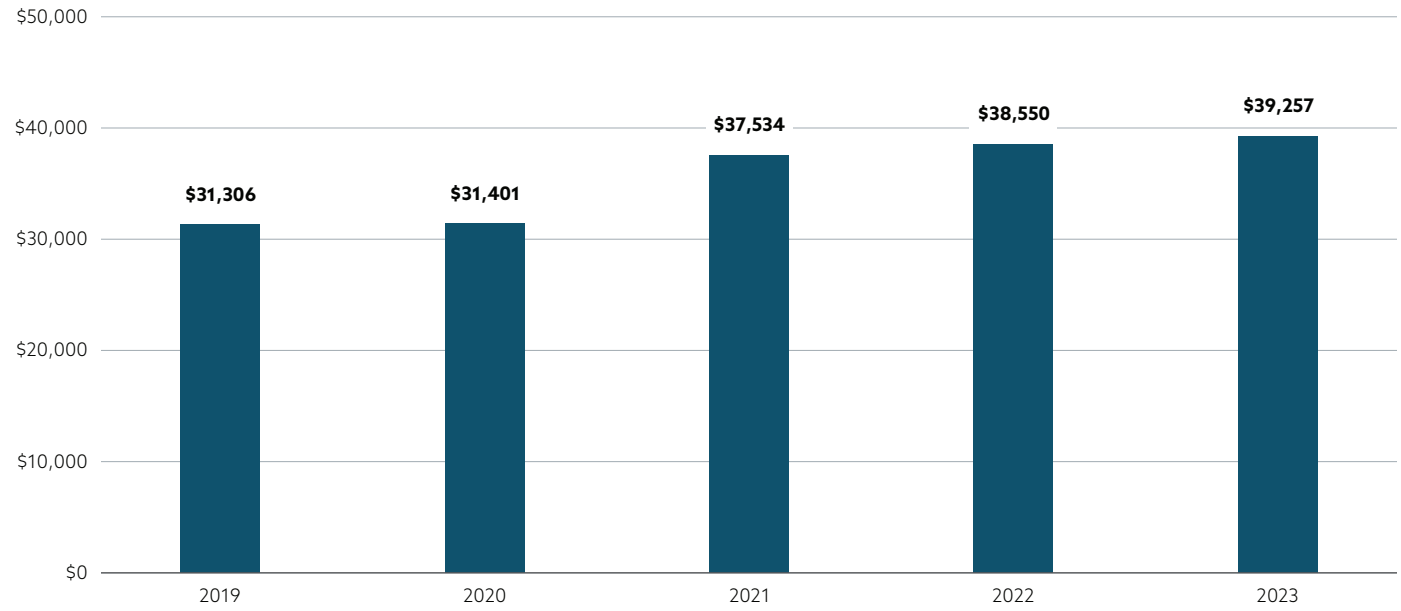
FIGURE A2: EMPLOYMENT GROWTH BY TOURISM & HOSPITALITY SUBSECTOR IN MONTEREY COUNTY
2019 TO 2023



Note: Includes W-2 and self-employed workers.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

FIGURE A3: TOURISM & HOSPITALITY AVERAGE ANNUAL WAGE IN MONTEREY COUNTY
2019 TO 2023



Note: Includes wages for W-2 and self-employed workers.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

TABLE A1: ECONOMIC IMPACT OF TOURISM & HOSPITALITY SECTOR IN MONTEREY COUNTY
2023

	EMPLOYMENT	LABOR INCOME	VALUE ADDED	TAX REVENUE
Direct Impact	25,341	$1,560,514,866	$2,386,020,134	$3,500,405,658
Indirect Impact	3,427	$281,085,158	$405,887,068	$689,564,612
Induced Impact	4,574	$307,916,255	$587,133,147	$859,534,439
Total Impact	**33,342**	**$2,149,516,279**	**$3,379,040,348**	**$5,049,504,709**

Note: Tax Revenue includes Federal, State, and Local tax revenue generation.

Source: IMPLAN, CVL Economics.

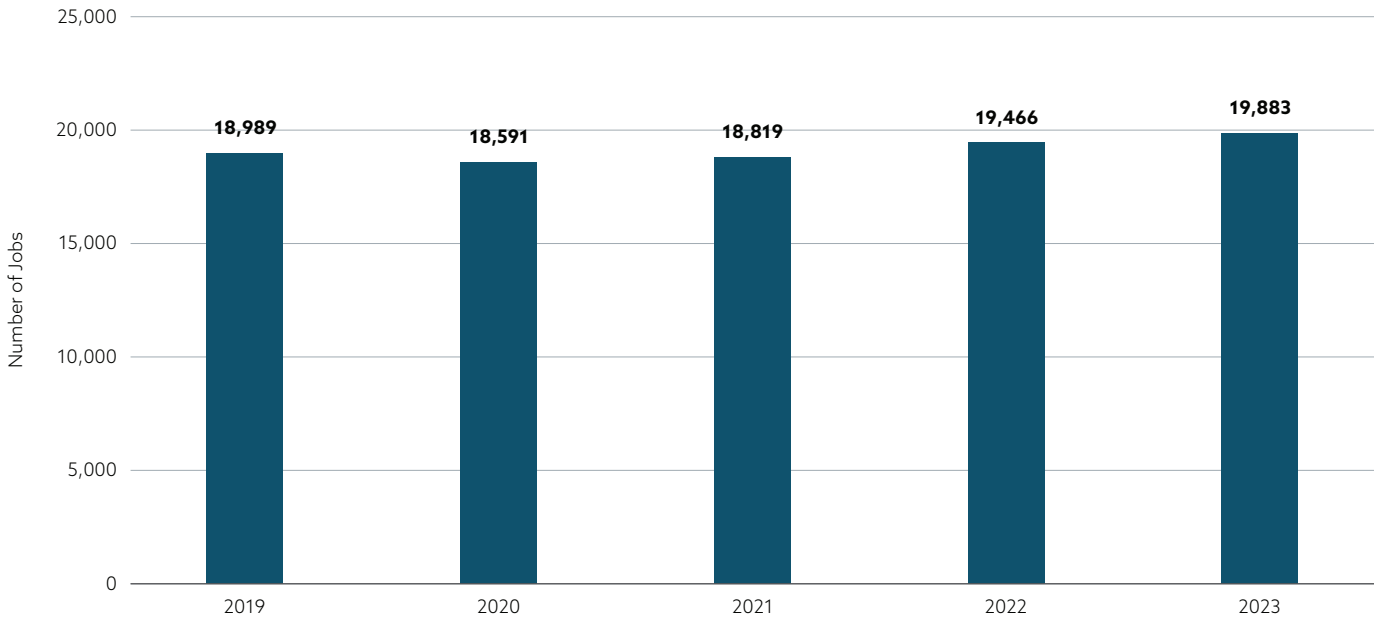
HEALTH CARE & SOCIAL ASSISTANCE

Health Care & Social Assistance presents a complex economic profile where service expansion occurs alongside cost dynamics that create broader implications for regional economic competitiveness. The sector's employment growth from 18,989 jobs in 2019 to 19,883 in 2023 represents a 4.7% increase that contrasts sharply with contraction or stagnation in most other major county industries, positioning healthcare as one of the few expanding employment sectors during a period of economic uncertainty. This growth generates substantial economic ripple effects, with total employment impact reaching 27,058 jobs when including indirect and induced effects, while contributing $2.8 billion in value added and nearly $4.1 billion in tax revenue that demonstrate the sector's capacity to drive broader economic activity.

The industry's wage patterns show earnings that exceed county averages, indicating its role as a source of middle-income employment; this same dynamic, however, contributes to cost structures that create affordability challenges for both individual access and business operations. Analyzing this sector requires understanding how healthcare functions simultaneously as a community necessity, an employment generator, and an economic factor that influences broader development patterns through its impact on business costs and household budgets, creating both opportunities and constraints for regional economic development.

FIGURE A4: HEALTH CARE & SOCIAL ASSISTANCE EMPLOYMENT IN MONTEREY COUNTY

2019 TO 2023

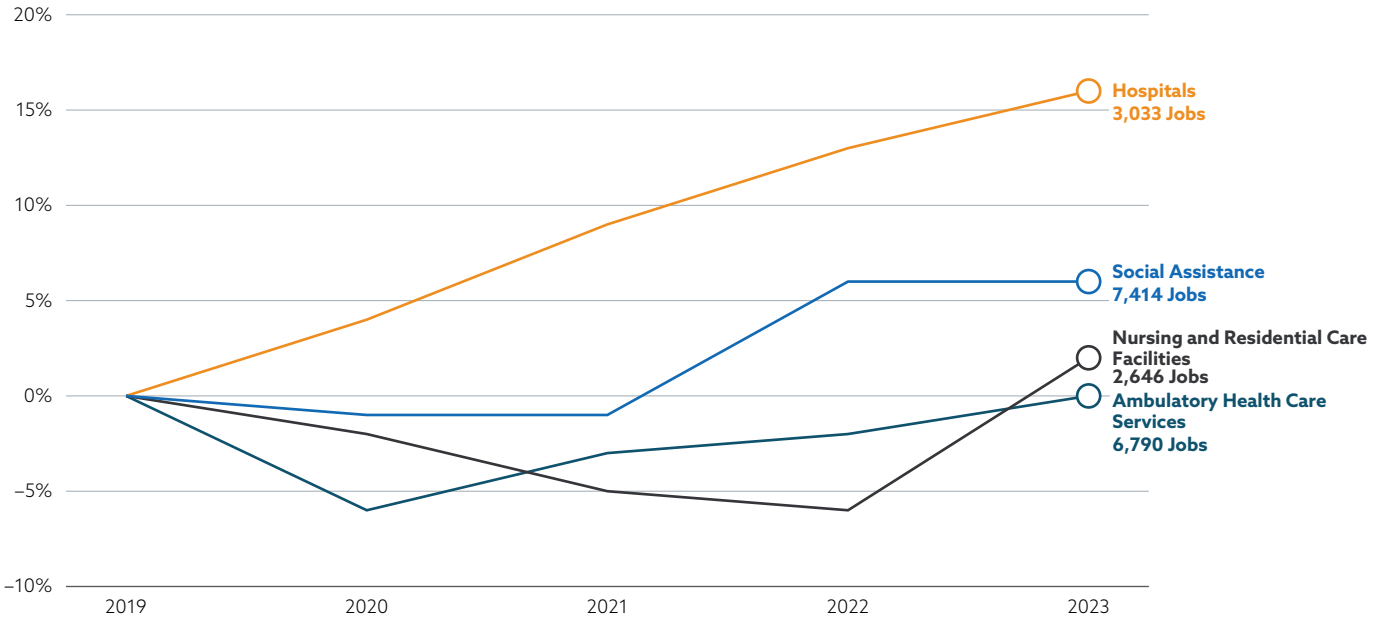


Note: Includes W-2 and self-employed workers.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

FIGURE A5: EMPLOYMENT GROWTH BY HEALTH CARE & SOCIAL ASSISTANCE SUBSECTOR IN MONTEREY COUNTY

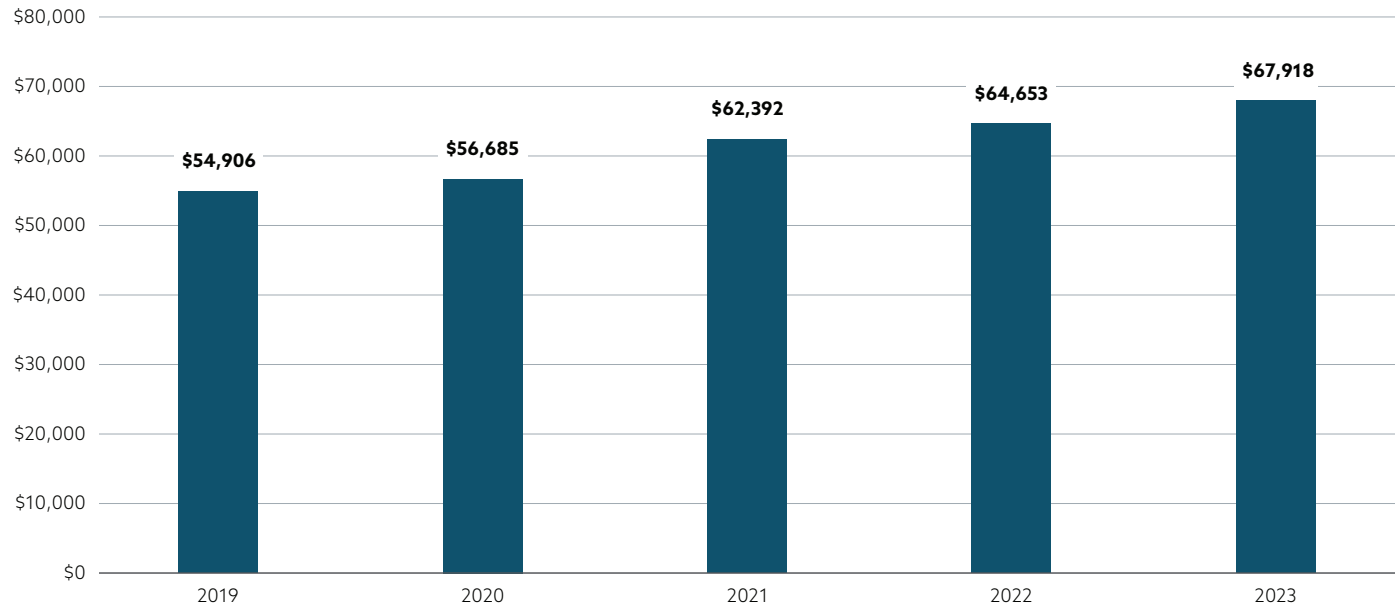
2019 TO 2023



Note: Includes W-2 and self-employed workers.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

FIGURE A6: HEALTH CARE & SOCIAL ASSISTANCE AVERAGE ANNUAL WAGES IN MONTEREY COUNTY
2019 TO 2023



Note: Includes wages for W-2 and self-employed workers.

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Lightcast, CVL Economics.

TABLE A2: ECONOMIC IMPACT OF HEALTH CARE & SOCIAL ASSISTANCE SECTOR IN MONTEREY COUNTY
2023

	EMPLOYMENT	LABOR INCOME	VALUE ADDED	TAX REVENUE
Direct Impact	19,883	$1,680,764,640	$1,899,163,573	$2,706,290,985
Indirect Impact	2,355	$168,473,943	$302,338,002	$489,823,954
Induced Impact	4,820	$336,295,809	$584,995,043	$876,826,417
Total Impact	**27,058**	**$2,185,534,392**	**$2,786,496,618**	**$4,072,941,356**

Note: Tax Revenue includes Federal, State, and Local tax revenue generation.

Source: IMPLAN, CVL Economics.

APPENDIX B: YEAR 3 UPDATE DEVELOPMENT PROCESS

Work on the *Year 3 Update* began in January 2025 with a deep dive into the changing nature of the agriculture sector and ongoing challenges as well as the implications of climate change (and associated mitigation/adaptation strategies) for economic development planning. The project team also met with the Board of Supervisors on an individual basis to identify priorities for this year's report.

In collaboration with the County, Grow America and CVL Economics convened one focus group with agriculture stakeholders to understand current conditions (beyond employment, wages, and economic impact) in greater detail and solicit insights into improving the sector's competitiveness and maintaining its viability in the face of increasing headwinds.

The quantitative analysis conducted in this report draws from the most recent data available for a given indicator. In many cases, there can be a lag as much as 12 to 18 months between when official state and federal data are collected and when they are officially released. Given that certain data sets are only released on an annual basis, trends analyses that appear in this report (particularly for employment and average annual wages) run only through 2023. For other indicators, such as home values, reporting occurs more frequently, which allows for more timely analysis.

APPENDIX C: PROJECT PARTICIPANTS

BOARD OF SUPERVISORS

Luis Alejo	District 1
Glenn Church	District 2
Chris Lopez	District 3
Wendy Root Askew	District 4
Kate Daniels	District 5

FOCUS GROUP PARTICIPANTS

Sharon Albert	Rancho Cielo
Danny Bernstein	The Reservoir
Michael Castro	Community Foundation for Monterey County
Richard Michael Chapman	Hartnell College
Kristin Coates	Regenerative Monterey
Hannah Ditty	Regenerative Monterey
Dennis Donohue	Director, Western Growers
Walt Duflock	Western Growers
Paul Farmer	Monterey County Business Council
Belen Gonzales	Hartnell College
Juan Gonzalez	Hartnell College
Norm Groot	Monterey County Farm Bureau
Sonja Kohler	Bright Beginnings
Monica Lal	Monterey Peninsula Chamber of Commerce
Marilyn Martinez	Kitchen Table Advisors
Chris Padgett	Hartnell College
Cora Panturad	Monterey County Sustainability Program Manager

COUNTY OF MONTEREY

COUNTYWIDE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY: **YEAR 3 UPDATE**

OCTOBER 7, 2025

PROJECT LEAD: Grow America

RESEARCH, ANALYSIS & PRODUCTION: CVL Economics

PURPOSE

WHAT IS A CEDS?

A Comprehensive Economic Development Strategy (CEDS) is a strategy-driven plan for regional economic development. It provides a vehicle for individuals, organizations, local governments, institutes of learning, and private industry to engage in a meaningful conversation and debate about what capacity building efforts would best serve development in the region.

WHY PRODUCE A CEDS?

Regions must prepare a new CEDS at least every five years for communities and organizations within the region to qualify for U.S. Economic Development Administration (EDA) funding. In addition, other federal funding agencies give local jurisdictions extra scoring points if a proposed project is part of a coordinated regional planning process or document like the CEDS.

WHO CONDUCTS THE CEDS?

Planning for the Monterey County CEDS is under the purview of the Board of Supervisors, and the County's Economic Development Department is responsible for conducting the research, staffing the Economic Development Committee, and overseeing ongoing implementation and reporting. Project consultants for this engagement are Grow America and CVL Economics.

WHAT IS THE YEAR 3 UPDATE?

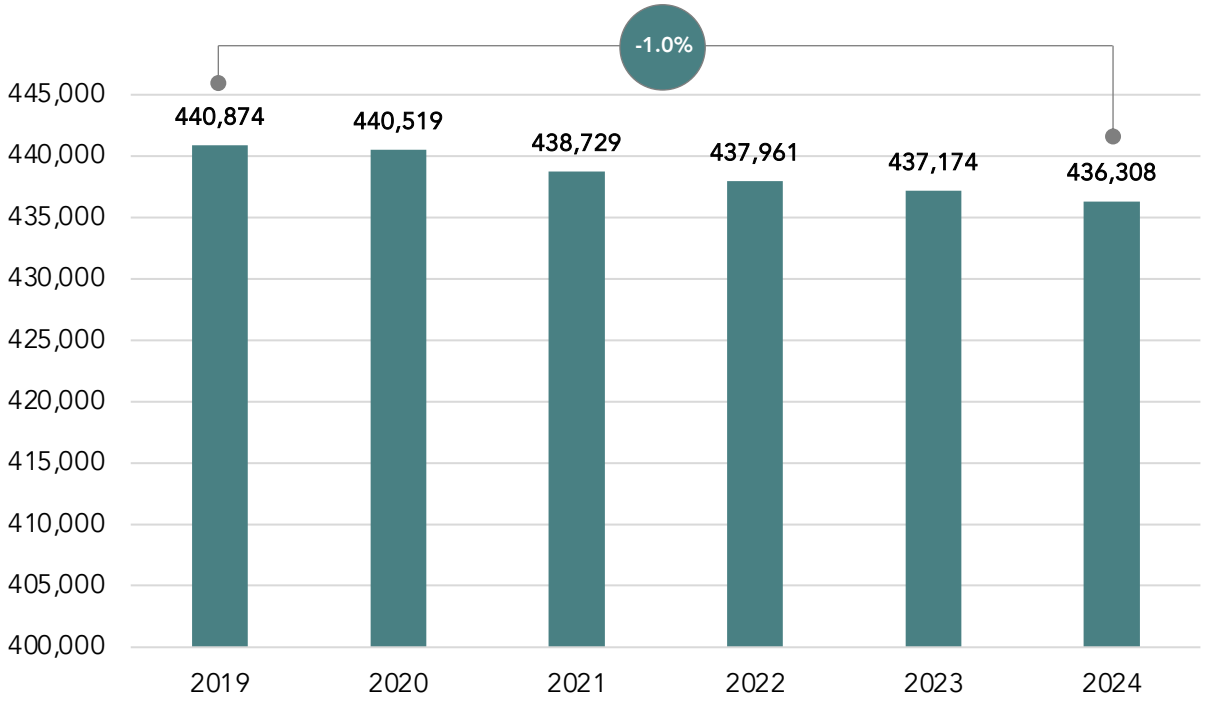
This report is the third annual update to the *County of Monterey's Countywide CEDS: 2021-2026*. The Year 1 Update focused on Monterey County's recovery from the Covid-19 pandemic with respect to numerous economic metrics and an emphasis on target sectors, and the Year 2 Update assessed the county's emerging technology ecosystem. This year's report dives deeper into the state of the county's Agriculture sector and examines how climate change is affecting the economic landscape.

ECONOMIC CONDITIONS

POPULATION CHANGE

Change in Resident Population | 2019 to 2024

(a) Monterey County



(b) Select Cities

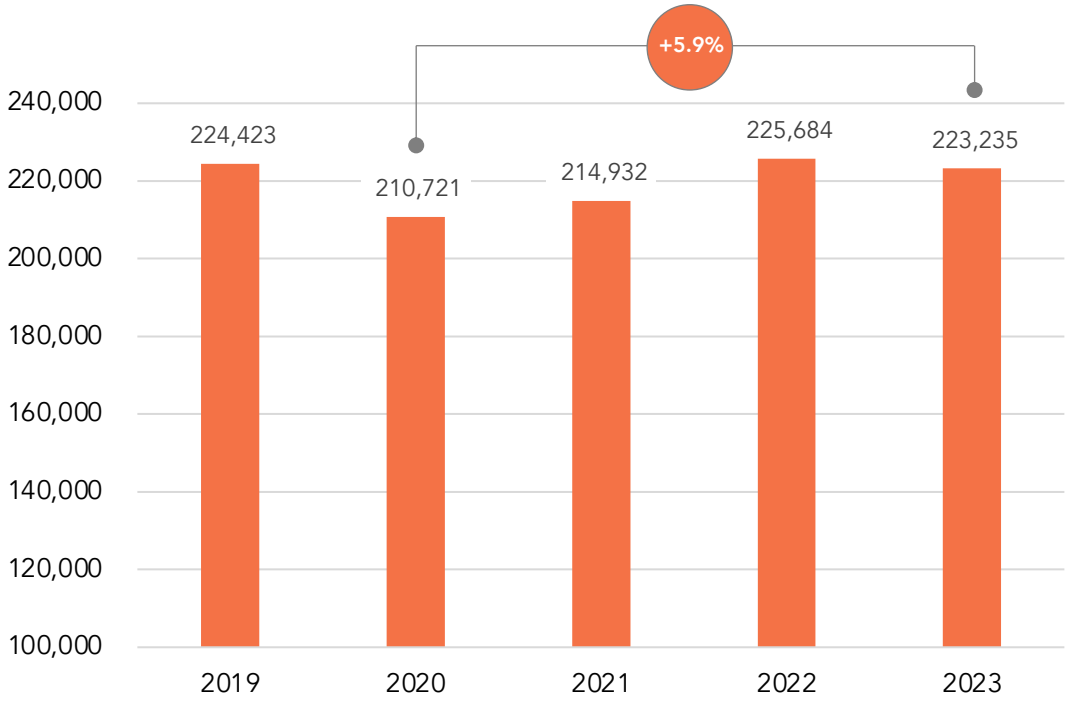
	TOTAL CHANGE	% CHANGE
Salinas	+29	0.0%
Seaside	-2,075	-6.4%
Monterey	-994	-3.5%
Soledad	-833	-3.0%
Marina	+505	+2.3%
King City	+935	+7.0%

Source: California Department of Finance, CVL Economics.

JOB GROWTH

Change in Employment | 2019 to 2023

(a) Total Number of Jobs



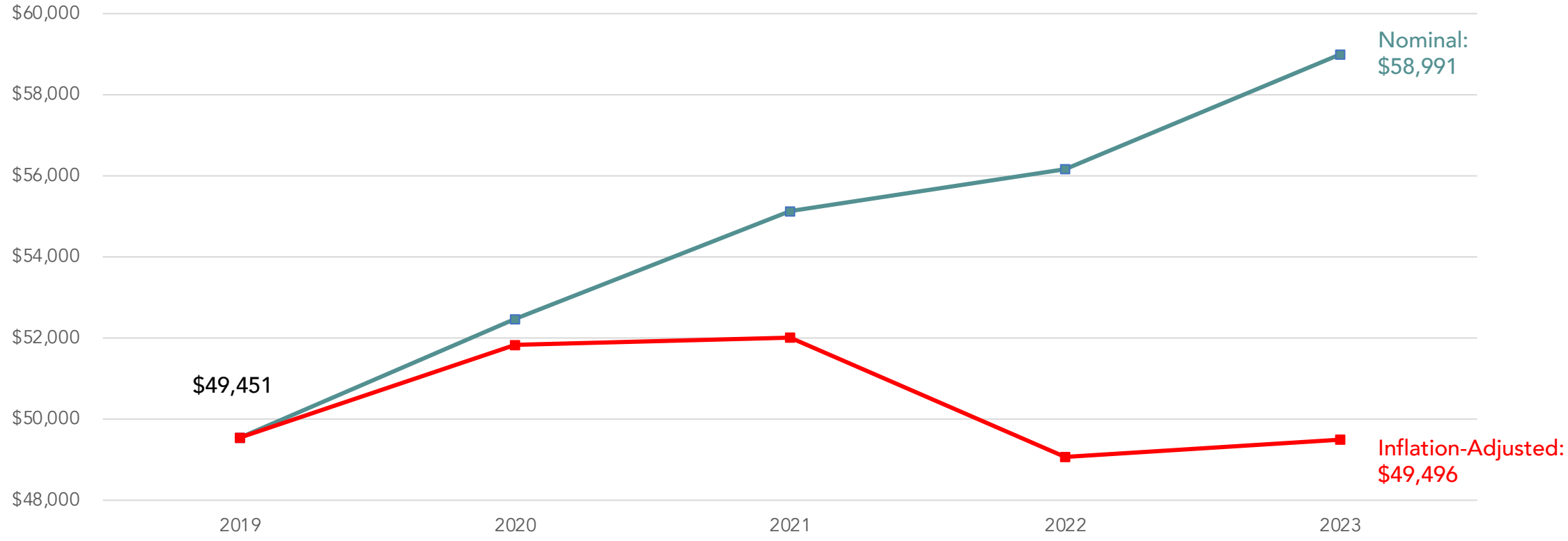
(b) Top Sectors for Employment Growth

	5-YEAR CHANGE	5-YEAR % CHANGE
Health Care and Social Assistance	895	4.7%
Construction	554	6.5%
Government	428	1.1%
Educational Services	182	6.3%
Arts, Entertainment, and Recreation	74	2.1%
Management of Companies	30	2.0%

Source: U.S. Bureau of Labor Statistics, U.S. Census. Lightcast, CVL Economics.

WAGE GROWTH

Change in Average Annual Wages | 2019 to 2023

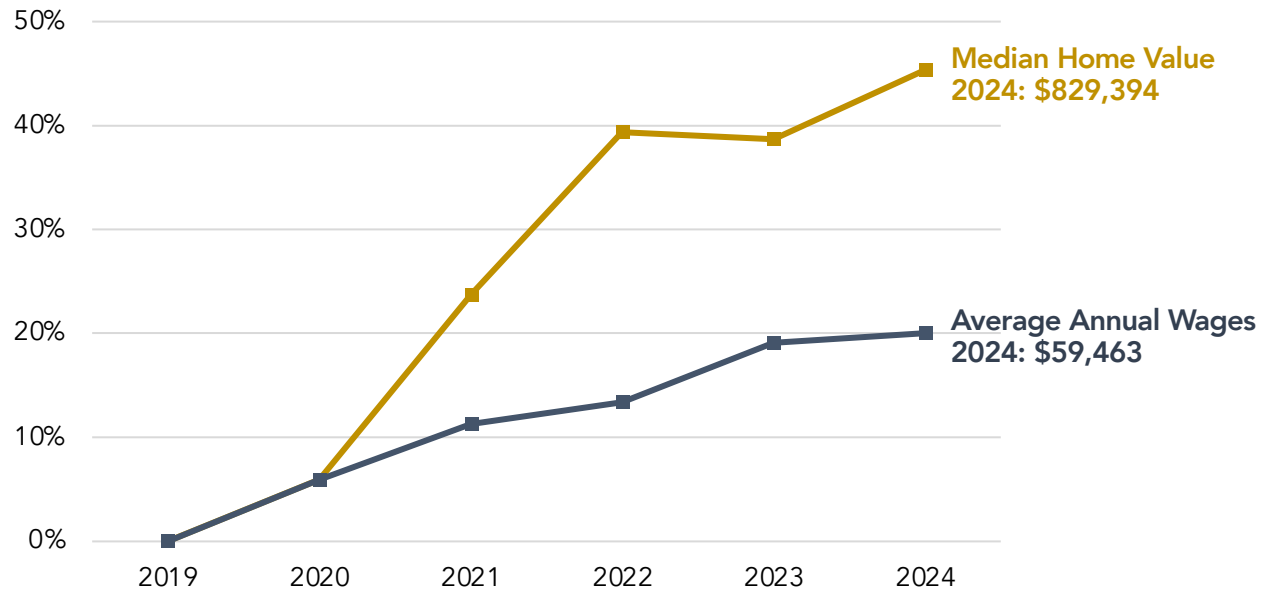


Source: U.S. Bureau of Labor Statistics, U.S. Census. Lightcast, CVL Economics.

HOUSING MARKET

Change in Home Values | 2019 to 2024

(a) Monterey County



(b) Select Cities

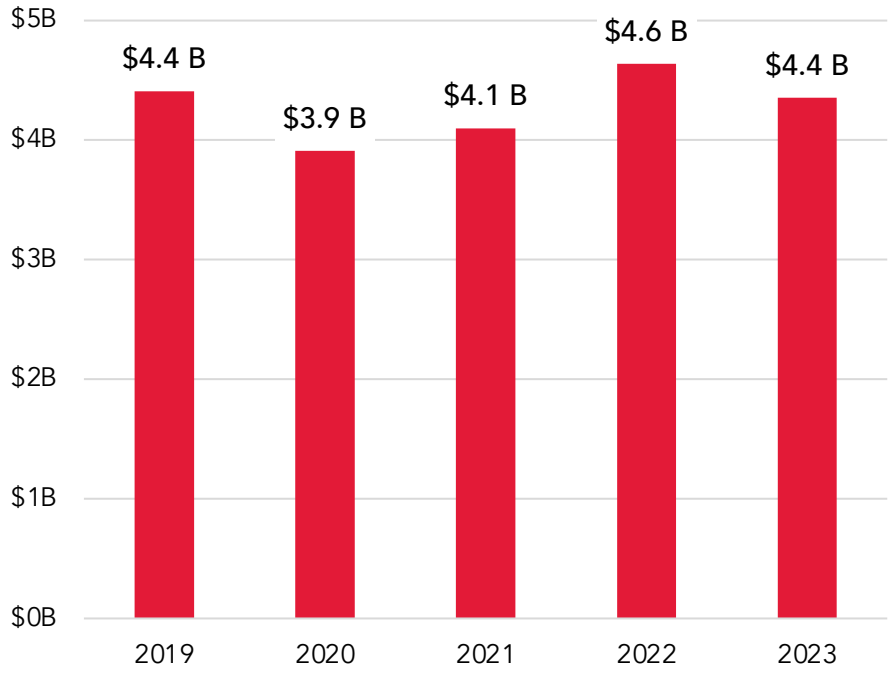
	2019	2024	% CHANGE
Salinas	$493,133	$726,786	47.4%
Seaside	$412,087	$679,615	64.9%
Monterey	$323,745	$517,662	59.9%
Soledad	$216,632	$315,898	45.8%
Marina	$810,422	$1,183,692	46.1%
King City	$303,450	$470,922	55.2%

Source: U.S. Bureau of Labor Statistics, U.S. Census. Zillow, CVL Economics.

THE AGRICULTURE SECTOR

AGRICULTURE ECONOMIC CONTRIBUTION

Gross Agricultural Production | 2019 to 2023



Source: County of Monterey Office of Agriculture Commissioner, CVL Economics.

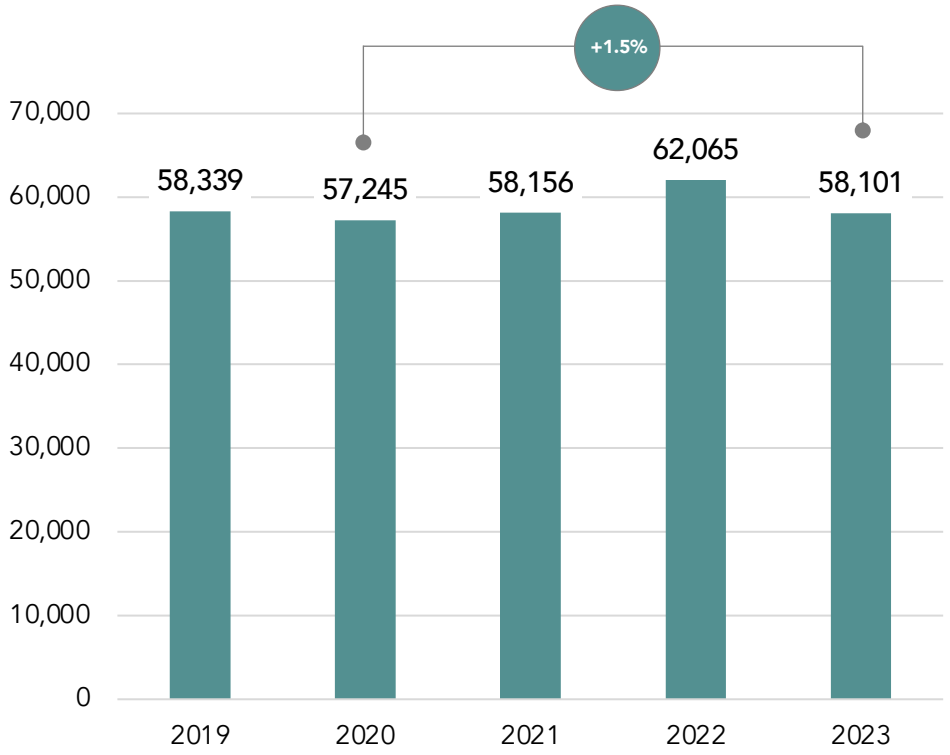
Economic and Fiscal Impact | 2023

	NUMBER OF JOBS	LABOR INCOME	VALUE ADDED	TAX REVENUE
Direct	58,101	$4.0 B	$6.1 B	$9.4 B
Indirect	16,601	$1.1 B	$1.4 B	$1.9 B
Induced	13,651	$931.5 M	$1.6 B	$2.5 B
Total	88,353	$6.0 B	$9.1 B	$13.8 B

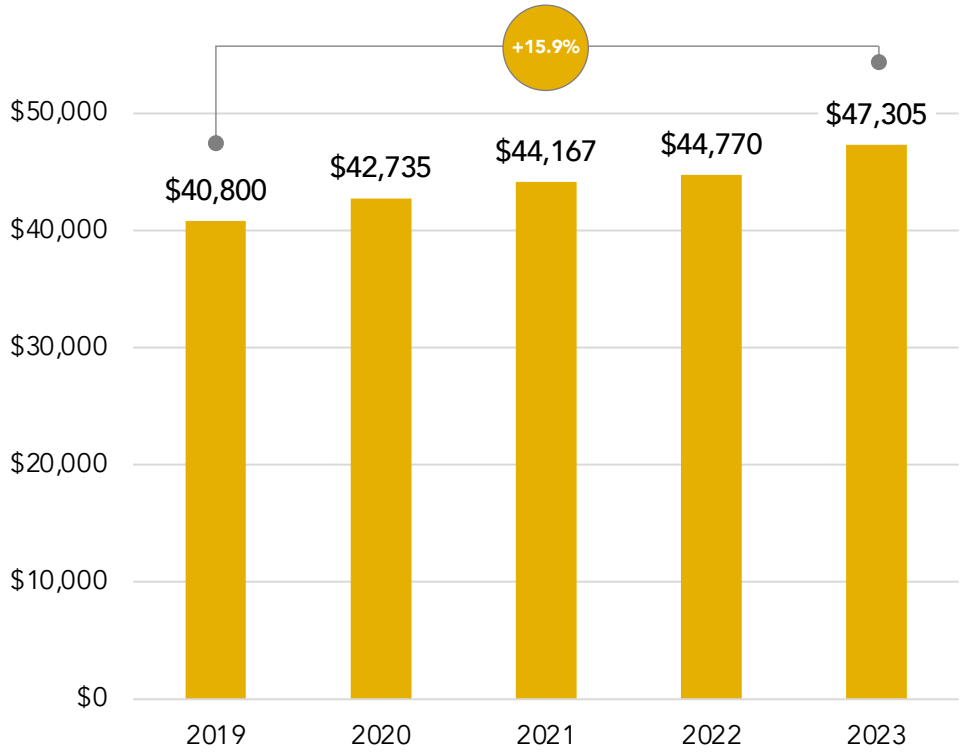
Source: MPLAN, CVL Economics.

AGRICULTURE EMPLOYMENT AND WAGES

Job Growth in Monterey County
2019 to 2023



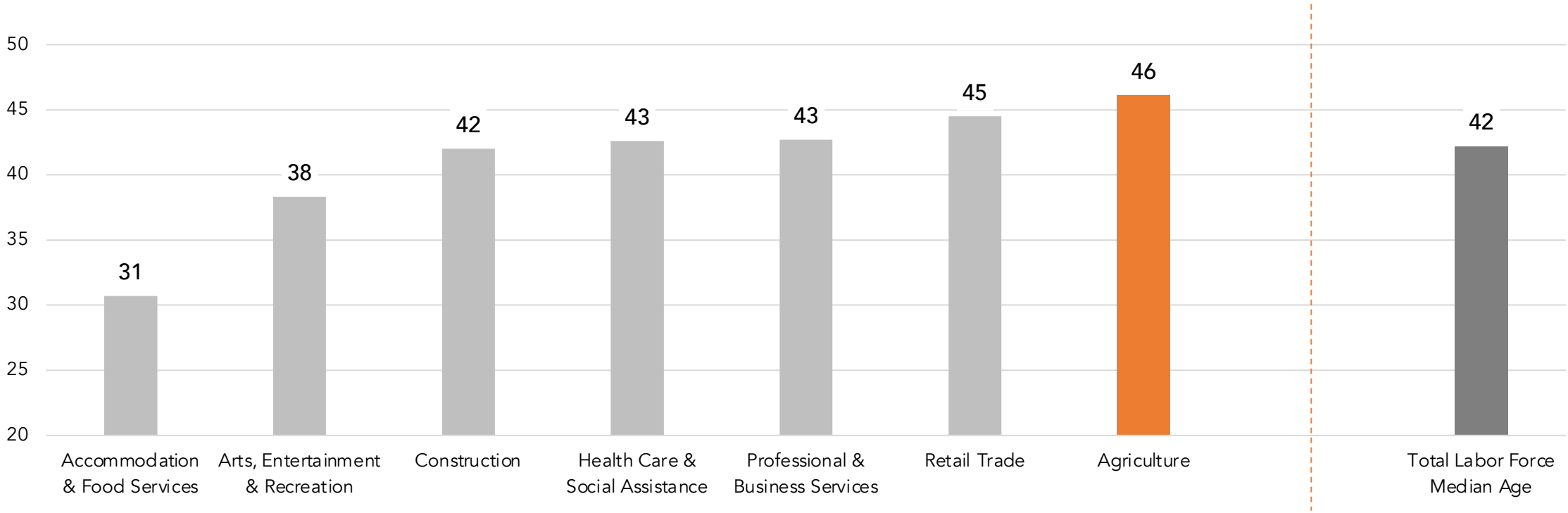
Average Annual Wages in Monterey County
2019 to 2023



Source: U.S. Bureau of Labor Statistics, U.S. Census. Lightcast, CVL Economics.

AGRICULTURE WORKER CONSIDERATIONS

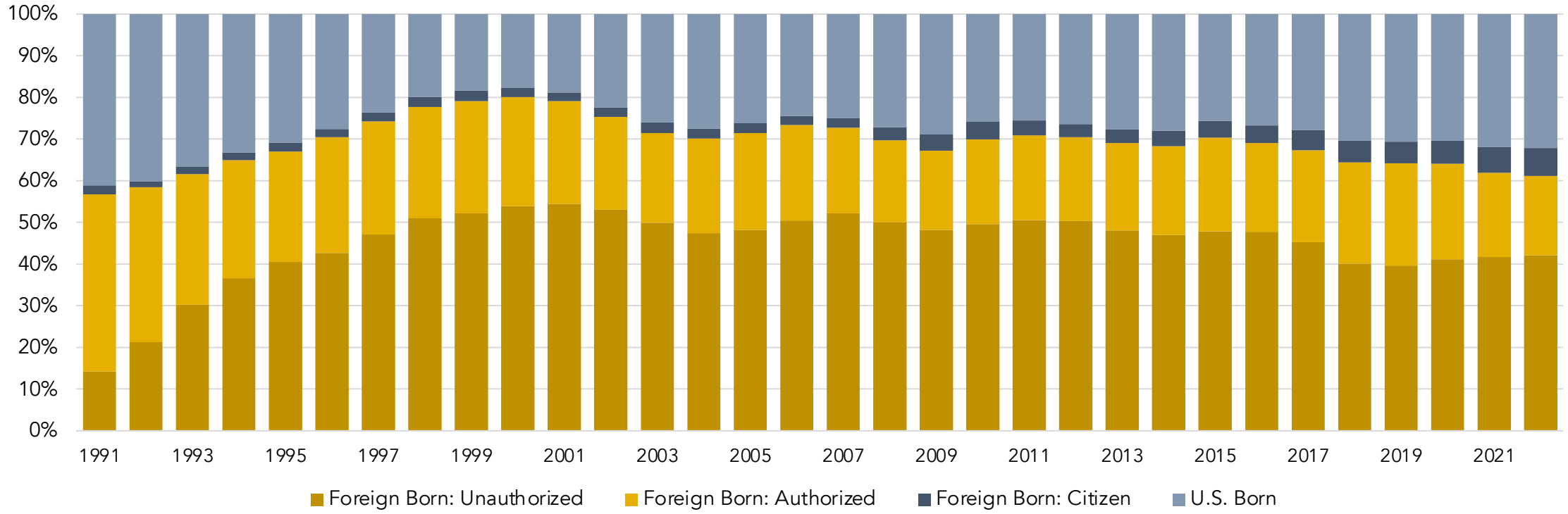
Median Age of Employed U.S. Workers by Sector
2023



Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, CVL Economics.

AGRICULTURE WORKER CONSIDERATIONS

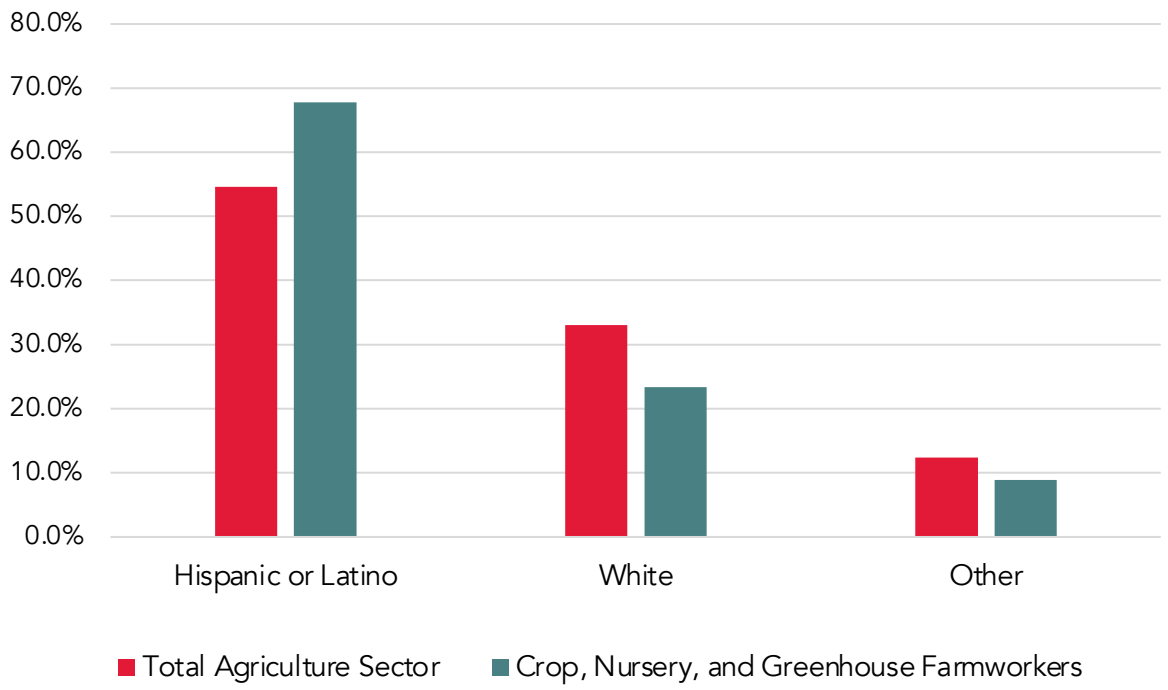
Legal Status of Hired Crop Farmworkers in the United States | 1991 to 2022



Source: United States Department of Agriculture, U.S. Department of Labor, CVL Economics.

AGRICULTURE WORKER CONSIDERATIONS

Race/Ethnicity of Agriculture Workers in Monterey County
2023



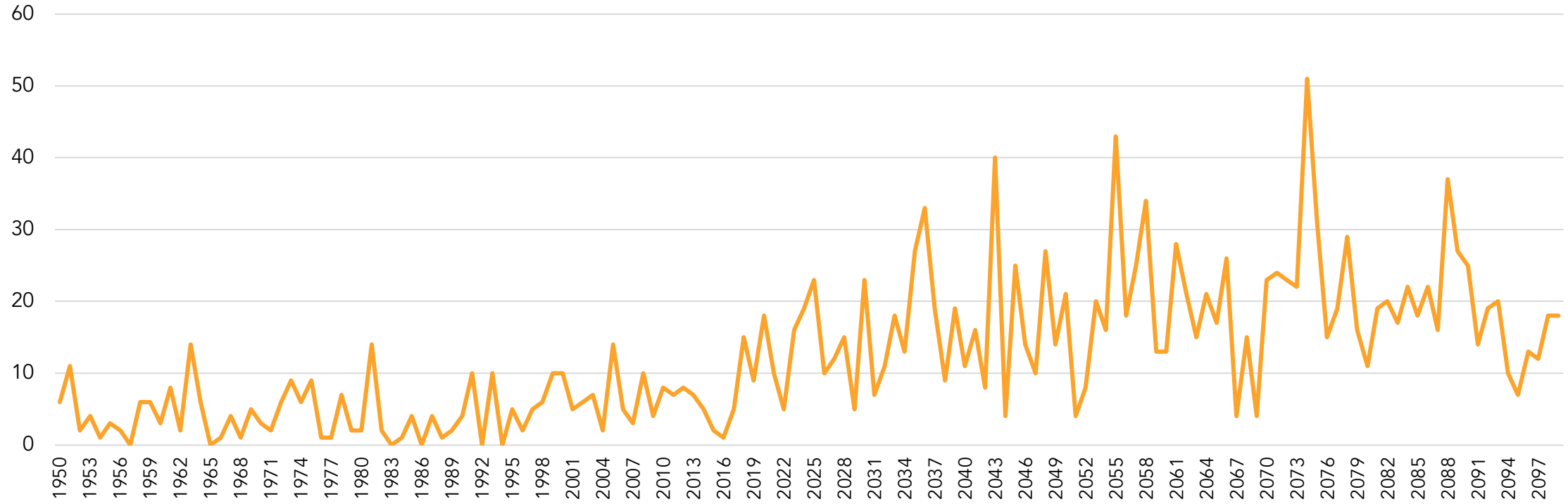
H-2A Certifications in California by County
2013 vs. 2023

	2013		2023	
	COUNT	SHARE	COUNT	SHARE
Kern	48	1.1%	230	0.8%
Monterey	44	1.0%	8,157	29.4%
Fresno	9	0.2%	1,089	3.9%
Tulare	21	0.5%	80	4.7%
Santa Barbara	158	3.5%	4,581	16.5%
Imperial	661	14.7%	1,481	5.3%
California	4,505	-	27,759	-

Source: U.S. Census Bureau, UC Davis Labor and Community Center of the Greater Capital Region, U.S. Department of Labor, Department of Homeland Security, CVL Economics.

CLIMATE CHANGE CONSIDERATIONS

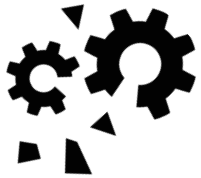
Observed and Forecasted Number of Extreme Heat Days in Monterey County | 1950 to 2100



Source: Cal-Adapt, CVL Economics.

CHALLENGES & OPPORTUNITIES

CHALLENGES



Labor Shortages and Workforce Vulnerability

Monterey's growers face acute labor shortages, exacerbated by immigration enforcement concerns and a lack of legal pathways for consistent farm labor. Increasing reliance on H-2A workers comes with its own challenges, including housing, transportation, and integration needs.

Technology Access and Education Gaps

Small and mid-sized farms face steep barriers in accessing capital, training, and technical support needed to modernize. Meanwhile, K–12 agricultural education in much of the county remains under-resourced, limiting awareness of career paths in farming, ag mechanics, or sustainable land stewardship.

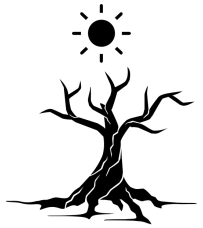
Regulatory Complexity and Compliance Burdens

State and County regulations and processes—such as prolonged project approval timelines, CEQA litigation risks, and electrification mandates that are difficult to implement— tend to disproportionately burden small and mid-sized farms, which lack the capacity to absorb additional compliance costs.

CHALLENGES

Housing Affordability and Infrastructure Barriers

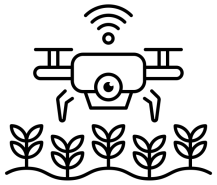
Although over 5,000 farmworker beds have been built in the last decade, access to housing for AgTech professionals, drone operators, and skilled mechanics remains limited. Regulatory hurdles continue to slow housing approvals, and many potential development sites lack basic utility access.



Climate Stress and Water Security

Extreme heat, drought, and increasingly erratic weather are changing the viability of key crops and threatening farmland in low-lying areas. SGMA-related pumping restrictions, saltwater intrusion, and regulatory uncertainty have already pushed some land into fallowing.

OPPORTUNITIES



Positioning Monterey County as an AgTech Leader

Position Monterey County as a leader in agricultural technology innovation by supporting AgTech startup incubation, workforce development, and regional marketing efforts that emphasize the County's unique crop profile and technological edge.

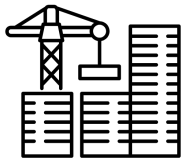
Reimagining workforce development and education

Strengthen the education pipeline from middle school through college by investing in and expanding CTE pathways, upgrading agricultural program facilities, and aligning curricula with emerging AgTech careers.

Revitalizing small farms through ecosystem development

Develop demonstration projects and targeted support programs to improve small and mid-sized farmers' access to land, regenerative practices, and new technologies that promote long-term resilience.

OPPORTUNITIES

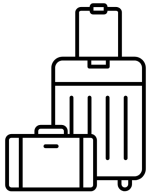


Addressing the housing imbalance

Housing affordability is the linchpin of workforce retention. Advocate for regulatory reforms and explore community land trust models to increase the supply of affordable housing, particularly for mid-skill and AgTech professionals in the agricultural workforce.

Building Monterey County's reputation as a leader in agricultural sustainability

Create a compelling narrative around sustainable agriculture that positions Monterey County as a national leader in climate resilience, carbon farming, and regenerative innovation—with cross-sector coordination to match.



Unlocking agricultural tourism and storytelling potential

Develop agritourism demonstration sites along key corridors (e.g., Highway 68) to connect regenerative farming, AgTech, and public education while working to modernize zoning and general plan policies that currently limit growth.

THANK YOU

County of Monterey

Board Report

Legistar File Number: OBM 25-146

Item No.7

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

October 07, 2025

Introduced: 9/2/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Other Board Matters

Referral Matrix and New Referrals

Monterey County Board of Supervisors

MEETING: **October 7, 2025 - Other Board Matters**

SUBJECT: Board Referrals Update

DEPARTMENT: County Administrative Office

Item #	Brd Rfl #	Assignment Date	Referred By	Lead Dept.	Sub-Depts.	Project Lead	Item	Report	Status
1	2017.18	9/19/17	Board	CAO		Bokanovich	Request a presentation to the Board of Supervisors with options for commissioner compensation that supports our ability to recruit a diverse and representative pool of commissioners.	The item was presented to the Board on 10/2/2018. The Board directed that HR: 1) convene a committee of Department Heads that manage significant boards and commissions to develop a Commissioner Recruitment Strategy; 2) ask departments to provide information related to the diversity of their current volunteer Commissioner's and committee members; and 3) work with County Counsel and Auditor to determine what would be involved/required to actively implement reimbursement to these volunteers, with budget/cost implications. Referral modified on August 24, 2021 to include: A) an assessment on how commissions are being utilized; how well they are serving in their advisory function to the Board; staffing levels of various committees, and, how that may or may not contribute to their functioning; and, B) referring the referral to the Board of Supervisors - Human Resources Committee to engage in discussion and bring back recommendations to the full Board. This item was discussed with the Human Resources Committee in late January 2022. The referral was been reassigned to the County Administrative Office for response. Additional time is needed for information gathering. Staff anticipates a further response to the Board in ~~January 2025~~ ~~July 2025~~ August 2025.	Pending
2	2017.20	11/19/19	Alejo	PWFP		Ishii	Lease agreement between the City of Salinas and the County of Monterey regarding County's parcel adjacent 855 East Laurel Drive in Salinas for the implementation of a BMX Bike Track, new Skate Park, and sidewalk on East Laurel Drive in Salinas.	An initial referral was initiated on September 15, 2017. On September 1, 2017, Supervisor Alejo held a meeting with the City of Salinas, County RMA staff, and a BMX bike park and skate park engineers/designers to review the property. County Staff conferred with City Staff relative to the City's update of their Parks Master Plan. RMA has also been coordinating with City staff regarding sidewalks on County-owned lands along East Laurel Drive adjacent to this property (between Sanborn Road and Constitution Boulevard). The referral was closed on May 7, 2019 for staff to pursue efforts for a Shelter at 855 E. Laurel. RMA is preparing to bring a master planning effort for use of County lands, specifically lands at Natividad/Laurel in Salinas. This matter is reinstated for reconsideration. Public comment on this item was received on January 14, 2020. Item was pulled from the June 16, 2020, Board meeting agenda and is on hold pending identification of funding. Staff to consult with requesting Supervisor prior to resubmitting item to the Board. PWFP staff continues to work with our state legislative consultants to identify potential grant opportunities. At the September 14, 2021 Board Meeting, the Board provided direction to PWFP staff to apply for Prop 68 grant funding. On January 20, 2022, the County submitted a $3 million application to the Prop 68 Regional Park Program. Project implementation is pending notification of a grant award. On August 24th, the County was notified that its project applications were not selected for grant funding - the process was highly competitive and oversubscribed. Staff will continue to find new opportunities to raise fund to build the project. Staff continues to seek grant opportunities and/or partnerships to fund raise and build the project. Staff received noticed from the Salinas Regional Soccer complex that they would be proceeding with the design and placement of the skate/bike park within their complex and would include it as part of their operations. Project is on hold pending funding. Staff continues to seek grant opportunities and/or partnerships to fund raise and build the project. Staff submitted for FY26 Federal Earmarks.	**Postponed**
3	2018.28	12/4/2018	Phillips	HCD		Spencer	Affordable Housing in the Coastal Zone	Amend County LCP to be consistent with the Coastal Act regarding affordable housing, authorize staff to investigate processes and provide language revision recommendations to the Local Coastal Plan. A presentation was provided to the Board on January 15, 2019. Section 30500.1 was added by Senate Bill 626 in 1981 to state: "No local coastal program shall be required to include housing policies and programs." HCD is working on the 6th Cycle Housing Element which includes housing opportunity sites in the Coastal Zone. The Housing Element is anticipated to be completed by September 2025. HCD staff have coordinated with Coastal Commission staff on the properties that fall within the coastal zone. HCD staff has also coordinated with the Coastal Commission on housing policies contained within our Land Use Plans that integrate affordable housing policies as we update those plans (for example: Moss Landing Community Plan and Big Sur Land Use Plan updates). This work is ongoing.	Pending
4	2020.22	7/7/2020	Church	CAO		Bokanovich	Referral Process Amendment	This referral requests that the process be amended to have Board approval for a referral as part of an agenda item showing the purpose of the referral, costs, time, challenges, and details of the project. In April 2021, the Board approved an amended Board Referral process, which included an exception for urgent matters and provided for Board review of pending referrals on an annual basis. Board review of the referral procedures is anticipated to occur in January 2025, in conjunction with other Board policies. Staff anticipates a further response to the Board in ~~July 2025~~ August 2025.	Pending
5	2021.05	3/2/2021	Alejo	PWFP		Ishii	Monterey County COVID-19 Victims Memorial	This referral seeks to create a permanent memorial with the names of all COVID-19 victims of Monterey County on the Monterey County Government Campus at 168 West Alisal Street. A presentation was provided to the Board on March 22, 2022. Staff was directed to seek potential match from partners and return to the Board in 45 days for further direction. Staff has been seeking potential partners and will be reporting back. The Board approved a revised concept at its June 22, 2022 meeting. Staff is coordinating with the Budget Office to establish fund to receive donations, and staff is seeking potential donors. On September 13, 2022 the Board of Supervisors approved staff's request to enter into a capital campaign with Monterey County Community Foundation to raise funds to complete the project. Staff provided an update to the Board on June 13, 2023. Staff provided a status update at the June 13 BOS. Funding efforts are at 44% overall project cost. Funding raising efforts have raised enough money to develop plans for permit. Staff initiated a draw from the Community Foundation fund to begin drawings for permit. Construction implementation is pending additional funding. Unfunded project budget of $50,000 is proposed for FY26 CIP funding and prioritization.	Pending

Item #	Brd Rfl #	Assignment Date	Referred By	Lead Dept.	Sub-Depts.	Project Lead	Item	Report	Status
6	2021.09	5/25/2021	Church/Askew	CAO		Bokanovich	Review of Board Committee Responsibilities	This referral seeks to clarify the purpose and responsibilities of each Board of Supervisors committees to improve staff workflow and Board decision making ability. A preliminary analysis was approved by the Board on June 15, 2021. Staff will be submitting a response to this referral for Board consideration in May 2022. The referral has been reassigned to the County Administrative Office for response. Board is scheduled to conduct its 2nd annual evaluation of pending referrals on March 28, 2023. To avoid future delays, all annual evaluations will be scheduled to occur the first month of each calendar year. Board review of the referral procedures is anticipated to occur in October, in conjunction with other Board policies. Staff anticipates a response to this referral in ~~January 2025~~ ~~July 2025~~ August 2025..	Pending
7	2021.25	11/16/2021	Askew	HCD		Spencer	East Garrison Street Renaming	This referral seeks to identify the process and funding for the renaming of certain streets in East Garrison and revise the naming approval process. A preliminary response was provided to the Board on January 11, 2022. Staff presented to the Board at the May 3, 2022 Board Meeting, and received direction from the Board. HCD has been directed to engage with the public and determine interest in changing the street names within East Garrison. HCD attended the East Garrison CSD (EGCSD) meeting on May 11, 2022, to present the matter. HCD staff will develop a draft program. The program will likely be presented to the Board for consideration once developed. Proposed completion date of October 2025.	Pending
8	2021.29	12/7/2021	Adams	PWFP		Ishii	Increased Fines for Big Sur Roadside Camping Prohibition	This referral seeks to increase the administrative citation and fine amounts for citations issued under Monterey County Code Section 14.18.020.A. This is a follow-up to Board Referral No. 2019.16 (Big Sur Roadside Camping Prohibition Enforcement). A preliminary response was provided to the Board on January 11, 2022. The Ordinance increasing the existing fine amount to $1,000 was adopted by the BOS at its July 26, 2022 meeting. New signage to indicate the increased fine amount has been installed on all existing camping prohibition signs. Staff continues coordination with the Big Sur Byways Organization and District 5 on installation of additional new signs. Staff continues to coordinate with Caltrans and Coastal Commission on getting the necessary approval/permits to install along SR 1. Staff is working with HCD regarding Coastal permits. Proposed completion date of ~~January~~Fall 2025.	Pending
9	2022.02	1/11/2022	Askew	CAO		Blitch/Chiulos	Sheriff Oversight Board Formation	This referral seeks to explore formation of a Sheriff Oversight Board. Assembly Bill 1185 authorized counties to establish a sheriff oversight board to assist the board of supervisors to fulfill its duties related supervising the official conduct of all county officers, including the sheriff. An oversight board would consist of civilian residents appointed by the board of supervisors. Formation of the oversight board can be accomplished by action of the board of supervisors or through a vote of county residents. This referral requests the Board of Supervisor form such an oversight board and that staff return with a report that includes bylaws, formation resolution, and an outline of administrative capacity needed to support the oversight board. A preliminary response was provided to the Board on March 22, 2022; at which time, the Board took action to defer the item until after the new Sheriff is elected and the Board has had an opportunity to establish a relationship. An Ad Hoc Committee has been established by the Board to study the various options concerning oversight of the Office of the Sheriff, pursuant to Assembly Bill 1185. Report is currently with Ad Hoc committee for review and revision.	Pending
10	2022.04	2/1/2022	Church/Lopez	~~PWFP~~ HCD		~~Ishii~~ Spencer	Revisit Rossi Road Extension Plan	This referral seeks to revisit the Rossi Road extension plan and explore solutions to alleviate traffic congestion and improve traffic circulation in the Boronda area as a result of the population and business growth and the relocation of the SVSWA transfer station and Republic Services' yard. A preliminary response was provided to the Board on March 8, 2022. A Town Hall was conducted on July 27, 2022. A working group has been started, and next steps and roles are being established. CEQA and funding are also being researched and discussed. HCD staff is preparing a draft MOU with the City of Salinas. The draft MOU will be presented to the Board once completed. Proposed completion date of December 2028.	Pending
11	2022.14	4/19/2022	Lopez	PWFP		Ishii	Harkins Road	This referral requests that staff investigate the possibility of changing Harkins Road into a one-way street. Staff presented the Preliminary Analysis Report at the May 17, 2022 Board Meeting. PWFP engaged consultant support to evaluate a potential one-way concept for Harkins Road, and a community meeting was held in Spreckels on December 5, 2022 to get feedback. Staff provided a verbal update to the referring Supervisor in January and a report to the Board is planned for the ~~February 28, 2023~~ March 7, 2022 Board meeting. With the Board Report seeking approval for the Harkins/Hunter project, staff is presenting our recommendation for the Harkins Road next week. The one-way option of Harkins is not being recommended. Staff is recommends upgrading signage and constructing improvements to the Harkins/Hunter intersection instead. The additional signs were installed at the Harkins/Hunter intersection to detour trucks around Spreckels. The one-way option was not recommended by the BoS. Continuing to monitor the effectiveness of the addition signs that were installed. Referring Supervisor has asked that this Referral be re-engaged for potential options, including pilot programs.	Pending
12	2022.22	9/27/2022	Alejo	PWFP		Ishii/Lerable	East Salinas District 1 Office/**District 1 Carryover Office Budget Funding For Planned East Salinas Office**	This referral requests that staff search and open a District Office for District 1 in East Salinas 93905 to provide greater office access to constituents in this area of Salinas with the greatest need. A preliminary response was presented to the Board on October 25, 2022. A site has been identified and staff is coordinating with the landlord on ADA upgrades prior to executing the lease. **Modified by the referring Supervisor on May 18, 2023 to include that any leftover District 1 office budget funding for 2022-23 be carried over into the next fiscal for the specific purpose of paying and offsetting any costs in opening the D1 office in East Salinas.** Real Property continues to keep an active search open for available office space within District 1 and provide occasional update to Supervisor Alejo of staffs efforts. Currently there are no opportunities available that meet the Supervisor's requirements. PWFP Real Property Staff is continuing to search for viable office space based on the D1 Office needs within the Alisal District 1 Area on a consistent basis. To date, no viable office options which meet the D1 office needs for required sq. ft., security needs and accessibility have been located. Staff will continue to present any viable options located to the D1 Office as warranted.	Pending

Item #	Brd Rfi #	Assignment Date	Referred By	Lead Dept.	Sub-Depts.	Project Lead	Item	Report	Status
13	2023.03	2/7/2023	Alejo	HCD		Spencer	Affordable Senior Housing Project at 855 East Laurel Drive	This referral purpose is to approve using a vacant county property at the eastern-corner portion of 855 East Laurel Drive to construct affordable housing units for Monterey County seniors. A preliminary response was provided to the Board of Supervisors on February 28, 2023. HCD staff has met with the Housing Authority who have expressed an interest in partnering with the County on such a project. HCD is also coordinating with PWFP on plans for the Laurel Yard campus which are currently in development. Separately, HCD has been progressing an affordable housing project at this same site. On February 7, 2023 the Board approved an Exclusive Negotiating Agreement with Eden Housing Inc. for design and development of an Affordable Housing Multifamily Rental Housing Project. December 12, 2023, the Development Review Committee considered Eden's two-phase 132 rental unit affordable housing project. County has procured outside legal counsel and negotiations with Eden for a Disposition and Development Agreement with Long-Term Ground Lease are underway, which are anticipated to come to Board for consideration late spring 2024. The potential for a senior housing project will be presented to the Board once the Eden housing project is completed and PWFP has identified any remaining needs for land at the Laurel Yard. Proposed completion date of December 2026.	Pending
14	2023.09	4/18/2023	Alejo	PWFP		Ishii	Salinas Regional Soccer Complex Grant Opportunities	This referral seeks that county staff assist in two grant opportunities for the Salinas Regional Soccer Complex that requires the County of Monterey to be lead applicant as the real property owner. Staff will provide an update to the Board on May 9, 2023. Staff presented a referral response on May 9 and May 15th. BOS provided direction to modify the referral by continuing to work with the Sport Authority on funding on options to bring back to the board for discussion. Staff will continue to collaborate with SRSA to find partner on new grant opportunities. Staff worked with Leg Staff to submit a request for federal earmark. Project was selected by Rep. Lofgren to advance to the House Appropriations Committee for further consideration of a federal earmark.	Pending
15	2023.13	7/11/2023	Church	PWFP		Ishii	Laurel Yard Master Plan	This referral requests that county staff analyze the current and proposed uses of the County owned properties at and around the Laurel Yard in Salinas and engage in a master plan to ensure compatible development consistent with County operations and community objectives to determine if the Laurel Yard should be relocated and potential sites for consideration. A preliminary response was presented to the Board on August 29, 2023. Staff provided a status update to the Board on September 17, 2024. Site is included in the County-wide Master Plan and will be analyzed in context of the County's overall needs. Master Plan expected to be completed in Fall 2025.	Pending
16	2023.17	7/19/2023	Adams	HCD		Spencer	Safeguard & Maintain Historic Buildings in Monterey County	Referral requests the County pass a local ordinance where it shall be unlawful for any person to cause or cause others to act to burn or structurally damage a structure that has been listed on a city, county, state, or national list of historic properties. This includes owners of a structure listed on a local, state, or national register of historic structures. HCD staff presented a preliminary response to this referral on September 12, 2023. The Board directed HCD to proceed with updating the County's Historic Preservation Ordinance to incorporate penalties for unlawful damage to historic resources. Updates to the Historic Preservation are on the long-range work plan for HCD and are programed to be completed in future years.	Pending
17	2023.20	11/7/2023	Church	Health		Jimenez	Littering Fines	This referral requests that staff amend County Code 10.41.040 to establish clear and significant penalties for littering and dumping by adopting fines parallel to that of San Benito County. Environmental Health will be presenting a draft Ordinance at the Board of Supervisors meeting on January 30, 2024, requesting that a Public Hearing be set to adopt the Ordinance. The ordinance will be set on February 27th for adoption, and direction was given by the Board to come back in one year with an update on the number of administrative violations, how many fines have been levied, and the total amount of fines. Staff will return to the Board of Supervisors with an update on implementation efforts and findings in March 2025. Since the adoption of higher fines for illegal dumping, EH has issued one citation on 12/13/2024 in the amount of $2,500. The citation was issued based on video images captured from surveillance cameras installed specifically to capture illegal dumpers. The Two cameras were installed in the right of way in a location known for illegal dumping. Staff was to bring back an update to the Board in March of 2025. Staff provided an update to the Board on April 22, 2025 and were directed to give an update in 6 months of the effectiveness of the cameras and a renewal of the software agreement.	Pending
18	2023.21	11/7/2023	Church	CAO		Chiulos/Bokanovich	Non-County Entity Appointments Procedure for Supervisors	This referral requestst that staff amend the current policy for appointments of County Supervisors to Non-County entities. In November 2023, the Board established an ad hoc to review and vet non-county entity appointment procedures. A meeting of the Ad Hoc was convened in late October 2024. An update report will be provided to the Board on ~~December 4, 2024 July 2025~~ August 2025.	Pending
19	2023.22	11/28/2023	Adams	PWFP		Ishii	Bixby Bridge - Traffic and Pedestrian Safety	Referral requests that staff identify solutions to respond to the immediate health and safety emergency concerns at the Bixby Bridge in Big Sur due to increased levels of visitation resulting in traffic congestion, parking issues, blocked residential access, and unsafe illegal pedestrian crossings across Highway 1. Staff presented a Preliminary Analysis Report to the Board on January 23, 2024. Staff will provide updates as they meet with the working group. Urgency Ordinance was approved by the Board of Supervisors on June 25, 2024. Next steps are to work with HCD on Emergency Coastal Development Permit. Proposed completion date of August 2024. The permit for the Urgency Ordinance was approved. PW installed railing along Coast Road to help with the illegal parking issues near Bixby Bridge.	Pending
20	2024.03	3/12/2024	Lopez	CAO		Vaughn	Wine Improvement District	This referral requests examination of sales or transactions and use tax records for the purpose of forming a wine improvement district in Monterey County. A preliminary response was presented to the Board on April 23, 2024. Staff is continuing to work with Vintners and will provide an update to the Board at a future date.	Pending

Item #	Brd Rfi #	Assignment Date	Referred By	Lead Dept.	Sub-Depts.	Project Lead	Item	Report	Status
21	2024.04	3/23/2024	Church	CAO/PWFP		Paolinelli/Ishii	Maintenance of Little Bear Creek: Permits	This referral requests a study of permit processes for cleaning and long-term maintenance of Little Bear Creek. A preliminary response will be presented to the Board on April 16, 2024. PWFP is acquiring a hydrologic and hydraulic study proposal from one of our on-call consultants. This is the next step identified in the Preliminary Analysis Report. There is currently not enough information to determine a completion date. Much will depend on State and federal regulators (as well as the public and Board if this effort should be funded). The hydrologic and hydraulic study is underway.	Pending
22	2024.05	5/14/2024	Church	PWFP		Ishii	Speed Hump Fee Waivers for Low-Income Neighborhoods	This referral requests that the Board implement a policy that will waive the fees for speed hump installment in low-income neighborhoods to create safer roads. A preliminary response was presented to the Board on June 8, 2024. Staff is proceeding with the process presented in the preliminary response and exploring prioritization criteria and funding options. However, research and analysis is more involved than initially anticipated. Staff anticipates having more information to report in Summer 2025.	Pending
23	2024.07	5/14/2024	Alejo	HCD		Spencer	County Tenant Relocation Assistance Ordinance Update	This referral request is to update the current County Relocation Assistance Ordinance 18.15.050 – "Tenant relocation provisions for rental housing" to allow an option by the County of Monterey to require landlords/property owners, who violate the county housing ordinance, to pay owed tenant relocation assistance upfront into a county account so that tenants can claim the owed rent later, without having to interact with the landlord/property owner and to better track payments made to housing victims and ensure timeliness. A preliminary response was presented to the Board on June 25, 2024. The Board provided direction to HCD to prepare an ordinance that amend current requirements to authorize the County to provide tenant relocation assistance directly to impacted families and individuals and to seek reimbursement from the landlord/property owner for those costs. The ordinance is on the list of long-range planning projects and is scheduled in "future years." The Board is asked to help review and prioritize the long-range projects annually.	Pending
24	2024.10	9/10/2024	Church	Health		Jimenez	Allow POU/POE Water Treatment for New Construction (Including ADUs)	To allow for Point of Use/Point of Entry water treatment devices to be used for new construction on vacant legal lots of record and for accessory dwelling units (ADUs). A preliminary response will be presented to the Board on October 1, 2024. EHB has prepared a draft amended ordinance that will be sent to County Counsel for review this week. The amendments add the option to use POU/POE for new development on a vacant lot or for an ADU or other second unit. Once County Counsel approves the amended ordinance, EHB will contract with Rincon to do the Initial Study. It is necessary to prepare the draft ordinance before contracting with Rincon, so they know what to include in the initial study. The updates in the amended ordinance regarding new development are the same as Rincon analyzed in the initial CEQA document, which will help streamline the process. Staff gave an update to the Board on April 22, 2025 and were instructed to return by December 2025 with a proposed amendment to the ordinance and an initial Study-Mitigated Negative Declaration evaluation.	Pending
25	2024.11	9/10/2024	Church	Health		Jimenez	Modifications to the County's Rooster Ordinance	This referral seeks to modify the County's Rooster Ordinance in order to make it more effective at eradicating cockfighting operations in unincorporated Monterey County. A preliminary response will be presented to the Board on October 1, 2024. Staff presented a Preliminary Analysis Response to the Board on 10/1/24 where the referral will be deemed complete contingent upon staff returning in 6 months with recommendations for updating/changing the Rooster ordinance. Staff is waiting to see if there is a change in State law and will bring the update back to the BoS once that information is confirmed next month (March 2025). Then a date will be set on the Board Agenda for an update. Staff is working on a letter of support for AB-928 (Rogers) Cockfighting Cruelty Act that is going to the Hitchcock Road Advisory Committee the week of May 19, 2025.	Pending
26	2024.12	9/24/2024	Aeljo	HCD		Spencer	1220 Natividad Road Property Repurposing for County Housing Trust Fund	This referral requests a feasibility study for developing commercial uses of County property located 1220 Natividad Road (old Ag Commissioner's Office off of East Laurel Street) with proceeds capitalizing the Monterey County Local Housing Fund (MCLHTF). The study should identify the types of potential users, demand for commercial uses at this location, potential lease revenue generated by the property, and legal requirements to lease the property to fund the MCLHTF. A preliminary response was presented to the Board on October 15, 2024. The Board directed HCD to coordinate with Public Works, Parks, and Facilities to incorporate the option for commercial use of 1220 Natividad Road in the Facilities Master Plan. See Referral 2023.13.	Pending
27	2024.13	9/24/2024	Alejo	CAO		Paolinelli/Wilson	Tiny Homes Village Renaming	This referral requests that the name of the pending Tiny Homes Village in Watsonville be changed to a more suitable name that inspires hope, that is easy to pronounce bilingually, and that has input from Monterey County, Santa Cruz County and the City of Watsonville. A preliminary response will be presented to the Board in January 2025. The Supervisors agreed that the renaming of the Watsonville Tiny Village will not be revisited until the Building Permit has been issued. The Counties are still working closely with the City to meet the remaining components of this process. Staff anticipates it will be completed in May 2025. Staff will provide a response to the Board on October 7, 2025.	Pending

Item #	Brd Rfi #	Assignment Date	Referred By	Lead Dept.	Sub-Depts.	Project Lead	Item	Report	Status
28	2024.17	12/3/2024	Church	HCD/CAO		Spencer/Paolinelli	Policy for Evaluating Housing Economic Impacts on Residents in Legislative Decisions	This referral request for the Board of Supervisors to implement a policy requiring an assessment of potential housing economic impacts on residents in the legislative decision-making process. A preliminary response will be presented to the Board on February 4, 2025.	Pending
29	2025.01	2/4/2025	Alejo	County Counsel		Blitch	Monterey County Fracking Ban	The purpose of this referral is to draft an ordinance that would prohibit fracking in Monterey County. Staff provided a preliminary response to the Board on 12/3/24 and were directed to return to the Board after presenting to the Coastal Commission for consideration in 2025. The portions of Measure Z that implement a fracking ban in the inland portions of Monterey County have now been put in place. Specifically, the 2010 General Plan and Ford Ord Master Plan have been updated. In consultation with Coastal Commission staff, HCD staff learned that the coastal land use plan amendments need to return to the Board before they can be submitted to the Coastal Commission. County Counsel's Office staff is working with HCD staff to return to the Board with the item, and then resubmit to the Coastal Commission.	Pending
30	2025.03	4/22/2025	Askew	CAO/COB		Chiulos/Ralph	Encouraging Broad Diverse Applicant Pools with Transparent Outreach	This referral directs the County Administrative Officer and Clerk of the Board of the Board of Supervisors to ensure Board of Supervisors compliance with the Maddy Act and increase the transparency of outreach and encourage broad and diverse applicant pools for County Board, Committees, and Commissions, and Special Districts. Staff will provide a preliminary analysis response on May 13, 2025.	Pending
31	2025.04	4/22/2025	Askew	CAO/County Counsel/COB		Chiulos/Blitch/Ralph	Follow-up to Referral #2023.19 - Monterey County Regional Fire District Board of Directors (MCRFD) Vacancies, to ensure completion of BOS direction.	The purpose of this referral is to ensure BOS direction to prepare for review, adoption, and implementation of a Board policy ensuring timely noticing of recruitments for vacancies on the boards of special districts for which the BOS is the appointing authority, given as a result of Referral #2023.19, is completed. Staff will provide a preliminary analysis response on May 13, 2025.	Pending
32	2025.05	5/13/2025	Daniels	PWFP		Ishii	Bixby Bridge – No Parking	Requesting staff to define actions needed to continue the current emergency parking prohibition and maintain the physical measures implementing it beyond the conclusion of the CT Rocky Creek slip out repair project (currently estimated to be completed in June) without interruption unless/until a more global solution can be identified and implemented thru future projects. Staff will provide a preliminary analysis response on June 3, 2025.	Pending
33	2025.06	6/10/2025	Alejo/Lopez	Health		Elsa	Monterey County Health Department Clinics Indigenous Pilot Program	The purpose of this referral is design a pilot program at the Alisal Health Clinic in East Salinas to better meet the healthcare language needs of our Indigenous Oaxacan patients. Staff will provide a preliminary analysis response on ~~July 8, 2025~~October 21, 2026.	Pending
34	2025.07	8/5/2025	Alejo	PWfP		Ishii	The Alisal Arch of East Salinas	The purpose of this referral is to have the Board of Supervisors official support for the construction of an Alisal Arch in East Salinas and to financially contribute to the project. Staff will provide a preliminary response to the Board on ~~August 26, 2025~~ September 30, 2025.	Pending
35	2025.08	8/5/2025	Alejo	Health		Jimenez	Mitigation Monitoring for the Salinas Regional Soccer Complex	The purpose of this referral is to have the Monterey County Environmental Health Bureau and/or the County Public Works, Facilities and Parks provide contracted mitigation monitoring services for the Salinas Regional Soccer Complex expansion project. Staff will provide a preliminary response to the Board on September 30, 2025.	Pending
36	2025.09	8/19/2025	Lopez	PWFP		Ishii	Anza National Historic Trail Auto Tour Signs	Partner with the National Park Service to facilitate the replacement of 14 official national historic trail Auto Tour signs on roads along the Juan Bautista de Anza National Historic Trail. A preliminary response will be provided to the Board on September 30, 2025.	Pending
37	2025.10	8/26/2025	Alejo	Health		Jimenez	Monterey County Spay and Neuter Ordinance for Cats and Dogs	The purpose of this referral is to enact a Spay and Neuter Ordinance for cats and dogs to address pet overpopulation, euthanasia rates, and overcrowded shelters with minimal staffing. A preliminary response will be provided to the Board on September 30, 2025.	Pending
38	2025.11	9/16/2025	Church	PWFP		Ishii	No Recreational Vehicle Parking on Railroad Avenue in Pajaro	This referral request for the Board of Supervisors to consider adoption of an ordinance to prohibit recreational vehicle parking on the entirety of Railroad Avenue in the unincorporated area of the County of Monterey and establish a tow-away zone, authorizing the immediate removal of vehicles that violate this no-parking restriction. Staff will provide a preliminary resonse on October 7, 2025.	Pending
								Completed by Executive Assistant on October 2, 2025	

Introduced: 9/23/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Preliminary Analysis Report

a. Receive a presentation in response to Board Referral No. 2024.13 (Alejo) on the history of *Recurso de Fuerza*, a low barrier navigation center currently in development in partnership with the County of Santa Cruz;
b. Consider the following options for renaming *Recurso de Fuerza*:
    a) Retain the name *Recurso de Fuerza*;
    b) Rename the program *Casitas de Fuerza*; or
    c) Direct staff to rename the project through a public engagement process; and
c. Provide direction as necessary.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

a. Receive a presentation in response to Board Referral No. 2024.13 (Alejo) on the history of *Recurso de Fuerza*, a low barrier navigation center currently in development in partnership with the County of Santa Cruz;
b. Consider the following options for renaming *Recurso de Fuerza*:
    a) Retain the name *Recurso de Fuerza*;
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b. Provide direction as necessary.

SUMMARY:

Referral No. 2024.13 was submitted by Supervisor Alejo, requesting the renaming of *Recurso de Fuerza Village* ("RdF Village"), a 34-bed, non-congregate, low-barrier navigation center currently in the building phase in Watsonville, California.

The purpose of this presentation is to inform the Board of Supervisors about the contextual background of the existing project name, *Recurso de Fuerza*, which translates to "Resource of Strength", and receive further direction on either keeping the name or renaming the project.

RdF Village is a product of a collaborative partnership between the Counties of Monterey (“County”) and Santa Cruz (“COSC”). Under the terms of this partnership, Monterey County has secured funding for construction and start-up costs and is serving as the lead entity on site development and implementation. According to a Memorandum of Understanding approved by the Monterey County Board of Supervisors on February 27, 2024, both counties intend to transfer ownership of the units to Santa Cruz County, with the process to be finalized no later than June 30, 2026. Given the temporary

nature of Monterey County's ownership of RdF Village, County staff are actively working among key stakeholders, including the County of Santa Cruz, Community Action Board of Santa Cruz County, and Westview Presbyterian Church to ensure all parties agree to decisions of the County.

DISCUSSION:
County staff have coordinated closely with COSC throughout the project's development, including the visioning and design stages that shaped the grant proposal. To prepare for the grant application, the County Homeless Services Director engaged the former County-funded outreach team from CSUMB's Center for Community Health Engagement to conduct outreach and assess the needs of individuals residing along the Pajaro River.

The project's partners, including the property owner, Westview Presbyterian Church, agreed to allow encampment occupants the opportunity to name the low-barrier navigation center, with the goal of fostering a sense of ownership and hope for future residents. On February 27, 2023, the County submitted the Encampment Resolution Fund (ERF) application, where the response to Question 24: "How were persons with lived experience meaningfully incorporated into the planning and proposed implementation of this proposal? Please identify whether any perspectives were incorporated from persons who are currently unsheltered and/or formerly or currently residing within the prioritized encampment," was that the name *Recurso de Fuerza* was selected by the encampment occupants.

Recurso de Fuerza is listed as the official name of the navigation center in several key documents, including the Encampment Resolution Funding (ERF) project proposal to the State, County-administered standard agreements and contracts administered by other funding partners.

Potential impacts of renaming the project include:

1. **Disrupt the trust of future program participants:** Overriding the name selected by the encampment occupants may undermine the efforts of community-based organizations striving to build and sustain rapport with the occupants.
2. **Increased Administrative Workload:** Additional time and resources will be required from staff to update internal and external documents.
3. **State Engagement:** Coordination with the State may be necessary to determine whether a name change would impact the project's scoring on the approved application as it was listed as the response to community engagement.
4. **Community Engagement Coordination:** Development and implementation of a comprehensive community engagement process, in collaboration with the County of Santa Cruz, Westview Presbyterian Church, and Community Action Board of Santa Cruz County and reengage the encampment residents asking them to choose a different name.
5. **Modification of Agreements:** Amendments will be needed for existing County standard agreements.
6. **Funder Coordination:** Engagement with other funding partners to update agreements and documents, managed by other entities.
7. **Additional Community Outreach:** Additional communication may be required to mitigate potential confusion resulting from the name change within the local community.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:
Recurso de Fuerza is a partnership between the County Administrative Office Homelessness Strategies and Initiatives Division, County of Santa Cruz Human Services Department, California Housing and Community Development, California Interagency Council on Homelessness, Community Action Board of Santa Cruz County, Central California Alliance on Health, Coalition of Homeless Services Providers, Persons with Lived Experience, Community Health Engagement, and Westview Presbyterian Church.

FINANCING**:**
This report has no impacts on General Funds.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
Mark a check to the related Board of Supervisors Strategic Plan Goals [Include one or two sentences referencing the Ordinance, Code, Board Order/Resolution, etc. in relation to this selection]:
____ Well-Being and Quality of Life
____ Sustainable Infrastructure for the Present and Future
____ Safe and Resilient Communities
____ Diverse and Thriving Economy
____ Dynamic Organization and Employer of Choice
__X_Administrative: This presentation is in response to Board Referral #2024.13 regarding the renaming of a County-led program.

Link to the Strategic Plan:
<https://www.countyofmonterey.gov/home/showdocument?id=139569>

Prepared by: Roxanne V. Wilson, County Homeless Services Director, ext. 5445
Approved by: Deborah Paolinelli, Assistant County Administrative Officer, ext. 5309

Attachments:
MOU with Santa Cruz County
Encampment Resolution Funding 2-R Notice of Funding Availability
Encampment Resolution Funding State Application
Presentation

Introduced: 9/23/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Preliminary Analysis Report

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c. Provide direction as necessary.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

a. Receive a presentation in response to Board Referral No. 2024.13 (Alejo) on the history of *Recurso de Fuerza*, a low barrier navigation center currently in development in partnership with the County of Santa Cruz;
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nature of Monterey County's ownership of RdF Village, County staff are actively working among key stakeholders, including the County of Santa Cruz, Community Action Board of Santa Cruz County, and Westview Presbyterian Church to ensure all parties agree to decisions of the County.

DISCUSSION:
County staff have coordinated closely with COSC throughout the project's development, including the visioning and design stages that shaped the grant proposal. To prepare for the grant application, the County Homeless Services Director engaged the former County-funded outreach team from CSUMB's Center for Community Health Engagement to conduct outreach and assess the needs of individuals residing along the Pajaro River.

The project's partners, including the property owner, Westview Presbyterian Church, agreed to allow encampment occupants the opportunity to name the low-barrier navigation center, with the goal of fostering a sense of ownership and hope for future residents. On February 27, 2023, the County submitted the Encampment Resolution Fund (ERF) application, where the response to Question 24: "How were persons with lived experience meaningfully incorporated into the planning and proposed implementation of this proposal? Please identify whether any perspectives were incorporated from persons who are currently unsheltered and/or formerly or currently residing within the prioritized encampment," was that the name *Recurso de Fuerza* was selected by the encampment occupants.

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Prepared by: Roxanne V. Wilson, County Homeless Services Director, ext. 5445
Approved by: Deborah Paolinelli, Assistant County Administrative Officer, ext. 5309

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Presentation

DocuSign Envelope ID: 62A4B417-65A2-4CB9-9822-C4E283CC4BC2

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Luis A. Alejo to:

Agreement No.: A-16746
a. Approve and authorize the County Administrative Officer, or designee, to execute a Memorandum of Understanding (MOU) for a Five Year Term with the County of Santa Cruz (COSC) to collaborate on the establishment and implementation of a housing first, low-barrier navigation center program that provides temporary living facilities to individuals experiencing homelessness in the Pajaro River area and to establish the conditions for the purchase and transfer of Units to COSC by June 30, 2026.
b. Approve and authorize the County Administrative Officer or designee, to sign up to three (3) future amendments to this MOU where amendments do not significantly alter the purposes and goals of the MOU subject to review as to form by the Office of the County Counsel.

PASSED AND ADOPTED on this 27th day of February 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez and Askew
NOES: None
ABSENT: Supervisor Adams

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting February 27, 2024.

Dated: March 1, 2024
File ID: 24-110
Agenda Item No.: 80

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Vicente Ramirez, Deputy

DocuSign Envelope ID: 62A4B417-65A2-4CB9-9822-C4E283CC4BC2

MEMORANDUM OF UNDERSTANDING RE: COORDINATION OF RESPONSIBILITIES RELATED TO IMPLEMENTATION OF THE ENCAMPMENT RESOLUTION FUNDING PROGRAM AND DEVELOPMENT OF A NON-CONGREGATE LOW-BARRIER HOUSING NAVIGATION CENTER IN WATSONVILLE, CALIFORNIA

This Memorandum of Understanding ("MOU") is entered into as of the last date opposite the respective signatures (the "Effective Date"), by and between the County of Santa Cruz, a political subdivision of the State of California ("COSC"), and the County of Monterey, a political subdivision of the State of California ("COM"), collectively referred to as "Counties" or "Parties" and sometimes individually referred to as "Party".

RECITALS

A. WHEREAS, under the authority of Chapter 7 of Part 1 of Division 31 of the California Health and Safety Code (HSC) sections 50250 et seq., the Encampment Resolution Funding ("ERF") Program was established to increase collaboration between the California Interagency Council on Homelessness (Cal ICH), local jurisdictions, and Continuums of Care for the following purposes:

   i. Assist local jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments;
   ii. Provide grants to local jurisdictions and Continuums of Care to resolve critical encampment concerns and transition individuals into safe and stable housing; and,
   iii. Encourage a data-informed, coordinated approach to address encampment concerns.

B. WHEREAS, the ERF Program was initially authorized in 2021 through Assembly Bill (AB) 140 (Chapter 111, Statutes of 2021), which allocated $50 million for what would become the first round of funding, with SB 197 (Chapter 70, Statutes of 2022) amending the Program and AB 178 (Chapter 45, Statutes of 2022) allocating an additional $300 million for Round 2 of ERF Program funding in 2022.

C. WHEREAS, the Pajaro River runs along the border of COSC's and COM's jurisdictional boundaries, and an estimated 70 people experiencing homelessness stay in the area each night on both sides of the river within the jurisdictional boundaries of both Counties and the City of Watsonville.

D. WHEREAS, in August 2022, the Parties began discussions on submitting a collaborative application to the second round of ERF Program to jointly address the longstanding issue of individuals experiencing homelessness in and around the Pajaro River.

E. WHEREAS, on February 14, 2023, the Board of Supervisors of the COM ("BOS-COM") received a presentation by the County Administrative Office, Intergovernmental & Legislative Affairs Division on the proposed joint project and authorized[1] the submission of an application[2] for ERF Program funding for approximately Eight Million Dollars ($8,000,000) to:

   i. Construct and provide operational funding for a 34-unit, non-congregate low-barrier housing navigation center within the City of Watsonville's jurisdictional boundaries until June 30, 2026, and
   ii. Provide rapid re-housing and housing navigation services for 70 people from the encampment population.

[1] BOS-COM Board Order (23-143 Agenda Item No. 15 Board Order)
[2] BOS-COM (COM ERF Application)

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F. WHEREAS, the people living in the Pajaro River area recommended, and other collaborative partners adopted, the name "Recurso de Fuerza" (Resource of Strength) for the non-congregate low-barrier housing navigation center.

G. WHEREAS, on June 14, 2023, the COM was provided notice of an award in the amount of $7,986,354.26 in funding through round 2 of the ERF program by the Cal ICH for the placement of interim housing and operational funding until June 30, 2026, of a 34-bed non-congregate low-barrier housing navigation center in Watsonville, California to steward Pajaro River encampment occupants on a path toward housing.

H. WHEREAS, on June 24, 2023, the COM entered into a Standard Agreement with the State of California[3] ("CAL ICH Agreement") for the award with a contract term of August 7, 2023, to March 31, 2027.

I. WHEREAS, COM shall expend no less than 50 percent and obligate 100 percent of the ERF program funds by June 30, 2024 as defined in the grant terms of the CAL ICH Agreement.

J. WHEREAS, all ERF program funds shall be expended by June 30, 2026, and any funds not expended by this date shall revert to the fund of origin pursuant to HSC Section 50253(e)(5) as defined in the grant terms of the CAL ICH Agreement.

K. WHEREAS, on September 8, 2023, the COM received the ERF Program award from Cal ICH.

L. WHEREAS, the Parties desire to identify roles and responsibilities in the development of a 34-non-congregate, low-barrier interim shelter including separate rooms for showers, restrooms, a dining room, laundry, storage and office rooms ("Units") to provide housing navigation and supportive services ("Recurso de Fuerza Program" or "Program") to people living along the Pajaro River.

M. WHEREAS, the Parties have worked together to identify and select development and service provision partners with extensive histories and success in executing similar projects with similar timeline requirements and service models to carry out the vision of this program.

N. WHEREAS, the following Exhibits are incorporated into this MOU:
Exhibit A – INSURANCE REQUIREMENTS
Exhibit B – DISPUTES AND CORRECTIVE ACTION

NOW, THEREFORE, in consideration of the recitals and mutual consideration, representations, conditions, and obligations contained in this MOU, and incorporated herein, the Parties agree as follows:

ARTICLE 1.
ROLES AND RESPONSIBILITIES

Section 1.1 Purpose and Goals

This MOU serves to establish a mutual understanding for the implementation of ERF for a low-barrier navigation center program in Watsonville, California for the public purpose of providing interim housing to individuals experiencing homelessness in the Pajaro River area within the jurisdictional boundaries of both Counties and the City of Watsonville.

[3]CAL ICH Agreement

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More specifically, this MOU will:

a. Identify roles and responsibilities between the Parties for housing of individuals experiencing homelessness near the Pajaro River;

b. Develop a low-barrier navigation center Recurso de Fuerza Program at the Site; and,

c. Transfer all, some, or none of the Units with existing furnishings from the COM to the COSC no later than June 30, 2026.

Section 1.2 Roles and Responsibilities

a. The COM shall:

1. Devote sufficient personnel to serve as the collaborative applicant of the ERF Program and administer the funds including executing agreements with State and local partners, reporting, budget modifications, technical assistance, disbursement of funds, and monitoring from Effective Date to March 31, 2027.

2. Reporting Requirements: COM shall submit all required reports to Cal ICH with fiscal and programmatic data reflecting the progress of their ERF program in a format provided by Cal ICH.

3. At the end of the grant funding period on June 30, 2026, or upon request by Cal ICH, COM shall provide information and products developed with grant funds on service delivery models including any materials that may be necessary to study the program or replicate it for implementation across the state.

4. Provide funding to support the lease in Watsonville ("Site") to accommodate the Units and Program until all funds have been expended on or before June 30, 2026.

5. Enter into contracts that will terminate on June 30, 2026, with mutually agreed upon and selected nonprofit partners for the daily operation of the Program until the Units transfer to COSC.

6. In the event of a sale of some or all the Units to COSC, assist in the transfer of those Units to COSC.

b. The COSC shall:

1. Commit to identifying source(s) of funding to continue the operation of the Program after June 30, 2026. COSC shall report to COM on or before February 1, 2026, regarding (1) the source(s) and amount(s), if any, of funding COSC has identified and (2) whether COSC intends to continue to operate the Program after June 30, 2026.

2. Provide Homeless Management Information System (HMIS) Agency Administrator level access, training, technical assistance, and data exports specific to the ERF grant at least bi-annually to the COM's Homeless Services Director and support staff.

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3. Provide HMIS access, training, and technical assistance to the navigation center operator.

c. The Parties agree that:

1. Each Party shall each designate staff who shall meet monthly to coordinate the execution and implementation for the duration of the ERF grant period.

2. Property and environmental records, reports, studies, and other relevant information shall be shared between the Parties as they become available.

3. Short-term and long-term Project low-barrier navigation center Program goals will be jointly determined by the Parties.

4. COM and COSC staff will continue to work together in drafting contracts to support the operations of the Recurso de Fuerza low-barrier navigation center Program. However, COSC will not be a party to those contracts.

5. If there is a disagreement between the Parties or their representative(s), the Parties shall proceed with resolution as outlined in Exhibit B: DISPUTES AND CORRECTIVE ACTION which is incorporated by this reference.

Section 1.3 Purchase and Transfer of Modular Units

a. The COM and COSC have mutually agreed upon the use of the Units for interim housing to shelter unhoused individuals at the Site.

b. The COM shall identify a service provider and/or vendor for the delivery and construction of the Units, and COM will enter into all necessary agreements with said service provider and/or vendor with a contract term ending on June 30, 2026.

c. COM shall insure the Units until the effective date of the transfer of ownership to COSC, if such transfer of ownership occurs. Insurance or Self-Insurance requirements are set forth in Exhibit A – INSURANCE REQUIREMENTS which is attached and incorporated by this reference.

d. If the Units are sold to COSC, on the date of transfer, COSC will accept ownership of the Units and will ensure that the required insurance is obtained prior to acceptance. COSC will commence to be solely responsible for insuring the units from that point forward.

e. Within 30 days after receiving the report from COSC identified in Section 1.2.b.1, above, COM shall inform COSC of whether it will offer to sell all, some, or none of the Units to COSC on or before June 30, 2026. Upon receipt of an offer to purchase some or all of the Units from COM, if any, COSC County Administrative Officer, or their designee, shall have 30 days thereafter to accept or decline the offer.

f. If COSC accepts COM's offer to sell to offer to sell some or all of the Units to COSC, the purchase price of the Units will be $1.00 per Unit. The sale of the Units, if at all, shall be on an "as is" basis with any existing furnishings then located in the Units, for a total fee not to exceed $50.00. A condition of purchasing the Units will be that COSC make the Units available

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to eligible program participants in accordance with the five-year term of use defined below in subdivision (f). COM will work with COSC to identify funding sources to support COM eligible program participants.

g. Five (5) Year Term of Use. COSC understands and agrees that the term of use for the Units by unhoused individuals experiencing homelessness shall be for a five (5) year period from the Effective Date of this MOU. COM is responsible for ensuring the Units are offered to eligible program participants until the transfer of Units to COSC, if at all, on or before June 30, 2026.

Section 1.4 Property Site and Location

a. COM and COSC agree that the property site to be utilized for the Navigation Center and for placement of the Units shall be the Site.

b. The Units shall be installed in the parking lot areas of the Site.

c. If the Site becomes unavailable during the initial two-year period of the ERF grant implementation, COM agrees to locate and secure another site, with collaboration and approval of the COSC.

d. After the initial two-year grant period, the COSC shall be responsible for ensuring that an alternative site has been identified and secured before the transfer of Units on or before June 30, 2026.

e. Right of Entry. COM shall ensure that any leases and/or agreements contain a provision ensuring that COM and COSC officers, employees, agents, consultants, and contractors shall have the right to enter upon the Site during normal business hours to conduct work, inspections, and investigations in accordance with this MOU. In connection with such entry for the purpose of work, inspections and/or investigations, the Counties each agree to repair and restore any damage caused by its respective officers, employees, agents, consultants, Program participants, and contractors.

ARTICLE 2.
GENERAL CONDITIONS

Section 2.1 General Compliance

The Parties, through their respective officers, employees, consultants, and contractors as applicable, agree to comply with all applicable federal, State and local laws and regulations governing public agencies, including any necessary environmental review and/or CEQA/NEPA analysis as applicable to the implementation of the proposed Program and corresponding ERF grant award for the implementation of said Program. Documentation of such compliance shall be made available for review by a Party upon request by the other Party.

Section 2.2 Term of MOU

The term of this MOU (the "Term") shall start as of the Effective Date of this MOU and shall terminate upon the conclusion of the Five (5) Year Term of Use for the Units as set for above in Section 1.3.g.

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Section 2.3 Termination

This MOU may be terminated by either Party upon 30 days advance written notice. Prior to any said termination, COM and COSC shall meet and confer in good faith. In the event of termination of this MOU by either Party, if the date of termination is before the purchase and transfer of Units to COSC, COM will retain ownership of the Units and if the date of termination is after the purchase and transfer of Units to COSC from COM, then COSC will retain ownership of the Units, the provisions of ARTICLE 3. ADMINISTRATIVE REQUIREMENTS shall survive the termination of this MOU.

Section 2.4 Mutual Indemnification

a. The COSC shall indemnify, defend, and hold harmless the COM, its officers, agents, representatives, volunteers, and employees from any claim, liability, demand, loss, costs and expenses (including reasonable attorneys' fees and costs), injury or damage rising out of, or in connection with, performance, or attempted performance, directly or indirectly, of this MOU by the COSC and/or its agents, employees or volunteers, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the COM. It is the intent of the Parties to this MOU to provide the broadest possible coverage for the COM. The COSC shall reimburse the COM for all costs, attorneys' fees, expenses, and liabilities incurred with respect to any claim, judgment, or litigation in which the COSC is obligated to indemnify, defend and hold harmless the COM pursuant to this MOU. This provision shall survive expiration or termination of this MOU.

b. The COM shall indemnify, defend, and hold harmless the COSC, its officers, agents, representatives, volunteers, and employees from any claim, liability, demand, loss, costs and expenses (including reasonable attorneys' fees and costs), injury or damage rising out of, or in connection with, performance, or attempted performance, directly or indirectly, of this MOU by the COM and/or its agents, employees or volunteers, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the COSC. It is the intent of the Parties to this MOU to provide the broadest possible coverage for the COSC. The COM shall reimburse the COSC for all costs, attorneys' fees, expenses, and liabilities incurred with respect to any claim, judgment, or litigation in which the COM is obligated to indemnify, defend and hold harmless the COSC pursuant to this MOU. This provision shall survive expiration or termination of this MOU.

Section 2.5 Insurance

During the term of this MOU, the Counties shall each secure and maintain the insurance or self-insurance as described in Exhibit A.

ARTICLE 3.
ADMINISTRATIVE REQUIREMENTS

Section 3.1 Documentation and Record-Keeping

a. Records to be Maintained. The Counties shall maintain all records and such records shall

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include but not be limited to:

1. Records providing a full description of each activity undertaken.
2. Records required to document the solicitation and selection of a developer and operator.
3. Records required by funding agencies related to the implementation of the MOU.

b. Retention. The Counties shall retain all records pertinent to services performed and expenditures incurred pursuant to this MOU and as defined in Section 5 of Exhibit D of the CAL ICH Agreement with COM for a period of three (3) years after the final payment for any and all costs incurred for services performed and expenditures incurred pursuant to this MOU and corresponding grant funding for the implementation of the ERF and Recurso de Fuerza low-barrier navigation center Program MOU.

ARTICLE 4.
PERSONNEL AND PARTICIPANT CONDITIONS

Section 4.1 Conduct

a. Assignability. Neither Party shall assign or transfer any interest in this MOU without the prior written consent of the other Party, at its sole discretion.

b. Hatch Act. The Counties agree that under this MOU, no funds shall be provided, nor will any personnel be employed in any way or to any extent engaged in the conduct of political activities that would violate 5 U.S.C. Chapter 15, Section 1501 et seq.

c. Conflict of Interest. The Counties each agree to abide by the provisions of 24 CFR 570.611 with respect to conflicts of interest, as it may apply to their respective, agents' employees, consultants, officers, appointed or elected officials, as listed under this regulation.

ARTICLE 5.
ENVIRONMENTAL CONDITIONS

Section 5.1 Applicable Laws and Regulation

The Counties agree to comply with the following laws and regulations insofar as they apply to the performance of this MOU:

a. Clean Air Act, 42 U.S.C. 7401 through 7414.

b. Federal Water Pollution Control Act (Clean Water Act), as amended (33 U.S.C. 1318- Records and Reports) relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in Section 114 of the Clean Water Act (which authorizes the United States Environmental Protection Agency [EPA] to issue EPA Section 114 Information Requests to gather data necessary for enforcing environmental laws) and Section 308 of the Clean Water Act, and all regulations as applicable to the performance of this MOU.

c. Flood Disaster Protection Act of 1973 (P.L. 93-234) regarding the sale, lease or other transfer of land acquired, cleared, or improved under the terms of this MOU, as it may apply to the provisions of this MOU.

d. Environmental Protection Agency Lead-Based Paint Regulations.

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e. Historic Preservation requirements as set out in the National Historic Preservation Act, Pub. L. No. 89-665, as amended by Pub. L. No. 96-51) and the procedures set forth in 54 U.S.C. Section 300101, et seq. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty (50) years old or older or that are included on a federal, State, or local historic property list.

ARTICLE 6.
OTHER PROVISIONS

Section 6.1 Entire MOU

This MOU contains all the terms and conditions agreed upon by the Parties.

No other understandings, oral or otherwise, regarding the subject matter of this MOU shall be deemed to exist or to bind any of the Parties hereto.

Section 6.2 Notices

Formal notices, demands and communications (other than day to day routine communications) between the Counties shall be sufficiently given if, and shall not be deemed given unless: (i) dispatched by certified mail, postage prepaid, return receipt requested, (ii) sent by express delivery or overnight courier service with a delivery receipt, (iii) personally delivered with a delivery receipt, or (iv) sent by electronic mail with a copy delivered by one of the previous three methods, to the office of the Party upon which service is being made shown as follows, or such other address as the Parties may designate in writing from time to time:

COUNTY OF MONTEREY:
Attn: Deborah Paolinelli, Assistant County Administrative Officer
168 W. Alisal Street, 3rd Floor
Salinas, California 93901
Email: paolinellid@co.monterey.ca.us

COUNTY OF SANTA CRUZ:
Attn: Randy Morris, Director of Human Services Department
1000 Emeline Avenue
Santa Cruz, CA 95060
Email: Randy.Morris@santacruzcountyca.gov

Such written notices, demands and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused.

Section 6.3 Conformance with Federal and State Regulations

Should local, federal or State regulations touching upon this MOU be adopted, amended or revised during the term hereof, this MOU is subject to modification to assure conformance with such federal or State requirements.

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Section 6.4 Severability

If any term of this MOU is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect.

Section 6.5 Headings and Captions

Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this MOU or any provision thereof.

Section 6.6 No Third-Party Beneficiaries

There are no intended third-party beneficiaries to this MOU.

Section 6.7 Amendments

This MOU may not be modified, supplemented, or amended unless in writing by the Parties. Any modification, supplementation, amendment, or waiver must be signed by both Parties.

Section 6.8 Costs and Expenses

Each Party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with this MOU, and the performance of each Party's obligations under this MOU.

Section 6.9 No Commissions

Each Party represents to the other that is has not retained, and shall not retain, the services of any broker, agent or finder with respect to the Site or in connection with any matters relating to this MOU, and agrees to hold the other Party harmless from and against any claim for commission, fee, or other remuneration by any broker, agent, or finder under any claimed retainer for services with respect thereto.

Section 6.11 Governing Law; Venue

This MOU shall be governed by and construed in accordance with the laws of the State of California without reference to choice-of-law principles, and venue for any action under this MOU shall be in the Superior Court of the County of Monterey, subject to any motion for transfer of venue.

Section 6.12 Counterparts and Electronic Signatures

This MOU may be executed in counterparts with electronic signatures, each of which shall be deemed an original but all of which together shall constitute one (1) and the same MOU.

Section 6.13 Non-Recourse MOU

No member, official, employee, agent, or consultant of any Party to this MOU shall be personally liable to any other Party, or any successor in interest or person claiming by, through or under any Party, in the event of any default or breach, or for or on account of any amount which may be or become due, or in any claim, cause or obligation whatsoever under the terms of this MOU.

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Section 6.14. Recitals

The Parties understand and agree that the recitals to this MOU are incorporated into this MOU by this reference.

Section 6.15 Attachments

The following attachments are hereby included within and incorporated by reference:
Exhibit A: Insurance Requirements
Exhibit B: Disputes and Corrective Action

Section 6.16 Authority of Signatories

The individuals executing this MOU on behalf of the Parties represent and warrant that he or she has the requisite authority to enter into this MOU on behalf of said Party.

SIGNATURES ON FOLLOWING PAGE

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IN WITNESS WHEREOF, this MOU has been executed by the Parties as of the Effective Date.

COUNTY OF MONTEREY:	**COUNTY OF SANTA CRUZ:**
County Administrative Office, Sonia M. De La Rosa, County Administrative Officer By: DocuSigned by: Deborah Paolinelli DFCFE819B75E478... Deborah Paolinelli Assistant County Administrative Officer Date: 3/14/2024 | 4:37 PM PDT	Human Services Department Randy Morris, Director By: DocuSigned by: Randy Morris D1FBBB7500084B1... Randy Morris, Director Date: 2/14/2024
APPROVED AS TO FORM: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: DocuSigned by: Marina Pantchenko 2/14/2024 | 11:03 AM PST 65EE0F4502BD412... Marina Pantchenko Deputy County Counsel	**APPROVED AS TO FORM:** Office of the County Counsel Arthur Wille, County Counsel By: DocuSigned by: Arthur Wille 2/13/2024 FD318C222C094D0... Name: Arthur Wille Title: County of Santa Cruz
APPROVED AS TO FISCAL PROVISIONS: Rupa Shah, Auditor-Controller By: DocuSigned by: Ma Mor 2/14/2024 | 12:59 PM PST 2617DD077D65495... Name: _____ Title: _____	**APPROVED AS TO INSURANCE AND INDEMNIFICATION PROVISIONS:** Risk Management By: DocuSigned by: Gina Borasi 2/14/2024 E4EADC5BA53B4DB... Risk Management
APPROVED AS TO INSURANCE AND INDEMNIFICATION PROVISIONS: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: DocuSigned by: David Bolton, Risk Manager 2/14/2024 | 11:44 AM PST 38F5C2C2B5F5249... David Bolton, Risk Manager	

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EXHIBIT A: INSURANCE REQUIREMENTS

The Counties each certify that they maintain a program of insurance and self-insurance that covers its activities in connection with this MOU as follows:

1. Professional Liability Insurance or self-insurance with financially owned and reputable companies with limits of one million dollars ($1,000,000) per claim and a general aggregate of three million dollars ($3,000,000). If such insurance is written on a claims- made form, it shall continue for three (3) years following termination of this MOU. The insurance shall have a retroactive date prior to coinciding with the effective date of this MOU. In the event that a claims-made policy is canceled or non-renewed, then the County shall obtain extended reporting (tail) coverage for the remainder of the three (3) year period.

2. Commercial General Liability Insurance or Self-Insurance. The County shall maintain insurance or self-insurance of five million dollars ($5,000,000) per occurrence and coverage of five million dollars ($5,000,000) in the aggregate.

3. Workers' Compensation Insurance (WCI) in a form and amount covering the County's full liability as required by law under the Workers' Compensation Insurance and Safety Act of the State of California as amended from time to time.

4. The Counties, upon execution of this MOU, shall each furnish each other with Certificates of Insurance or a Letter of Self-Insurance evidencing compliance with requirements. Certificates shall further provide for thirty (30) days advance written notice to the other County/Party of any modification, change or cancellation of any of the above insurance coverage.

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EXHIBIT B: DISPUTES AND CORRECTIVE ACTION

Any claim, controversy, breach, or dispute arising out of this MOU, including, without limitation, the interpretation of any term or provision of this MOU, or any disagreement, claim, controversy, breach, or dispute arising out of the obligations under this MOU (individually, referred to as a "Dispute", and collectively referred to as "Disputes"), whether seeking damages or equitable relief, shall be subject to the following process.

1. Disputes between Parties shall be settled as quickly as reasonably possible to ensure minimal impact to MOU activities.

2. Parties shall first utilize a corrective action administrative process and negotiation to attempt to resolve Disputes prior to resulting to any other allowable remedy. Parties shall continue performance of the MOU activities during such resolution.

    a. Upon receipt by COM of information regarding a perceived failure by COSC to comply with any provision of this MOU, COM has the right to forward COSC a notice of COM's intent to consider corrective action to enforce compliance with such provision. Such notice will indicate the nature of the issue, or issues, to be reviewed in determining the need for corrective action. COSC may have the opportunity to respond or participate in formulating the corrective action recommendation. COM has the right to require the presence of COSC's officer(s) or employee(s) at any hearing or meeting called for the purpose of considering a corrective action.

    b. Upon receipt by COSC of information regarding a perceived failure by COM to comply with any provision of this MOU, COSC has the right to forward COM a noticed of COSC's intent to consider corrective action to enforce compliance with such provision. Such notice will indicate the nature of the issue, or issues, to be reviewed in determining the need for corrective action. COM may have the opportunity to respond or participate in formulating the corrective action recommendation. COSC has the right to require the presence of COM's officer(s) or employee(s) at any hearing or meeting called for the purpose of considering a corrective action.

    c. All requests shall be made in good faith and be reasonable in light of the economics and time efficiencies intended by the corrective action process.

    d. Any resolution requiring amendment of this MOU shall be executed as soon as reasonably possible, time is of the essence.

3. No formal proceedings for the judicial resolution of any dispute may be commenced until sixty (60) calendar days following the initiation of negotiations under this Section. Either Party may then seek whatever remedy is available in law or in equity.

4. For all claims arising from or related to this MOU, nothing in this MOU establishes, waives, or modifies any claims presentation requirements or procedures provided by law, including the Government Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section 810), or any ordinance enacted by either Party governing the presentation or processing of such claims.

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Certificate Of Completion

Envelope Id: 12D043C3BBE948F09B815453F4563117
Status: Completed
Subject: MOU ERF-2-R-Program.pdf
Source Envelope:
Document Pages: 13
Signatures: 3
Certificate Pages: 5
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:
Irene Romero-Reyes
701 Ocean Street
Santa Cruz, CA 95060
Irene.Romero-Reyes@santacruzcountyca.gov
IP Address: 63.194.190.100

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Irene.Romero-Reyes@santacruzcountyca.gov
Location: DocuSign

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Pool: FedRamp

Storage Appliance Status: Connected
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Signer Events	Signature	Timestamp
Arthur Wille arthur.wille@santacruzcountyca.gov County of Santa Cruz Assistant County Counsel Security Level: Email, Account Authentication (None)	DocuSigned by: Arthur Wille FD318C222C994D0...	Sent: 2/13/2024 4:46:06 PM Viewed: 2/13/2024 8:22:51 PM Signed: 2/13/2024 8:38:01 PM
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Gina Borasi Gina.Borasi@santacruzcountyca.gov Associate Personnel Analyst - Risk Management County of Santa Cruz Security Level: Email, Account Authentication (None)	DocuSigned by: Gina Borasi E4EADC5BA53B4DB...	Sent: 2/13/2024 8:38:03 PM Viewed: 2/14/2024 8:24:59 AM Signed: 2/14/2024 8:29:00 AM
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Randy Morris Randy.Morris@santacruzcountyca.gov Director County of Santa Cruz Security Level: Email, Account Authentication (None)	DocuSigned by: Randy Morris D1FBBB7500084B1...	Sent: 2/14/2024 8:29:01 AM Viewed: 2/14/2024 8:47:32 AM Signed: 2/14/2024 8:47:50 AM
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In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Carlos Nuno Espinoza Carlos.NunoEspinoza@santacruzcountyca.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 11/13/2023 9:03:01 AM ID: 64b871e5-041e-41fd-9269-f4450bf9eb63	COPIED	Sent: 2/13/2024 4:46:05 PM Viewed: 2/13/2024 5:19:39 PM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	2/14/2024 8:47:32 AM
Signing Complete	Security Checked	2/14/2024 8:47:50 AM
Completed	Security Checked	2/14/2024 8:47:50 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

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State of California
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

CAL ICH
California Interagency Council on Homelessness

Encampment Resolution Funding Program, Round 2, Second Disbursement (ERF-2-R)

Notice of Funding Availability (NOFA)

December 1, 2022

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California Interagency Council on Homelessness (Cal ICH)

Encampment Resolution Funding Program, Round 2, Second Disbursement (ERF-2-R)

Notice of Funding Availability (NOFA)

I. GRANT OVERVIEW

A. ERF-2-R Objective

The Encampment Resolution Funding (ERF) Program will fund actionable, person-centered local proposals that resolve the experience of unsheltered homelessness for people residing in encampments. Resolving these experiences of homelessness will necessarily address the safety and wellness of people within encampments, resolve critical encampment concerns, and transition individuals into interim shelter with clear pathways to permanent housing or directly into permanent housing, using data-informed, non-punitive, low-barrier, person-centered, Housing First, and coordinated approaches.

Proposals may bolster existing, successful models and/or support new approaches that provide safe stable, and ultimately permanent housing for people experiencing homelessness in encampments.

B. Authority

Under the authority of Chapter 7 of Part 1 of Division 31 of the California Health and Safety Code (HSC) (sections 50250 et seq.), the Encampment Resolution Funding Program (Program) was established to increase collaboration between the California Interagency Council on Homelessness (Cal ICH), Local Jurisdictions, and Continuums of Care for the following purposes:

- Assist Local Jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments.
- Provide grants to Local Jurisdictions and continuums of care to resolve critical encampment concerns and transition individuals into safe and stable housing.
- Encourage a data-informed, coordinated approach to address encampment concerns.

The ERF Program was initially authorized in 2021 through Assembly Bill (AB) 140 (Chapter 111, Statutes of 2021), which allocated $50 million for what would become the first round of funding. SB 197 (Chapter 70, Statutes of 2022) amended the program and AB 178 (Chapter 45, Statutes of 2022) allocated an additional $300 million for Round 2 of ERF funding.

C. Background

Cal ICH was created in 2017 to oversee the implementation of Housing First policies, guidelines, and regulations to reduce the prevalence and duration of homelessness in California. Cal ICH's mission is to develop policies and to identify and coordinate resources, benefits, and services to prevent and work toward ending homelessness in California.

The ERF Program is a 4-year grant program that includes two rounds of funding: $50 million in Fiscal Year (FY) 2021-22 (ERF-1) and $300 million in FY 2022-23 (ERF-2) to provide grants to Local Jurisdictions and continuums of care to resolve critical encampment concerns and transition individuals into safe and stable housing.

The first disbursement from the $300 million of ERF-2 funds was provided to applicants from ERF-1 that satisfactorily met all program requirements but had not been awarded grants due to lack of available funds.

This NOFA is for the remaining $237,301,738 of ERF-2 funds. Applications will be accepted on a rolling basis until June 30, 2023, or until all funds are exhausted, whichever comes first. Up to $150 million will be prioritized for proposals that serve people living in encampments on state right-of-ways.

D. Eligible Applicants

- Local Jurisdiction – means a city, including a charter city, a county, including a charter county, or a city and county, including a charter city and county.

- Continuum of Care (CoC) – as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.

    - Per statute (AB 178, Budget Act of 2022), Local Jurisdictions have priority to apply for ERF programs on state right-of-ways, over CoC applicants, until a date specified by Cal ICH. If a CoC applies for an ERF proposal located on a state right-of-way before May 1, 2023, the CoC must provide a Letter of Local Acknowledgment from each overlapping Local Jurisdiction that identifies the prioritized encampment and confirms that the CoC has communicated with each Local Jurisdiction and that no Local Jurisdiction intends to apply for ERF-2-R funds for the prioritized encampment.

E. Eligible Population to Serve

ERF-2-R funds may only be used for proposals that connect people experiencing homelessness in encampments to interim shelter with clear pathways to permanent housing or place people directly into permanent housing.

F. Rounds of Funding

- ERF-1 is Round 1 of the Encampment Resolution Funding Program. It featured one disbursement totaling $48 million to 19 jurisdictions.

- ERF-2 is Round 2 of the Program. It features at least two disbursements.

- ERF-2's first disbursement (ERF-2-L) was made available to jurisdictions that applied for ERF-1, satisfactorily met all applicable program requirements, but did not receive awards due to lack of available funds. $47.7 M was awarded to eight jurisdictions (ERF-2-L indicates a *lookback* to unfunded ERF-1 applicants).

- ERF-2's second disbursement (ERF-2-R) is made available through this NOFA (ERF-2-R indicates a *rolling* application process).

G. Available Funds

- Up to $237,301,738 are available for award through ERF-2-R.

  - Applications will be accepted on a rolling basis until June 30, 2023, or until funds are exhausted, whichever is sooner.

  - Pursuant to the Budget Act of 2022 (Section 20 of AB 178), up to 50 percent of the $300 million authorized for ERF-2 shall be prioritized for Local Jurisdictions with proposals that address encampments on state right-of-ways and that meet priority criteria established by Cal ICH in consultation with the Department of Transportation.

H. Key Dates

The rolling Application Window will open upon the release of this NOFA and the accompanying ERF-2-R application on December 1, 2022, and will remain open until June 30, 2023, or until all program funds have been exhausted, whichever comes first. Applications will be reviewed in batches as illustrated in the table and diagram below. Applications for projects on state right-of-ways will be prioritized in this review process.

If a CoC applies for an ERF proposal located on a state right-of-way (SROW) before May 1, 2023 (during Application Window #1 or #2), the CoC must provide a Letter of Local Acknowledgment from each overlapping Local Jurisdiction that identifies the prioritized encampment and confirms that no Local Jurisdiction intends to apply for funding for the prioritized encampment.

Table, ERF-2-R Events	Responsible Party	Date(s)
NOFA Release Date	Cal ICH	12/01/2022
Application Release Date	Cal ICH	12/01/2022
Application Window #1	Applicant	12/1/2022 - 2/28/2023
Application Window #2 Review and Award Window #1 Applications	Applicant Cal ICH	3/1/2023 - 4/30/2023
Letter of Local Acknowledgement No Longer Required for CoC Applications on SROW	Applicant	5/1/2023
Application Window #3 Review and Award Window #2 Applications	Applicant Cal ICH	5/1/2023 - 6/30/2023
Review and Award Window #3 Applications	Cal ICH	7/1/23 - 8/31/23
Deadline to **Expend** 50 Percent of Allocation	Applicant	6/30/2024
Deadline to **Obligate** 100 Percent of Allocation	Applicant	6/30/2024
Deadline to **Expend** 100 Percent of Allocation	Applicant	6/30/2026

Diagram, Application Window and Review									
	2022 DEC	2023 JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
Application Window 1									
Review of Window 1 Applications									
Application Window 2									
Review of Window 2 Applications									
Application Window 3									
Review of Window 3 Applications									

I. Applicant Conference:

General questions may be submitted by email to calichgrants@bcsh.ca.gov, with a heading "ERF-2-R" for the duration of the rolling application period. Please know that Cal ICH will likely respond to any inquiries through **official channels that are directed to the entire eligible applicant pool** (i.e., Applicant Conference, FAQ, or if necessary, an addendum to this NOFA). A non-mandatory Applicant Conference is a space for Cal ICH to walk through the application and submitted questions and answer live questions, as time permits. This conference will last an hour and is for informational purposes only. Attendance is voluntary and the conference will be recorded and posted on Cal ICH's website for viewing as your schedule permits.

To have your question answered in the Applicant Conference, please email questions to calichgrants@bcsh.ca.gov with subject line: ERF-2-R by 5pm 12/21/2022.

Conference date and time: 1/05/2023 @ 10:00 – 11:00 AM Pacific Time

Register in advance for this webinar:
(https://us06web.zoom.us/webinar/register/WN_vHuyirIjTgKzNwIC170QzQ).

Applicant Conference Agenda:
- Welcome and Introduction
- NOFA Overview
- Answer Questions Submitted to Cal ICH
- Live Questions (as time permits)

II. REQUIRED APPLICATION ELEMENTS, EVALUATION CRITERIA, AND PRIORITIZED FACTORS

A. Required Application Elements

Eligible applicants must submit an Application in a form and manner specified by Cal ICH; the Application must include minimum elements as described in HSC Section 50252.1(c)(4). The Application made available through the Cognito Submission Portal includes all the minimum elements.

B. Evaluation Criteria

In determining which Applications to fund, Cal ICH shall evaluate and score proposals based on specific criteria as described in HSC Section 50251(c)(2). These specific criteria are operationalized through and located in the ERF-2-R Scoring Matrix at Section VI.A and B of this NOFA.

C. Prioritized Factors

In accordance with HSC Section 50252.1(c)(5), in awarding grants, funding shall be prioritized for both of the following:

- Applications that demonstrate cross-systems collaboration, including collaborations with state and federal entities, and innovative efforts to resolve encampment issues, while focusing on protecting the health and well-being of the individuals living in those encampments.

- Applications that represent the diversity of communities across the state, including, but not limited to, rural, urban, and suburban communities.

III. ELIGIBLE USES

A. Eligible Uses

Applicant's program design and objective and their proposed eligible uses must advance ERF-2-R's objective, which is set forth at Section I.A of this NOFA. Proposal design may include any combination of the following ten Eligible Use categories:

Eligible Use Category	Non-Exhaustive List of Eligible Activities Applied to the Eligible Population
Rapid Rehousing	Rapid rehousing, including housing identification services, rental subsidies, security deposits, incentives to landlords, and holding fees for eligible persons, housing search assistance, case management and facilitate access to other community-based services.
Operating Subsidies	Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves.
Street Outreach	Street outreach to assist eligible persons to access crisis services, interim housing options, and permanent housing and services.
Services Coordination	Services coordination, which may include access to workforce, education, and training programs, or other services needed to improve and promote housing stability for eligible persons, as well as direct case management services being provided to persons.

Systems Support	Systems support for activities that improve, strengthen, augment, complement, and/or are necessary to create regional partnerships and a homeless services and housing delivery system that resolves persons' experiences of unsheltered homelessness.
Delivery of Permanent Housing	Delivery of permanent housing and innovative housing solutions, such as unit conversions that are well suited for eligible persons.
Prevention and Shelter Diversion	Prevention and shelter diversion to permanent housing, including flexible forms of financial assistance, problem solving assistance, and other services to prevent people that have been placed into permanent housing from losing their housing and falling back into unsheltered homelessness. This category is only available to serve people who were formerly residing in the prioritized ERF encampment site.
Interim Sheltering	Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing noncongregate shelters, and operations of existing navigation centers and shelters based on demonstrated need that are well suited for eligible persons.
Improvements to Existing Emergency Shelters	Improvements to existing emergency shelters to lower barriers, increase privacy, better address the needs of eligible persons, and improve outcomes and exits to permanent housing.
Administrative Costs	Administrative costs incurred by the city, county, continuum of care, to administer its program allocation. **Up to 5% of grant funds may be applied to administrative costs.**

Site restoration is not a permitted Eligible Use for ERF-2-R funds.

B. Budgets

Applicants must use the standardized budget template available at Box.com: (https://dca.box.com/s/3hil5rn8zp4g4q91r619fjlt2lrc6qvl). Where necessary, applicants may modify the budget template.

These budgets will be submitted through the Cognito submission portal: (https://www.cognitoforms.com/CaliforniaInteragencyCouncilOnHomelessness/ERF2RApplication).

Applicants must demonstrate a reasonable effort to correctly categorize their budgets into the appropriate Eligible Uses. Additionally, if one larger proposal may fall within two or more Eligible Use categories, applicants should split up the line item so that Cal ICH staff can track and better understand proposal components.

IV. APPLICATION

A. ERF-2-R Application

The ERF-2-R Application is a questionnaire style survey and has three required parts. A submitted Application that deviates from the following requirements may be considered nonresponsive and may be disqualified from the evaluation.

1. Part 1: Administrative Information

Requires the applicant to provide information pertaining to jurisdiction type, implementing organization, and contacts.

2. Part 2: Proposal Overview

Requires the applicant to provide information on three main areas:

a) People Served: including metrics on how many people are living in the prioritized encampment and how many people are proposed to be served.

b) Encampment Information: including a description of the people living in the prioritized encampment, the physical characteristics of the encampment, why the site and the people residing there are being prioritized, and whether the encampment is located entirely or partially on a state right-of-way. This includes:

- **Attachment, Map:** Applicants must submit a map of the encampment site proposed to be served with ERF-2-R funds.

- **If applicable, Attachment, Caltrans Letter of Support:** Projects entirely or partially on a state right-of-way must include a Letter of Support from Caltrans.
  - This letter must include confirmation from Caltrans that they are aware of and in support of the ERF project, including the projected timeline, and that they will only take action on that encampment site in collaboration with and with at least two weeks-notice to the ERF grantee, unless critical circumstances exist when an encampment poses an imminent threat to life, health, safety, or infrastructure and must be immediately addressed.
  - This letter should be signed by the local Caltrans Deputy District Director of Maintenance (DDDM) or their designee.
  - This letter may also include Caltrans role in the proposal and what Caltrans resources are being leveraged.

c) Proposal's Outcomes: including a description of the proposal's planned outcomes, activities to support meeting these outcomes, and how the applicant will measure their progress.

3. *Part 3: Implementation*

Requires the applicant to provide details around proposal implementation around five key areas:

a) Centering People: includes data, evidence, etc. that informed the proposal's design, how input from people with lived expertise was meaningfully incorporated into the proposal, the proposal's adherence to Housing First, the proposal's delivery of trauma informed housing services and supports, as well as how the proposal will prioritize the dignity, health and safety of people experiencing homelessness in the encampment.

b) Core Service Delivery and Housing Strategies: including the proposed outreach strategies and/or service coordination for the persons experiencing homelessness while they continue to reside in the encampment, the proposed living situations immediately following the encampment, displacement mitigation strategies, commitment and ability to deliver permanent housing, service pathways to permanent housing, and strategies to mitigate returns to unsheltered homelessness.

c) Budget and Resource Plan: including the total amount of ERF-2-R funds requested, the amount and description of non-ERF resources that will support the proposal, and an explanation for how the requested amount was determined based on the number of people served and the housing options provided. This includes:

- **Attachment, Standardized Budget**: Applicants must use the standardized budget template available at Box.com: (https://dca.box.com/s/3hil5rn8zp4g4q91r619fjlt2lrc6qvl). Where necessary, applicants may modify the budget template. For guidance on Eligible Uses and categorization, *see* Eligible Uses in Section III.A.

d) Key Entities and Staff: including the experience and qualifications for the implementing organization and key partners, evidence of collaboration between Local Jurisdiction(s) and the CoC, as well as identification of the primary parties with rights to and/or control of the property upon which the encampment resides (Caltrans, Union Pacific, private landowner, etc.) and their shared understanding of and commitment to the implementation of the proposal. For proposals on state right-of-ways, applicants must describe how they collaborated with Caltrans on their program design, implementation plans, and projected timeline.

- **If applicable, Attachment, Letter of Local Acknowledgement**: Local Jurisdictions have priority to apply for ERF programs on state right-of-ways. If a CoC is applying for an ERF project for an encampment that is entirely or partially on a state right-of-way before May 1, 2023, the CoC must include a Letter of Local Acknowledgment from each overlapping jurisdiction. This letter must confirm that the applicant has communicated with each overlapping Local Jurisdiction and that no overlapping jurisdiction intends to apply for ERF-2-R funds for this particular encampment.

e) Accelerated Timeline: including how your community will act urgently and efficiently while prioritizing the dignity, safety and wellness of people experiencing homelessness within the encampment site and proposal milestones. This includes:

- **Attachment, Timeline**: Applicants must use the standardized timeline template for the appropriate application window available at Box.com:
  - Timeline for Application Window 1 (through February 28, 2023) (https://dca.box.com/s/44esrb8roe0pc3lmm3y7h1v4qkja8qbk)
  - Timeline for Application Window 2 (through April 30, 2023) (https://dca.box.com/s/mn0oepvjshisp6asdg32g0duxfhy0phy)
  - Timeline for Application Window 3 (through June 30, 2023) (https://dca.box.com/s/kl1r5ndssno0uygi66sz7b4zooweolts)

V. APPLICATION SUBMISSION

A. Submission Portal Requirements

Applicants will utilize the Cognito submission portal: (https://www.cognitoforms.com/CaliforniaInteragencyCouncilOnHomelessness/ERF2RApplication).

Applications will be accepted on a rolling basis beginning on December 1, 2022, until June 30, 2023, or until all funds have been exhausted, whichever occurs first. As detailed above in the Key Dates table, this rolling application period will span three possible application submission windows. Complete applications submitted and received by 5:00 p.m. on the last day of the corresponding application window, will be reviewed and evaluated as a batch for that window. Applications received after 5:00 p.m. on the last day of the application window will be reviewed and evaluated during the following application window. Because Cal ICH does not have control over the platform's timing apparatus and uploading speed, and to mitigate for unforeseen occurrences, applicants are strongly encouraged to submit by noon on the last day of the corresponding application window. For example, applications submitted during application window #1 for the period of December 1, 2022 through February 28, 2023, must be submitted no later than 5:00 p.m. on February 28, 2023, and applicants are encouraged to submit by noon on that day to mitigate any unforeseen occurrences in the Cognito application portal. Applicants are permitted to submit a "test" submission at a time of their choosing to familiarize themselves with the Application and the Cognito platform. The Cognito platform will instruct applicants how to navigate this process.

VI. REVIEW, SCORING, AND AWARD

A. Review

Phase 1 – Administrative Review: Applications will be reviewed and evaluated for completeness of NOFA specifications, including checking that the application was submitted on behalf of an eligible applicant. In this review stage, reviewers will compare the contents of each application to ensure that all required items are populated and / or received. Applications that are not complete or do not contain all the required items and attachments will be considered non-responsive and may be disqualified from the evaluation.

Phase 2 – Scoring Review: Cal ICH and/or its designee will convene an evaluation panel of three qualified individuals who have knowledge and experience of the state grantmaking process and subject matter of the Program (Evaluation Panel). The Evaluation Panel will review and score applications in accordance with the ERF Scoring Matrix below. This panel will produce an application's average score. Applications eligible for funding must score an average of at least 70 of the possible 100 points. In addition to receiving an average total score of at least 70, all applicant scores must average no less than the minimum scoring threshold for each of the following sections:

1) People Served and Encampment Information (must receive 3 out of the 5 possible points)
2) Proposal's Outcomes (must receive 10 out of the 15 possible points)
3) Centering People (must receive 16 out of the 20 possible points)
4) Core Service Delivery and Housing Strategies (must receive 11 out of the 15 possible points)
5) Budget and Resource Plan (must receive 10 out of the 15 possible points)
6) Key Entities and Staff (must receive 10 out of the 15 possible points)
7) Accelerated Timeline (must receive 10 out of the 15 possible points)

B. Scoring

The Evaluation Panel will review and consider the totality of the information in the Application when determining whether the Application satisfies the minimum scoring threshold. However, applicants should respond to each Application criteria in the proper Application section to ensure all requirements are met.

ERF-2-R Scoring Matrix	
Proposal Overview	**Factors that satisfy minimum scoring threshold:**
People Served and Encampment Information *(Must receive 3 out of the 5 possible points)*	• Clearly describes the characteristics and demographics of the people living in the prioritized encampment and the physical aspects of the encampment including location, size of area, types of structures onsite, and vehicles present. • Makes a logical and compelling case for why the identified encampment site is being prioritized.
Proposal's Outcomes *(Must receive 10 out of the 15 possible points)*	• Proposal's outcomes meaningfully align with ERF-2-R's objective (set forth at Section I.A of this NOFA). • Outcomes are specific, measurable, realistic, and time-based. • Logically describes how progress will be measured and outcomes achieved. • Applicant demonstrates an above average likelihood of achieving the Proposal's Outcomes.

Implementation	Factors that satisfy minimum scoring threshold:
Centering People *(Must receive 16 out of the possible 20 points)*	• Uses well-informed analyses or the perspectives of people with lived experience of homelessness to inform the proposal's decisions, processes, and actions which should advance the wellbeing of people experiencing unsheltered homelessness in the identified encampment. • Aligns with and exemplifies Housing First approaches. • Provides trauma informed services and supports, operationalizes harm reduction, and centers an individual's choice and preferences. • Prioritizes the dignity, health, and safety of people experiencing homelessness in the encampment. • Details the controls in place to not "penalize homelessness."
Core Service Delivery and Housing Strategies *(Must receive 11 out of the possible 15 points)*	• Includes a comprehensive outreach and engagement strategy including case management and service coordination for people currently residing in the encampment. • Details identified interim shelter and permanent housing options and includes a description of how many individuals are projected to be served with each interim and permanent housing solution. • Includes compelling evidence of an applicant's demonstrated ability and commitment to deliver permanent housing for people residing in the prioritized encampment. Compelling evidence may include identification, availability, and prioritization of permanent housing resources. • Describes how the proposed service delivery model is tailored to meet the needs and preferences of the people residing in the encampment site. • Uses data and input from people with lived experience of homelessness to inform housing and service needs, preferences, and the availability of resources to meet those needs and preferences. • Details strategies likely to prevent displacement from the prioritized encampment to another unsheltered location and prevent returns to unsheltered homelessness. • Details operable plans to support individuals with the storage of their property and care of their pets.
Budget and Resource Plan (*Must receive 10 out of the possible 15 points)*	• Demonstrates a sustainable, prudent, and effective use of requested funding. • Budget aligns with achieving the proposal's outcomes, services and housing options, and number of people served. • Identifies non-ERF-2-R resources that will be leveraged to

	support proposal implementation including coordination of resources from other systems that would increase services and housing options.
Key Entities and Staff *(Must receive 10 out of the possible 15 points)*	• Includes a detailed description of the lead entity that will oversee the implementation of activities in the proposal. Describe lead entity's mission, goals, values, geographic service area and existing efforts related to serving persons living in encampments. • Demonstrates the ability to recruit and deploy personnel with experience and expertise needed to support the success of the proposal. • Demonstrates commitment to cross-systems collaboration with descriptions of key contributions of each organization and local community partners including their experience and expertise in serving persons experiencing unsheltered homelessness with a range of service needs. • Demonstrates collaboration between Local Jurisdiction(s) and the CoC for this proposal. • Demonstrates capacity to carry out the proposal. • Identifies the primary parties with rights to and / or control of the property upon which the encampment resides and their shared understanding of and commitment to the implementation of the proposal. • If the encampment is on a state right-of-way, the proposal describes how the applicant collaborated with Caltrans on their program design, implementation plan, and projected timeline.
Accelerated Timeline *(Must receive 10 out of the possible 15 points)*	• Demonstrates how the community will act urgently and efficiently while prioritizing the dignity, safety and wellness of people experiencing homelessness within the encampment site. • Demonstrates likelihood of meeting proposal milestones and objectives.

C. Award

After each application window has closed and all applications received during the window have been reviewed and scored, a Notice of Intent to Award shall be posted on the Cal ICH website and shall be sent by email to the proposed awardees.

Once awards have been determined by Cal ICH, a contract packet including the Standard Agreement and Request for Funds Form (RFF) form will be prepared and sent to the grantee. The grantee will return the signed Standard Agreement and RFF. Funds will be disbursed to the grantee upon receipt, review and approval of the completed Standard Agreement and RFF by Cal ICH, the Department of General Services (DGS) and the State Controller's Office (SCO). The RFF must include the total amount of funds

proposed for expenditure. Grant funds will be disbursed via mailed check once the RFF has been received by the SCO. Checks will be mailed to the address and contact name listed on the RFF.

Applications that are denied funding will be provided Evaluation Panel feedback. Applicants are encouraged to incorporate this feedback and reapply in the next Application Window. Projects on state right-of-ways will be prioritized in this feedback process.

D. Appeals

Pursuant to HSC Section 50251(c)(1), Cal ICH's decision to approve or deny an application and the determination of the amount of funding to be provided shall be final and is not subject to appeal.

VII. PERFORMANCE AND REPORTING

A. Performance

Performance shall start no later than 30 days, or on the express date set by Cal ICH and the grantees, after all approvals have been obtained and the Standard Agreement is fully executed. Should the grantee fail to commence work at the agreed upon time, Cal ICH, upon five (5) days written notice to the grantee, reserves the right to terminate the Agreement. All performance under the Agreement shall be completed on or before the termination date of the Agreement.

ERF-2-R funds not expended by the 6/30/26 deadline shall be returned to Cal ICH and will revert to the fund of origin.

B. Reporting

The grantee shall submit quarterly reports to Cal ICH with fiscal and programmatic data reflecting the progress of their ERF program in a format provided by Cal ICH. These quarterly reports will include an anonymized person served list illustrating the housing outcomes of each person served by the grantee's ERF program. Grantees may also receive ad hoc requests for information from Cal ICH or its contractors in support of program monitoring, research, and evaluation. Grantees with projects on state right-of-ways may also be required to provide programmatic data to Caltrans.

At the end of the grant period, or upon request by Cal ICH, all grantees shall provide information and products developed with grant funds on service delivery models including any materials that may be necessary to study the program or replicate it for implementation across the state.

SUBMISSION PORTAL OVERVIEW

Is the Application a "Test" Submission?
No, this is my official Submission.

Part 1: ADMINISTRATIVE INFORMATION

Application Window

This application is being submitted in the following application window:
Window #1, 12/1/2022 - 2/28/2023

Eligible Applicant

Select the eligible applicant's jurisdiction type.
County

What is the name of the city or county?
Monterey

Implementing Organization

Implementing Organization
County of Monterey

Specific Unit or Office Within the Implementing Organization
County Administrative Office, Intergovernmental & Legislative Affairs Division

Implementing Organization's Address
168 West Alisal, 3rd Floor

City	Zip Code	County
Salinas	93901	Monterey

Implementing Organization's Tax ID Number
94-6000524

Project Director

Name
Roxanne Wilson

Title
Homeless Services Director

Phone	Email
(831) 755-5445	wilsonr@co.monterey.ca.us

Grant Administrator

Name
Roxanne Wilson

Title
Homeless Services Director

Phone	Email

(831) 238-3322 wilsonr@co.monterey.ca.us

Contact Person for Application

Name
Roxanne Wilson

Title
Homeless Services Director

Phone
(831) 238-3322

Email
wilsonr@co.monterey.ca.us

Authorized Representative

Name
Nick Chiulos

Title
Assistant County Administrative Officer

⚠This Application uses character limits ⚠

Reaching these limits is not required. Competitive responses may fall well short of these limits.

Part 2: PROPOSAL OVERVIEW

People Served

Number of people currently residing in prioritized encampment site
60

Of people currently residing in prioritized encampment site, how many will be served by this proposal?
60

Given the potential for inflow of people into the prioritized encampment site, how many people are projected to be served across the entire grant period?
70

Of people projected to be served across the entire grant period, number of people projected to transition into interim shelters
60

Of people projected to be served across the entire grant period, number of people projected to transition into permanent housing
42

Is the prioritized encampment site part of a larger encampment area?
Yes

Approximately how many people are residing in the entire larger encampment area, including the prioritized site?
100

Briefly describe the prioritized site in relation to the larger encampment area. (1000 character limit)
The entire encampment site spans approximately 7 river miles. The area of focus for this proposal is between river mile markers 2 through 5.5.

Encampment Information

1. Briefly describe the characteristics of the people residing within the prioritized encampment site. The description must include demographics and may include household compositions, disabilities, and projected service and housing needs. (1500 character limit)
The prioritized encampment sites are located along the Pajaro River and Lower Salsipuedes Creek near the City of Watsonville (Santa Cruz County) and unincorporated town of Pajaro (Monterey County). A multi-jurisdictional collaborative that includes both Santa Cruz and Monterey counties, the City of Watsonville and the Pajaro Regional Flood Management Agency (PRFMA) has identified this encampment to be prioritized for funding through ERF-2R.
Cal State University Monterey Bay (CSUMB) Center for Community Health Engagement (CHE) has been providing outreach and mobile case management to the Pajaro River occupants no less than once a week for over a year. Based on their interactions with the individuals in the encampment, the CHE team estimates that there are about 60 people on the site. In general, the occupants of the encampment are chronically homeless, unaccompanied adults who work in the surrounding agricultural fields. They are primarily Spanish speaking and about 50% are believed to be undocumented. The majority are men. Ages range mostly from 30 to 60. There is a subgroup of individuals who suffer from one or more co-occurring health and behavioral health issues. Some occupants have disclosed that they have criminal backgrounds and other barriers to housing, and that they need assistance with securing housing. Occupants have also shared their need for immigration and citizenship services, pet care, transportation, legal assistance, and employment and educational services.

2. Briefly describe physical characteristics of the prioritized encampment site in which the people you are proposing to serve are residing. The description must include the specific location, physical size of the area, the types of structures people are residing in at the site, whether vehicles are present, and any other relevant or notable physical characteristics of the site. (1000 character limit)
The site is located along the Pajaro River and Lower Salsipuedes Creek near the City of Watsonville (Santa Cruz County) and unincorporated town of Pajaro (Monterey County). The approximate location is latitude 36.907229, longitude -121.748089. The total area covers roughly 100 acres along 3.5 miles of stream length. The area is composed primarily of ecologically sensitive wooded, riparian habitat. The area is contained within the Pajaro River and Salsipuedes Creek flood control system, which is under management of the Pajaro Regional Flood Management Agency (PRFMA). The flood control system consists of earthen levee embankments. Structures within this community range from simple tents to larger assemblies constructed from pallets, tarps, vegetation and other debris. These structures have been dug into channel and levee banks which destabilizes the soil and increases the chance of erosion and bank failure. Vehicles are often found parked in unauthorized areas if the river.

3. Why is this particular encampment site being prioritized? (1000 character limit)
This encampment is being prioritized due to the vulnerability of the residents. Many have significant health and behavioral health challenges and their status as immigrants makes it challenging for them to access housing and services. The area surrounding the encampment is a “service desert” with minimal community-based supports available. The encampment sits in a flood plain, putting residents in danger during rainy periods such as the recent atmospheric river events.
Another reason for prioritizing this site is that the land it occupies is slated for a major levee construction project that will require the current residents to move. The levees have broken multiple times, causing nearly $100M in damages and loss of lives. The US Army Corps of Engineers and the State have agreed to jointly invest $400M to expand and repair the levee in upcoming years. This work will be overseen by the Pajaro Regional Flood Management Agency (PRFMA), one of the collaborative partners in this project.

Attachment: Map
Map.pdf

4. Is the prioritized site on a state right-of-way?
No

Proposal's Outcomes

5. What are the outcomes this proposal seeks to accomplish by the grant close (6/30/2026)? If funded, what are the primary activities you are planning to implement to achieve the proposal's outcomes? (1000 character limit)
1. Outcome: 100% of the current encampment residents will engage with outreach. Activity: Trauma-informed outreach services provided by CHE.
2. Outcome: 85% of individuals will enter interim housing. Activity: Create new interim housing project (Recurso de Fuerza); offer placement in other interim housing in Monterey and Santa Cruz Counties.
3. Outcome: 60% of individuals served by Recurso de Fuerza and other IH options will secure permanent housing in a median time frame of 180 days. Activity: Provide flexible rapid rehousing funds, problem solving services, placement in housing through CE, housing focused case management in interim housing.
4. Outcome: 25% of participants at Recurso de Fuerza will increase income. Activity: employment assistance and case management by HomeFirst, referral to project partners
5. Outcome: 90% or greater of participants at Recurso de Fuerza will be satisfied with the program. Activity: measured via satisfaction surveys administered twice per year.

6. How will the applicant measure progress towards the proposal's outcomes? (1000 character limit)
Housing and service outcomes will be tracked using HMIS data. Clients will be entered into the Santa Cruz County HMIS system. Monterey County will receive a user license and will also receive data exports from Santa Cruz County for purposes of grant tracking and ERF program reporting. APR and CAPER reports will allow for understanding the longitudinal achievements of a person as they progress in a program and the combination of services that ultimately led to their housing outcomes. All partners will enter into a data-sharing agreement and will customize existing HMIS and Coordinated Entry release of information forms to create a fluid space for case-conferencing. Bi-weekly case-conferencing with service providers, administrators and outreach workers will promote accountability, transparency, and data quality.

7. Are there any local ordinances, resources, or other factors that may hinder achieving the proposal's outcomes? If so, how will the applicant navigate these challenges? (1000 character limit)
There are no local ordinances or other jurisdictional factors that would hinder achieving the proposal outcomes. The primary resource challenge will be securing housing for the participants, given the very limited supply of deeply affordable housing that is accessible to the encampment residents, particularly those who are undocumented.

8. Is this proposal a standalone project or part of a larger initiative?
Larger initiative

8. a) How would this larger initiative be categorized?
Part of a larger project for this specific encampment site

Please describe. (1000 character limit)
The Pajaro River Flood Risk Management Project – a $400 million effort to reduce flood risk from the lower Pajaro River and Corralitos and Salsipuedes Creeks -- will provide 100-year flood protection to the City of Watsonville and the town of Pajaro, and a mix of 100-year and 25-year flood protection to the surrounding agricultural areas. The US Army Corps of Engineers and the CA Department of Water Resources will pay 100 percent of all project costs.

Part 3: IMPLEMENTATION

Core Service Delivery and Housing Strategies

9. Describe the proposed outreach and engagement strategy, case management, and / or service coordination for people while they are continuing to reside within the encampment site. Quantify units of service to be delivered including the ratio of staff to people served, frequency of engagement, and length of service periods. (2000 character limit)

CSUMB's Center for Community Health Engagement (CHE) currently provides county-wide outreach, field-based case management, and housing resource navigation services to people experiencing homelessness in Monterey County. The CHE outreach team assigned to northern Monterey County is composed of two outreach workers and one MSW case manager assigned to work on the Pajaro river encampment twice per week. These activities are currently funded with HHAP from both the CoC and County allocations. Should ERF be awarded, this team will pivot to being 50% dedicated to the project and will engage daily and will be leveraged with PLHA from County HCD and HHIP from the Managed Care Plan. This ratio equates to 1:20 and is in alignment with the Monterey County Outreach guidelines and best practices.

CHE outreach workers use person-centered and harm reduction approaches to actively develop a rapport with participants based on respect and trust to engage them in services. They have already identified encampment leaders as points of contact and this ensures there is a robust connection between the team and the encampment. One of the main goals of CHE for this project will be working to connect people from the encampment to the available interim housing options, including the planned Recurso de Fuerza non-congregate, low barrier interim housing project to be funded through this grant.

In addition to CHE, there are other community-based providers delivering services to people living in this encampment. Volunteers from Westview Presbyterian Church provide food to the residents and will continue to do so until everyone has moved from the site. Santa Cruz County outreach providers including an employment and training program known as Watsonville Works, a behavioral health outreach team known as Healing the Streets, and a federally designated Health Care for the Homeless program, known as the Homeless Persons Health Project (HPHP), also outreach to those living there.

10. Describe the role of Coordinated Entry in the context of this proposal and how Coordinated Entry policies or processes will support and / or hinder the implementation of this proposal. (1000 character limit)

Coordinated Entry is one of the tools the CHE outreach workers and interim housing case managers will utilize to connect encampment residents to housing. Participants in the ERF project will be entered into the Santa Cruz or Monterey County CES based on their preferred county of residence and where they have linkages with public benefits such as Medi-Cal. Some participants may be entered into both CES systems if they move between counties. The Medi-Cal managed care plan for the region, the Central California Alliance for Health covers the counties in the region so participants can retain their connection with the same managed care plan even when they change their county of residence. CE systems in both counties generally tend to have large backlogs of people waiting for a housing match and many are not prioritized due to their assessed level of vulnerability. We are projecting only a small number of encampment residents will secure housing through CE.

11. Please describe the interim shelter and permanent housing opportunities proposed to support this proposal and provide evidence of the applicant's demonstrated ability and commitment to deliver permanent housing for people residing in the prioritized encampment. (2000 character limit)

The Collaborative will offer both interim housing and permanent housing opportunities for residents of the encampment with the goal that 85% will secure an interim housing placement and 60% will secure permanent housing.

The area surrounding the encampment lacks easily accessible services and sheltering programs. As part

of this ERF-2 project, the Collaborative partners will stand up a 34-bed non-congregate interim housing program – Recurso de Fuerza. The project will be developed by Dignity Moves using modular units manufactured and designed by BOSS. The program operator will be HomeFirst. The project site is a lot in Watsonville owned by Westview Presbyterian Church, a key project partner that views this project as advancing their social mission. HomeFirst will operate a low-barrier, person-centered and trauma-informed program. Recurso de Fuerza will be the primary interim housing option offered to participants, but they will also be offered placement in other shelters or residential programs in the region if they are seeking another type of environment, such as a recovery residence or domestic violence shelter.
Permanent housing for the encampment residents will be challenging to secure given their high needs and immigration status. The CHE outreach team will provide navigation services to support residents to secure housing directly from the encampment, but most will first enter interim housing as the initial step to permanent housing. HomeFirst's service model will focus on providing support to interim housing residents to secure housing via a variety of pathways. HomeFirst will leverage a flexible pool of rapid rehousing and problem-solving funds to help support rehousing activities. Leveraged housing pathways will also include Project Homekey units that are coming online in Santa Cruz County and housing placements through CE in both counties.

12. Describe how this proposal is tailored to meet the needs and preferences of people residing within the prioritized encampment. (1500 character limit)
CSUMB's Center for Community Health Engagement (CHE) is already conducting and will continue to conduct outreach and engagement with encampment residents. CHE's approach to engagement is to first focus on building trust, which means authentically listening and meeting people where they are. Over the past several months, the CHE team has been consulting with occupants of the Pajaro River encampment to understand what they need and want as the next step in their lives. CHE interviewed over 40 residents and virtually all of them indicated they would prefer to move to interim housing, provided it is non-congregate, low-barrier and allows them to bring their partners, pets and belongings. The proposed project will meet this need through the Recurso de Fuerza interim housing project, as well as by offering other interim housing opportunities. Employment services, transportation, veterinary services, immigration services, health (SUD/physical/mental) and legal services were also listed as high priorities. Connections to these services will be offered by CHE and by HomeFirst at Recurso de Fuerza.
Throughout the project, participants will be afforded many opportunities to voice their concerns and make recommendations for improvement. HomeFirst offers frequent opportunities for feedback to further engender greater engagement with the Interim Housing program. Participants can offer input through case management sessions, satisfaction surveys, and exit interviews.

Table 1: Projected Living Situations Immediately Following the Encampment

Briefly Describe Each Projected Living Situation Immediately Following the Encampment	Is This Permanent Housing?	Quantify The Capacity (e.g., number of beds/units, frequency of bed/unit availability)	Prioritized or Set-Aside for ERF-2-R?	Is this living situation funded by ERF-2-R and / or Leveraged Funds?	% of Served Persons Projected to Fall Within This Living Situation
Recurso de Fuerza (operated by Home First)	No	35 bed capacity; serving 55 people over course of project	Set-Aside	ERF-2-R	79

Community based IH beds	No	5	Neither	Leveraged	7
Housing in community using rapid rehousing or problem solving funds, directly from encampment	Yes	3	Set-Aside	Leveraged	4
Unsheltered locations	No	7	Neither	Leveraged	10

Table 2: Projected Housing and Service Pathways to Permanent Housing

Describe Projected Housing and Service Pathway to Permanent Housing	Quantify the Capacity of the Housing and Service Pathway	Is this Housing and Service Pathway Funded by ERF-2-R and / or Leveraged Funds?
Rapid Rehousing flexible funds (participants can access while unsheltered or once they move to interim housing)	20	Leveraged
Problem solving, light touch support (e.g., to move in with family friends). Resources can be accesses while unsheltered or once they move to interim housing.	5	Leveraged
Community-based placements (using CE from either of the two counties, other pathways identified by HomeFirst as part of housing services for interim housing participants)	15	Leveraged
Self-resolution (participants identify their own housing solution)	2	Leveraged

Table 3: Strategies to Mitigate Displacement

Strategy	Is this Strategy Funded by ERF-2-R and / or Leveraged Funds?
The primary strategy will be to conduct trauma-informed engagement (by CHE) to encourage participants to move from the encampment to interim housing or directly to permanent housing. Housing.	Leveraged
Incentives – HomeFirst will have a budget to offer unsheltered individuals living in the encampment an incentive of $200 to try out the Recurso de Fuerza non-congregate shelter	ERF-2-R

Table 4: Strategies to Mitigate Returns to Unsheltered Homelessness

Strategy	Is this Strategy Funded by ERF-2-R and / or Leveraged Funds?
HomeFirst will provide trauma-informed, person centered services in a welcoming environment at the Recurso de Fuerza IH program with the goal that participants are able to exit to permanent housing or other indoor location and remain housed	ERF-2-R
Central California Alliance for Health will provide CalAIM enhanced care management and housing supports referrals to help participants secure and sustain housing	Leveraged
Several partners (HomeFirst, CAB, CHE) will provide services to support participants to maintain or increased their income and benefits	Both

13. Describe how this proposal considers and plans for the dynamic nature of encampments including potential inflow of people into the geographically served areas. (1000 character limit)
The Pajaro River encampment site has been occupied by unsheltered individuals for many years and exemplifies the dynamic nature of encampments. The site has been cleared by law enforcement numerous times, often as a safety measure in response to expected flooding, such as during the January 2023 storm event. However, residents typically return to the site within a few weeks after it is cleared. This proposal intends to serve all the current residents and has set a goal that 85% will move to interim housing. Due to the levee improvement project that will be starting in 2025, the site will be secured and people will not be able to come back. However, if there are new people who arrive at the site or people who decline interim housing, the project will continue to work with them and will offer them services, shelter, and housing. The CHE outreach team will also engage with Pajaro River encampment residents who have chosen to move to another location and encourage them to enter shelter.

14. Describe how this proposal will support individuals with continued access to and / or the storage of their personal property. (1000 character limit)
The project and all the partners will embrace Housing First principles, including allowing people to bring their partners, pets, and possessions when they move to interim housing. The Recursa de Fuerza project operated by HomeFirst will allow people to bring possessions into their units. Storable personal belongings that cannot fit into non-congregate units will be stored in an onsite storage container where individuals will have access to their belongings throughout the duration of the project. Case managers will work with individuals to assess needs, wants and discardable items after trust and rapport are established. Whenever possible, case managers will work with individuals to replace broken but important items, like medical equipment or clothing. Most of the other interim housing options that will be offered to encampment residents have capacity for storage of belongings.

15. Describe how this proposal will support individuals with service animals and/or pets. (1000 character limit)
Pets are often the only reliable and loyal living thing to a person experiencing homelessness; therefore, they too will be provided support throughout the duration of the project. Many of the current encampment residents have dogs and cats, and some have chickens. The Recurso de Fuerza interim housing program will allow people to bring their pets into their individual units. There will also be a kennel facility on site for larger animals and space for residents to keep chicken coops. All residents of the encampment will be offered pet food, litter, vaccinations, flea remediation, spaying/neutering, and chicken coops through the

SPCA and other community partners. Qualified individuals will be connected to a health provider who can provide reasonable accommodation and emotional support letters when needed and appropriate.

Budget and Resource Plan

16. State the total amount of ERF-2-R funds requested.
$7,986,354.26

17. State the estimated dollar value of secured, non-ERF-2-R resources that will help meet this proposal's outcomes.
$1,265,335.00

18. Identify and describe these non-ERF-2-R resources. (1000 character limit)
- CHE outreach team – Monterey County PLHA, Monterey County HHIP
- HomeFirst – case management, housing specialist, clinician, shift supervisor, maintenance tech lead, janitorial services, operations, and program administration staff – in kind contribution
- HomeFirst – rapid rehousing and problem-solving fund – Santa Cruz County HHAP R3 & R4, Santa Cruz County PLHA
- Santa Cruz Housing for Health Partnership – HMIS licenses – in kind contribution

19. Describe how the proposal is a prudent and effective use of requested funding relative to the number of people it seeks to serve and the types of services and housing to be provided in the proposal. Include an explanation of how the requested ERF-2-R amount was determined. (1000 character limit)
The total ERF request is $7,986,354, which translates to$114,090 per person from the encampment served. However, the collaborative partners view this project as an investment in infrastructure to reduce homelessness in Santa Cruz and Monterey Counties over the long term. Once the term of the ERF-2 grant ends, Santa Cruz County intends to prioritize available funding resources to continue operating the Recurso de Fuerza interim housing site so that it can be a continuing resource for unsheltered people throughout southern Santa Cruz County. Santa Cruz County intends to partner with the Managed Care Plan to transition the interim housing to include recuperative care and short-term post hospitalization housing capacity. Resolving this encampment will also ensure that the $400 million levee repair project overseen by the Pajaro Regional Flood Management Agency (PRFMA) can proceed without displacing people to other unsheltered locations.

Attachment: Standardized Budget
ERF-2-R, Budget Template_Monterey County FINAL.xlsx

Key Entities and Staff

20. First, describe the implementing organization and specific unit or office within the implementing organization that would administer ERF-2-R. Then, describe their role and primary responsibilities for this proposal. Finally, if these entities have managed a complex homelessness

project or grant, describe how those experiences informed this proposal. (1500 character limit)
The implementing organization for this grant is the Monterey County Homeless Services Unit, within the County Administrative Office, Office of Legislative and Intergovernmental Affairs. This is a relatively new unit created in 2022 to coordinate work to reduce homelessness that is spread across several departments, including Social Services, Health, and Housing and Community Development. All of these Departments have experience managing complex homelessness projects including Project Roomkey, SHARE Center (Navigation Center), HDAP, Family Stabilization Program, and the Housing Support Program. For this ERF project, Monterey County's role will be to receive and administer the funding from CA-ICH, prepare required reports, and serve as the overall coordinator of the work of the different partners. Due to their ability to be nimbler and more flexible in contracting, Monterey County will pass through the funding to the Coalition of Homeless Services Providers (CHSP), the CoC lead agency, to enter into and manage contracts with the project partners. This will ensure the funds are disbursed and the activities implemented as quickly as possible.

Table 5: Key Staff

Title	Currently Filled Position?	FTE of Staffing for This Proposal	Funded by ERF-2-R and / or Leveraged Funds?	Brief Description of Duties
Homeless Services Director	Yes	.10	Leveraged	Grant oversight, reporting, contracting, billing, etc.
Outreach Worker	Yes	1	Leveraged	Outreach and engagement, mobile case management
Outreach Coordinator	Yes	.5	Leveraged	Lead Outreach Worker, mobile case management
Director of Interim Housing	Yes	.10	ERF	IH Contract Oversight
Case Manager	No	2	ERF	Coordinate the integration of social services through case management with external service organizations. Promote effective and efficient utilization of local housing, legal, mental health and other agencies to assist the resident to remove barriers
Resident Advocate	No	9	ERF	provide a high level of customer service to our residents at all times and executes operational tasks while on site
Housing Specialist	No	1	ERF	Housing Navigation, Landlord Engagement
Program Manager	No	1	ERF	Manages and directs day-to-day operations of IH program

Clinician	Yes	.10	ERF	Provides clinical counseling to clients electing services
Manager of Outreach	Yes	.25	ERF	Strategizes with and trains outreach professionals

21. First, describe key partners that will collectively pursue the proposal's outcomes. Then, describe their role and primary responsibilities for this proposal. Finally, if these entities have managed a complex homelessness project or grant, describe how those experiences informed this proposal. (1500 character limit)

- County of Monterey – see above.
- County of Santa Cruz, Housing for Health (H4H) Division (also serves as the CoC CA-508) - leveraged services, interim and permanent housing, CE and HMIS. Experience managing CoC, HHAP and Homekey projects among others.
- Coalition of Homeless Services Providers (CoC lead for Monterey/San Benito Counties) - manage ERF funds passed through from Monterey County for contracts with provider partners; managing HMIS and CE systems.
- City of Watsonville - supporting the overall project and assisting with the development of Recurso de Fuerza (land use approvals, etc.).
- Pajaro Region Flood Management Agency (PRFMA) -- overseeing the rebuilding of the levee where the encampment is located.
- CSUMB Community Health Engagement (CHE) – lead entity providing outreach to encampment residents; more than three-years' experience as county-wide outreach provider.
- Dignity Moves –developer of the Recurso de Fuerza modular interim housing project; prior experience with IH project development.
- HomeFirst –service provider operating the Recurso de Fuerza IH project. Providing shelter, housing and services to homeless individuals and families since 1980.
- Westview Presbyterian Church – owns the land on which Recurso de Fuerza will be developed and will provide food, outreach and support to encampment residents.
- Central California Alliance for Health – managed care plan, CalAIM
- Community Action Board – immigration services and rehousing fund management

22. Describe specific examples of how Local Jurisdiction(s) and the CoC have collaborated on the design and implementation of this proposal. (1000 character limit)

Due to the complex needs of the occupants and overlapped jurisdictional boundaries in which the encampment exists, the County of Monterey engaged with the County of Santa Cruz and its CoC, the City of Watsonville, the Coalition of Homeless Services Providers (Monterey County CoC) and the Pajaro Regional Flood Management Agency (PRFMA) to create a highly collaborative partnership, aka "The Collaborative". The Collaborative has held regular coordination meetings with outreach teams and other direct service providers to get insight on the diverse needs of the population intended to be served by this grant. These high-level meetings provided the space and opportunity to foresee and overcome complications that may arise as the ERF project application develops. To develop this application, the Collaborative has been holding bi-weekly strategy meetings/brainstorming sessions since August 2022. Each of the jurisdictional partners has provided a letter of support for this application.

Optional Upload: Evidence of Cross-Jurisdictional Collaboration

ERF-2 Letter of Support Santa Cruz County February 2023.pdf

PRFMA ERF Letter of Support.pdf

Other Partners.pdf

23. Identify any entities that have a right to and/or control of the property upon which the encampment site resides and discuss whether each of these entities committed allowing the

implementation of this proposal. If they have not committed, please explain how you have or plan to engage with this entity to implement your proposal. (1000 character limit)
Existing encampments within the Pajaro River corridor are positioned on both public and private lands. Regardless of land ownership, existing levee maintaining agencies (Santa Cruz County Flood Control and Water Conservation District – Zone 7 ("Zone 7") and Monterey County Water Resources Agency ("MCWRA") hold maintenance easements and other rights, and in some cases fee title ownership, that allow these entities to maintain the Pajaro River levee system and the river channel. Beginning in 2023, the Pajaro Regional Flood Management Agency ("PRFMA") will secure these rights and assume full responsibility for levee and river channel maintenance. PRFMA, and by extension the existing levee and river maintaining agencies (Zone 7 and MCWRA) are in full commitment to allow implementation of the proposal in this application which will support the current encampment residents to relocate to locations outside of the river and levee corridor, ideally in interim and/or permanent housing.

Centering People

24. How were persons with lived experience meaningfully incorporated into the planning and proposed implementation of this proposal? Please identify whether any perspectives were incorporated from persons that are currently unsheltered and / or formerly or currently residing within the prioritized encampment. (1000 character limit)
The Monterey and San Benito County CoC has adopted a Five-Year Plan that was developed with strong input and involvement from people with lived experience of homelessness. One of the primary goals of the Plan is to "Expand Service-Oriented Responses to Unsheltered Homelessness" by providing services and supports to encampments, building collaborative relationships with people living in encampments, providing safe temporary housing, and connecting people to permanent housing.
The CHE outreach team and members of Westview Presbyterian have provided services and consulted with more than 40 occupants of the Pajaro River encampment to understand their needs and desires. The residents indicated they would prefer to move to interim housing, provided it is non-congregate and low barrier. The proposed project will meet this need through the new interim housing project – Recurso de Fuerza - to be funded through this grant. Encampment residents proposed this name for the project.

25. Briefly describe how the proposal exemplifies Housing First approaches as defined in Welfare and Institutions Code section 8255. (1000 character limit)
Monterey County and the CoC embrace Housing First principles and require contracting agencies to align their policies and procedures to Housing First requirements as set forth by the State of CA and best practices in the field. CHE will provide trauma informed outreach and engagement services to build rapport with encampment residents and address basic needs first to steward participants away from "survivor-mode" and into a place where they feel safe and stable enough to voluntarily participate in supportive services and begin the journey towards housing. HomeFirst will operate the low-barrier, non-congregate interim housing program – Recurso de Fuerza. This program will not impose sobriety requirements, requirements to participate in services or other barriers; allow participants to bring pets, possessions and partners; and employ staff with expertise in housing search and navigation. The project budget includes flexible funds for rapid rehousing and housing problem solving.

26. Briefly describe how this proposal will center an individual's choice and provide trauma informed services and supports. (1000 character limit)
The primary provider partners that will be providing services to the occupants of the Pajaro River encampment, CHE (outreach) and HomeFirst (interim housing) are well-versed in trauma-informed services and integrate this approach into their work with people experiencing homelessness. CHE outreach adopts an engagement philosophy that recognizes the impact of trauma – they seek to help people access whatever resources they first need in the moment (which could be as simple as a bottle of water) to help build trust that can lead to engaging on more challenging issues such as accessing shelter or housing. HomeFirst practices a Trauma Informed model of care that fosters supportive engagement with program participants including those in the pre-contemplative and contemplative stages of change, and in

turn contributes to increased participant involvement in goal setting, the development of their individual Housing Action Plan, and the steps necessary to execute that plan.

27. Describe how this proposal will operationalize harm reduction and provide services that improve a person's health, dignity, and safety while they continue to reside within the prioritized encampment site. (1000 character limit)
Monterey County and the CoC embrace harm reduction principles and expect contracting agencies to implement harm reduction approaches to the maximum extent possible. CHE offers intensive, trauma informed outreach and engagement services and provides connections to a range of treatment options that include MAT and other non-abstinence focused approaches. The Recurso de Fuerza interim housing program operated by HomeFirst will not impose any sobriety requirements as a condition of access to the shelter or continuing participation. Shelter rules will focus on ensuring the safety of participants and not behavior modification or mandatory service participation. Both providers will connect participants to health and behavioral health services, as well as the Central California Alliance for Health – the regional Medi-Cal health plan and payor for CalAIM.

28. For encamped locations that are objectively dangerous, describe how the proposal will seek to prevent harm for people experiencing unsheltered homelessness in these locations. (1000 character limit)
The primary safety issue at the Pajaro River encampment is the danger of flooding. The site sits in a flood plain protected by an inadequate levee that is slated to be improved by the Pajaro Regional Flood Management Agency with federal and State funding. This proposal seeks to prevent harm by ensuring that the residents can move to an interim housing situation that meets their needs and preferences, and from there to housing. Once construction begins on the levee project, it will not be safe for people to return, so the site will be secured while under construction to prevent people from attempting to camp in a construction zone.

29. Identify what controls are or will be in place to ensure that all ERF-2-R funded parties will not penalize homelessness. The term "penalize homelessness" means to impose, by a governmental unit, criminal or civil penalties on persons who are homeless in a manner that is related to those persons' engagement in necessary human activities, including sleeping, resting, and eating. (1000 character limit)
Currently there are no policies in place to penalize or criminalize the people living at the Pajaro River encampment. Law enforcement has required residents to evacuate during flooding events for their own safety. Occasional clean-ups are mandated to address environmental impacts of people camping in the levee area. Once the ERF project launches, the CHE outreach team will work with everyone to identify a pathway to interim housing, directly to permanent housing, or other options such as in-patient treatment. No one will be allowed to remain on the site once construction on the levee project begins in 2025. If anyone refuses to leave, CHE will continue with daily, continual engagement. As a last result, the Monterey County Sherriff will be called in to tell people they must move.

30. Describe how this proposal considers sanitation services for people residing in the prioritized encampment. This may include but is not limited to non-intrusive, curb-side waste removal and access to clean and available bathrooms. (1000 character limit)
The Pajaro Regional Flood Management Agency limits what sanitation services can be provided in the environmentally sensitive levee area where the encampment is located. As the ERF project launches, Monterey County will work with PRFMA to begin providing waste removal services to engage the residents and begin preparing them to move.

Accelerated Timeline

31. How is your community currently supporting and / or engaging with people residing within the prioritized encampment? (1000 character limit)

CSUMB's Center for Community Health Engagement (CHE) currently provides outreach and engagement to the residents of the Pajaro River encampment. They are using person-centered and harm reduction approaches to actively develop rapport with current residents based on respect and trust. They help meet residents' immediate needs for food, clothing, IDs and other practical items. They also assess each individual and work to connect them to services and resources they need or are eligible for. They are working to identify interim and permanent housing options for any interested resident. There are also a few Watsonville-based CBOs delivering services to this encampment, including the Community Action Board, Healing the Streets and Watsonville Works. Westview Presbyterian volunteers have been serving breakfast at the levee 5/days week for the past 5 years, building relationships and earning trust. They will continue to do so until everyone has moved from the site.

32. If this proposal is selected, in advance of receiving funding, what steps will your community take to support the people living in the encampment and swift implementation of this proposal? (1000 character limit)
If this proposal is selected for funding, the CHE team will continue their outreach efforts and will begin advising the residents of the many services that will become available through this project, and particularly the new non-congregate shelter. They will also begin to inform residents of the imminent start of the levee construction project and the need for them to identify alternative places to stay. Any resident who wishes to move to the Recurso de Fuerza will be placed on a list to move there once it opens, which is expected to be within six months of the grant award date. Residents who wish to explore other options for interim or permanent housing can do so immediately with support from CHE.

Table 6: Projected Milestones

Outreach to the people residing in the prioritized encampment site began / will begin in month ____.	This proposal will reach full operating capacity in month _____.	The first planned exit of a person or household from the prioritized encampment will occur in month_____.	The last planned exit of a person or household from the prioritized encampment will occur in month _____.
1	9	1	24

Attachment: Standardized Timeline
Monterey County ERF Timeline Draft 02_23_2023.xlsx

Applicants must use the ERF-2-R Timeline Template available on box.com

CERTIFICATION

Before certifying, applicants are strongly encouraged to review the NOFA.

I certify that all information included in this Application is true and accurate to the best of my knowledge.

Name
Roxanne Wilson

Title
Monterey County Homeless Services Director

Email
wilsonr@co.monterey.ca.us

POTENTIAL RENAMING OF LOW BARRIER NAVIGATION CENTER IN WATSONVILLE

RESPONSE TO BOARD REFERRAL NO. 2024.13

Presented by
Debbie Paolinelli
Assistant County Administrative Officer
County of Monterey

HISTORY

- **August 2022** – County of Monterey (County) staff met with Santa Cruz County's (SCC) staff to discuss a potential partnership to pursue Encampment Resolution Funding (ERF) to develop a low-barrier navigation center with the intention of serving people living along the Pajaro River.
- **February 2023** – Homeless Services Director requested a County-funded outreach team to work with people living at the encampment to identify a name for the proposed Low-Barrier Navigation Center.
- **February 2023** –Board of Supervisors authorized the County Administrative Office to apply on behalf of both counties.
- **June 2023** - County was awarded $7,986,354 to build a Low-Barrier Navigation Center in Watsonville, CA.
- **February 2024** - County and SCC executed a Memorandum of Understanding that assigned roles and responsibilities of each jurisdiction.
- **July 2025** – The City of Watsonville issued a building permit.

ABOUT THE PROGRAM

The Low-Barrier Navigation Center is being developed at 118 First Street in Watsonville, California.

32 non-congregate sleeping units, eating facility/community area, pet area, showers and restroom units, and outdoor living space.

Will shelter approximately 34 individuals at any point in time.

Onsite services that include wrap-around intensive case management, housing navigation, and medical service linkages.

Community Action Board been identified through coordinated efforts between the partner jurisdiction and the local CoC lead agency.

Encampment Resolution Funding (ERF) program application requires applicants to demonstrate that meaningful input was received by people with lived experience.

Question 24: "How were persons with lived experience meaningfully incorporated into the planning and proposed implementation of this proposal? Please identify whether any perspectives were incorporated from persons who are currently unsheltered and/or formerly or currently residing within the prioritized encampment"

Response: "…The CHE outreach team and members of Westview Presbyterian have provided services and consulted with more than 40 occupants of the Pajaro River encampment to understand their needs and desires. The residents indicated they would prefer to move to interim housing, provided it is non-congregate and low barrier. **The proposed project will meet this need through the new interim housing project – Recurso de Fuerza - to be funded through this grant. Encampment residents proposed this name for the project."**

POTENTIAL IMPACTS

- Confusion Within Community
- Increased Administrative Workload
- State Engagement
- Community Engagement Coordination
- Modification of Agreements
- Funder Coordination

SUGGESTED THROUGH REFERRAL

HOPE Village (Housing, Opportunity, Programs and Employment)
- Benefit(s): Easy to pronounce, empowering, memorable
- Disadvantage(s): The County has invested over $11 million into developing a program called HOPE Housing in the City of Marina. Could add confusion on what program is referenced.

Casitas de Esperanza
- Benefit(s): Inclusive, inspirational, memorable
- Disadvantage(s): The County is a main partner on Casa de Esperanza, also known as the King City Homekey. Could add confusion on what program is referenced.

Dignity Village
- Benefit(s): Easy to pronounce, empowering, memorable
- Disadvantage(s): The development management agency of the site is Dignity Moves; May inadvertently tie the program to this agency.

Aspire Village
- Benefit(s): Easy to pronounce, empowering, memorable
- Disadvantage(s): There is a Health Care Plan that also carries this name; However, it is the Central California Alliance on Health's Managed Care Plan that is the investor.

All of these name changes will change the name from the name selected by the people who will be living at the site.

ALTERNATIVE OPTION FOR CONSIDERATION

Casitas de Fuerza (Translation: Little houses of strength)

- Benefit(s): Inclusive, empowering, aligns with the recommended name offered by those who will benefit from this program.

ALTERNATIVE NAME

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS

Consider the following options for renaming Recurso de Fuerza:

1. Retain the name *Recurso de Fuerza*;
2. Rename the program *Casitas de Fuerza*; or
3. Direct staff to rename the project through a public engagement process.

RECOMMENDATIONS

County of Monterey

Board Report

Legistar File Number: OBM 25-147

Item No.9

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

October 07, 2025

Introduced: 9/2/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Other Board Matters

County Administrative Officer Comments

County of Monterey

Board Report

Legistar File Number: OBM 25-148

Item No.10

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

October 07, 2025

Introduced: 9/2/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Other Board Matters

Board Comments

County of Monterey

Board Report

Legistar File Number: 25-671

Item No.

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

October 07, 2025

Introduced: 9/23/2025
Version: 1

Current Status: Agenda Ready
Matter Type: General Agenda Item

2025 Board of Supervisors Meeting Schedule

Before the Board of Supervisors in and for the County of Monterey, State of California

Adopt the Board of Supervisors' meeting)
schedule for the calendar year 2025……)

The Board will meet on Wednesday, May 28, 2025, at 9:00 a.m. and Thursday, May 29, 2025, at 9:00 a.m. for Budget Hearings and will meet every Tuesday at 9:00 a.m., as scheduled below:

Meeting On:
January 7, 2025
January 14, 2025
January 28, 2025
February 4, 2025
February 7, 2025 Legislative Workshop - Friday
February 18, 2025
February 25, 2025
March 7, 2025 BOS/Dept. Head Retreat - Friday
March 11, 2025
March 18, 2025
March 25, 2025 Budget Workshop
April 15, 2025
April 22, 2025
April 29, 2025
May 6, 2025
May 13, 2025
May 20, 2025
May 28, 2025 Budget Hearings - Wednesday
May 29, 2025 Budget Hearings – Thursday (If needed)
June 3, 2025
June 10, 2025
June 17, 2025 Budget Adoption, etc.
June 24, 2025
June 26, 2025 Executive Performance Evaluations -Thursday
June 27, 2025 Executive Performance Evaluations – Friday (If needed)
July 1, 2025
July 8, 2025
August 5, 2025
August 12, 2025
August 19, 2025
August 26, 2025
September 16, 2025
September 23, 2025
September 30, 2025
October 7, 2025
October 14, 2025
October 21, 2025
October 28, 2025
November 4, 2025
November 18, 2025

December 2, 2025
December 9, 2025
December 10, 2025 – Wednesday Overflow (If needed)
December 11, 2025 Executive Performance Evaluations - Thursday
December 12, 2025 Executive Performance Evaluations – Friday (If needed)

The Board will not meet on the following dates in observance of holidays, other recesses and conferences or otherwise posted, at 9:00 a.m. as noted below:

No Meeting On:	In observance of:
January 21, 2025	Martin Luther King's Day
February 11, 2025	National Association of Counties Conference (NACo)
March 4, 2025	Dept Head Retreat
April 1, 2025	Cesar Chavez Day
April 8, 2025	Spring Break
May 27, 2025	Memorial Day
July 15, 205	Summer Recess
July 22, 2025	Summer Recess
July 29, 2025	Summer Recess
September 2, 2025	Labor Day
September 9, 2025	Legislative Conference
November 11, 2025	Veterans Day
November 25, 2025	Thanksgiving Day
December 16, 2025	Winter Break
December 23, 2025	Winter Break
December 30, 2025	Winter Break

PASSED AND ADOPTED on this 24th day of September 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting on September 24, 2024.

Dated: September 27, 2024

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

Introduced: 9/8/2025

Current Status: Natividad Medical Center - Consent

Version: 1

Matter Type: BoS Agreement

a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with Philips Healthcare for Software Evolution Services and additional software modules at NMC for an amount not to exceed $655,080 with an agreement term September 1, 2025, through August 31, 2030.
b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than 10% ($65,508) of the original cost of the agreement in total.
c. Approve the NMC's Chief Executive Officer's recommendation to accept non-standard indemnification and limitations on liability provisions within the agreement.

RECOMMENDATION:

It is recommended the Board of Supervisors:

a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with Philips Healthcare for Software Evolution Services and additional software modules at NMC for an amount not to exceed $655,080 with an agreement term September 1, 2025, through August 31, 2030.
b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than 10% ($65,508) of the original cost of the agreement in total.
c. Approve the NMC's Chief Executive Officer's recommendation to accept non-standard indemnification and limitations on liability provisions within the agreement.

SUMMARY/DISCUSSION:

Natividad Medical Center uses the Patient Information Center iX (PIC iX) system as its central monitoring solution for vital signs and waveforms. It enhances situational awareness by bringing relevant signals into one view, enables early detection through decision support tools, and archives clinical data for review.

Events include patient-specific episodes, such as vital sign alarms (e.g. apnea, heart rate limits). The Event Notification system delivers these alerts to the Care Assist mobile app that connects with the PIC iX system to bring patient monitoring and alerts directly to clinicians' smartphones or tablets. It lets staff see real-time waveforms and vital signs, receive prioritized alarms, review historical wave

data, and manage patient workflows (admission, transfer, discharge, telemetry assignment) without needing to go back to a central station.

The agreement also includes Software Evolution Services, which extends and renews existing software support for an additional five (5) years.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this agreement as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The agreement has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on August 8, 2025.

FINANCING:

The cost for this agreement is $655,080 of which $264,533 is included in the FY 2025-26 Adopted Budget. Amounts for the remaining years of the agreement will be included in those budgets as appropriate. Funding will be provided from NMC's Enterprise Fund 451-9600-6613.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Event Notification/Care Asist modules will enhance patient care by facilitating real-time alerts directly to the provider's phone or tablet. The software support services renewal will assure the reliability of the Philips system via problem identification and resolution, and periodic system updates.

__ Economic Development
__ Administration
X Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Ari Entin, Hospital Chief Information Officer, 783-2564
Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachments:
Philips Healthcare Software Evolution Master Agreement

Attachments on file with the Clerk of the Board

Introduced: 9/8/2025 **Current Status:** Agenda Ready

Version: 1 **Matter Type:** BoS Agreement

a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with Philips Healthcare for Software Evolution Services and additional software modules at NMC for an amount not to exceed $655,080 with an agreement term September 1, 2025, through August 31, 2030.
b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than 10% ($65,508) of the original cost of the agreement in total.
c. Approve the NMC's Chief Executive Officer's recommendation to accept non-standard indemnification and limitations on liability provisions within the agreement.

RECOMMENDATION:

It is recommended the Board of Supervisors:

a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with Philips Healthcare for Software Evolution Services and additional software modules at NMC for an amount not to exceed $655,080 with an agreement term September 1, 2025, through August 31, 2030.
b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than 10% ($65,508) of the original cost of the agreement in total.
c. Approve the NMC's Chief Executive Officer's recommendation to accept non-standard indemnification and limitations on liability provisions within the agreement.

SUMMARY/DISCUSSION:

Natividad Medical Center uses the Patient Information Center iX (PIC iX) system as its central monitoring solution for vital signs and waveforms. It enhances situational awareness by bringing relevant signals into one view, enables early detection through decision support tools, and archives clinical data for review.

Events include patient-specific episodes, such as vital sign alarms (e.g. apnea, heart rate limits). The Event Notification system delivers these alerts to the Care Assist mobile app that connects with the PIC iX system to bring patient monitoring and alerts directly to clinicians' smartphones or tablets. It

lets staff see real-time waveforms and vital signs, receive prioritized alarms, review historical wave data, and manage patient workflows (admission, transfer, discharge, telemetry assignment) without needing to go back to a central station.

The agreement also includes Software Evolution Services, which extends and renews existing software support for an additional five (5) years.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this agreement as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The agreement has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on August 8, 2025.

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BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Event Notification/Care Asist modules will enhance patient care by facilitating real-time alerts directly to the provider's phone or tablet. The software support services renewal will assure the reliability of the Philips system via problem identification and resolution, and periodic system updates.

__ Economic Development
__ Administration
X Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Ari Entin, Hospital Chief Information Officer, 783-2564
Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachments:
Philips Healthcare Software Evolution Master Agreement

Attachments on file with the Clerk of the Board

Philips Healthcare
a division of Philips North America LLC
Customer Care Solution Center
(800)722-9377

PHILIPS

MATC SES 890224

MATC Software Evolution Services Agreement Quotation

Customer: **Natividad Medical Center**
Address: 1441 Constitution Blvd
City,State/Zip: Salinas, CA 93906

Payment Terms: **Net 30**
Agreement Quote Date: **9/3/2025**
Prior Agreement #: **Renewal 42778174**
Agreement Start Date: **9/1/2025**
Agreement End Date: **8/31/2030**
Billing Schedule: **Yearly**
Multi-yr Discount: **17%**
Additional Discount: **8%**
Service Sales VP, or Service Zone VP **Approval** *Valid for 90 days*

Philips Representative	Email	Date	Quote #
Aaron Stewart	aaron.stewart@philips.com	9/3/2025	0108611-6

Model	Description	Qty	Sq Ft	Site Name	Start Date	End Date		Subtotal Net $
	Event Notification option for Software Evolution Services Software Evolution Services provides access to software and services for Event Notification Event Management System as defined in the exhibit 12. Services are defined by the Clinical Implementation and Advanced Technology Services terms in the exhibit. New software will only be installed by Philips during an ongoing upgrade project for PIC iX. Customer must meet minimum requirements for PIC iX Revision 4.x or higher. Requests by Customer outside an ongoing upgrade project for PIC iX shall be at an additional cost, subject to resource availability.							
	Software Evolution Services - Event Notification Option							$18,294.20
855602	Event Notification option	46		Existing Sectors	9/1/2025	8/31/2030		
	Software Evolution Services, Advanced Technology Services and Clinical Implementation Services (PIC IX, IBE, and Bedsides) Software Evolution Services provides access to software and services as defined in the exhibit 12 for PIC IX, Bedside Monitors and IBE. This package includes Advanced Technology Services and Clinical Implementation Services for software upgrade implementation as described in Exhibit 12.							
	Software Evolution Services, Advanced Technology Services and Clinical Implementation Services	103		Existing Sectors	9/1/2025	8/31/2030		$469,891.15

Net Charge Year 1	$97,637.07
Net Charge Year 2	$97,637.07
Net Charge Year 3	$97,637.07
Net Charge Year 4	$97,637.07
Net Charge Year 5	$97,637.07
Quotation Total	**$488,185.35**

Prices exclude taxes. Applicable taxes will be added to the invoice. Subject to credit approval.

IMPORTANT NOTICE: A signed copy of this agreement , for the services and prices quoted herein, is Customers acceptance that the Service Agreement Terms and Conditions and applicable Exhibit are the sole terms applicable to the services quoted. The acceptance of this quotation is not binding upon Philips until further review by Philips contract administration. The information contained in this document is confidential and is provided to the entity listed as the customer solely in connection with the evaluation of the purchase and sale. This information shall not be disclosed to any other party. Health Care providers are reminded that if the transactions herein include or involve a loan or discount (including a rebate or other price reduction), they must fully and accurately report such loan or discount on cost reports or other applicable reports or claims for payment submitted health care program, including but not limited to Medicare and Medicaid, such as may be required by state or federal law, including under any federal or state but not limited to 42 CFR 1001.952(h). Philips reserves all rights with regard to this information. Reserved.

Customer Agreement as Quoted
Upon customer signing and an authorized Philips representative accepting, this quotation constitutes a contract and Customer is bound by all terms and conditions hereof

Philips by its acceptance hereof, agrees to provide maintenance services for the equipment listed above in accordance with the following terms set forth herein

Authorized Signature _____
Authorized Signature Lychelle Roberts-Kirby
Electronically signed by: Lychelle Roberts-Kirby
Reason: "I Approve"
Date: Sep 9, 2025 14:17:33 PDT

Printed Name _____
Title Contracts Manager

Title _____
Date 09-Sep-2025

Date _____
Customer PO # _____
(Please attach copy of original PO)

Our facility does not issue formal purchase orders We authorize payments 'In lieu of a Purchase Order' for services as described in Philips Healthcare Service Agreement authorized herein Initialed _____

Billing Address
Customer Name _____
Address _____
City, State, Zip _____
Contact _____

For service entitlement, please reference the following contract number when calling into our Customer Care Service Center at the number listed above

Philips Entitlement Contract Number _____

prepared by Candace Perkins
Mail Purchase Order & Quote To: Philips Global Business Services, North America, Contract Operations, Customer Order Fulfillment Center, 414 Union Street, Philips Plaza 6th Floor, Nashville, TN 37219

Chief Deputy

Signed by:
Stacy Saetta
696D21D44C4341D...
9/18/2025 | 7:44 AM PDT

The Auditor-Controller has review and does not approve the non-standard payment provisions

Docusign Envelope ID: D31ADBFC-789D-46C2-B047-AA434FB41094

PHILIPS

ATTACHMENT E

GENERAL CUSTOMER SERVICE TERMS AND CONDITIONS (Rev 25.1)

*** Denotes modified sections

1. **Services**.
   - **1.1** The services **("Service(s)")** included in the quotation and/or Attachment A, as applicable (the "Quotation") will be provided by the Philips Entity ("Philips") entering into this Customer Service Agreement with Customer as identified in the Quotation. Philips will provide the Services to Customer for the equipment and software listed in the Quotation (the "Equipment") that is at the location in the Quotation (the "Site"), and certain Service deliverables will be provided for the exclusive benefit of the Site, under the terms and conditions described herein, including the Quotation, any exhibits and attachments, each of which are hereby incorporated (collectively, the "Agreement").
   - **1.2** There shall be no travel reimbursement allowed under this Agreement.
2. **Access to Equipment**.
   - **2.1** Customer shall make the Equipment available to Philips at a mutually agreed date and time. If the Equipment is not available at the agreed upon time, Philips or Customer may attempt to reschedule the Service or cancel the Service. Philips may charge Customer at the then-current demand service rates for all time spent by Philips service personnel waiting for access to the Equipment.
3. **Price**.
   - **3.1** In consideration for the Services to be performed by Philips, Customer shall pay the prices defined in the Quotation (the "Contract Price").
   - **3.2** The Contract Price is a gross amount but exclusive of any value added tax (VAT), sales tax, GST, consumption tax or any other similar tax. If the transactions as described in the Agreement are subject to any applicable VAT, sales tax, consumption tax or any other similar tax, Philips will charge VAT, sales tax, consumption tax or any other similar tax to Customer, which will be paid by Customer in addition to the Contract Price. Customer shall provide Philips with an appropriate exemption certificate in advance of the date the Service is invoiced, or Customer shall pay all taxes per Philips' invoice.
   - **3.3** Contract Prices are based on the price levels at the effective date of the Agreement. Except as otherwise provided on the Quotation, Philips reserves the right to adjust customer list pricing and (or) net pricing, during the term of the Agreement set forth in the Quotation and incorporated herein ("Term"). Such adjustment in pricing requires thirty (30) day written notice, will not be retroactive, cannot start before first year of contract, and will not exceed more than five percent (5%) change annually. Price adjustments shall be in accordance with:
     - **3.3.1** For customers in the United States, the Consumer Price Index published by the United States Bureau of Labor Statistics on its website at http://www.bls.gov/cpi.
     - **3.3.2** For customers in Canada, the Consumer Price Index published by Statistics Canada on its website at https://www.statcan.gc.ca/en/subjects-start/prices_and_price_indexes/consumer_price_indexes.
   - **3.4** Customer shall notify Philips and Philips shall be entitled to change the Contract Price in the event that:
     - **3.4.1** the location of the Equipment changes;
     - **3.4.2** any ambient conditions of operation (e.g., installation or de-installation of air-conditioning system) of the Equipment at the location change;
     - **3.4.3** any additional equipment is acquired by the end-user which should be added to the inventory list of Equipment;
     - **3.4.4** the Equipment is (partly) removed or taken out of service by Customer; and/or
     - **3.4.5** the incoming main power supply and protective earth configuration changes, becomes unreliable, or is no longer in accordance with the Equipment specifications.
   - **3.5** List Price Harmonization. In an effort to simplify and harmonize Philips services and/or products portfolio pricing structure Philips may, no more than once during the term of the Agreement, unilaterally adjust the price list and discount schedule for services and/or products under this Agreement, with no impact to the current net price. Philips will:

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3.5.1 Provide thirty (30) days' written notice prior to fixing the net price of the service(s) and/or product(s) sold under this Agreement for twelve (12) months (the "Lock Period") at the net price (the "Lock Price") of the service(s) and/or product(s) in effect at the time of Customer's receipt of the written notice.

3.5.2 Provide an updated Agreement price file showing the new list price and new discount, which together will not change the Lock Price set at the beginning of the Lock Period.

3.5.3 Upon termination of the Lock Period, the net price of the service(s) and/or product(s) will be maintained in the manner defined in the Agreement.

4. Payment. ***

4.1 Customer shall pay all undisputed amounts of the Contract Price to Philips within thirty (30) days from the date of invoice in accordance with the instructions on the invoice.

4.2 Customer shall make any undisputed payments under this Agreement without any set-off, withholdings, or any other deductions.

4.3 Payments must be made by check, ACH, or wire. Philips does not accept transaction fees for wire transfers or any other payment method.

4.4 Intentionally Omitted

4.5 If the Term of the Agreement is greater than one (1) year in duration, Customer will provide a purchase order (PO) every fiscal year.

4.6 If Customer fails to pay any amount when due, Philips may, in addition to other rights it may have under this Agreement or by law, at its option:

4.6.1 withhold or suspend performance under the Agreement until all payments from Customer have been received by Philips;

4.6.2 deduct the unpaid amount from any amounts otherwise owed to Customer under any agreement by Philips or any of Philips' Affiliates (meaning any entity that directly or indirectly controls, is controlled by, or is under common control with Philips ("control" means direct or indirect ownership or control of more than fifty percent (50%) of the voting interests of the subject entity));

4.6.3 declare all sums outstanding to become immediately due and payable under the Agreement;

4.6.4 commence collection activities for all sums due or to become due hereunder, including, but not limited to costs and expenses of collection, and reasonable attorneys' fees; and/or

4.6.5 if Customer does not cure its payment failure in accordance with Section 18.5.1, terminate this Agreement with ten (10) days' notice to Customer.

4.7 If Customer has contracted with a third-party service management organization, asset management company, maintenance management company, technology management company, maintenance insurance organization, or the like ("Third-Party Organization") for purposes of centralized billing and management of Services provided to Customer, at Customer's written request, Philips will route invoices for payment of Services rendered by Philips to such Third-Party Organization and accept payment from them on Customer's behalf. Notwithstanding the above, the Services provided by Philips are subject solely to the terms and conditions set forth in this Agreement. Customer guarantees the payment of all monies due or that may become due under this Agreement in spite of any collateral arrangements Customer may have with such Third-Party Organization or any payments Customer has made to the Third-Party Organization. Philips has no contractual relationship for the Services rendered to Customer except as set forth herein. To the extent that the parts and Services Philips provides are not covered by Customer's arrangement with such Third-Party Organization, Customer shall promptly pay for such parts and Services on demand.

5. Exclusions.

The Services do not include, unless specifically agreed otherwise in the Quotation:

5.1 servicing or replacing components of equipment other than those Equipment or components listed in the Quotation that is at the Site;

5.2 servicing Equipment if contaminated with blood or other potentially infectious substances, disposing hazardous, infectious, or biomedical waste or material;

5.3 service specifically excluded in the Quotation;

5.4 any service necessary due to:

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5.4.1 a design, specification or instruction provided by Customer or Customer representative;
5.4.2 the failure of anyone to comply with Philips' written instructions or recommendations;
5.4.3 any combining of the Equipment with other manufacturers' product or software other than those recommended by Philips;
5.4.4 any alteration or improper storage, handling, use, or maintenance of the Equipment, including any components, e.g., detectors, transducer, or coils, by anyone other than Philips' subcontractor or Philips;
5.4.5 damage caused by an external source, regardless of nature;
5.4.6 any removal or relocation of the Equipment; or (vii) neglect or misuse of, or accident with, the Equipment, including any components, e.g., detectors, transducer, or coils;

5.5 any cost of materials, supplies, parts, or labor supplied by any party other than Philips or Philips' subcontractors, or explicitly excluded in the Quotation;
5.6 providing or paying the cost of any rigging, facility, structural alteration, or accessory incident;
5.7 the cost of consumables, accessories, and auxiliaries, including but not limited to: batteries of any type, light bulbs, power cords/AC adapters, headlight cables, EKG cables, SPO2 sensors, BP hose/cuff, temperature probes, extension/trunk/adapter cables, foot pedals, hand pieces, probes, nerve stimulator cables, defibrillator cables/paddles/test plugs, laser tubes, patient pads, PET calibration sources, film, cassettes, filters, catheters and/or wires, etc., as well as any item that hangs off of, or plugs into, a device, unless specifically included in the Agreement;
5.8 cosmetic repairs;
5.9 the cost of factory reconditioning or rebuilds;
5.10 providing any updates or upgrades other than field safety corrective actions (i.e., safety related updates); and
5.11 maintenance or repair, including the cost thereof, of non-Philips manufactured products, unless specified otherwise in this Agreement.

6. Customer Responsibilities.

During the Term of this Agreement, Customer shall:

6.1 Comply with all applicable laws, rules, and regulations; Customer's obligations do not depend on any other obligations it may have under any other agreement or arrangement with Philips. Customer shall not exercise any offset right in the Quotation or sale in relation to any other agreement or arrangement with Philips;
6.2 Report immediately to Philips, and reasonably cooperate with Philips in investigating, any event of which Customer becomes aware that suggests that any Services or products provided by Philips, for any reason:
6.2.1 may have caused or contributed to a death or serious injury, or
6.2.2 have malfunctioned where and such malfunctions would be likely to cause or contribute to a death or serious injury if the malfunction were to occur again. Additionally, Customer will also report to Philips complaints it receives from its personnel and patients or any other person regarding the identity, quality, performance, reliability, safety, effectiveness, labels, or instructions for use of the Services or products provided by Philips. Philips shall be solely responsible for submitting any filings or reports to any governmental authorities with respect to the Services or products provided by Philips hereunder, unless otherwise required by law.

6.3 ensure that the Site is maintained in a clean and sanitary condition, and that the Equipment, product, and/or part is decontaminated prior to service, shipping, or trade-in as per the instructions in the user manual;
6.4 ensure the proper removal and disposal of any hazardous material;
6.5 maintain operating environment within Philips specifications for the Site (including temperature and humidity control, incoming power quality, incoming water quality, and fire protection system);
6.6 use the Equipment in accordance with the published manufacturer's operating instructions;
6.7 make normal operator adjustments to the Equipment as specified in the published manufacturer's operating instructions;
6.8 provide Philips with broadband internet Wi-Fi access for business purposes;

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6.9 in order for Philips to provide remote servicing of the Equipment, provide Philips, at each Site, with a dedicated high speed broadband internet connection suitable to establish a remote connection to the Equipment and facilitate the realization of the required remote infrastructure, by:

6.9.1 supporting the remote connectivity with of a router or firewall or equivalent compatible service that complies with IPSec standards (router can be Customer owned or provided by Philips) for connection to the Equipment and Customer network; if the service device is provided by Philips, it remains Philips property and is only provided during the term of this Agreement;

6.9.2 maintaining a secure location for hardware to connect Equipment to the Philips Remote Service Data Center (PRSDC);

6.9.3 allowing Philips to connect to Customer's connected Equipment for the purpose of servicing the Equipment;

6.9.4 providing and maintaining a free IP address within the Site network to be used to connect the Equipment to Customer's network;

6.9.5 supporting the installation of service tools (as stipulated in Section 11) for connection to the Equipment and Customer network and by maintaining such connectivity to enable remote servicing as well as (automatic) downloads and installs of (security) updates of the service tools;

6.9.6 maintaining the established connection throughout the Term (including restraining from any temporary disconnection or disabling of such connection (e.g., by switching of the host computer of the MRI Equipment)); and

6.9.7 facilitating the reconnection by Philips in case of any temporary disconnection occurs;

6.10 If Customer fails to provide the access described in Section 6.9 and so the Equipment and/or the service tools are not connected to the PRSDC (including any temporary disconnection) and/or (security) updates are not downloaded and installed on the service tools, Customer waives its rights to Services under this Agreement and any uptime guarantee and shall be responsible for any damage due to such failure;

6.11 provide Philips and its subcontractor's service personnel with full and free access to the Equipment at the scheduled service time;

6.12 if applicable, provide invitation letters and support visa application and travel requirements in case necessary; and

6.13 timely return defective spare parts to Philips in accordance with the terms of this Agreement; and ensure that all staff working on the Equipment covered under this Agreement are trained and qualified in accordance with all applicable laws and good industry practice.

7. Warranty Disclaimer.

7.1 Philips' sole service obligations to Customer are described in this Agreement. All labor, including technical support, shall be performed in a good and workmanlike manner, subject to applicable Terms of Service, including any exclusions. Philips provides no additional warranties under this Agreement. All Services and parts provided under this Agreement are provided "as is". PHILIPS SPECIFICALLY DISCLAIMS ALL OTHER EXPRESS OR IMPLIED WARRANTIES INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

8. Limitations of Liability. ***

8.1 THE TOTAL LIABILITY OF PHILIPS ARISING UNDER OR IN CONNECTION WITH THE PARTS AND SERVICES FOR ANY BREACH OF CONTRACTUAL OBLIGATIONS, WARRANTY, TORT (INCLUDING NEGLIGENCE), UNLAWFUL ACT, OR OTHERWISE IN CONNECTION WITH THE SERVICE SHALL NOT EXCEED THE TOTAL AMOUNT PAID OR PAYABLE BY CUSTOMER TO PHILIPS DURING THE PRIOR 24 MONTHS UNDER THIS AGREEMENT.

8.2 PHILIPS SHALL NOT BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES, AND/OR FOR ANY DAMAGES INCLUDING LOSS OF DATA, PROFITS, REVENUE, BUSINESS INTERRUPTION OR USE IN CONNECTION WITH OR ARISING OUT OF THESE CONDITIONS OF SERVICE, REGARDLESS OF WHETHER THEY ARE FORESEEABLE OR NOT AND WHETHER THE CLAIM IS MADE IN TORT (INCLUDING NEGLIGENCE), BREACH OF CONTRACT, INDEMNITY, AT LAW OR IN EQUITY, EXCEPT TO THE EXTENT SUCH DAMAGES ARISE DIRECTLY FROM PHILIPS' GROSS NEGLIGENCE, WILLFUL, MISCONDUCT, OR MATERIAL BREACH OF THIS AGREEMENT.

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8.3 THE EXCLUSION OF LIABILITY IN THESE CONDITIONS OF SERVICE SHALL ONLY APPLY TO THE EXTENT ALLOWED UNDER THE APPLICABLE LAW.

8.4 THE FOLLOWING ARE NOT SUBJECT TO THE LIMITATIONS OF LIABILITY UNDER SECTION 8.1

8.4.1 THIRD-PARTY CLAIMS FOR DIRECT DAMAGES FOR BODILY INJURY OR DEATH TO THE EXTENT CAUSED BY PHILIPS' NEGLIGENCE OR PROVEN PRODUCT DEFECT.

8.4.2 CLAIMS OF TANGIBLE PROPERTY DAMAGE REPRESENTING THE ACTUAL COST TO REPAIR PHYSICAL PROPERTY TO THE EXTENT CAUSED BY PHILIPS NEGLIGENCE OR PROVEN PRODUCT DEFECT.

8.4.3 OUT-OF-POCKET COSTS INCURRED BY CUSTOMER TO PROVIDE PATIENT NOTIFICATIONS, REQUIRED BY LAW, TO THE EXTENT SUCH NOTICES ARE CAUSED BY PHILIPS UNAUTHORIZED DISCLOSURE OF PROTECTED HEALTH INFORMATION OR PERSONAL HEALTH INFORMATION.

8.4.4 FINES/PENALTIES LEVIED AGAINST CUSTOMER BY GOVERNMENT AGENCIES CITING PHILIPS' UNAUTHORIZED DISCLOSURE OF PROTECTED HEALTH INFORMATION OR PERSONAL HEALTH INFORMATION AS THE BASIS OF THE FINE/PENALTY; ANY SUCH FINES OR PENALTIES SHALL CONSTITUTE DIRECT DAMAGES.

8.4.5 DIRECT DAMAGES RESULTING FROM EQUIPMENT DOWNTOWN OR LOSS OF PATIENT DATA CAUSE BY PHILIPS' FAILURE TO PERFORM SERVICES AS REQUIRED UNDER THIS AGREMENT, UP TO THE TOTAL CONTRACT VALUE.

8.4.6 FOR PURPOSE OF THIS SECTION 8, A "PROVEN PRODUCT DEFECT" MEANS A DEFECT SUBSTANTIATED BY EITHER: (I) A MUTALLY AGREED INDEPENDENT THIRD-PARTY EXPERT; OR (II) OBJECTIVE DOCUMENTATION DEMONSTRATING THAT THE PRODUCT DID NOT CONFORM TO PHILIPS' PUBLISHED SPECIFICATIONS. THE BURDEN OF PROOF RESTS WITH THE PARTY ASSERTING THE DEFECT.

9. Intellectual Property Indemnification.

9.1 Philips shall indemnify, defend, and hold harmless Customer against any claim that Services, including any software, part, or service materials provided under this Agreement (collectively "Service Item(s)"), infringes, misappropriates, or violates any third party intellectual property right, whether patent, copyright, trademark, or trade secret, provided that Customer: (a) provides Philips prompt written notice of the claim and (b) grants Philips full and complete information and assistance necessary for Philips to defend, settle, or avoid the claim.

9.2 If a Service Item is found or believed by Philips to infringe a valid patent or copyright; Customer has been enjoined from using a repaired product or Service Item pursuant to an injunction issued by a court of competent jurisdiction, Philips may, at its option:

9.2.1 procure the right for Customer to use the Service Item(s);

9.2.2 replace or modify the Service Item(s) to avoid infringement; or

9.2.3 refund to Customer a portion of the service fees upon the return of the Service Item(s) that are subject of such claims of infringement. Philips shall have no obligation for any claim of infringement arising from: Philips' compliance with Customer's designs, specifications, or instructions; Philips' use of technical information or technology supplied by Customer; modifications to the Service Item(s), which are not permissible hereunder; use of the covered Philips product (based on Service Item(s) delivered under this Agreement) other than in accordance with the product specifications or applicable written instructions; use of the covered Philips product, including with Service Item(s), with any other product not sold by Philips to Customer and the Philips product (including Service Items) in and of itself is not infringing; if claims of infringement would have been avoided by the use of a current unaltered release of covered Philips products, provided that, Philips makes such unaltered release available to Customer at no additional charge for use of the Philips Product (including with Service Items) after Philips has advised Customer, in writing, to stop use of the Philips Product in view of the claimed infringement (provided that this shall not be a replacement for the remedies set forth in 9.2 (1)-(3) above). The terms in this section 9.2 state Philips' entire obligation and liability for claims of infringement and Customer's sole remedy in the event of a claim of infringement.

10. End of Life.

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10.1 AFTER THE END OF LIFE DATE, PHILIPS WILL CONTINUE TO USE COMMERCIALLY REASONABLE EFFORTS TO REPAIR EQUIPMENT, BASED ON PARTS AND TRAINED ENGINEER AVAILABILITY, BUT WITH NO UPTIME GUARANTEE. AFTER THE END OF LIFE DATE, PHILIPS WILL NOT CREATE OR TEST BUG FIXES, PATCHES, OR ENHANCEMENTS TO THE EQUIPMENT HARDWARE OR SOFTWARE.

10.2 If Philips determines that its ability to provide the Services is hindered due to the unavailability of parts or trained personnel, or that the Equipment can no longer be maintained in a safe or effective manner, as determined by Philips, then Philips may terminate this Agreement with respect to such Equipment upon notice to Customer and provide Customer with a refund of any Customer pre-payments for periods of Service coverage not already completed.

11. Proprietary Service Materials.

11.1 In connection with the Services, Philips may deliver or transmit to the Site certain proprietary service materials (including software, tools, and written documentation) that have not been purchased by or licensed to Customer. The presence of this property within the Site will not give Customer any right or title to this property or any license or other right to access, use, or decompile this property. Customer hereby consents to this delivery, storage, attachment, installation, and use of such proprietary service materials, and Customer consents to the presence of a Philips' locked cabinet or box at the Site for storage of this property and to Philips' removal of all or any part of this property at any time, all without charge to Philips. Customer agrees to return any service tools that are no longer required on-site to Philips and to take responsibility for exportation, duties, fees, and transport cost, all in accordance with Philips' instructions; failure to do so entitles Philips to invoice Customer for the value of the respective tool. Customer will protect this property against damage or loss and to prevent any access to or use of this property by any unauthorized party and Customer will be liable for any violation thereof. Customer shall immediately report to Philips any violation of this provision.

12. Confidentiality. ***

12.1 Each party will maintain as confidential any information furnished or disclosed to one party by the other party, whether disclosed in writing, visually, or orally, relating to the business of the disclosing party, its customers, or its patients. Each party will use the same degree of care to protect the confidentiality of the disclosed information as that party uses to protect the confidentiality of its own information, but not less than reasonable care. Each party will disclose such information only to its employees, and in the case of Philips, its Affiliates and subcontractors having a need to know such information to perform the transactions contemplated by this Agreement. The obligation to maintain the confidentiality of such information will not extend to

12.1.1 information in the public domain at the time of disclosure,

12.1.2 information that is lawfully obtained by the receiving party from a third party without any breach of confidentiality or violation of law, or

12.1.3 information that is required to be disclosed by law or by court order. The confidentiality obligations herein will expire five (5) years after the Agreement terminates or expires. The disclosing party maintains exclusive ownership of the confidential information that it discloses to the receiving party, and the receiving party shall be responsible for the breach of these confidentiality terms by any of its representatives or other person to whom it may disclose the confidential information. Notwithstanding the foregoing, in the event a party is required by law or court order to disclose the other party's confidential information to a court, government department/agency, or regulatory body, to the extent permitted by applicable law, it shall first inform the other party of the request or requirement for disclosure to allow an opportunity for the other party to apply for an order to prohibit or restrict such disclosure. Moreover, nothing set forth herein shall prohibit Customer from disclosing confidential information required by state or federal open records laws, to the extent disclosed in compliance with the rules and procedures applicable thereto, including notifying Philips and providing Philips an opportunity to argue certain information may be exempt as a trade secret, if applicable thereunder. The party receiving the other party's confidential information agrees and acknowledges that any breach or threatened breach of these obligations of confidentiality may result in irreparable harm to the disclosing party for which there may be no adequate remedy at law. In addition to any other remedies, in such event the disclosing party may

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be entitled to seek an injunction, without the necessity of posting a bond, to prevent any further breach of this Agreement by the receiving party.

13. **Compliance with Laws & Privacy**. ***

13.1 If any provision of these Conditions of Service is found to be unlawful, unenforceable, or invalid, in whole or in part, the validity and enforceability of the remaining provisions shall remain in full force and effect. In lieu of any provision deemed to be unlawful, unenforceable, or invalid, in whole or in part, a provision reflecting the original intent of these Conditions of Service, to the extent permitted by the applicable law, shall be deemed to be a substitute for that provision. The failure by Customer or Philips at any time to require compliance with any obligation shall not affect the right to require its enforcement at any time thereafter.

13.2 For customers in the United States, each party shall comply with all laws, rules, and regulations applicable to the party in connection with the performance of its obligations in connection with the transactions contemplated by the Quotation, including, but not limited to, those relating to employment practices, federal and state anti-discrimination laws (including Title VII of the Civil Rights Act of 1964 as amended, the Rehabilitation Act of 1973 as amended and the Veterans Readjustment ACT of 1972 as amended), E-Verify, FDA, Medicare fraud and abuse, and the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Health care providers are reminded that if the purchase includes a discount or loan, they must fully and accurately report such discount or loan on cost reports or other applicable claims for payment submitted under any federal or state health care program, including but not limited to Medicare and Medicaid, as required by federal law (see 42 CFR 1001.952[h]).

13.3 Customer shall provide a mutually agreeable Business Associate Agreement.

13.4 To the extent applicable, Customer acknowledges it shall comply with all Medicare, Medicaid, or state cost reporting requirements, including discounts afforded to Customer under this Agreement, for any and Services or parts purchased hereunder. Omnibus Reconciliation Act (OMNI) Social Security (PL96-499, Public Law).

13.5 To the extent applicable to your country or state, Philips and Customer shall comply with the Omnibus Reconciliation Act of 1980 (P.L. 96-499) and its implementing regulations (42 CFR, Part 420). Philips agrees that until the expiration of four (4) years after furnishing Services or parts pursuant to these Terms and Conditions, Philips shall make available, upon written request of the Secretary of the Department of Health and Human Services, or upon request of the Comptroller General, or any of their duly authorized representatives, these General Customer Service Terms and Conditions and the books, documents, and records of Philips that are necessary to verify the nature and extent of the costs charged to Customer hereunder. Philips further agrees that if Philips carries out any of the duties of these Terms and Conditions through a subcontract with a value or cost of ten-thousand U.S. dollars ($10,000.00) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such Services pursuant to such subcontract, the related organization shall make available, upon written request of the Secretary, or upon request of the Comptroller General, or any of their duly authorized representatives the subcontract, and books, documents, and records of such organization that are necessary to verify the nature and extent of such costs. This paragraph relating to the retention and production of documents is included because of possible application of Section 1861(v) (1) (1) of the Social Security Act (42 U.S.C. 1395x (v) (1) (I) (1989)), as amended from to time, to these Terms and Conditions. If Section 1861(v) (1) (1) should be found to be inapplicable, then this paragraph shall be deemed inoperative and without force and effect.

13.6 Excluded Provider. As of the date of the sale of the Services, Philips represents and warrants that Philips, and its employees and subcontractors, are not debarred, excluded, suspended, or otherwise ineligible to participate in a federal or state health care program, nor have they been convicted of any health care related crime for the Services and parts provided under these General Customer Service Terms and Conditions (an "Excluded Provider"). Philips shall promptly notify Customer if it becomes aware that Philips or any of its employees or subcontractors providing Services hereunder have become an Excluded Provider under a federal or state healthcare program, whereupon Customer shall provide Philips with a reasonable opportunity to discuss and attempt to resolve in good faith with Customer any Customer-related concerns in relation thereto, and/or will give Philips a reasonable opportunity to dispute its, or its

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employee's or subcontractor's, designation as an Excluded Provider. In the event that the Parties are unable to resolve any such Customer concerns of the applicable party's designation as an Excluded Provider, then Customer may terminate this order by express written notice for Services not yet rendered and parts not yet shipped prior to a date of exclusion.

13.7 To the extent applicable to your state, it is Customer's responsibility to notify Philips if any portion of the Quotation is funded under the American Reinvestment and Recovery Act (ARRA). To ensure compliance with the ARRA regulation, Customer shall include a clause stating that the Quotation is funded under ARRA on its purchase order or other document issued by Customer.

13.8 For those customers where Canadian Federal and/or Provincial privacy laws ("Canadian Privacy Laws") apply, Philips and Customer will comply with Canadian Privacy Laws in fulfilling their respective obligations hereunder. Customer acknowledges that Philips may be required, in limited circumstances, to store or grant access to Personal Data to the original equipment manufacturer (OEM) or its Affiliates located outside of Canada. Unless otherwise permitted by law, such disclosure will be limited to exceptional circumstances where it is necessary for the purposes of installing, implementing, maintaining, repairing, trouble shooting, or upgrading the Equipment, or where data recovery assistance from the OEM is necessary. Where required by law, any such disclosure will be limited to temporary access and storage for the minimum time necessary for the purpose and only as required in order to meet the requirements of this Agreement. Customer acknowledges and agrees that Customer is responsible for obtaining all required consents and providing all required notices to individuals to allow Philips and its subcontractors to process Personal Data for the purposes set out herein.

14. Processing of Personal Data.

14.1 During provision of the Services, Philips and/or its Affiliates may process information, in any form, that may qualify as personal data, which is information relating to an individual from which that individual can be directly or indirectly identified. Philips and/or its Affiliates will:

14.1.1 process any protected health information (PHI) as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) on behalf and by instruction of Customer (the terms and conditions governing Philips' handling, processing, storage, or use of PHI are set forth in the Business Associate Agreement or Addendum between the parties) and

14.1.2 process information such as log files or device parameters (which may contain personal data) to provide the Services and to enable its compliance with and performance of its task as manufacturer of medical devices under the applicable regulations and standards, including but not limited to the performance of vigilance, post-market surveillance and clinical evaluation related activities.

15. Use of Non-Personal Data.

15.1 Customer agrees that Philips and/or its Affiliates may use any data other than personal data generated by the Equipment and/or otherwise provided by Customer to Philips for Philips' own legitimate business purposes including, but not limited to, for data analytics activities to determine trends of usage and advise on the use of Philips products and Services, for research, product and service development and improvement (including the development of new offerings), substantiation of marketing claims, and for benchmarking purposes.

16. Export Control.

16.1 The provision of Service may be subject to the granting of governmental export licenses. In the event that such licenses or an end-user statement are required, Philips will contact Customer immediately and Customer shall provide Philips with such documents on first request. In case the provision of the Services becomes restricted or forbidden due to changed export control laws, Philips may suspend or terminate, at its option, the execution of its obligations under this Agreement without incurring any liability toward Customer other than reimbursing any amounts received for Services not yet rendered.

17. Subcontracts and Assignments.

17.1 Philips may subcontract to service contractors of Philips' choice any of Philips' service obligations to Customer or other activities performed by Philips under this Agreement. No such subcontract will release Philips from those obligations to Customer. Philips may, without prior notice or consent, assign this Agreement to its parent corporation, any of its Affiliates, or to a successor entity in the event of a merger, consolidation, transfer, sale, stock purchase or public offering, as long as the party who receives the

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assignment assumes all of Philips' obligations hereunder. Customer may not assign this Agreement or the responsibility for payments due under it without Philips' prior express written consent, which will not be unreasonably withheld.

18. **Term and Termination**. ***
    - **18.1** The term of this Agreement shall be from August 1, 2025 through July 31, 2030. This Agreement is non-cancelable by Customer unless as expressly set forth in this Agreement and will remain in effect for the Term.
    - **18.2** Either party may terminate this Agreement upon written notice in the event that the other party becomes or is deemed to be insolvent, discontinues business, is unable to pay its debts, is the subject of bankruptcy proceedings, enters into liquidation whether compulsory or voluntarily or has a receiver or administrator appointed over all or any part of its assets, enters into any arrangement or agreement, or assignment with, or for the benefit of its creditors or any of them, or if the other party takes or suffers any similar action in consequence of debt or insolvency in any jurisdiction. If Customer becomes insolvent, unable to pay its debts as they fall due, files for bankruptcy or is subject to it, has appointed a recipient, is subject to a late fee on payments (temporary or permanent), or has its assets assigned or frozen, Philips may cancel any unfulfilled obligations or suspend its performance; provided that, however, Customer's financial obligations to Philips shall remain in full force and effect.
    - **18.3** If Customer sells or otherwise transfers any of the Equipment to a third party and the Equipment remains installed and in use at the same location, and such third party assumes the obligations of Customer under this Agreement or enters into a new service agreement with Philips, the price will be equal to the price in this Agreement and a term at least equal to the unexpired/unused term of this Agreement. If such third party does not assume the obligations of Customer under this Agreement, then Customer may terminate this Agreement with respect to such Equipment upon no less than thirty (30) days' prior written notice to Philips, in which case Customer shall pay to Philips (i) all amounts due under this Agreement through the effective date of termination (based on the notice requirement) and (ii) as liquidated damages, and not as a penalty, an amount equal to thirty percent (30%) of the remaining payments due under this Agreement for such Equipment from the date of termination through the scheduled expiration of the term of this Agreement.
    - **18.4** County's performance and obligation to fund this Agreement beyond the current fiscal year is contingent upon the availability of appropriated funds from the County Board of Supervisors. The County's payments to Philips under this Agreement are funded by local, state, and federal governments. If funds from local, state, and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County must give sixty (60) days written notice of this fact to Philips, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as County may specify in its notice, unless the meanwhile the parties enter into a written amendment modifying the Agreement.
    - **18.5** Customer may terminate, upon sixty (60) days' written notice to Philips:
        - **18.5.1** the Service coverage for an individual piece of Equipment under this Agreement, representing that such Equipment is being permanently removed from the Site and is not being used in any other Site, or
        - **18.5.2** the Agreement, specifically describing a material breach or default of this Agreement by Philips; provided, however, that Philips may avoid such termination by curing the condition of breach or default within such sixty (60)-day notice period.
    - **18.6** Philips may terminate this Agreement, wholly or partially:
        - **18.6.1** if Customer defaults in the performance of any of its obligations under this Agreement, and fails to remedy the same within sixty (60) days of a written notice, or
        - **18.6.2** as described in Section 4 (Payment) and Section 10 (End of Life).

19. **Independent Contractor**.
    - **19.1** Philips is Customer's independent contractor. Nothing in this Agreement shall be construed to designate Philips or Philips' employees or Philips' subcontractor or any of its employees as Customer employees, agents, or partners. Philips' employees and Philips subcontractors are under Philips' exclusive direction and control. Philips has no liability or responsibility for and does not warrant Customer's or Customer's

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employees' or other representatives' acts or omissions related to any services that are performed by Customer's employees or representatives under this Agreement.

20. Force Majeure.

20.1 Each party shall not be liable in respect of the non-performance of any of its obligations (except for payment obligations for Services rendered) to the extent such performance is prevented by any circumstances beyond its reasonable control, including, but not limited to, acts of God, war, civil war, insurrection, fire, flood, labor disputes, epidemics, pandemic, cyber-attack, act of terrorism, governmental regulations and/or similar acts, embargoes, export control sanctions or restrictions, Philips' unavailability regarding any required permits, licenses and/or authorizations, default or force majeure of suppliers or subcontractors. If force majeure prevents Philips from performing any obligation arising out of the sale, Philips shall not be liable to Customer for any compensation, reimbursement, or damages.

21. Third-Party Products Provided by Philips.

21.1 To the extent a third-party products service plan is explicitly identified in the Quotation, Philips shall be responsible for servicing third-party products provided by Philips. Otherwise, Philips is not responsible for servicing any third-party products provided by Philips to Customer.

22. Adulterated Systems.

22.1 If Philips determines that the Equipment has been modified or adulterated in a manner not explicitly specified in the documentation accompanying the Equipment, including without limitation by including a part, component, or device not specified as compatible (an "Adulterated System"), and such modification or adulteration hinders Philips' ability to provide the Service or maintain the Equipment in a safe or effective manner, then Philips will promptly notify Customer of such Adulterated System. Following receipt of such notice, if Customer does not permit Philips (at Customer's cost) to remediate the Adulterated System, then Philips may remove the Adulterated System from the Site list, adjust the Services under this Agreement, and provide Customer with a refund of any Customer pre-payments for periods of Service not yet rendered or parts not yet provided.

23. Insurance. ***

23.1 Upon Customer request, Philips will provide a Certificate of Philips insurance coverage.

23.2 Evidence of Coverage: Prior to commencement of this Agreement, Philips shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate.

23.3 Qualifying Insurers: All cover except professional liability that is part of the master global insurance program placed in Amsterdam that provides world-wide coverage, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by Natividad's Contract/Purchasing Director.

23.4 Insurance Coverage Requirements: Without limiting Philips duty to indemnify, Philips shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

23.4.1 Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

23.4.2 Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

23.4.3 Workers' Compensation Insurance, If Philips employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

23.4.4 Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California

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Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the Philips shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

23.5 Other Requirements: All insurance required by this Agreement shall be with a company acceptable to NMC and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

23.6 Philips shall provide that NMC shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

23.7 Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance. The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 12-19 or CG 20 10 12-19 in tandem with CG 20 37 12-19. The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 10-13.

23.8 Prior to the execution of this Agreement by NMC, CONTRACTOR shall file certificates of insurance with NMC's Contracts/Purchasing Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

23.9 CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by NMC, annual certificates to NMC's Contracts/Purchasing Department. If the certificate is not received by the expiration date, NMC shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles NMC, at its sole discretion, to terminate the Agreement immediately.

24. Rules and Regulations.

24.1 To the extent made known in writing to Philips, Philips and its subcontractors will comply with Customer's rules and regulations provided such rules and regulations do not conflict with established Philips policies.

25. Miscellaneous. ***

25.1 Survival. Customer's obligation to pay any money due to Philips hereunder survives expiration or termination of this Agreement. All of Philips' rights, privileges, and remedies with respect to this Agreement will continue in full force and effect after the end of this Agreement.

25.2 Performance. The failure of Customer or of Philips at any time to require the performance of any obligation will not affect the right to require such performance at any time thereafter. Course of dealing, course of performance, course of conduct, prior dealings, usage of trade, community standards, industry standards, and customary standards and customary practice or interpretation in matters involving the

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Service and delivery of similar or dissimilar services shall not serve as references in interpreting the terms and conditions of this Agreement.

25.3 Counterparts. This Agreement may be executed in one or more counterpart copies, each of equal validity, that together constitute one and the same instrument. Any photocopy or facsimile of this Agreement or any such counterpart is deemed the equivalent of an original and any such facsimiles constitute evidence of the existence of this Agreement.

25.4 Governing Law. All transactions contemplated under this Agreement shall be governed by the laws of the State of California, without regard to that state's choice of law principles, and expressly excluding application of the Uniform Computer Information Transactions Act ("UCITA"), in any form. EACH PARTY, KNOWINGLY AND AFTER CONSULTATION WITH COUNSEL, FOR ITSELF, IT'S SUCCESSORS' AND ASSIGNS, WAIVES ALL RIGHT TO TRIAL BY JURY OF ANY CLAIM ARISING WITH RESPECT TO THIS AGREEMENT OR ANY MATTER RELATED IN ANY WAY THERETO.

25.5 Amendment. Save and except for items where Philips has retained the right to unilaterally amend the terms of this Agreement, this Agreement may not be amended except by written instrument signed by both parties.

25.6 Communication. Notices or other communications shall be given in writing and shall be deemed effective if they are delivered in person or if they are sent by courier or mail to the relevant party.

25.7 Choice of Language. This Agreement is drawn up in English pursuant to the formal request of parties. Cette entente a été rédigée en anglais à la demande expresse des deux parties.

25.8 Entire Agreement. This Agreement, including all applicable Exhibits as attached hereto, constitutes the entire understanding of the parties and supersedes all other agreements, written or oral, regarding its subject matter. No additional terms, conditions, consent, waiver, alteration, or modification will be binding unless in writing and signed by Philips' authorized representative and Customer. Additional or different terms and conditions, whether stated in a purchase order or other document issued by Customer, are expressly rejected and will not apply to the transactions contemplated by this Agreement. No prior proposals, statements, course of dealing, course of performance, usage of trade or industry standard will be part of this Agreement. For avoidance of doubt, a reference to "Imaging" or "Imaging Services" equals a reference to Services to Philips' MRI, CT, AMI, DXR, Ultrasound, or IGT-Systems devices.

25.9 Additional Terms. Service-specific exhibits and any associated attachments are incorporated herein as they apply to the Services listed on the Quotation and their additional terms shall apply solely to Customer's purchase of the Services specified therein. If any terms expressly set forth in an exhibit conflict with terms set forth in these General Customer Service Terms and Conditions, the terms expressly set forth in the exhibit shall govern.

26. Authority to Execute.

26.1 The parties acknowledge that they have read the terms and conditions of this Agreement, that they know and understand the same, and that they have the express authority to execute this Agreement.

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Exhibit 12
Additional Terms and Conditions for Hospital Patient Monitoring Software Evolution Services (Rev 25.1)

1. **Services Provided**.
   - **1.1** Commencing on the Effective Date of the Agreement and subject to the limitations below, Philips will provide Software Evolution Services (SES) described herein or as otherwise specified on the Quotation(s) for the Sectors, as defined below and identified on the Quotation.
2. **Definitions**.
   - **2.1** Software Version. Introduces major release of the software available to Customer under this Exhibit.
   - **2.2** Software Update. Provides minor enhancements or improvements to performance, maintainability, and serviceability of the software available to Customer under this Exhibit.
   - **2.3** Software Fix. Corrects an error or bug of the software available to Customer under this Exhibit.
   - **2.4** Sector. A location on a central station where a patient and the related patient equipment is assigned. Often used interchangeably with beds or patients. A Sector is Equipment under this Agreement.
   - **2.5** Node. A device or node refers to an IP addressable network node, which is a configured component of a Philips Hospital Patient Monitoring System/Solution.
   - **2.6** Agreement/SES Agreement. All references to "Agreement" or "SES Agreement" refer collectively to the following (and in the event of any conflict between the terms therein, the priority for control, from first to last priority, shall be): the Quotation, this Exhibit, and the Philips Healthcare Service Terms and Conditions.
3. **Term**.
   - **3.1** For new Hospital Patient Monitoring Analytics and Therapeutic Care products installed by Philips, the Agreement term will commence immediately following installation and availability for first patient use. The term of the Agreement is defined in the Quotation and the end date for all sectors will be co-terminus. For existing systems or renewals of existing service contracts, the start and end date of the Agreement shall be defined in the Quotation.
4. **Telephone and Remote Support**.
   - **4.1** Telephone Support. Telephone and Remote Support coverage is included with all SES Agreements. Technical and Clinical Telephone and Remote Support coverage services are available twenty-four (24) hours per day, seven (7) days per week, including Philips-recognized holidays. Philips Customer Care Support Line Call + 1 800-722-9377.
   - **4.2** Remote Access and Diagnostics. Philips may remotely access any Customer system tied to the Equipment required to perform Services. Customer shall provide Philips remote access to the Equipment.
   - **4.3** On-Site Software Resolution Response. Philips primary method for software services is telephone and Philips Remote Services ("PRS"). Philips, at its sole discretion, may provide on-site software support services to resolve software issues that cannot be resolved through Philips' primary resolution method. On-site service is next business day, Monday through Friday 8:00 AM to 5:00 PM local time, excluding Philips-recognized holidays, and includes labor and travel necessary for the delivery of corrective services. On-site Software Resolution is not an installation service for new products.
   - **4.4** InCenter Access. Philips will provide Customer access to Philips' web-based support tool for the Equipment under this Agreement.
   - **4.5** Online Education. Customer shall be entitled to access those online courses covering core concepts of purchased Philips product/system through the Philips Learning Center. Core concept courses provide orientation to basic system functionality. Access will be terminated at the end of the term of this Agreement.
   - **4.6** Online Portal. The Philips Customer Services Portal is an online portal for customers to self-manage their system requirements and request either service or support. https://www.usa.philips.com/healthcare/services/maintenance-services/customer-service-portal
5. **Interface Support**.
   - **5.1** Philips supports the DICOM and HL7 communication to and from the Equipment as they exist at the Equipment at the time of installation. In the case of new software versions, Philips shall provide the following:

5.1.1 If the Equipment, interoperability mapping engine, or Biomedical device is upgraded to the latest version, Philips will restore inbound and/or outbound communication to the pre-upgrade condition.

5.1.2 Philips' interface support does not include the modification of any interface due to interface changes in third-party hardware or software or replacement of Philips interoperability mapping engine product with a different interoperability engine product. In the case of a planned upgrade of the Equipment that involves modifications to the interface specifications, Philips requires that detailed technical information on such modifications be made available to Philips at least ninety (90) days in advance of the planned upgrade. In such a case, Philips shall work with the third party to understand changes in interface specifications and format and may modify and upgrade the Equipment to support such new interface specifications at a schedule and additional cost to be approved by Philips and Customer.

6. Software Versions and Updates.

6.1 If a new software version or update is available for the previously purchased software (on a like for like basis as set forth in 6.2 below) which is covered by this Agreement, and the requirements of the Agreement are satisfied, then Philips will install the available software for the Equipment application software during the term of the Agreement as follows: Philips will provide new software versions, updates, and fixes for existing Patient Information Center iX (PIC iX), IntelliBridge Enterprise Interoperability solution (IBE), and bedside monitor applications. When required for the new software version, Philips will provide operating system licenses and database software licenses (SQL) for PIC iX system. OS/SQL is Customer's responsibility unless physical hardware is supplied by Philips for the IBE solution. Unless specified, any other third-party software including, but not limited to, operating system licenses, database software licenses, client access licenses, and anti-virus software is not included. Customer has no right to software that has reached the published end of sale date.

6.1.1 Functionality. Customer is entitled to functionality previously purchased or bundled with the software if available in the version or update released on or after the start date of the Agreement. Customer acknowledges that certain functionality in current and previous software versions may not be available in future new software versions. Customer is not entitled to any package, functionality, or configuration of the software that was available but not previously purchased on a capital basis. This exclusion does not prevent Customer from receiving anything that was moved to the general release available to all customers, or the specific bundle previously purchased by Customer.

6.1.2 Hardware updates and replacement. Software versions, updates, and fixes may require hardware updates or replacement. Customer is responsible for any such hardware updates or replacements unless SES Plus and SES Pro are included in the Quotation. Upgrade installation and clinical support of the installation are not included in the base SES offering and will only be provided if such services are included on the Quotation as set forth below.

6.2 To receive new software under this Agreement:

6.2.1 Customer must be in compliance with all terms and conditions of this Exhibit and the Agreement, including the availability of PRS capability and access to the Equipment by Philips personnel;

6.2.2 Customer must identify one (1) Customer representative, in writing to Philips, which will manage and be responsible for Customer's selection and scheduling of new software version installations under this Exhibit; and

6.2.3 The Equipment that will receive the version or update must meet the specifications of the new software version. Customer shall provide the Equipment hardware or software necessary to meet such specifications.

6.3 Unless specifically included elsewhere in this Agreement, software versions and updates do not include implementation services, applications that were not purchased with the Equipment, including virus protection software, security patches, custom interface software, operating system software, or software updates of third-party software (e.g., Citrix).

6.4 Philips shall have no responsibility to provide software versions or updates for minor software defects that do not impact the intended use of the software or impact patient care.

6.5 Customer may not resell, transfer, or assign the right to such versions, updates, or fixes to any third party. All versions and updates provided to the Equipment under this Exhibit are subject to the terms and conditions of this Exhibit, the Agreement, and any license terms and conditions included in the purchase of the product from Philips or later provided to Customer by Philips.

6.6 Philips will notify Customer if a new version update or upgrade is available. Customer must accept any updates or upgrades within the term of the Agreement. If the Agreement expires after Customer has accepted the available software covered by this Agreement, then Customer is entitled to receive the offered new software version for up to three (3) months following such expiration. If Customer does not accept the version within term of the Agreement, then Philips is under no obligation to provide such new software.

7. Solutions Review.

7.1 During the term of the Agreement, Philips will provide Customer an annual customized review session to provide a deeper understanding, isolate and troubleshoot issues with Customer-configured PIC iX and IBE solution. Review sessions will be scheduled upon Customer request, at a mutually agreeable date and time Monday – Friday, 8:00 AM – 5:00 PM PIC iX System Review sessions will be provided at an off-site location within a reasonable distance of Customer and will include a meal per day per participant. Review Sessions may also be scheduled remotely upon the discretion of either Philips or Customer. Each session will be limited to ten (10) Customer participants and cannot be rescheduled. IBE System Review sessions will be provided to a maximum of eight (8) participants.

7.2 The scope, duration, and delivery methodology of the PIC iX System solutions review sessions will vary and will be defined by Philips with input from Customer but will remain in Philips' sole discretion and will not exceed twenty-eight (28) hours in aggregate.

8. PerformanceBridge Focal Point.

8.1 During the term of this Agreement, Philips will provide Customer access to the PerformanceBridge Focal Point Licensed Software ("Focal Point"). Access to Focal Point is available to Customer and Philips support personnel working on-site and remotely. Philips will install Focal Point on virtual or physical hardware, pursuant to the system installation and reference guide. Customer will be entitled to all new software versions, updates, telephone (at the number stated in Section 4.1 of this exhibit) and remote support during the term of the Agreement.

8.2 License Grant. Subject to any usage limitations for the Focal Point Licensed Software (referred to in this Section 8 as "Licensed Software") set forth on the product description found on the Quotation and license restrictions set forth in this Section 8, Philips grants to Customer a non-exclusive and non-transferable right and license to use the Licensed Software in accordance with the Agreement and this Exhibit (the "License"). The License shall continue for the term of the SES Quotation, except that Philips may terminate the License if Customer is in material breach of this Agreement. In such instance of License termination, Customer shall return the Licensed Software and any authorized copies thereof to Philips immediately upon expiration or termination of this License.

8.2.1 The License does not include any right to use the Licensed Software for purposes other than the operation of Philips Hospital Patient Monitoring products. Customer may not copy, reproduce, sell, assign, transfer, or sublicense the Licensed Software for any purpose without the prior written consent of Philips. Customer shall reproduce Philips' copyright notice or other identifying legends on such copies or reproductions. Customer will not (and will not allow any third party to) decompile, disassemble, or otherwise reverse engineer or attempt to reconstruct or discover the product or Licensed Software by any means whatsoever.

8.2.2 The License shall not affect the exclusive ownership by Philips of the Licensed Software or of any trademarks, copyrights, patents, trade secrets, or other intellectual property rights of Philips (or any of Philips' suppliers) relating to the Licensed Software.

8.2.3 Customer agrees that only authorized officers, employees, and agents of Customer will use the Licensed Software or have access to the Licensed Software (or to any part thereof), and that none of Customer's officers, employees, or agents will disclose the Licensed Software, or any portion thereof, or permit the Licensed Software, or any portion thereof, to be used by any person or entity other than those entities identified in the Agreement. Customer acknowledges that certain of

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Philips' rights may be derived from license agreements with third parties, and Customer agrees to preserve the confidentiality of information provided by Philips under such third-party license agreements.

8.2.4 The Licensed Software shall be used only on the product(s) covered under this Agreement.

8.2.5 Each license hereunder is limited to one instance of Focal Point per Customer site/location included in the Quotation, and each Focal Point instance is limited to 4,000 device/node connections. A device or node refers to an IP addressable network node, which is a configured component of a Philips Patient Monitoring System/Solution. If additional Focal Point instances are required, determined solely by Philips, they will be provided upon mutual agreement of both parties. If there is more than one (1) site or location, Customer must purchase the appropriate software maintenance coverage for each additional site or location to receive access to the Focal Point license.

8.2.6 Customer acknowledges that the Philips Administrator Account of the Licensed Software, and any related login credentials that Philips provides to Customer, shall not be used, and Customer agrees not to so use, for any reason. Instead, the Licensed Software's Philips Administrator Account functionality is for use only by Philips and its authorized service representatives.

8.2.7 The Licensed Software shall be used only on the product(s) referenced in the Quotation ("Products"). Customer may transfer the Licensed Software in connection with sale of the Product to a healthcare provider who accepts all of the terms and conditions of this License and Agreement, provided that Customer is not in breach or default of this License, this Agreement, or any payment obligation to Philips.

8.2.8 Customer shall return the Licensed Software and any authorized copies thereof to Philips immediately upon expiration or termination of this SES Agreement

8.2.9 It is imperative that Customer install and activate Focal Point and connect to Philips Remote Service ("PRS") within ninety (90) days of the date of Agreement execution to ensure OS Patching services. If Customer declines/delays Focal Point installation or defers any OS Patching cycle(s), Philips requests a Customer signature on the associated approved Philips document to confirm their awareness and acceptance of a cybersecurity event risk. Customer will be charged time and material for any onsite OS patching services provided by Philips during this period of declined/delayed Focal Point installation.

8.3 Modifications. If Customer modifies the Licensed Software in any manner, all warranties associated with the Licensed Software shall become null and void. This does not apply to patches or software updates provided by Philips to Customer. If Customer or any of its officers, employees, or agents should devise any revisions, enhancements, additions, modifications, or improvements in the Licensed Software, Customer shall disclose them to Philips, and Philips shall have a non-exclusive royalty-free license to use and to sub-license them.

8.3.1 The Licensed Software is licensed to Customer on the basis that (a) Customer shall maintain the configuration of the products as they were originally designed and manufactured and (b) the product includes only those subsystems and components certified by Philips. The Licensed Software may not perform as intended on systems modified by anyone other than Philips or its authorized agents, or on systems which include subsystems or components not certified by Philips. Philips does not assume any responsibility or liability with respect to unauthorized modification or substitution of subsystems or components.

8.3.2 Application Patches. From time-to-time, the Licensed Software may require the remote installation of certain application updates, upgrades, or enhancements to properly maintain the application in accordance with Philips' specifications ("Application Patches"). Working with Customer, Philips reserves the right to manage all Application Patches. These Application Patches will be sent remotely and securely to Customer's premise by means of Philips' Remote Services Gateway. If not deployed, Philips will be prevented from remotely installing such Application Patches to properly maintain the application in accordance with Philips' specifications.

8.3.3 OS Patches. Focal Point will periodically synchronize with a remote HSDP-based master Window Server Update Services (WSUS) server as defined within the Microsoft WSUS documentation. This synchronization is required for the Focal Point OS Patching feature to maintain an updated list of

which Microsoft OS patches have been qualified by Philips and is required for the Focal Point OS Patching feature to function. Philips will provide validated Microsoft operating system patches available for the Philips PIC iX system(s) and IBE. Customers can choose the frequency and the timing to apply the validated patches based upon their risk profile.

8.4 Processing of Personal Data. Other than as set out in Section 8.3 herein, in the event that Customer requests Philips to do so, Philips will process Personal Data only on instruction of Customer as set out in the Agreement and/or other communications made by Customer to Philips (where such instructions are consistent with the terms of the Agreement), unless otherwise required by applicable law ("Instruction(s)"). Customer warrants (a) that its Instructions will comply with applicable law including in relation to the protection of Personal Data and (b) that its Instructions will not cause Philips to violate applicable law. "Personal Data" means the information relating to an identified (or identifiable) individual, and collected, received, generated or otherwise obtained or processed by Philips in relation to or in the context of the Agreement or the relationship with Customer.

8.4.1 Instructions to Philips. The Licensed Software will collect and aggregate machine-to-machine data which may include certain Personal Data (e.g., IP addresses) ("Machine Data"). Customer hereby instructs Philips to process Personal Data (to the extent Personal Data is included in the Machine Data) for or in relation to performing the Services to Customer and other obligations under this Agreement, and as necessary to comply with other reasonable instructions provided by Customer where such Instructions are consistent with the terms of this Agreement. Customer represents and warrants to Philips that, prior to activation of the Philips' remote access to Customer's IT network: (1) Customer has the right and the authority to provide the Personal Data to Philips for Philips' use of such data pursuant to this Agreement, including cross-border transfers; (2) Customer has provided any required notices and obtained any required consents from individuals as required by applicable law to collect and process their Personal Data (which may include medical and health data); (3) Customer is fully and solely responsible for the accuracy, legality and consistency of the Personal Data it provides to Philips, and (4) Customer's provision to Philips of the Customer Data and Philips' use of Personal Data pursuant to this Agreement will not violate any applicable law, or privacy policy.

8.4.2 Inability to Provide Data. Customer will notify Philips without undue delay if Customer becomes aware that Customer is unable to meet its obligations under this Section 8. In such cases, Philips will work with Customer in good faith to determine whether and how to deliver the Services.

8.4.3 Protection of Data. Philips will take appropriate commercially reasonable technical and organizational measures to protect the Personal Data, at a level appropriate to the risk, of accidental or unlawful destruction, loss, alteration, unauthorized disclosure or access during the processing.

8.5 Use of Machine Data. Philips acknowledges and agrees that Customer owns all Machine Data. Customer hereby licenses the Machine Data to Philips for use, processing, and aggregation consistent with this Agreement. Philips' usage will be solely in a primary usage manner to deliver functionality and services to Customer, which includes but is not limited to the aggregation and processing of Machine Data to enable users of the License Software (including Philips) to see statistical and reporting information and to troubleshoot problems that may arise. Customer acknowledges that it can access and copy Machine Data at any time through the Licensed Software application, and that Customer may request in writing that Philips delete the Machine Data.

9. Additional Terms for Technology Refresh Entitlements.

The following are additional cost options, paid services at time of quotation.

9.1 SES Plus.

9.1.1 If included in the Quotation and subject to 9.1.2, and if required for a Philips Patient Information Center iX (PIC iX) software release that is available to Customer through the SES Agreement, Philips will provide Customer with new personal computers (PCs) which run the PIC iX application. For the purpose of this provision, "if required" means PCs do not meet the minimum requirements of a release as specified in the Philips Technical Data Sheet accompanying the software release.

9.1.2 This SES Plus hardware entitlement is a stand ready obligation for releases subsequent to the first major release or version provided to Customer under the SES Agreement. As such, Customer PCs

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must meet the requirements of the first major release or version, or Customer must upgrade its PCs to meet such requirements via separate capital purchase. Under no circumstances may Customer receive PCs under this entitlement in the first twelve (12) months following the effective date of the Agreement.

9.1.3 If Customer selects SES Plus entitlement, all Sectors under this Agreement shall be charged for this entitlement.

9.2 SES Pro.

9.2.1 If included in the Quotation and subject to 9.2.2, and if required for a Philips Patient Information Center iX (PIC iX) software release that is available to Customer through the SES Agreement, Philips will provide Customer with new PCs and Physical Servers for PIC iX application. For the purpose of this provision, "if required" means PCs and Physical Servers do not meet the minimum requirements of a release as specified in the Philips Technical Data Sheet accompanying the software release.

9.2.2 This SES Plus hardware entitlement is a stand ready obligation for releases subsequent to the first major release or version provided to Customer under the SES Agreement. As such, Customer PCs and Physical Servers must meet the requirements of the first major release or version, or Customer must upgrade its PCs or Physical Servers to meet such requirements via separate capital purchase. Under no circumstances may Customer receive PCs or Physical Servers under this entitlement in the first twelve (12) months following the effective date of the Agreement.

9.2.3 If Customer selects the SES Pro entitlement, all Sectors under this Agreement shall be charged for this entitlement.

10. Customer Success Management Services.

10.1 During the term of the Agreement Philips will assign a Customer Delivery Manager familiar with Customer account, key stakeholders, and contract coverage to provide the following:

10.1.1 Philips will schedule and deliver a remote coverage and status review meeting annually, at a mutually agreeable date and time. The status meeting will focus on available entitlements and planning. The status review may outline all Equipment service issues resolved during the previous period and review any open or unresolved issues.

10.1.2 Prior to delivering any new software version, Philips will coordinate with Customer assigned resource to identify and mitigate dependencies relative to the software upgrade and other service agreement entitlements.

10.1.3 The parties will develop a dependency mitigation plan to address resource needs, hardware needs, operating system requirements, interoperability, and other dependencies for the deployment of new software upgrade.

11. True-Up For Sectors Added After initial Quotation.

11.1 Customers without SES Plus or SES Pro. Philips and Customer will review annually the Sectors covered by the Agreement to match the number of Sectors actually installed at Customer's Site(s). Philips will automatically update Customer invoice to match the current Sectors installed on the True Up date on a go forward basis. To effectuate this update, Philips shall issue a new Quotation and Customer shall issue an updated PO covering any additional Sectors. Philips has no responsibility to Service systems not listed on the then-current Quotation.

11.2 Customers with SES Plus or SES Pro. Philips and Customer will review the Sectors covered by the Agreement each time Customer adds a new Sector to the Agreement. Philips will automatically update Customer invoice to match the current Sectors installed. To effectuate this update, Philips shall issue a new Quotation and Customer shall issue an updated PO covering any additional Sectors. Philips has no responsibility to Service systems not listed on the then current Quotation.

12. Test System.

12.1 Philips will provide software versions for an off-line test system ("Test System"). The Test System is not to be used in a production environment or to provide patient care. No additional services will be provided hereunder for the Test System. Initial capital purchase of Test System licenses and hardware is Customer's responsibility.

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12.2 Customer shall be entitled to one (1) virtual off-line test system ("Virtual Test System"). The Virtual Test System is not to be used in a production environment or to provide patient care. Software and all future versions will only be installed by Philips during an ongoing upgrade project for PIC iX. Requests by Customer outside an ongoing upgrade project for PIC iX shall be at an additional cost, subject to resource availability.

13. Fetal Monitors.

13.1 New software versions for Fetal Monitors will be installed by Philips during an ongoing upgrade project for PICs or MP/MX bedsides, when a new version is made commercially available. Education and Support for Fetal Monitoring is not included, and if required, Customer must purchase Clinical Services.

14. Vital Signs.

14.1 Philips will only provide new software for the Vital Signs monitors specified below on a like for like basis with Customer's existing configuration and features. Philips will not provide any installation labor or Clinical Services to upgrade Vital Signs monitors. Installation of all Vital Signs monitor software will be Customer's responsibility. Vitals Signs software provided under this Agreement is limited to VS30 via Incenter. Any new configuration and features must be purchased on a capital basis and will then be updated under this Agreement.

15. PIC iX Data Warehouse Connect (DWC).

15.1 New software versions for DWC will only be installed and are included by Philips during an ongoing upgrade project for PIC iX. Customers who wish to install a new version of DWC outside the PIC iX implementation cycle will need to pay an additional implementation fee. Customer must purchase the original DWC license to be covered by this Agreement.

16. (Event Notification) Event Management System for Enterprise Mobility Solutions.

The following are additional cost options, paid services at time of quotation.

16.1 If included in the Quotation, new software versions for CareEvent (Event Notification) will only be installed by Philips during an ongoing upgrade project for PICs iX. Customer must meet minimum requirements for PIC iX Revision 4.x or higher. Requests by Customer outside an ongoing upgrade project for PIC iX shall be at an additional cost, subject to resource availability.

17. Antivirus Management Services.

The following are additional cost options, paid services at time of quotation.

17.1 Antivirus Essential. If included in the Quotation and subject to Exhibit 28 - Additional Terms and Conditions for Patient Monitoring Antivirus Management Services with Software Evolution Services, Philips Antivirus Management services protects selected Philips medical products with a Philips validated antivirus solution to detect and respond to the occurrence of a cybersecurity event. Customers' IT Security Operations Center will be immediately informed by email when a virus has been detected and can access a state-of-the-art management console to monitor all endpoint security alerts in an easy and unified way.

17.2 Antivirus Plus. If included in the Quotation and subject to Exhibit 28 Additional Terms and Conditions for Patient Monitoring Antivirus Management With Services with Software Evolution Services, Philips Antivirus Management services protects selected Philips medical products with a Philips validated antivirus solution to detect and respond to the occurrence of a cybersecurity event. The Philips Security Operation Center will monitor all Customer endpoints protected with this service. In case of virus detection, Philips will provide incident response and remediation actions in order to expedite the restoration of any capabilities or services that were impaired due to the cybersecurity incident.

18. Biomedical Technical Education and Training for Hospital Patient Monitoring.

The following are additional cost options, paid services at time of quotation.

18.1 If included in the Quotation, Philips will provide technical training for customer's in-house, biomedical engineering teams. Customer is entitled to the number of courses purchased. Course vouchers expire 3 years from date of issue or by end of contract term, whichever occurs first. Current course schedules and descriptions can be found on the Philips Learning Center website: https://www.learningconnection.philips.com/en/catalog/profession/biomedical-engineers/monitoring

19. **System Healthcheck**.
    19.1 During the term of the Agreement Philips will provide one (1) on-site visit per contract year, scheduled Monday through Friday between 8:00 AM – 5:00 PM, to evaluate Equipment and network health and compatibility. The entitlement under this section is specifically designed to work in conjunction with each year's SES Services and cannot be carried over to future contract years. Following each annual visit, Philips will provide Customer a report with recommendations relative to the Equipment.

20. **Patient Monitoring Performance Analytics**.
    20.1 If included in the Quotation, the Philips Patient Monitoring Performance Analytics service (the "PMPA" service) leverages operational data collected by Focal Point to provide the Customer with technical performance information regarding the Customer system and assist in the troubleshooting of certain service events.
    20.2 The PMPA service includes the following:
    20.2.1 Periodic event log collection; and
    20.2.2 A report (on a regularly scheduled interval) of identified service events, including description and severity, root cause analysis, tracking of actions (including action owners for remediation tasks)
    20.3 To enable the PMPA service the Customer will:
    20.3.1 Have installed PIC iX at release C.03, 4.0 or higher for all instances at Customer's site used in conjunction with the PMPA service;
    20.3.2 Have installed and configured Focal Point at release A.02.14, 2.0 or higher; and
    20.3.3 Maintain an ongoing (24x7) network connection from Focal Point to Philips HealthSuite Platform (HSP) and Philips Remote Support (PRS).
    20.4 The Customer may add the PMPA service at any time during the lifetime of the SES Agreement and is coterminous with the SES Agreement unless the PMPA service is terminated earlier after the Initial Term.
    20.5 The minimum duration of the PMPA service term is twelve (12) months ("Initial Term"). After the Initial Term, Customer may terminate the PMPA service at any time with written notice to Philips.

21. **Clinical Implementation Services**.
    The following are additional cost options, paid services at time of quotation.
    21.1 If included in the Quotation, Philips will provide implementation (virtually or on-site as necessary) services for new versions or updates that Customer is entitled to receive under this Agreement, at a time mutually agreed to by Philips and Customer. Scope, duration, and delivery methodology of the clinical support of installation and clinical education will vary by new version, update, or fix and will be defined by Philips at Philips' sole discretion. Customer will provide a project lead to ensure Customer responsibilities for the Clinical Implementation Services projects are completed.
    21.2 After Hours Support. If included in the quote, Clinical Implementation after hour support will be provided between the hours of 7:00 PM – 7:00 AM, including weekends and holidays if needed.
    21.3 Go-Live Support. Philips will provide clinical go-live support (onsite, remote or a combination thereof) during the implementation for new version upgrades and updates. Go-live support will be scheduled between 7:00 AM – 7:00 PM Monday through Friday, relative to the new software version. Customer may request additional go-live support, or go-live support outside of standard hours, at an additional cost.
    21.4 Clinical Education. Clinical services will be scheduled (onsite, remote or a combination thereof) between 7:00 AM – 7:00 PM Monday through Friday, relative to the new software version. Customer may request additional clinical education or clinical education outside of standard hours from the assigned Philips clinical consultant, at an additional cost.
    21.4.1 Clinical Education class size is limited to ten (10) participants;
    21.4.2 Customer will provide a suitable location for on-site classroom education; and
    21.4.3 Customer will provide full and free access and use of the Equipment for education.
    21.5 Equipment Configuration. Configuration services will be scheduled (onsite, remote or a combination thereof) between 7:00 AM – 7:00 PM Monday through Friday, as coordinated with the assigned Philips clinical consultant, and are limited to the new software version implementation. Customer will provide access and use of their equipment. Configurations are based on current monitoring solution. If expert screen services are required, as determined solely by Philips, they are available at an additional cost.

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21.6 User Acceptance Testing. Following implementation of a new software version or Equipment Configuration services. Philips and Customer will perform user acceptance testing. Philips will provide Customer with an electronic copy of the resultant configuration files and reports.

21.7 Scheduling. Customer must schedule all Clinical Implementation Services, except Online Education, at least ten (10) weeks prior to the desired date for Philips to deliver the applicable service. If Customer representative does not schedule the Clinical Implementations Services with Philips in accordance with this Exhibit, then Philips shall not be obligated to perform such Clinical Services.

21.8 Travel Expenses. Unless otherwise stated in the Quotation, Philips' travel expenses for all Clinical Implementation Services delivered at Customer site are included in the price described in the Agreement.

22. Clinical Advanced Services.

The following are additional cost options, paid services at time of Quotation.

22.1 If included in the Quotation, Philips will provide a set number of Clinical Advanced Services projects, based on the contract term as outlined in the table below. These projects will be coordinated by Philips Clinical Professional Services (CPS) team with input from the Philips Clinical Lead.

SES Contract Term in Years	Maximum number of Projects
4	2
5	3
6-7	4
8-9	5
10	6

22.2 The CPS team will initiate the Clinical Advanced Services projects with Customer to define the journey map and outline/agree upon the project goals.

22.3 Customer will provide a project lead to ensure Customer responsibilities for the Clinical Advanced Services projects are completed. Customer responsibilities include but are not limited to 1) scheduling observations, meetings, and events; 2) scheduling staff interviews; 3) assisting with data gathering; and 4) scheduling report-out meetings.

22.4 Clinical Advanced Services projects will be mutually determined by Customer's designated lead and the Philips CPS Clinical Lead. A project is scoped by practice area and includes a maximum of two (2) planned goals. Specific details regarding the types of such projects are available to customers from their Philips clinical consultant.

23. Advanced Technology Service.

The following are additional cost options, paid services at time of quotation.

23.1 If included in the Quotation, Philips will provide on-site installation services for new versions that Customer is entitled to receive under this Agreement, at a time mutually agreed to by Philips and Customer, Monday through Friday between 8:00 AM and 5:00 PM, excluding Philips holidays.

23.2 For full version upgrade and update projects, Philips Project Manager, Technical Consultant (TC), Network Engineer, and Integration Engineer will provide remote or on-site consultative advisory services as needed.

23.3 Philips technical resource will provide consultative advisory services may be provided up to two (2) times per contract year either on-site or remote, as determined by Philips, based upon Customer need.

23.4 If purchased with this Agreement, Philips will provide on-site installation of validated Microsoft operating system patches available for the Philips PIC iX system(s) and IBE up to four (4) times per contract year. Additionally, Philips will also provide up to two (2) on-site visits per contract year for emergency patch support, as determined by Philips. PIC iX system(s) and IBE are the only elements for this entitlement other elements (e.g., Cisco switches) are NOT included in the patching provisions of the SES, and if Customer wants Philips to patch the switches, it will be done via time and material quote. OnSite MS OS Patching Services available Monday through Friday 8:00 AM to 5:00 PM local time, excluding Philips-recognized holidays, and includes labor and travel necessary for the delivery of services. Requests for afterhours onsite support will be charged for labor and material. Customer assumes all potential risks if they delay or decline one of their on-site installation of patches.

23.5 Philips will support Customer physical server to virtual server upgrade process at the same time as any PIC iX upgrade. Requests outside of this cadence will be billed on a time and material basis.

24. Customer Responsibilities.

24.1 System Administrator. Customer shall designate an individual(s) to serve as Customer system administrator ("System Administrator") and an alternate, who will serve as Philips' primary support contacts. These individuals should be familiar with all aspects of training provided by Philips, including end-user and system administrator training. In addition, the System Administrator shall maintain the integrity of the Equipment operation and ensuring that proper backup procedures are in place as outlined in the System Installation and Reference Guides.

24.2 Remote Access. Customer must provide necessary uninterrupted remote access, required information, and support for the Equipment to connect to Philips Remote Service ("PRS"). PRS is the basis for Services delivered under this Exhibit. Customer waives all rights to services and service deliverables under this agreement unless PRS connectivity is enabled and maintained.

24.3 Security. Customer is solely responsible for providing adequate security to prevent unauthorized Equipment access to Philips (or its third-party vendors) proprietary and confidential information.

24.4 Software Version Levels. Customer must maintain the Equipment at a currently supported version to receive support under this Exhibit.

24.5 Hardware Revision Levels. Customer must maintain all associated Equipment hardware, firmware, and middleware at the required revision levels for the software version. To receive software versions and updates, Customer must maintain all associated hardware to the then-current specification for the software versions and updates.

24.6 Data Reconstruction. Customer shall follow the recommended back-up processes as outlined in the Equipment Installation or Reference Guide. Customer is responsible for the reconstruction, restoration, retrieval, or recovery of any lost or altered patient records, files, programs, or data. Philips is not responsible for the reconstruction, restoration, retrieval, or recovery of any lost or altered files, data, or programs.

24.7 Intermediate Resolutions. Customer shall implement any intermediate resolutions or workarounds as requested by Philips while Philips seeks a long-term resolution.

25. Service Limitations.

25.1 Software Restoration. If the software fails and the supported application software requires restoration, then Philips will reinstall the application software, database software, and operating system to the revision level that existed prior to the malfunction or failure and Philips will attempt to reinstall Customer-created data backup. If Customer-created data backup cannot be used to re-install any data to the Equipment, Customer will hold sole responsibility for the loss of data. Custom or third-party software, custom database configurations or reports, and Customer-written product interfaces are not included. If an Equipment failure is attributed to hardware not supported under the Agreement, Customer shall restore the software, operating system, and database software before Philips begins any software restoration efforts.

25.2 Anti-Virus Statement. Philips software is a computer-based medical product and, therefore, may be subject to attack by outside computer viruses. The software required to prevent attack by a computer virus must be constantly monitored and updated. Customer shall install and maintain its own anti-virus software in accordance with the Equipment Installation or Reference Guide. Philips shall use reasonable efforts to notify Customer if Philips becomes aware of any virus in the software licensed to Customer under this Agreement.

25.3 Non-Philips Software Assistance. Requests for assistance with hardware, operating systems, communications network, third-party software, printer configuration, etc., are outside the scope of this Agreement.

26. Exclusions.

In addition to the Service Exclusions set forth in the Agreement, the following Service Exclusions apply to the applicable Monitoring Analytics and Therapeutic Care Services.

26.1 Any combining of the Equipment with a non-qualified device. A non-qualified device is:

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26.1.1 any product (hardware, firmware, software, or cabling) not supplied by Philips, whether used internal or external to Equipment without Philips' approval. Examples include, software patches, security fixes, and service packs from the operating system, web browser, or database software manufacturer(s);

26.1.2 any product supplied by Philips that has been modified by Customer or any third party;

26.1.3 any product maintained under this Agreement in which Customer does not allow Philips to incorporate engineering improvements; and

26.1.4 any product that has reached its End of Life.

26.2 Operating system software issues that manifest themselves in non-performance of another installed application and affect use or performance of the Equipment.

26.3 If the Equipment covered by this Exhibit is software only, then notwithstanding anything to the contrary in the Agreement or this Exhibit, network, hardware and parts are not included in the Services.

26.4 Any network related problems.

26.5 The cost of Consumables, software media, and cassettes.

27. Joint Marketing Plan.

27.1 Philips agrees to provide reasonable assistance to Customer in marketing the benefits of the Services in accordance with a joint marketing plan to be mutually developed within eighteen (18) months of the Effective Date. Philips and Customer agree that each respective marketing team will work collaboratively and gain joint approval prior to marketing the partnership.

27.2 Customer agrees that Philips may reference Customer as a Philips customer, subject to Customer's trademark and logo usage guidelines provided by Customer.

27.3 Customer agrees that occasionally, after Customer review, Philips may issue a customer quote, case study and/or joint press release.

27.4 Customer agrees that Philips may request Customer to participate in Key Opinion Leader (KOL) activities subject to Customer's availability, Customer's internal policies, and Philips policies and procedures. KOL activities may include jointly delivering papers, training of Philips sales team, industry education, presenting in webinars and/or participating in panel discussions for tradeshow events.

28. Customer Contact.

28.1 Customer will designate an individual, as may be updated from time-to-time, who will act on its behalf to work with Philips and coordinate Customer's SES entitlements during the Agreement. Customer will provide Philips such delegate's name, title, phone number, and e-mail address.

29. License and Warranty for Software Licensed as Part of this Agreement.

Excluding Focal Point, all software provided to Customer under this Agreement (specifically excluding all software which Customer has access to without this Agreement which remains subject to its original terms of purchase) is subject to the following license terms.

29.1 License Grant.

29.1.1 Subject to any usage limitations for the Licensed Software set forth on the product description of the Quotation, Philips grants to Customer a nonexclusive and non-transferable right and license to use the computer software package ("Licensed Software") in accordance with the terms of the Quotation and these Terms and Conditions. The License shall continue for as long as Customer continues to own the product, except that Philips may terminate the License if Customer is in breach or default of these Terms and Conditions and/or the Quotation. Customer shall return the Licensed Software and any authorized copies thereof to Philips immediately upon expiration or termination of this License.

29.1.2 The License does not include any right to use the Licensed Software for purposes other than the operation of the product. Customer may make one copy of the Licensed Software in machine-readable form solely for backup purposes. Philips reserves the right to charge for backup copies created by Philips. Except as otherwise provided under Section 29.1.6, Customer may not copy, reproduce, sell, assign, transfer, or sublicense the Licensed Software for any purpose without the prior written consent of Philips. Customer shall reproduce Philips' copyright notice or other identifying legends on such copies or reproductions. Customer will not (and will not allow any third

party to) decompile, disassemble, or otherwise reverse engineer or attempt to reconstruct or discover the product or Licensed Software by any means whatsoever.

29.1.3 The License shall not affect the exclusive ownership by Philips of the Licensed Software or of any trademarks, copyrights, patents, trade secrets, or other intellectual property rights of Philips (or any of Philips' suppliers) relating to the Licensed Software.

29.1.4 Customer agrees that only authorized officers, employees, and agents of Customer will use the Licensed Software or have access to the Licensed Software (or to any part thereof), and that none of Customer's officers, employees, or agents will disclose the Licensed Software, or any portion thereof, or permit the Licensed Software, or any portion thereof, to be used by any person or entity other than those entities identified on the Quotation. Customer acknowledges that certain of Philips' rights may be derived from license agreements with third parties, and Customer agrees to preserve the confidentiality of information provided by Philips under such third-party license agreements.

29.1.5 The Licensed Software shall be used only on the product(s) referenced in the Quotation.

29.1.6 Customer may transfer the Licensed Software in connection with sale of the product to a healthcare provider who accepts all of the terms and conditions of this License; provided that Customer is not in breach or default of this License, the Terms and Conditions of Sale, or any payment obligation to Philips.

29.2 Modifications.

29.2.1 If Customer modifies the Licensed Software in any manner, all warranties associated with the Licensed Software and the products shall become null and void. Customer installation of Philips issued patches or updates shall not be deemed to be modification. If Customer or any of its officers, employees, or agents should devise any revisions, enhancements, additions, modifications, or improvements in the Licensed Software, Customer shall disclose them to Philips, and Philips shall have a non-exclusive royalty-free license to use and to sub-license them.

29.2.2 The Licensed Software is licensed to Customer on the basis that (a) Customer shall maintain the configuration of the products as they were originally designed and manufactured and (b) the product includes only those subsystems and components certified by Philips. The Licensed Software may not perform as intended on systems modified by other than Philips or its authorized agents, or on systems which include subsystems or components not certified by Philips. Philips does not assume any responsibility or liability with respect to unauthorized modification or substitution of subsystems or components.

29.3 Stand-alone Licensed Software. For a period of ninety (90) days from the date Philips makes Stand-alone Licensed Software available for first patient use, such Stand-alone Licensed Software shall substantially conform to the technical user manual that ships with the Stand-alone Licensed Software. "Stand-alone Licensed Software" means sales of Licensed Software without a contemporaneous purchase of a server for the Licensed Software. If Philips is not the installer of the Stand-alone Licensed Software, the foregoing warranty period shall commence upon shipment.

29.4 Philips' sole obligations and Customer's exclusive remedy under any product warranty are limited, at Philips' option, to the repair or the replacement of the product or a portion thereof within thirty (30) days after receipt of written notice of such material breach from Customer ("Product Warranty Cure Period") or, upon expiration of the Product Warranty Cure Period, to a refund of a portion of the purchase price paid by Customer, upon Customer's request. Any refund will be paid to Customer when the product is returned to Philips. Warranty service outside of normal working hours (i.e., 8:00 AM – 5:00 PM, Monday through Friday, excluding Philips' observed holidays), will be subject to payment by Customer at Philips' standard service rates.

29.5 This warranty is subject to the following conditions: the product: (a) is to be installed by authorized Philips representatives (or is to be installed in accordance with all Philips installation instructions by personnel trained by Philips); (b) is to be operated exclusively by duly qualified personnel in a safe and reasonable manner in accordance with Philips' written instructions and for the purpose for which the products were intended; and, (c) is to be maintained and in strict compliance with all recommended and scheduled maintenance instructions provided with the product and Customer is to notify Philips immediately if the product at any time fails to meet its printed performance specifications. Philips' obligations under any

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product warranty do not apply to any product defects resulting from improper or inadequate maintenance or calibration by Customer or its agents; Customer or third party supplied interfaces, supplies, or software including without limitation loading of operating system patches to the Licensed Software and/or upgrades to anti-virus software running in connection with the Licensed Software without prior approval by Philips; use or operation of the product other than in accordance with Philips' applicable product specifications and written instructions; abuse, negligence, accident, loss, or damage in transit; improper site preparation; unauthorized maintenance or modifications to the product; or viruses or similar software interference resulting from connection of the product to a network. Philips does not provide a warranty for any third-party products furnished to Customer by Philips under the Quotation; however, Philips shall use reasonable efforts to extend to Customer the third-party warranty for the product. The obligations of Philips described herein and in the applicable product-specific warranty document are Philips' only obligations and Customer's sole and exclusive remedy for a breach of a product warranty.

29.6 THE WARRANTIES SET FORTH HEREIN AND IN PHILIPS' WARRANTY DOCUMENT WITH RESPECT TO A PRODUCT (INCLUDING THE SOFTWARE PROVIDED WITH THE PRODUCT) ARE THE ONLY WARRANTIES MADE BY PHILIPS IN CONNECTION WITH THE PRODUCT, THE SOFTWARE, AND THE TRANSACTIONS CONTEMPLATED BY THE QUOTATION, AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, WHETHER WRITTEN, ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Philips may use refurbished parts in the manufacture of the products, which are subject to the same quality control procedures and warranties as for new products.

30. Philips IntelliVue Products.

30.1 The following applies in the event Customer elects to use the Philips IntelliVue Information Center on its general network versus dedicating a separate IntelliVue Clinical Network to support the communication between the Philips IntelliVue Information Center and the Philips IntelliVue bedside Vital Signs Patient Care Monitors:

30.1.1 The Philips IntelliVue Information Center is a secondary vital signs monitoring tool that is used by Customers to monitor the activity arising from alarms that sound from a Vital Signs Patient Care Monitor at the patient bedside. Philips advises that the likelihood of network or bandwidth outages is generally greater when using a medical device on a general network vs. a network dedicated solely to its use. In the event of a network or bandwidth outage were to directly affect the Philips IntelliVue Information Center's ability to communicate with a bedside Monitor, the Philips IntelliVue Information Center would not be available to get real time alarm information from a bedside Monitor. Accordingly, Customer is reminded that its nursing protocols at the patient room floor must be based on using the Philips bedside Monitor, at all times, as the primary medical device to use and respond to, for monitoring patient's vital signs at the patient bedside.

30.1.2 Philips does not sell anti-virus software with these products. Customer bears the sole responsibility to purchase and manage all virus issues in connection with the products. Use of anti-virus in a manner not recommended in the user manual or without patch validation with Philips is Customer's sole responsibility or risk.

30.1.3 Philips IntelliVue Information Center. PIIC iX supports multiple antivirus solutions. See the document PIIC iX and PIIC Antivirus Software Use and Configuration Guide for details.

Natividad SES Renewal 09092025 LRK

Final Audit Report 2025-09-09

Created:	2025-09-09
By:	Lychelle Roberts-Kirby (lychelle.roberts-kirby@philips.com)
Status:	Signed
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Document e-signed by Lychelle Roberts-Kirby (lychelle.roberts-kirby@philips.com)
Signing reason: "I Approve"
Signature Date: 2025-09-09 - 9:17:33 PM GMT - Time Source: server- IP address: 146.112.46.142

Agreement completed.
2025-09-09 - 9:17:33 PM GMT

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Introduced: 9/10/2025

Current Status: Department of Social Services - Consent

Version: 1

Matter Type: BoS Agreement

a. Approve and authorize the Director or designee of the Department of Social Services to execute a no cost Privacy and Security Agreement (PSA) with the California Department of Social Services (CDSS) to continue to use data hosted by the Social Security Administration (SSA) and the Medi-Cal Eligibility Data System (MEDS), for the period of "Upon Execution" through September 1, 2028; and
b. Authorize the Director or designee of the Department of Social Services to sign up to three future amendments to this Agreements where the amendments do not significantly change the responsibilities of the parties.

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Approve and authorize the Director or designee of the Department of Social Services to execute a no cost Privacy and Security Agreement (PSA) with the California Department of Social Services (CDSS) to continue to use data hosted by the Social Security Administration (SSA) and the Medi-Cal Eligibility Data System (MEDS), for the period of "Upon Execution" through September 1, 2028; and
b. Authorize the Director or designee of the Department of Social Services to sign up to three future amendments to this Agreements where the amendments do not significantly change the responsibilities of the parties.

SUMMARY/DISCUSSION:
The Monterey County Department of Social Services (DSS) administers the California Food Assistance Program (CalFresh), California Work Opportunity and Responsibility to Kids (CalWORKs), and General Assistance safety net programs. These programs require access to data hosted by the Social Security Administration (SSA), the California Department of Social Services (CDSS), and the California Department of Health Care Services (DHCS) to determine eligibility and continue to administer these programs. To determine eligibility for Medi-Cal, DSS needs and requires access to data hosted by DHCS.
CDSS is requesting that the County of Monterey enter into the Privacy and Security Agreement 24-08 that defines how data from SSA and CDSS Systems shall be handled to maintain the confidentiality, integrity, and availability of such data. By executing this agreement, the Department of Social Services agrees to keep SSA/CDSS data confidential through a series of existing security controls.
DSS recommends this Board approve these agreements to allow the department to continue to utilize SSA/CDSS/Medi-Cal data to determine the eligibility of residents of the County of Monterey applying for services at DSS.
OTHER AGENCY INVOLVEMENT:

County Counsel has approved the Agreement as to form.
FINANCING:
This agreement is a no cost agreement, and DSS does not expect any additional costs as a result of complying with the PSA agreement.
BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
This action correlates to the Administration and Health & Human Services Strategic Initiatives adopted by the Board of Supervisors by allowing the Department to continue to utilize SSA/CDSS/Medi-Cal data to determine the eligibility of residents of the County of Monterey applying for services at DSS.

Check the related Board of Supervisors Strategic Initiatives:
__Economic Development
X Administration
X Health & Human Services
__Infrastructure
__Public Safety

Prepared by: Juan Plascencia, Departmental Information Systems Manager I, x7036

Approved by: Roderick W. Franks, Director, x4430

Attachments: Agreement

The proposed agreement is on file with Clerk of the Board as an attachment to this Board Report

Introduced: 9/10/2025 **Current Status:** Agenda Ready

Version: 1 **Matter Type:** BoS Agreement

a. Approve and authorize the Director or designee of the Department of Social Services to execute a no cost Privacy and Security Agreement (PSA) with the California Department of Social Services (CDSS) to continue to use data hosted by the Social Security Administration (SSA) and the Medi-Cal Eligibility Data System (MEDS), for the period of "Upon Execution" through September 1, 2028; and
b. Authorize the Director or designee of the Department of Social Services to sign up to three future amendments to this Agreements where the amendments do not significantly change the responsibilities of the parties.

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Approve and authorize the Director or designee of the Department of Social Services to execute a no cost Privacy and Security Agreement (PSA) with the California Department of Social Services (CDSS) to continue to use data hosted by the Social Security Administration (SSA) and the Medi-Cal Eligibility Data System (MEDS), for the period of "Upon Execution" through September 1, 2028; and
b. Authorize the Director or designee of the Department of Social Services to sign up to three future amendments to this Agreements where the amendments do not significantly change the responsibilities of the parties.

SUMMARY/DISCUSSION:
The Monterey County Department of Social Services (DSS) administers the California Food Assistance Program (CalFresh), California Work Opportunity and Responsibility to Kids (CalWORKs), and General Assistance safety net programs. These programs require access to data hosted by the Social Security Administration (SSA), the California Department of Social Services (CDSS), and the California Department of Health Care Services (DHCS) to determine eligibility and continue to administer these programs. To determine eligibility for Medi-Cal, DSS needs and requires access to data hosted by DHCS.

CDSS is requesting that the County of Monterey enter into the Privacy and Security Agreement 24-08 that defines how data from SSA and CDSS Systems shall be handled to maintain the confidentiality, integrity, and availability of such data. By executing this agreement, the Department of Social Services agrees to keep SSA/CDSS data confidential through a series of existing security controls.

DSS recommends this Board approve these agreements to allow the department to continue to utilize SSA/CDSS/Medi-Cal data to determine the eligibility of residents of the County of Monterey applying for services at DSS.

OTHER AGENCY INVOLVEMENT:
County Counsel has approved the Agreement as to form.

FINANCING:
This agreement is a no cost agreement, and DSS does not expect any additional costs as a result of complying with the PSA agreement.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
This action correlates to the Administration and Health & Human Services Strategic Initiatives adopted by the Board of Supervisors by allowing the Department to continue to utilize SSA/CDSS/Medi-Cal data to determine the eligibility of residents of the County of Monterey applying for services at DSS.

Check the related Board of Supervisors Strategic Initiatives:
__Economic Development
X Administration
X Health & Human Services
__Infrastructure
__Public Safety

Prepared by: Juan Plascencia, Departmental Information Systems Manager I, x7036

Approved by: Roderick W. Franks, Director, x4430

Attachments: Agreement

The proposed agreement is on file with Clerk of the Board as an attachment to this Board Report.

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PRIVACY AND SECURITY AGREEMENT

BETWEEN

the California Department of Social Services and the

County of Monterey,

Department/Agency of
Social Services.

PREAMBLE

The California Department of Social Services (CDSS) and the

County of Monterey,

Department/Agency of Social Services
(County Department) enter into this Data Privacy and Security Agreement (Agreement) in order to ensure the privacy and security of Social Security Administration (SSA), Medi-Cal Eligibility Data System (MEDS) and Applicant Income and Eligibility Verification System (IEVS) Personally Identifiable Information (PII), covered by this Agreement and referred to hereinafter as PII, that the counties access through CDSS and the Department of Health Care Services (DHCS). This Agreement covers the following programs:

- CalFresh;
- California Food Assistance Program (CFAP);
- California Work Opportunity and Responsibility to Kids Program (CalWORKs);
- Cash Assistance Program for Immigrants (CAPI);
- Entrant Cash Assistance (ECA)/Refugee Cash Assistance (RCA);
- Foster Care (FC) (eligibility);
- Kinship Guardianship Assistance Program (Kin-GAP) (eligibility);
- Federal Guardianship Assistance Program (Fed-GAP) (eligibility);
- General Assistance/General Relief (GA/GR); and
- Trafficking and Crime Victims Assistance Program (TCVAP).

The CDSS has an Inter-Agency Agreement (IAA) with DHCS that allows CDSS and local county agencies to access SSA and MEDS data in order to assist in the Administration of the Program for the programs listed above. The IAA requires that CDSS may only share SSA and MEDS data if its contract with the entity with whom it intends to share the data reflects the entity's obligations under the IAA.

The County Department/Agency utilizes SSA and MEDS data in conjunction with other

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system data in order to Assist in the Administration of the Program for the programs listed above.

This Agreement covers the

County of Monterey,

Department/Agency of Social Services
and its staff (County Workers), who assist in the administration of programs; and access, use, or disclose PII.

DEFINITIONS

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

1. **"Assist in the administration of the program"** means performing administrative functions on behalf of programs, such as establishing eligibility, determining the amount of medical assistance, and collecting PII for such purposes, to the extent such activities are authorized by law.

2. **"Breach"** refers to actual loss, loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for other than authorized purposes have access or potential access to PII, whether electronic, paper, verbal, or recorded.

3. **"County Worker"** means those county employees, contractors, subcontractors, vendors and agents performing any functions for the County that require access to and/or use of PII and that are authorized by the County to access and use PII. An agent is a person or organization authorized to act on behalf of the County Department/Agency.

4. **"PII"** is personally identifiable information directly obtained in the course of performing an administrative function through the MEDS or IEVS systems on behalf of the programs, that can be used alone, or in conjunction with any other information, to identify a specific individual. Pll includes any information that can be used to search for or identify individuals, or can be used to access their files, including but not limited to name, social security number (SSN), date and place of birth (DOB), mother's maiden name, driver's license number, or identification number. PII may also include any information that is linkable to an individual, such as medical, educational, financial, and employment information. Pll may be electronic, paper, verbal, or recorded and includes statements made by, or attributed to, the individual.

5. **"Security Incident"** means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PII, or interference with system operations in an information system which processes PII that is under the control of the County or California Statewide Automated Welfare System (CalSAWS) Consortium, or a contractor, subcontractor or vendor of the County.

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6. **"Secure Areas"** means any area where:
   A. County Workers assist in the administration of their program;
   B. County Workers use or disclose PII; or
   C. PII is stored in paper or electronic format.

7. **"SSA-provided or verified data (SSA data)"** means:
   A. Any information under the control of the Social Security Administration (SSA) provided to CDSS under the terms of an information exchange agreement with SSA (e.g., SSA provided date of death, SSA Title II or Title XVI benefit and eligibility data, or SSA citizenship verification); or

   B. Any information provided to CDSS, including a source other than SSA, but in which CDSS attests that SSA verified it, or couples the information with data from SSA to certify the accuracy of it (e.g., SSN and associated SSA verification indicator displayed together on a screen, file, or report, or DOB and associated SSA verification indicator displayed together on a screen, file, or report).

AGREEMENTS

CDSS and County Department/Agency mutually agree as follows:

I. PRIVACY AND CONFIDENTIALITY

A. County Department/Agency County Workers may use or disclose PII only as permitted in this Agreement and only to assist in the administration of PII in accordance with Section 14100.2 of the Welfare and Institutions Code, Section 431.302 of Title 42 Code of Federal Regulations, as limited by this Agreement, and as otherwise required by law. Disclosures required by law or that are made with the explicit written authorization of the client, such as through an authorized release of information form, are allowable. Any other use or disclosure of PII requires the express approval in writing of CDSS. No County Worker shall duplicate, disseminate or disclose PII except as allowed in this Agreement.

B. Access to PII shall be restricted to County Workers who need to perform their official duties to assist in the administration of their respective programs.

C. County Workers who access, disclose or use PII in a manner or for a purpose not authorized by this Agreement may be subject to civil and criminal sanctions contained in applicable federal and state statutes.

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II. PERSONNEL CONTROLS

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

A. ***Employee Training.*** Train and use reasonable measures to ensure compliance with the requirements of this Agreement by County Workers, including, but not limited to:

1. Provide initial privacy and security awareness training to each new County Worker within 30 days of employment;

2. Thereafter, provide annual refresher training or reminders of the privacy and security safeguards in this Agreement to all County Workers. Three or more security reminders per year are recommended;

3. Maintain records indicating each County Worker's name and the date on which the privacy and security awareness training was completed; and

4. Retain training records for a period of five years after completion of the training.

B. ***Employee Discipline***.

1. Provide documented sanction policies and procedures for County Workers who fail to comply with privacy policies and procedures or any provisions of these requirements.

2. Sanction policies and procedures shall include termination of employment when appropriate.

C. ***Confidentiality Statement***. Ensure that all County Workers sign a confidentiality statement. The statement shall be signed by County Workers prior to accessing PII and annually thereafter. Signatures may be physical or electronic. The signed statement shall be retained for a period of five years.

The statement shall include, at a minimum, a description of the following:

1. General Use of PII;
2. Security and Privacy Safeguards for PII;
3. Unacceptable Use of PII; and
4. Enforcement Policies.

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D. ***Background Screening.***

1. Conduct a background screening of a County Worker before they may access PII.

2. The background screening should be commensurate with the risk and magnitude of harm the employee could cause. More thorough screening shall be done for those employees who are authorized to bypass significant technical and operational security controls.

3. The County Department/Agency shall retain each County Worker's background screening documentation for a period of three years following conclusion of employment relationship.

III. MANAGEMENT OVERSIGHT AND MONITORING

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

A. Conduct periodic privacy and security review of work activity by County Workers, including random sampling of work product. Examples include, but are not limited to, access to case files or other activities related to the handling of PII.

   The periodic privacy and security reviews shall be performed or overseen by management level personnel who are knowledgeable and experienced in the areas of privacy and information security in the administration of their program and the use or disclosure of PII.

IV. INFORMATION SECURITY AND PRIVACY STAFFING

The County Department/Agency agrees to:

A. Designate information security and privacy officials who are accountable for compliance with these and all other applicable requirements stated in this Agreement.

B. Provide the CDSS with applicable contact information for these designated individuals using the County PSA inbox listed in Section IX of this Agreement. Any changes to this information should be reported to DHCS within ten days.

C. Assign County Workers to be responsible for administration and monitoring of all security-related controls stated in this Agreement.

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V. TECHNICAL SECURITY CONTROLS

The State of California Office of Information Security (OIS) and SSA have adopted the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53, Security and Privacy controls for Information Systems and Organizations, and NIST SP 800-37, Risk Management Framework for Information Systems and Organizations.

OIS and SSA require organizations to comply and maintain the minimum standards outlined in NIST SP 800-53 when working with PII and SSA data. County Department/Agency shall, at a minimum, implement an information security program that effectively manages risk in accordance with the Systems Security Standards and Requirements outlined in this Section of this Agreement.

Guidance regarding implementation of NIST SP 800-53 is available in the Statewide Information Management Manual (SIMM), SIMM-5300-A, which is hereby incorporated into this Agreement (Exhibit C) and available upon request.

DHCS and CDSS will enter into a separate PSA with California Statewide Automated Welfare System (CalSAWS) Joint Powers Authority specific to the CalSAWS. Any requirements for data systems in this PSA would only apply to County Department/Agency's locally operated/administered systems that access, store, or process PII.

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A. Systems Security Standards and Requirements

1. **Access Control (AC)**

Control Number	AC-1
Title	Access Control Policy and Procedures
CDSS Requirement	The organization must: a. Develop, document, and disseminate to designated organization officials: 1. An access control policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; 2. Procedures to facilitate the implementation of the access control policy and associated access controls b. Review and update the current access control procedures with the organization-defined frequency.
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the AC family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.
Control Number	AC-2
Title	Account Management
CDSS Requirement	The organization must: a. Identify and select the accounts with access to PII to support organizational mission/business functions. b. Assign account managers for information system accounts. c. Establish conditions for group and role membership. d. Specify authorized users of the information system, group and role membership, and access authorizations (i.e., privileges) and other attributes (as required) for each account; e. Require approvals by designated access authority for requests to create information system accounts; f. Create, enable, modify, disable, and remove information system accounts in accordance with organization account management procedures; g. Monitors the use of information system accounts; h. Notifies account managers when accounts are no longer required, when users are terminated or transferred; and when individual information system usage or need-to-know changes. i. Authorizes access to the information systems that receive, process, store or transmit PII based on valid access authorization, need-to-know. j. Review accounts for compliance with account management requirements according to organization-based frequency; and k. Establishes a process for reissuing shared/group account credentials (if deployed) when individuals are removed from the group.
Supplemental Guidance (from NIST 800-53)	Information system account types include, for example, individual, shared, group, system, guest/anonymous, emergency, developer/manufacturer/vendor, temporary, and service. Some of the account management requirements listed above can be implemented by organizational information systems. The identification of authorized users of the information system and the specification of access privileges reflects the requirements in other security controls in the security plan. Users requiring administrative privileges on information system accounts receive additional scrutiny by appropriate organizational personnel (e.g., system owner, mission/business owner, or chief information security officer) responsible for approving such accounts and privileged access. Organizations may choose to define access privileges or other attributes by account, by type of account, or a combination of both. Other attributes required for authorizing access include, for example, restrictions on time-of-day, day-of-week, and point-of-origin. In defining other account attributes, organizations consider system-related requirements (e.g., scheduled maintenance, system upgrades) and mission/business requirements (e.g., time zone differences, customer requirements, remote access to support travel requirements). Failure to consider these factors could affect information system availability. Temporary and emergency accounts are accounts intended for short-term use. Organizations establish temporary accounts as a part of normal account activation procedures when there is a need for short-term accounts without the demand for immediacy in account activation. Organizations establish emergency accounts in response to crisis situations and with the need for rapid account activation. Therefore, emergency account activation may bypass normal account authorization processes. Emergency and temporary accounts are not to be confused with infrequently used accounts (e.g., local logon accounts used for special tasks defined by organizations or when network resources are unavailable). Such accounts remain available and are not subject to automatic disabling or removal dates. Conditions for disabling or deactivating accounts include, for example: (i) when shared/group, emergency, or temporary accounts are no longer required; or (ii) when individuals are transferred or terminated. Some types of information system accounts may require specialized training. Related controls: AC-3, AC-4, AC-5, AC-6, AC-10, AC-17, AC-19, AC-20, AU-9, IA-2, IA-4, IA-5, IA-8, CM-5, CM-6, CM-11, MA-3, MA-4, MA-5, PL-4, SC-13.

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Control Number	AC-3
Title	Access Enforcement
CDSS Requirement	The organization must: Enforces approved authorizations for logical access to information and system resources in accordance with applicable access control policies.
Supplemental Guidance	Access control policies (e.g., identity-based policies, role-based policies, control matrices, cryptography) control access between active entities or subjects (i.e., users or processes acting on behalf of users) and passive entities or objects (e.g., devices, files, records, domains) in information systems. In addition to enforcing authorized access at the information system level and recognizing that information systems can host many applications and services in support of organizational missions and business operations, access enforcement mechanisms can also be employed at the application and service level to provide increased information security. Related controls: AC-2, AC-4, AC-5, AC-6, AC-16, AC-17, AC-
Control Number	AC-3(7)
Title	Access Enforcement | Role-Based Access Control
CDSS Requirement	The organization information system must: enforce a role-based access control policy over defined subjects and objects and controls access based upon the need to utilize PII.
Supplemental Guidance (from NIST 800-53)	Role-based access control (RBAC) is an access control policy that restricts information system access to authorized users. Organizations can create specific roles based on job functions and the authorizations (i.e., privileges) to perform needed operations on organizational information systems associated with the organization-defined roles. When users are assigned to the organizational roles, they inherit the authorizations or privileges defined for those roles. RBAC
	simplifies privilege administration for organizations because privileges are not assigned directly to every user (which can be a significant number of individuals for mid- to large-size organizations) but are instead acquired through role assignments. RBAC can be implemented either as a mandatory or discretionary form of access control. For organizations implementing RBAC with mandatory access controls, the requirements in AC-3 (3) define the scope of the subjects and objects covered by the policy.
Control Number	AC-3(8)
Title	Access Enforcement | Revocation of Access Authorization
CDSS Requirement	The organization must: Enforce a role-based access control over users and information resources that have access to PII, and control access based upon organization defined roles and users authorized to assume such roles.
Supplemental Guidance (from NIST 800-53)	Revocation of access rules may differ based on the types of access revoked. For example, if a subject (i.e., user or process) is removed from a group, access may not be revoked until the next time the object (e.g., file) is opened or until the next time the subject attempts a new access to the object. Revocation based on changes to security labels may take effect immediately. Organizations can provide alternative approaches on how to make revocations immediate if information systems cannot provide such capability and immediate revocation is necessary.
Control Number	AC-4
Title	Information Flow Enforcement
CDSS Requirement	The organization information system must: enforce approved authorizations for controlling the flow of information within the system and between interconnected systems based on the need for interconnected systems to share PII to conduct business.
Supplemental Guidance (from NIST 800-53)	Information flow control regulates where information is allowed to travel within an information system and between information systems (as opposed to who is allowed to access the information) and without explicit regard to subsequent accesses to that information. Flow control restrictions include, for example, keeping export-controlled information from being transmitted in the clear to the Internet, blocking outside traffic that claims to be from within the organization, restricting web requests to the Internet that are not from the internal web proxy server, and limiting information transfers between organizations based on data structures and content. Transferring information between information systems representing different security domains with different security policies introduces risk that such transfers violate one or more domain security policies. In such situations, information owners/stewards provide guidance at designated policy enforcement points between interconnected systems. Organizations consider mandating specific architectural solutions when required to enforce specific security policies. Enforcement includes, for example: (i) prohibiting information transfers between interconnected systems (i.e., allowing access only); (ii) employing hardware mechanisms to enforce one-way information flows; and (iii) implementing trustworthy regrading mechanisms to reassign security attributes and security labels. Organizations commonly employ information flow control policies and enforcement mechanisms to control the flow of information between designated sources and destinations (e.g., networks, individuals, and devices) within information systems and between interconnected systems. Flow control is based on the characteristics of the information and/or the information path. Enforcement occurs, for example, in boundary protection devices (e.g., gateways, routers, guards, encrypted tunnels, firewalls) that employ rule sets or establish configuration settings that restrict information system services, provide a packet-filtering capability based on header information, or message- filtering capability based on message content (e.g., implementing key word searches or using document characteristics). Organizations also consider the trustworthiness of filtering/inspection mechanisms (i.e., hardware, firmware, and software components) that are critical to information flow enforcement. Control enhancements 3 through 22 primarily address cross-domain solution needs which focus on more advanced filtering techniques, in-depth analysis, and stronger flow enforcement mechanisms implemented in cross-domain products, for example, high-assurance guards. Such capabilities are generally not available in commercial off-the-shelf information technology products. Related controls: AC-3, AC-17, AC-19, AC-21, CM-6, CM-7, SA-8, SC-2, SC-5, SC-7, SC-18

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Control Number	AC-5
Title	Separation of Duties
CDSS Requirement	The organization must: a. Separate organization-defined duties of individuals; b. Document separation of duties of individuals; and c. Defines information system access authorizations to support separation of duties. *CDSS also requires that the state organization prohibit any functional component(s) or official(s) from issuing credentials or access authority to themselves or other individuals within their job-function or category of access.* *Federal requirements and CDSS policy exclude any employee who uses PII to process programmatic workloads to make benefit or entitlement determinations from participation in management or quality assurance functions.*
Supplemental Guidance (from NIST 800-53)	Separation of duties addresses the potential for abuse of authorized privileges and helps to reduce the risk of malevolent activity without collusion. Separation of duties includes, for example: (i) dividing mission functions and information system support functions among different individuals and/or roles; (ii) conducting information system support functions with different individuals (e.g., system management, programming, configuration management, quality assurance and testing, and network security); and (iii) ensuring security personnel administering access control functions do not also administer audit functions. Related controls: AC-3, AC-6, PE-3, PE-4, PS-2.
Control Number	AC-6
Title	Least Privilege
CDSS Requirement	The organization must: Employ the principle of least privilege, allowing only authorized accesses for users (or processes acting on behalf of users) which are necessary to accomplish assigned tasks in accordance with organizational missions and business functions.
Supplemental Guidance (from NIST 800-53)	Organizations employ least privilege for specific duties and information systems. The principle of least privilege is also applied to information system processes, ensuring that the processes operate at privilege levels no higher than necessary to accomplish required organizational missions/business functions. Organizations consider the creation of additional processes, roles, and information system accounts as necessary, to achieve least privilege. Organizations also apply least privilege to the development, implementation, and operation of organizational information systems. Related controls: AC-2, AC-3, AC-5, CM-6, CM-7, PL-2.
Control Number	AC-6(1)
Title	Least Privilege | Authorize Access to Security Functions
CDSS Requirement	The organization must explicitly authorize access to organization-defined security functions (deployed in hardware, software, and firmware) and security-relevant information.
Supplemental Guidance (from NIST 800-53)	Security functions include, for example, establishing system accounts, configuring access authorizations (i.e., permissions, privileges), setting events to be audited, and setting intrusion detection parameters. Security-relevant information includes, for example, filtering rules for routers/firewalls, cryptographic key management information, configuration parameters for security services, and access control lists. Explicitly authorized personnel include, for example, security administrators, system and network administrators, system security officers, system maintenance personnel, system programmers, and other privileged users.
Control Number	AC-6(7)
Title	Least Privilege | Review Of User Privileges
CDSS Requirement	The organization must: a. Review the privileges assigned to organization-defined roles or classes of users to validate the need for such privileges; and b. Reassign or removes privileges, if necessary, to correctly reflect organizational mission/business needs.
Supplemental Guidance (from NIST 800-53)	The need for certain assigned user privileges may change over time reflecting changes in organizational missions/business function, environments of operation, technologies, or threat. Periodic review of assigned user privileges is necessary to determine if the rationale for assigning such privileges remains valid. If the need cannot be revalidated, organizations take appropriate corrective actions. Related control: CA-7.
Control Number	AC-7
Title	Unsuccessful Logon Attempts
CDSS Requirement	The organization must: a. Enforce a limit of no fewer than three (3) and no greater than five (5) consecutive invalid logon attempts by a user during an organization-defined time period; and b. Automatically lock the account/node for: an organization-defined time period; or locks the account/node until released by an administrator; or delays next logon prompt according to organization-defined delay algorithm when the maximum number of unsuccessful attempts is exceeded.
Supplemental Guidance (from NIST 800-53)	This control applies regardless of whether the logon occurs via a local or network connection. Due to the potential for denial of service, automatic lockouts initiated by information systems are usually temporary and automatically release after a predetermined time period established by organizations. If a delay algorithm is selected, organizations may choose to employ different algorithms for different information system components based on the capabilities of those components. Responses to unsuccessful logon attempts may be implemented at both the operating system and the application levels. Related controls: AC-2, AC-9, AC-14, IA-5.

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Control Number	AC-8
Title	System Use Notification
CDSS Requirement	The organization must: a. Displays to users system use notification message or banner before granting access to the system that provides privacy and security notices consistent with applicable federal laws, Executive Orders, directives, policies, regulations, standards, and guidance and states that: 1. Users are accessing a U.S. Government information system; 2. Information system usage may be monitored, recorded, and subject to audit; 3. Unauthorized use of the information system is prohibited and subject to criminal and civil penalties; and 4. Use of the information system indicates consent to monitoring and recording; b. Retains the notification message or banner on the screen until users acknowledge the usage conditions and take explicit actions to log on to or further access the information system; and c. For publicly accessible systems: 1. Displays system use information organization-defined conditions, before granting further access; 2. Displays references, if any, to monitoring, recording, or auditing that are consistent with privacy accommodations for such systems that generally prohibit those activities; and 3. Includes a description of the authorized uses of the system. At a minimum, this can be done at initial logon and is not required for every logon.
Supplemental Guidance (from NIST 800-53)	System use notifications can be implemented using messages or warning banners displayed before individuals log in to information systems. System use notifications are used only for access via logon interfaces with human users and are not required when such human interfaces do not exist. Organizations consider system use notification messages/banners displayed in multiple languages based on specific organizational needs and the demographics of information system users. Organizations also consult with the Office of the General Counsel for legal review and approval of warning banner content.
Control Number	AC-11
Title	Session Lock
CDSS Requirement	The organization's information system: a. Prevents further access to the system by initiating a session lock after 15 minutes or upon receiving a request from a user; and b. Retains the session lock until the user reestablishes access using established identification and authentication procedures.
Supplemental Guidance (from NIST 800-53)	Session locks are temporary actions taken when users stop work and move away from the immediate vicinity of information systems but do not want to log out because of the temporary nature of their absences. Session locks are implemented where session activities can be determined. This is typically at the operating system level but can also be at the application level. Session locks are not an acceptable substitute for logging out of information systems, for example, if organizations require users to log out at the end of workdays. Related control: AC-7.
Control Number	AC-17
Title	Remote Access
CDSS Requirement	The organization must: a. Establish and document usage restrictions, configuration/connection requirements, and implementation guidance for each type of remote access allowed; and b. Authorize remote access to the information system prior to allowing such connections.
Supplemental Guidance (from NIST 800-53)	Remote access is access to organizational information systems by users (or processes acting on behalf of users) communicating through external networks (e.g., the Internet). Remote access methods include, for example, dial-up, broadband, and wireless. Organizations often employ encrypted virtual private networks (VPNs) to enhance confidentiality and integrity over remote connections. The use of encrypted VPNs does not make the access non-remote; however, the use of VPNs, when adequately provisioned with appropriate security controls (e.g., employing appropriate encryption techniques for confidentiality and integrity protection) may provide sufficient assurance to the organization that it can effectively treat such connections as internal networks. Still, VPN connections traverse external networks, and the encrypted VPN does not enhance the availability of remote connections. Also, VPNs with encrypted tunnels can affect the organizational capability to adequately monitor network communications traffic for malicious code. Remote access controls apply to information systems other than public web servers or systems designed for public access. This control addresses authorization prior to allowing remote access without specifying the formats for such authorization. While organizations may use interconnection security agreements to authorize remote access connections, such agreements are not required by this control. Enforcing access restrictions for remote connections is addressed in AC-3. Related controls: AC-2, AC-3, AC-18, AC-19, AC-20, CA-3, CA-7, CM-8, IA-2, IA-3, IA-8, MA-4, PE-17, PL-4, SC-10, SI-4.

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2. **Accountability, Audit, and Risk Management (AR)**

Control Number	AR-3
Title	Privacy Requirements for Contractors and Service Providers
CDSS Requirement	The organization must: a. Establish privacy roles, responsibilities, and access requirements for contractors and service providers; and b. Includes privacy requirements in contracts and other acquisition-related documents.
Supplemental Guidance (from NIST 800-53)	Contractors and service providers include, but are not limited to, information providers, information processors, and other organizations providing information system development, information technology services, and other outsourced applications. Organizations consult with legal counsel, the Senior Agency Official for Privacy (SAOP)/Chief Privacy Officer (CPO), and contracting officers about applicable laws, directives, policies, or regulations that may impact implementation of this control. Related control: AR-1, AR-5, SA-4.

3. **Audit and Accountability (AU)**

Control Number	AU-1
Title	Audit and Accountability Policy and Procedures
CDSS Requirement	The organization must: a. Develop, document, and disseminate to individuals and organizations that store, process, or transmit PII: 1. An audit and accountability policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and 2. Procedures to facilitate the implementation of the audit and accountability policy and associated audit and accountability controls; and b. Review and update the current: 1. Audit and accountability policy at least triennially; and 2. Audit and accountability procedures at least triennially.
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the AU family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.
Control Number	AU-2
Title	Audit Events
CDSS Requirement	The organization must: a. Audit the following events: 1) Viewing PII stored within the organization's system; 2) Viewing of screens that contain PII; 3) All system and data interactions concerning PII. b. Coordinate the security audit function with other organizational entities requiring audit-related information to enhance mutual support and to help guide the selection of auditable events; c. Determines that the following events are to be audited within the information system: 1) Viewing PII stored within the organization's system; 2) Viewing of screens that contain PII; 3) All system and data interactions concerning PII.
Supplemental Guidance (from NIST 800-53)	An event is any observable occurrence in an organizational information system. Organizations identify audit events as those events which are significant and relevant to the security of information systems and the environments in which those systems operate in order to meet specific and ongoing audit needs. Audit events can include, for example, password changes, failed logons, or failed accesses related to information systems, administrative privilege usage, PIV credential usage, or third-party credential usage. In determining the set of auditable events, organizations consider the auditing appropriate for each of the security controls to be implemented. To balance auditing requirements with other information system needs, this control also requires identifying that subset of auditable events that are audited at a given point in time. For example, organizations may determine that information systems must have the capability to log every file access both successful and unsuccessful, but not activate that capability except for specific circumstances due to the potential burden on system performance. Auditing requirements, including the need for auditable events, may be referenced in other security controls and control enhancements. Organizations also include auditable events that are required by applicable federal laws, Executive Orders, directives, policies, regulations, and standards. Audit records can be generated at various levels of abstraction, including at the packet level as information traverses the network. Selecting the appropriate level of abstraction is a critical aspect of an audit capability and can facilitate the identification of root causes to problems. Organizations consider in the definition of auditable events, the auditing necessary to cover related events such as the steps in distributed, transaction-based processes (e.g., processes that are distributed across multiple organizations) and actions that occur in service-oriented architectures. Related controls: AC-6, AC-17, AU-3, AU-12, MA-4, MP-2, MP-4, SI-4

Control Number	AU-11
Title	Audit Record Retention
CDSS Requirement	The organization must retain audit records for six (6) years to provide support for after-the-fact investigations of security incidents and to meet regulatory and organizational information retention requirements.
Supplemental Guidance (from NIST 800-53)	Organizations retain audit records until it is determined that they are no longer needed for administrative, legal, audit, or other operational purposes. This includes, for example, retention and availability of audit records relative to Freedom of Information Act (FOIA) requests, subpoenas, and law enforcement actions. Organizations develop standard categories of audit records relative to such types of actions and standard response processes for each type of action. The National Archives and Records Administration (NARA) General Records Schedules provide federal policy on record retention. Related controls: AU-4, AU-5, AU-9, MP-6.
Control Number	AU-12
Title	Audit Generation
CDSS Requirement	The organization information system must: a. Provide audit record generation capability for the auditable events defined in AU-2 a. at the audit reporting mechanism; b. Allow security personnel to select which auditable events are to be audited by specific components of the information system; and c. Generates audit records for the events defined in AU-2 d. with the content defined in AU-3
Supplemental Guidance (from NIST 800-53)	Audit records can be generated from many different information system components. The list of audited events is the set of events for which audits are to be generated. These events are typically a subset of all events for which the information system is capable of generating audit records. Related controls: AC-3, AU-2, AU-3, AU-6, AU-7.

4. **Awareness and Training (AT)**

Control Number	AT-1
Title	Security Awareness and Training Policy and Procedures
CDSS Requirement	The organization must: a. Develop, document, and disseminate to personnel and organizations with access to PII: 1. A security awareness and training policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and 2. Procedures to facilitate the implementation of the security awareness and training policy and associated security awareness and training controls; and b. Reviews and updates the current: 1. Security awareness and training policy and; 2. Security awareness and training procedures. The training and awareness programs must include: The sensitivity of PII, The rules of behavior concerning use and security in systems and/or applications processing PII, The Privacy Act and other Federal and state laws, including but not limited to Section 14100.2 of the Welfare and Institutions Code and Section 431.302 et. Seq. of Title 42 Code of Federal Regulations, governing collection, maintenance, use, and dissemination of information about individuals, The possible criminal and civil sanctions and penalties for misuse of PII, The responsibilities of employees, contractors, and agent's pertaining to the proper use and protection of PII, The restrictions on viewing and/or copying PII, The proper disposal of PII, The security breach and data loss incident reporting procedures, The basic understanding of procedures to protect the network from viruses, worms, Trojan horses, and other malicious code, Social engineering (phishing, vishing and pharming) and network fraud prevention.
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the AT family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.

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Control Number	AT-2
Title	Security Awareness Training
CDSS Requirement	The organization must provide basic security awareness training to information system users (including managers, senior executives, and contractors): a. As part of initial training for new users; b. When required by information system changes; and c. Annually thereafter.
Supplemental Guidance (from NIST 800-53)	Organizations determine the appropriate content of security awareness training and security awareness techniques based on the specific organizational requirements and the information systems to which personnel have authorized access. The content includes a basic understanding of the need for information security and user actions to maintain security and to respond to suspected security incidents. The content also addresses awareness of the need for operations security. Security awareness techniques can include, for example, displaying posters, offering supplies inscribed with security reminders, generating email advisories/notices from senior organizational officials, displaying logon screen messages, and conducting information security awareness events. Related controls: AT-3, AT-4, PL-4.
Control Number	AT-3
Title	Role-Based Security Training
CDSS Requirement	The organization must provide role-based security training to personnel with assigned security roles and responsibilities: a. Before authorizing access to the information system or performing assigned duties; b. When required by information system changes; and c. With organization-defined frequency thereafter.
Supplemental Guidance (from NIST 800-53)	Organizations determine the appropriate content of security training based on the assigned roles and responsibilities of individuals and the specific security requirements of organizations and the information systems to which personnel have authorized access. In addition, organizations
	provide enterprise architects, information system developers, software developers, acquisition/procurement officials, information system managers, system/network administrators, personnel conducting configuration management and auditing activities, personnel performing independent verification and validation activities, security control assessors, and other personnel having access to system-level software, adequate security-related technical training specifically tailored for their assigned duties. Comprehensive role-based training addresses management, operational, and technical roles and responsibilities covering physical, personnel, and technical safeguards and countermeasures. Such training can include for example, policies, procedures, tools, and artifacts for the organizational security roles defined. Organizations also provide the training necessary for individuals to carry out their responsibilities related to operations and supply chain security within the context of organizational information security programs. Role-based security training also applies to contractors providing services to federal agencies. Related controls: AT-2, AT-4, PL-4, PS-7, SA-3, SA-12, SA-16.
Control Number	AT-4
Title	Security Training Records
CDSS Requirement	The organization must: a. Document and monitor individual information system security training activities including basic security awareness training and specific information system security training; and b. Retain individual training records for 5 years. SSA also requires the organization to certify that each employee, contractor, and agent who views SSA data certify that they understand the potential criminal, civil, and administrative sanctions or penalties for unlawful assess and/or disclosure.
Supplemental Guidance (from NIST 800-53)	Documentation for specialized training may be maintained by individual supervisors at the option of the organization. Related controls: AT-2, AT-3, PM-14.

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5. **Contingency Planning (CP)**

Control Number	CP-2
Title	Contingency Plan
CDSS Requirement	The organization must: a. Develop a contingency plan for the information system that: 1. Identifies essential missions and business functions and associated contingency requirements; 2. Provides recovery objectives, restoration priorities, and metrics; 3. Addresses contingency roles, responsibilities, assigned individuals with contact information; 4. Addresses maintaining essential missions and business functions despite an information system disruption, compromise, or failure; 5. Addresses eventual, full information system restoration without deterioration of the security safeguards originally planned and implemented; and 6. Is reviewed and approved by a senior manager; b. Distribute copies of the contingency plan to personnel and organizations supporting the contingency plan actions; c. Coordinate contingency planning activities with incident handling activities; d. Review the contingency plan for the information system at least annually; e. Update the contingency plan to address changes to the organization, information system, or environment of operation and problems encountered during contingency plan implementation, execution, or testing; f. Communicate contingency plan changes to personnel and organizations supporting the contingency plan actions; g. Incorporate lessons learned from contingency plan testing, training, or actual contingency activities into contingency testing and training; and h. Protect the contingency plan from unauthorized disclosure and modification.
Supplemental Guidance (from NIST 800-53)	Contingency planning for information systems is part of an overall organizational program for achieving continuity of operations for mission/business functions. Contingency planning addresses both information system restoration and implementation of alternative mission/business processes when systems are compromised. The effectiveness of contingency planning is maximized by considering such planning throughout the phases of the system development life cycle. Performing contingency planning on hardware, software, and firmware development can be an effective means of achieving information system resiliency. Contingency plans reflect the degree of restoration required for organizational information systems since not all systems may need to fully recover to achieve the level of continuity of operations desired. Information system recovery objectives reflect applicable laws, Executive Orders, directives, policies, standards, regulations, and guidelines. In addition to information system availability, contingency plans also address other security-related events resulting in a reduction in mission and/or business effectiveness, such as malicious attacks compromising the confidentiality or integrity of information systems. Actions addressed in contingency plans include, for example, orderly/graceful degradation, information system shutdown, fallback to a manual mode, alternate information flows, and operating in modes reserved for when systems are under attack. By closely coordinating contingency planning with incident handling activities, organizations can ensure that the necessary contingency planning activities are in place and activated in the event of a security incident. Related controls: AC-14, CP-6, CP-7, CP-8, CP-9, CP-10, IR-4, IR-8, MP-2, MP-4, MP-5, PM-8, PM-11.

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6. **Data Minimization and Retention (DM)**

Control Number	DM-2
Title	Data Retention and Disposal
CDSS Requirement	The organization must: a. Retain each collection of PII no longer than required for the organization's business process or evidentiary purposes; b. Dispose of, destroys, erases, and/or anonymizes the PII, regardless of the method of storage, in accordance with a NARA-approved record retention schedule and in a manner that prevents loss, theft, misuse, or unauthorized access; and c. Use organization-defined techniques or methods to ensure secure deletion or destruction of PII (including originals, copies, and archived records). .
Supplemental Guidance (from NIST 800-53)	NARA provides retention schedules that govern the disposition of federal records. Program officials coordinate with records officers and with NARA to identify appropriate retention periods and disposal methods. NARA may require organizations to retain PII longer than is operationally needed. In those situations, organizations describe such requirements in the notice. Methods of storage include, for example, electronic, optical media, or paper. Examples of ways organizations may reduce holdings include reducing the types of PII held (e.g., delete Social Security numbers if their use is no longer needed) or shortening the retention period for PII that is maintained if it is no longer necessary to keep PII for long periods of time (this effort is undertaken in consultation with an organization's records officer to receive NARA approval). In both examples, organizations provide notice (e.g., an updated System of Records Notice) to inform the public of any changes in holdings of PII. Certain read-only archiving techniques, such as DVDs, CDs, microfilm, or microfiche, may not permit the removal of individual records without the destruction of the entire database contained on such media. Related controls: AR-4, AU-11, DM-1, MP-1, MP-2, MP-3, MP-4, MP-5, MP-6, MP-7, MP-8, SI-12, TR-1.

7. **Identification and Authentication (IA)**

Control Number	IA-2
Title	Identification and Authentication (Organizational Users)
CDSS Requirement	The organization's information system must uniquely identify and authenticate organizational users (or processes acting on behalf of organizational users).
Supplemental Guidance (from NIST 800-53)	Organizational users include employees or individuals that organizations deem to have equivalent status of employees (e.g., contractors, guest researchers). This control applies to all accesses other than: (i) accesses that are explicitly identified and documented in AC-14; and (ii) accesses that occur through authorized use of group authenticators without individual authentication. Organizations may require unique identification of individuals in group accounts (e.g., shared privilege accounts) or for detailed accountability of individual activity. Organizations employ passwords, tokens, or biometrics to authenticate user identities, or in the case multifactor authentication, or some combination thereof. Access to organizational information systems is defined as either local access or network access. Local access is any access to organizational information systems by users (or processes acting on behalf of users) where such access is obtained by direct connections without the use of networks. Network access is access to organizational information systems by users (or processes acting on behalf of users) where such access is obtained through network connections (i.e., nonlocal accesses). Remote access is a type of network access that involves communication through external networks (e.g., the Internet). Internal networks include local area networks and wide area networks. In addition, the use of encrypted virtual private networks (VPNs) for network connections between organization-controlled endpoints and non-organization controlled endpoints may be treated as internal networks from the perspective of protecting the confidentiality and integrity of information traversing the network. Organizations can satisfy the identification and authentication requirements in this control by complying with the requirements in Homeland Security Presidential Directive 12 consistent with the specific organizational implementation plans. Multifactor authentication requires the use of two or more different factors to achieve authentication. The factors are defined as: (i) something you know (e.g., password, personal identification number [PIN]); (ii) something you have (e.g., cryptographic identification device, token); or (iii) something you are (e.g., biometric). Multifactor solutions that require devices separate from information systems gaining access include, for example, hardware tokens providing time-based or challenge-response authenticators and smart cards such as the U.S. Government Personal Identity Verification card and the DoD common access card. In addition to identifying and authenticating users at the information system level (i.e., at logon), organizations also employ identification and authentication mechanisms at the application level, when necessary, to provide increased information security. Identification and authentication requirements for other than organizational users are described in IA-8. Related controls: AC-2, AC-3, AC-14, AC-17, AC-18, IA-4, IA-5, IA-8.

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Control Number	IA-5
Title	Authenticator Management
CDSS Requirement	The organization must manage information system authenticators by: a. Verifying, as part of the initial authenticator distribution, the identity of the individual, group, role, or device receiving the authenticator; b. Establishing initial authenticator content for authenticators defined by the organization; c. Ensuring that authenticators have sufficient strength of mechanism for their intended use; d. Establishing and implementing administrative procedures for initial authenticator distribution, for lost/compromised or damaged authenticators, and for revoking authenticators; e. Changing default content of authenticators prior to information system installation; f. Establishing minimum and maximum lifetime restrictions and reuse conditions for authenticators; g. Changing/refreshing authenticators within organization-defined time period; h. Protecting authenticator content from unauthorized disclosure and modification; i. Requiring individuals to take, and having devices implement, specific security safeguards to protect authenticators; and j. Changing authenticators for group/role accounts when membership to those accounts changes.
Supplemental Guidance (from NIST 800-53)	Individual authenticators include, for example, passwords, tokens, biometrics, PKI certificates, and key cards. Initial authenticator content is the actual content (e.g., the initial password) as opposed to requirements about authenticator content (e.g., minimum password length). In many cases, developers ship information system components with factory default authentication credentials to allow for initial installation and configuration. Default authentication credentials are often well known, easily discoverable, and present a significant security risk. The requirement to protect individual authenticators may be implemented via control PL-4 or PS-6 for authenticators in the possession of individuals and by controls AC-3, AC-6, and SC-28 for authenticators stored within organizational information systems (e.g., passwords stored in hashed or encrypted formats, files containing encrypted or hashed passwords accessible with administrator privileges). Information systems support individual authenticator management by organization-defined settings and restrictions for various authenticator characteristics including, for example, minimum password length, password composition, validation time window for time synchronous one-time tokens, and number of allowed rejections during the verification stage of biometric authentication. Specific actions that can be taken to safeguard authenticators include, for example, maintaining possession of individual authenticators, not loaning or sharing individual authenticators with others, and reporting lost, stolen, or compromised authenticators immediately. Authenticator management includes issuing and revoking, when no longer needed, authenticators for temporary access such as that required for remote maintenance. Device authenticators include, for example, certificates and passwords. Related controls: AC-2, AC-3, AC-6, CM-6, IA-2, IA-4, IA-8, PL-4, PS- 5, PS-6, SC-12, SC-13, SC-17, SC-28.
Control Number	**IA-5(1)**
Title	Authenticator Management | Password-Based Authentication
CDSS Requirement	The information system, for password-based authentication, must: a. Enforces minimum password complexity of requirements for: * case sensitivity (upper and lower case letters), * number of characters (equal to or greater than fifteen characters), * mix of upper-case letters, lower-case letters, numbers, and special characters (at least one of each type); c. Stores and transmits only cryptographically-protected passwords; d. Enforces password lifetime of at least 180 days; e. Prohibits prior 10 passwords for reuse ; and f. Allows the use of a temporary password for system logons with an immediate change to a permanent password.
Supplemental Guidance (from NIST 800-53)	This control enhancement applies to single-factor authentication of individuals using passwords as individual or group authenticators, and in a similar manner, when passwords are part of multifactor authenticators. This control enhancement does not apply when passwords are used to unlock hardware authenticators (e.g., Personal Identity Verification cards). The implementation of such password mechanisms may not meet all of the requirements in the enhancement. Cryptographically-protected passwords include, for example, encrypted versions of passwords and one-way cryptographic hashes of passwords. The number of changed characters refers to the number of changes required with respect to the total number of positions in the current password. Password lifetime restrictions do not apply to temporary passwords. To mitigate certain brute force attacks against passwords, organizations may also consider salting passwords. Related control: IA-6.

8. **Incident Response (IR)**

Control Number	IR-1
Title	Incident Response Policy and Procedures
CDSS Requirement	The organization must: a. Develops, documents, and disseminates to organization-defined personnel or roles: 1. An incident response policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and 2. Procedures to facilitate the implementation of the incident response policy and associated incident response controls; and b. Reviews and updates the current: 1. Incident response policy with organization-defined frequency; and 2. Incident response procedures with organization-defined frequency. *CDSS and NIST Guidelines encourage agencies to consider establishing incident response teams or identifying individuals specifically responsible for addressing PII and CDSS data breaches.*
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the IR family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.
Control Number	**IR-2**
Title	Incident Response Training
CDSS Requirement	The organization must provide incident response training to information system users consistent with assigned roles and responsibilities: a. Within organization-defined time period of assuming an incident response role or responsibility; b. When required by information system changes; and c. With organization-defined frequency thereafter.
Supplemental Guidance (from NIST 800-53)	Incident response training provided by organizations is linked to the assigned roles and responsibilities of organizational personnel to ensure the appropriate content and level of detail is included in such training. For example, regular users may only need to know who to call or how to recognize an incident on the information system; system administrators may require additional training on how to handle/remediate incidents; and incident responders may receive more specific training on forensics, reporting, system recovery, and restoration. Incident response training includes user training in the identification and reporting of suspicious activities, both from external and internal sources. Related controls: AT-3, CP-3, IR-8.
Control Number	**IR-4**
Title	Incident Handling
CDSS Requirement	The organization must: a. Implements an incident handling capability for security incidents that includes preparation, detection and analysis, containment, eradication, and recovery; b. Coordinates incident handling activities with contingency planning activities; and c. Incorporates lessons learned from ongoing incident handling activities into incident response procedures, training, and testing, and implements the resulting changes accordingly.
Supplemental Guidance (from NIST 800-53)	Organizations recognize that incident response capability is dependent on the capabilities of organizational information systems and the mission/business processes being supported by those systems. Therefore, organizations consider incident response as part of the definition, design, and development of mission/business processes and information systems. Incident-related information can be obtained from a variety of sources including, for example, audit monitoring, network monitoring, physical access monitoring, user/administrator reports, and reported supply chain events. Effective incident handling capability includes coordination among many organizational entities including, for example, mission/business owners, information system owners, authorizing officials, human resources offices, physical and personnel security offices, legal departments, operations personnel, procurement offices, and the risk executive (function). Related controls: AU-6, CM-6, CP-2, CP-4, IR-2, IR-3, IR-8, PE-6, SC-5, SC-7, SI-3, SI-4, SI-7.

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Control Number	IR-8
Title	Incident Response Plan
CDSS Requirement	The organization must: a. Develop an incident response plan that: 1. Provides the organization with a roadmap for implementing its incident response capability; 2. Describes the structure and organization of the incident response capability; 3. Provides a high-level approach for how the incident response capability fits into the overall organization; 4. Meets the unique requirements of te organization, which relate to mission, size, structure, and functions; 5. Defines reportable incidents; 6. Provides metrics for measuring the incident response capability within the organization; 7. Defines the resources and management support needed to effectively maintain and mature an incident response capability; and 8. Is reviewed and approved by organization-defined personnel or roles; b. Distribute copies of the incident response plan to organization-defined incident response personnel (identified by name and/or by role) and organizational elements; c. Review the incident response plan organization-defined frequency; d. Updates the incident response plan to address system/organizational changes or problems encountered during plan implementation, execution, or testing; e. Communicate incident response plan changes to organization-defined incident response personnel (identified by name and/or by role) and organizational elements]; and f. Protect the incident response plan from unauthorized disclosure and modification.
Supplemental Guidance (from NIST 800-53)	It is important that organizations develop and implement a coordinated approach to incident response. Organizational missions, business functions, strategies, goals, and objectives for incident response help to determine the structure of incident response capabilities. As part of a comprehensive incident response capability, organizations consider the coordination and sharing of information with external organizations, including, for example, external service providers and organizations involved in the supply chain for organizational information systems. Related controls: MP-2, MP-4, MP-5.

9. **Media Protection (MP)**

Control Number	MP-2
Title	Media Access
CDSS Requirement	The organization must: Restricts access to PII to County Workers who require access to PII for purposes of administering the program or as required for the administration of other public benefit programs.
Supplemental Guidance (from NIST 800-53)	Information system media includes both digital and non-digital media. Digital media includes, for example, diskettes, magnetic tapes, external/removable hard disk drives, flash drives, compact disks, and digital video disks. Non-digital media includes, for example, paper and microfilm. Restricting non-digital media access includes, for example, denying access to patient medical records in a community hospital unless the individuals seeking access to such records are authorized healthcare providers. Restricting access to digital media includes, for example, limiting access to design specifications stored on compact disks in the media library to the project leader and the individuals on the development team. Related controls: AC-3, IA-2, MP-4, PE-2, PE-3, PL-2.
Control Number	MP-6
Title	Media Sanitization
CDSS Requirement	The organization must: a. Sanitize media containing PII prior to disposal, release out of organizational control, or release for reuse in accordance with applicable federal and organizational standards and policies; and b. Employs sanitization mechanisms with the strength and integrity commensurate with the security category or classification of the information.
Supplemental Guidance (from NIST 800-53)	This control applies to all information system media, both digital and non-digital, subject to disposal or reuse, whether or not the media is considered removable. Examples include media found in scanners, copiers, printers, notebook computers, workstations, network components, and mobile devices. The sanitization process removes information from the media such that the information cannot be retrieved or reconstructed. Sanitization techniques, including clearing, purging, cryptographic erase, and destruction, prevent the disclosure of information to unauthorized individuals when such media is reused or released for disposal. Organizations determine the appropriate sanitization methods recognizing that destruction is sometimes necessary when other methods cannot be applied to media requiring sanitization. Organizations use discretion on the employment of approved sanitization techniques and procedures for media containing information deemed to be in the public domain or publicly releasable, or deemed to have no adverse impact on organizations or individuals if released for reuse or disposal. Sanitization of non-digital media includes, for example, removing a classified appendix from an otherwise unclassified document, or redacting selected sections or words from a document by obscuring the redacted sections/words in a manner equivalent in effectiveness to removing them from the document. NSA standards and policies control the sanitization process for media containing classified information. Related controls: MA-2, MA-4, RA-3, SC-4.

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10. **Personnel Security (PS)**

Control Number	PS-3
Title	Personnel Screening
CDSS Requirement	The organization must: a. Screen individuals (employees, contractors and agents) prior to authorizing access to the information system and PII.
Supplemental Guidance (from NIST 800-53)	Personnel screening and rescreening activities reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, guidance, and specific criteria established for the risk designations of assigned positions. Organizations may define different rescreening conditions and frequencies for personnel accessing information systems based on types of information processed, stored, or transmitted by the systems.
Control Number	PS-4
Title	Personnel Termination
CDSS Requirement	The organization, upon termination of individual employment, must: a. Disable information system access; b. Terminate/revoke any authenticators/credentials associated with the individual; c. Conduct exit interviews, as needed; d. Retrieve all security-related organizational information system-related property; e. Retain access to organizational information and information systems formerly controlled by terminated individual; and f. Notified organization-defined personnel upon termination.
Supplemental Guidance (from NIST 800-53)	Information system-related property includes, for example, hardware authentication tokens, system administration technical manuals, keys, identification cards, and building passes. Exit interviews ensure that terminated individuals understand the security constraints imposed by being former employees and that proper accountability is achieved for information system-related property. Security topics of interest at exit interviews can include, for example, reminding terminated individuals of nondisclosure agreements and potential limitations on future employment. Exit interviews may not be possible for some terminated individuals, for example, in cases related to job abandonment, illnesses, and non-availability of supervisors. Exit interviews are important for individuals with security clearances. Timely execution of termination actions is essential for individuals terminated for cause. In certain situations, organizations consider disabling the information system accounts of individuals that are being terminated prior to the individuals being notified. Related controls: AC-2, IA-4, PE-2, PS-5, PS-6.
Control Number	PS-6
Title	Access Agreements
CDSS Requirement	The organization must: a. Develop and document access agreements for organizational information systems; b. Reviews and updates the access agreements at organization-defined frequency; and c. Ensure that individuals requiring access to organizational information and information systems: 1. Sign appropriate access agreements prior to being granted access; and 2. Re-sign access agreements to maintain access to organizational information systems when access agreements have been updated or at an organization-defined frequency. CDSS requires that contracts for periodic disposal/destruction of case files or other print media contain a non-disclosure agreement signed by all personnel who will encounter products that contain PII.
Supplemental Guidance (from NIST 800-53)	Supplemental Guidance: Access agreements include, for example, nondisclosure agreements, acceptable use agreements, rules of behavior, and conflict-of-interest agreements. Signed access agreements include an acknowledgement that individuals have read, understand, and agree to abide by the constraints associated with organizational information systems to which access is authorized. Organizations can use electronic signatures to acknowledge access agreements unless specifically prohibited by organizational policy. Related control: PL-4, PS-2, PS-3, PS-4, PS-8.

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Control Number	PS-7
Title	Third-Party Personnel Security
CDSS Requirement	The organization must: a. Establishes personnel security requirements including security roles and responsibilities for county agents, subcontractors, and vendors; b. Requires third-party providers to comply with personnel security policies and procedures established by the organization; c. Documents personnel security requirements; d. Requires third-party providers to notify organization-defined personnel or roles of any personnel transfers or terminations of third-party personnel who possess organizational credentials and/or badges, or who have information system privileges within organization-defined time period; and e. Monitors provider compliance. *The service level agreements with the contractors and agents must contain non-disclosure language as it pertains to PII. The statement shall include, at a minimum, a description of the following:* *1. General Use of PII;* *2. Security and Privacy Safeguards for PII;* *3. Unacceptable Use of PII; and* *4. Enforcement Policies.* *The county department/agency must retain the non-disclosure agreements for at least five (5) to seven (7) years for all contractors and agents who processes, views, or encounters PII as part of their duties*
Supplemental Guidance (from NIST 800-53)	Third-party providers include, for example, service bureaus, contractors, and other organizations providing information system development, information technology services, outsourced applications, and network and security management. Organizations explicitly include personnel security requirements in acquisition-related documents. Third-party providers may have personnel working at organizational facilities with credentials, badges, or information system privileges issued by organizations. Notifications of third-party personnel changes ensure appropriate termination of privileges and credentials. Organizations define the transfers and terminations deemed reportable by security-related characteristics that include, for example, functions, roles, and nature of credentials/privileges associated with individuals transferred or terminated. Related controls: PS-2, PS-3, PS-4, PS-5, PS-6, SA-9, SA-21.
Control Number	PS-8
Title	Personnel Sanctions
CDSS Requirement	The organization must: a. Employ a formal sanctions process for individuals failing to comply with established information security policies and procedures; and b. Notify organization personnel within the organization-defined time period when a formal employee sanctions process is initiated, identifying the individual sanctioned and the reason for the sanction. *If a member of the county's workforce, as defined at 45 CFR 160.103 and inclusive of an employee, contractor, or agent is subject to an adverse action by the organization (e.g., reduction in pay, disciplinary action, termination of employment, termination of contract for services), CDSS recommends the organization remove his or her access to PII in advance of the adverse action to reduce the possibility that will the individual will perform unauthorized activities that involve PII, if applicable.*
Supplemental Guidance (from NIST 800-53)	Organizational sanctions processes reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Sanctions processes are described in access agreements and can be included as part of general personnel policies and procedures for organizations. Organizations consult with the Office of the General Counsel regarding matters of employee sanctions. Related controls: PL-4, PS-6.

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11. **Physical and Environmental Protection (PE)**

Control Number	PE-3
Title	Physical Access Control
CDSS Requirement	The organization must: a. Enforce physical access authorizations at entry and exit points to the facility where the information system resides by; 1. Verifying individual access authorizations before granting access to the facility; and 2. Controlling ingress/egress to the facility using physical access control systems/devices and/or guards; b. Maintain physical access audit logs for entry and exit points; c. Provide security safeguards to control access to areas within the facility officially designated as publicly accessible; d. Escort visitors and monitors visitor activity; e. Secure keys, combinations, and other physical access devices; f. Inventory physical access devices; and g. Changes combinations and keys at minimum when keys are lost, combinations are compromised, or individuals are transferred or terminated
Supplemental Guidance (from NIST 800-53)	This control applies to organizational employees and visitors. Individuals (e.g., employees, contractors, and others) with permanent physical access authorization credentials are not considered visitors. Organizations determine the types of facility guards needed including, for example, professional physical security staff or other personnel such as administrative staff or information system users. Physical access devices include, for example, keys, locks, combinations, and card readers. Safeguards for publicly accessible areas within organizational facilities include, for example, cameras, monitoring by guards, and isolating selected information systems and/or system components in secured areas. Physical access control systems comply with applicable federal laws, Executive Orders, directives, policies, regulations, standards, and guidance. The Federal Identity, Credential, and Access Management Program provides implementation guidance for identity, credential, and access management capabilities for physical access control systems. Organizations have flexibility in the types of audit logs employed. Audit logs can be procedural (e.g., a written log of individuals accessing the facility and when such access occurred), automated (e.g., capturing ID provided by a PIV card), or some combination thereof. Physical access points can include facility access points, interior access points to information systems and/or components requiring supplemental access controls, or both. Components of organizational information systems (e.g., workstations, terminals) may be located in areas designated as publicly accessible with organizations safeguarding access to such devices. Related controls: AU-2, AU-6, MP-2, MP-4, PE-2, PE-4, PE-5, PS-3, RA-3.
Control Number	PE-6
Title	Monitoring Physical Access
CDSS Requirement	The organization must: a. Monitors physical access to the facility where the information system resides to detect and respond to physical security incidents; b. Reviews physical access logs organization-defined frequency and upon occurrence of security incidents; and c. Coordinates results of reviews and investigations with the organizational incident response capability.
Supplemental Guidance (from NIST 800-53)	Organizational incident response capabilities include investigations of and responses to detected physical security incidents. Security incidents include, for example, apparent security violations or suspicious physical access activities. Suspicious physical access activities include, for example: (i) accesses outside of normal work hours; (ii) repeated accesses to areas not normally accessed; (iii) accesses for unusual lengths of time; and (iv) out-of-sequence accesses. Related controls: CA-7, IR-4, IR-8.

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12. **Planning (PL)**

Control Number	PL-1
Title	Security Planning Policy and Procedures
CDSS Requirement	The organization must: a. Develop, document, and disseminate to personnel and organizations with access to PII: 1. A security planning policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and 2. Procedures to facilitate the implementation of the security planning policy and associated security planning controls; and b. Reviews and updates the current: 1. Security planning policy; and 2. Security planning procedures.
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the PL family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies,
	standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.
Control Number	PL-2
Title	System Security Plan
CDSS Requirement	The organization must: a. Develop a security plan for the information system that: 1. Is consistent with the organization's enterprise architecture; 2. Explicitly defines the authorization boundary for the system; 3. Describes the operational context of the information system in terms of missions and business processes; 4. Provides the security categorization of the information system including supporting rationale; 5. Describes the operational environment for the information system and relationships with or connections to other information systems; 6. Provides an overview of the security requirements for the system; 7. Identifies any relevant overlays, if applicable; 8. Describes the security controls in place or planned for meeting those requirements including a rationale for the tailoring decisions; and 9. Is reviewed and approved by the authorizing official or designated representative prior to plan implementation; b. Distribute copies of the security plan and communicates subsequent changes to the plan to personnel and organizations with security responsibilities; c. Review the security plan for the information system; d. Update the plan to address changes to the information system/environment of operation or problems identified during plan implementation or security control assessments; and e. Protect the security plan from unauthorized disclosure and modification. *Organization's security plan should include detailed information specific to safeguarding Medi-Cal PII.*
Supplemental Guidance (from NIST 800-53)	Security plans relate security requirements to a set of security controls and control enhancements. Security plans also describe, at a high level, how the security controls and control enhancements meet those security requirements, but do not provide detailed, technical descriptions of the specific design or implementation of the controls/enhancements. Security plans contain sufficient information (including the specification of parameter values for assignment and selection statements either explicitly or by reference) to enable a design and implementation that is unambiguously compliant with the intent of the plans and subsequent determinations of risk to organizational operations and assets, individuals, other organizations, and the Nation if the plan is implemented as intended. Organizations can also apply tailoring guidance to the security control baselines in Appendix D and CNSS Instruction 1253 to develop overlays for community-wide use or to address specialized requirements, technologies, or missions/environments of operation (e.g., DoD-tactical, Federal Public Key Infrastructure, or Federal Identity, Credential, and Access Management, space operations). Appendix I provides guidance on developing overlays. Security plans need not be single documents; the plans can be a collection of various documents including documents that already exist. Effective security plans make extensive use of references to policies, procedures, and additional documents (e.g., design and implementation specifications) where more detailed information can be obtained. This reduces the documentation requirements associated with security programs and maintains security-related information in other established management/operational areas related to enterprise architecture, system development life cycle, systems engineering, and acquisition. For example, security plans do not contain detailed contingency plan or incident response plan information but instead provide explicitly or by reference, sufficient information to define what needs to be accomplished by those plans. Related controls: AC-2, AC-6, AC-14, AC-17, AC-20, CA-2, CA-3, CA-7, CM-9, CP-2, IR-8, MA-4, MA-5, MP-2, MP-4, MP-5, PL-7, PM-1, PM-7, PM-8, PM-9, PM-11, SA-5, SA-17.

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13. **Risk Assessment (RA)**

Control Number	RA-1
Title	Risk Assessment Policy and Procedures
CDSS Requirement	The organization must: a. Develop, document, and disseminate to system owners using PII: 1. A risk assessment policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and 2. Procedures to facilitate the implementation of the risk assessment policy and associated risk assessment controls.
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the RA family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.
Control Number	RA-3
Title	Risk Assessment
CDSS Requirement	The organization must: a. Conduct an assessment of risk, including the likelihood and magnitude of harm, from the unauthorized access, use, disclosure, disruption, modification, or destruction of the information system and the information it processes, stores, or transmits; b. Documents risk assessment results in a risk assessment report or organization defined risk report document. c. Review risk assessment results annually; and e. Update the risk assessment whenever there are significant changes to the information system or environment of operation (including the identification of new threats and vulnerabilities), or other conditions that may impact the security state of the system.
Supplemental Guidance (from NIST 800-53)	Clearly defined authorization boundaries are a prerequisite for effective risk assessments. Risk assessments take into account threats, vulnerabilities, likelihood, and impact to organizational operations and assets, individuals, other organizations, and the Nation based on the operation and use of information systems. Risk assessments also take into account risk from external parties (e.g., service providers, contractors operating information systems on behalf of the organization, individuals accessing organizational information systems, outsourcing entities). In accordance with OMB policy and related E-authentication initiatives, authentication of public users accessing federal information systems may also be required to protect nonpublic or privacy-related information. As such, organizational assessments of risk also address public access to federal information systems. Risk assessments (either formal or informal) can be conducted at all three tiers in the risk management hierarchy (i.e., organization level, mission/business process level, or information system level) and at any phase in the system development life cycle. Risk assessments can also be conducted at various steps in the Risk Management Framework, including categorization, security control selection, security control implementation, security control assessment, information system authorization, and security control monitoring. RA-3 is noteworthy in that the control must be partially implemented prior to the implementation of other controls in order to complete the first two steps in the Risk Management Framework. Risk assessments can play an important role in security control selection processes, particularly during the application of tailoring guidance, which includes security control supplementation. Related controls: RA-2, PM- 9.

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Control Number	RA-5
Title	Vulnerability Scanning
CDSS Requirement	The organization must: a. Scan for vulnerabilities in the information system and hosted applications at a minimum of a monthly basis and when new vulnerabilities potentially affecting the system/applications are identified and reported; b. Employ vulnerability scanning tools and techniques that facilitate interoperability among tools and automate parts of the vulnerability management process by using standards for: 1. Enumerating platforms, software flaws, and improper configurations; a. Analyze vulnerability scan reports and results from security control assessments; b. Remediate legitimate vulnerabilities within organization defined time periods in accordance with an organizational assessment of risk; and c. Share information obtained from the vulnerability scanning process and security control assessments with all impacted system owners to help eliminate similar vulnerabilities in other information systems (i.e., systemic weaknesses or deficiencies).
Supplemental Guidance (from NIST 800-53)	Security categorization of information systems guides the frequency and comprehensiveness of vulnerability scans. Organizations determine the required vulnerability scanning for all information system components, ensuring that potential sources of vulnerabilities such as networked printers, scanners, and copiers are not overlooked. Vulnerability analyses for custom software applications may require additional approaches such as static analysis, dynamic analysis, binary analysis, or a hybrid of the three approaches. Organizations can employ these analysis approaches in a variety of tools (e.g., web-based application scanners, static analysis tools, binary analyzers) and in source code reviews. Vulnerability scanning includes, for example: (i) scanning for patch levels; (ii) scanning for functions, ports, protocols, and services that should not be accessible to users or devices; and (iii) scanning for improperly configured or incorrectly operating information flow control mechanisms. Organizations consider using tools that express vulnerabilities in the Common Vulnerabilities and Exposures (CVE) naming convention and that use the Open Vulnerability Assessment Language (OVAL) to determine/test for the presence of vulnerabilities. Suggested sources for vulnerability information include the Common Weakness Enumeration (CWE) listing and the National Vulnerability Database (NVD). In addition, security control assessments such as red team exercises provide other sources of potential vulnerabilities for which to scan. Organizations also consider using tools that express vulnerability impact by the Common Vulnerability Scoring System (CVSS). Related controls: CA-2, CA-7, CM-4, CM-6, RA-2, RA-3, SA-11, SI-2.

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14. **Security Assessment and Authorization (CA)**

Control Number	CA-2
Title	Security Assessments
CDSS Requirement	The organization must: a. Develops a security assessment plan that describes the scope of the assessment including: 1. Security controls and control enhancements under assessment; 2. Assessment procedures to be used to determine security control effectiveness; and 3. Assessment environment, assessment team, and assessment roles and responsibilities; b. Assesses the security controls in the information system and its environment of operation with organization-defined frequency to determine the extent to which the controls are implemented correctly, operating as intended, and producing the desired outcome with respect to meeting established security requirements; c. Produces a security assessment report that documents the results of the assessment; and d. Provides the results of the security control assessment to organization-defined individuals or roles.
Supplemental Guidance (from NIST 800-53)	Organizations assess security controls in organizational information systems and the environments in which those systems operate as part of: (i) initial and ongoing security authorizations; (ii) FISMA annual assessments; (iii) continuous monitoring; and (iv) system development life cycle activities. Security assessments: (i) ensure that information security is built into organizational information systems; (ii) identify weaknesses and deficiencies early in the development process; (iii) provide essential information needed to make risk-based decisions as part of security authorization processes; and (iv) ensure compliance to vulnerability mitigation procedures. Assessments are conducted on the implemented security controls from Appendix F (main catalog) and Appendix G (Program Management controls) as documented in System Security Plans and Information Security Program Plans. Organizations can use other types of assessment activities such as vulnerability scanning and system monitoring to maintain the security posture of information systems during the entire life cycle. Security assessment reports document assessment results in sufficient detail as deemed necessary by organizations, to determine the accuracy and completeness of the reports and whether the security controls are implemented correctly, operating as intended, and producing the desired outcome with respect to meeting security requirements. The FISMA requirement for assessing security controls at least annually does not require additional assessment activities to those activities already in place in organizational security authorization processes. Security assessment results are provided to the individuals or roles appropriate for the types of assessments being conducted. For example, assessments conducted in support of security authorization decisions are provided to authorizing officials or authorizing official designated representatives. To satisfy annual assessment requirements, organizations can use assessment results from the following sources: (i) initial or ongoing information system authorizations; (ii) continuous monitoring; or (iii) system development life cycle activities. Organizations ensure that security assessment results are current, relevant to the determination of security control effectiveness, and obtained with the appropriate level of assessor independence. Existing security control assessment results can be reused to the extent that the results are still valid and can also be supplemented with additional assessments as needed. Subsequent to initial authorizations and in accordance with OMB policy, organizations assess security controls during continuous monitoring. Organizations establish the frequency for ongoing security control assessments in accordance with organizational continuous monitoring strategies. Information Assurance Vulnerability Alerts provide useful examples of vulnerability mitigation procedures. External audits (e.g., audits by external entities such as regulatory agencies) are outside the scope of this control. Related controls: CA-5, CA-6, CA-7, PM-9, RA-5, SA-11, SA-12, SI-4.

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Control Number	CA-3
Title	System Interconnections
CDSS Requirement	The organization must: a. Authorizes connections from the information system to other information systems through the use of Interconnection Security Agreements; b. Documents, for each interconnection, the interface characteristics, security requirements, and the nature of the information communicated; and c. Reviews and updates Interconnection Security Agreements [Assignment: organization-defined frequency].
Supplemental Guidance (from NIST 800-53)	This control applies to dedicated connections between information systems (i.e., system interconnections) and does not apply to transitory, user-controlled connections such as email and website browsing. Organizations carefully consider the risks that may be introduced when information systems are connected to other systems with different security requirements and security controls, both within organizations and external to organizations. Authorizing officials determine the risk associated with information system connections and the appropriate controls employed. If interconnecting systems have the same authorizing official, organizations do not need to develop Interconnection Security Agreements. Instead, organizations can describe the interface characteristics between those interconnecting systems in their respective security plans. If interconnecting systems have different authorizing officials within the same organization, organizations can either develop Interconnection Security Agreements or describe the interface characteristics between systems in the security plans for the respective systems. Organizations may also incorporate Interconnection Security Agreement information into formal contracts, especially for interconnections established between federal agencies and nonfederal (i.e., private sector) organizations. Risk considerations also include information systems sharing the same networks. For certain technologies (e.g., space, unmanned aerial vehicles, and medical devices), there may be specialized connections in place during preoperational testing. Such connections may require Interconnection Security Agreements and be subject to additional security controls. Related controls: AC-3, AC-4, AC-20, AU-2, AU-12, AU-16, CA-7, IA-3, SA-9, SC-7, SI-4.
Control Number	CA-7
Title	Continuous Monitoring
CDSS Requirement	The organization must develop a continuous monitoring strategy and implement a continuous monitoring program that includes: a. Establishment of PII security controls to be monitored; c. Ongoing security control assessments in accordance with the organizational continuous monitoring strategy; d. Ongoing security status monitoring of PII security controls in accordance with the organizational continuous monitoring strategy; e. Correlation and analysis of security-related information generated by assessments and monitoring; f. Response actions to address results of the analysis of security-related information; and g. Reporting the security status of organization and the information system to organization-defined personnel or roles and to CDSS when requested.
Supplemental Guidance (from NIST 800-53)	Continuous monitoring programs facilitate ongoing awareness of threats, vulnerabilities, and information security to support organizational risk management decisions. The terms continuous and ongoing imply that organizations assess/analyze security controls and information security-related risks at a frequency sufficient to support organizational risk-based decisions. The results of continuous monitoring programs generate appropriate risk response actions by organizations. Continuous monitoring programs also allow organizations to maintain the security authorizations of information systems and common controls over time in highly dynamic environments of operation with changing mission/business needs, threats, vulnerabilities, and technologies. Having access to security-related information on a continuing basis through reports/dashboards gives organizational officials the capability to make more effective and timely risk management decisions, including ongoing security authorization decisions. Automation supports more frequent updates to security authorization packages, hardware/software/firmware inventories, and other system information. Effectiveness is further enhanced when continuous monitoring outputs are formatted to provide information that is specific, measurable, actionable, relevant, and timely. Continuous monitoring activities are scaled in accordance with the security categories of information systems. Related controls: CA-2, CA-5, CA-6, CM-3, CM-4, PM-6, PM-9, RA-5, SA-11, SA-12, SI-2, SI-4.

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Control Number	CA-8
Title	Penetration Testing
CDSS Requirement	The organization must conduct penetration testing annually on systems storing, processing, or transmitting PII.
Supplemental Guidance (from NIST 800-53)	Penetration testing is a specialized type of assessment conducted on information systems or individual system components to identify vulnerabilities that could be exploited by adversaries. Such testing can be used to either validate vulnerabilities or determine the degree of resistance organizational information systems have to adversaries within a set of specified constraints (e.g., time, resources, and/or skills). Penetration testing attempts to duplicate the actions of adversaries in carrying out hostile cyber-attacks against organizations and provides a more in-depth analysis of security-related weaknesses/deficiencies. Organizations can also use the results of vulnerability analyses to support penetration testing activities. Penetration testing can be conducted on the hardware, software, or firmware components of an information system and can exercise both physical and technical security controls. A standard method for penetration testing includes, for example: (i) pretest analysis based on full knowledge of the target system; (ii) pretest identification of potential vulnerabilities based on pretest analysis; and (iii) testing designed to determine exploitability of identified vulnerabilities. All parties agree to the rules of engagement before the commencement of penetration testing scenarios. Organizations correlate the penetration testing rules of engagement with the tools, techniques, and procedures that are anticipated to be employed by adversaries carrying out attacks. Organizational risk assessments guide decisions on the level of independence required for personnel conducting penetration testing. Related control: SA-12.

15. **System and Communications Protection (SC)**

Control Number	SC-7
Title	Boundary Protection
CDSS Requirement	The organization information system must: a. Monitor and control communications at the external boundary of the system and at key internal boundaries within the system; b. Implements subnetworks for publicly accessible system components that are physically and logically separated from internal organizational networks; and c. Connect to external networks or information systems only through managed interfaces consisting of boundary protection devices arranged in accordance with an organizational security architecture.
Supplemental Guidance (from NIST 800-53)	Managed interfaces include, for example, gateways, routers, firewalls, guards, network-based malicious code analysis and virtualization systems, or encrypted tunnels implemented within a security architecture (e.g., routers protecting firewalls or application gateways residing on protected subnetworks). Subnetworks that are physically or logically separated from internal networks are referred to as demilitarized zones or DMZs. Restricting or prohibiting interfaces within organizational information systems includes, for example, restricting external web traffic to designated web servers within managed interfaces and prohibiting external traffic that appears to be spoofing internal addresses. Organizations consider the shared nature of commercial telecommunications services in the implementation of security controls associated with the use of such services. Commercial telecommunications services are commonly based on network components and consolidated management systems shared by all attached commercial customers, and may also include third party-provided access lines and other service elements. Such transmission services may represent sources of increased risk despite contract security provisions. Related controls: AC-4, AC-17, CA-3, CM-7, CP-8, IR-4, RA-3, SC-5, SC-13.
Control Number	**SC-8**
Title	Transmission Confidentiality and Integrity
CDSS Requirement	The organization information system must: Protect the confidentiality of transmitted information.
Supplemental Guidance (from NIST 800-53)	This control applies to both internal and external networks and all types of information system components from which information can be transmitted (e.g., servers, mobile devices, notebook computers, printers, copiers, scanners, facsimile machines). Communication paths outside the physical protection of a controlled boundary are exposed to the possibility of interception and modification. Protecting the confidentiality and/or integrity of organizational information can be accomplished by physical means (e.g., by employing protected distribution systems) or by logical means (e.g., employing encryption techniques). Organizations relying on commercial providers offering transmission services as commodity services rather than as fully dedicated services (i.e., services which can be highly specialized to individual customer needs), may find it difficult to obtain the necessary assurances regarding the implementation of needed security controls for transmission confidentiality/integrity. In such situations, organizations determine what types of confidentiality/integrity services are available in standard, commercial telecommunication service packages. If it is infeasible or impractical to obtain the necessary security controls and assurances of control effectiveness through appropriate contracting vehicles, organizations implement appropriate compensating security controls or explicitly accept the additional risk. Related controls: AC-17, PE-4.

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Control Number	SC-8(1)
Title	Transmission Confidentiality and Integrity | Cryptographic or Alternate Physical Protection
CDSS Requirement	The organization information system must implement cryptographic mechanisms to prevent unauthorized disclosure of information during transmission.
Supplemental Guidance (from NIST 800-53)	Encrypting information for transmission protects information from unauthorized disclosure and modification. Cryptographic mechanisms implemented to protect information integrity include, for example, cryptographic hash functions which have common application in digital signatures, checksums, and message authentication codes. Alternative physical security safeguards include, for example, protected distribution systems. Related control: SC-13.
Control Number	SC-13
Title	Cryptographic Protection
CDSS Requirement	The organization information system must implement FIPS 140-3 compliant encryption modules in accordance with applicable federal laws, Executive Orders, directives, policies, regulations, and standards.
Supplemental Guidance (from NIST 800-53)	Cryptography can be employed to support a variety of security solutions including, for example, the protection of classified and Controlled Unclassified Information, the provision of digital signatures, and the enforcement of information separation when authorized individuals have the necessary clearances for such information but lack the necessary formal access approvals. Cryptography can also be used to support random number generation and hash generation. Generally applicable cryptographic standards include FIPS-validated cryptography and NSA-approved cryptography. This control does not impose any requirements on organizations to use cryptography. However, if cryptography is required based on the selection of other security controls, organizations define each type of cryptographic use and the type of cryptography required (e.g., protection of classified information: NSA-approved cryptography; provision of digital signatures: FIPS-validated cryptography). Related controls: AC-2, AC-3, AC-7, AC-17, AC-18, AU-9, AU-10, CM-11, CP-9, IA-3, IA-7, MA-4, MP-2, MP-4, MP-5, SA-4, SC-8, SC-12, SC-28, SI-7.
Control Number	SC-28
Title	Protection of Information at Rest
CDSS Requirement	The organization information system must: Protect the confidentiality of PII at rest.
Supplemental Guidance (from NIST 800-53)	This control addresses the confidentiality and integrity of information at rest and covers user information and system information. Information at rest refers to the state of information when it is located on storage devices as specific components of information systems. System-related information requiring protection includes, for example, configurations or rule sets for firewalls, gateways, intrusion detection/prevention systems, filtering routers, and authenticator content. Organizations may employ different mechanisms to achieve confidentiality and integrity protections, including the use of cryptographic mechanisms and file share scanning. Integrity protection can be achieved, for example, by implementing Write-Once-Read-Many (WORM) technologies. Organizations may also employ other security controls including, for example, secure off-line storage in lieu of online storage when adequate protection of information at rest cannot otherwise be achieved and/or continuous monitoring to identify malicious code at rest. Related controls: AC-3, AC-6, CA-7, CM-3, CM-5, CM-6, PE-3, SC-8, SC-13, SI-3, SI-7.

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16. **System and Information Integrity (SI)**

Control Number	SI-2
Title	Flaw Remediation
CDSS Requirement	The organization must: a. Identify, report, and correct information system flaws; b. Tests software and firmware updates related to flaw remediation for effectiveness and potential side effects before installation; c. Installs security-relevant software and firmware updates, within acceptable organization standards, of the release of the updates; and d. Incorporates flaw remediation into the organizational configuration management process.
Supplemental Guidance (from NIST 800-53)	Organizations identify information systems affected by announced software flaws including potential vulnerabilities resulting from those flaws, and report this information to designated organizational personnel with information security responsibilities. Security-relevant software updates include, for example, patches, service packs, hot fixes, and anti-virus signatures. Organizations also address flaws discovered during security assessments, continuous monitoring, incident response activities, and system error handling. Organizations take advantage of available resources such as the Common Weakness Enumeration (CWE) or Common Vulnerabilities and Exposures (CVE) databases in remediating flaws discovered in organizational information systems. By incorporating flaw remediation into ongoing configuration management processes, required/anticipated remediation actions can be tracked and verified. Flaw remediation actions that can be tracked and verified include, for example, determining whether organizations follow US-CERT guidance and Information Assurance Vulnerability Alerts. Organization-defined time periods for updating security-relevant software and firmware may vary based on a variety of factors including, for example, the security category of the information system or the criticality of the update (i.e., severity of the vulnerability related to the discovered flaw). Some types of flaw remediation may require more testing than other types. Organizations determine the degree and type of testing needed for the specific type of flaw remediation activity under consideration and also the types of changes that are to be configuration-managed. In some situations, organizations may determine that the testing of software and/or firmware updates is not necessary or practical, for example, when implementing simple anti-virus signature updates. Organizations may also consider in testing decisions, whether security-relevant software or firmware updates are obtained from authorized sources with appropriate digital signatures. Related controls: CA-2, CA-7, CM-3, CM-5, CM-8, MA-2, IR-4, RA-5, SA-10, SA-11, SI-11.
Control Number	SI-3
Title	Malicious Code Protection
CDSS Requirement	The organization must: a. Employ malicious code protection mechanisms at information system entry and exit points to detect and eradicate malicious code; b. Update malicious code protection mechanisms whenever new releases are available in accordance with organizational configuration management policy and procedures; c. Configure malicious code protection mechanisms to: 1. Perform periodic scans of the information system and real-time scans of files from external sources at the endpoint and network entry/exit points as the files are downloaded, opened, or executed in accordance with organizational security policy; and 2. Block malicious code or quarantine malicious code, and send alert to administrator for incident handling in response to malicious code detection; and d. Address the receipt of false positives during malicious code detection and eradication and the resulting potential impact on the availability of the information system
Supplemental Guidance (from NIST 800-53)	Information system entry and exit points include, for example, firewalls, electronic mail servers, web servers, proxy servers, remote-access servers, workstations, notebook computers, and mobile devices. Malicious code includes, for example, viruses, worms, Trojan horses, and spyware. Malicious code can also be encoded in various formats (e.g., UUENCODE, Unicode), contained within compressed or hidden files, or hidden in files using steganography. Malicious code can be transported by different means including, for example, web accesses, electronic mail, electronic mail attachments, and portable storage devices. Malicious code insertions occur through the exploitation of information system vulnerabilities. Malicious code protection mechanisms include, for example, anti-virus signature definitions and reputation-based technologies. A variety of technologies and methods exist to limit or eliminate the effects of malicious code. Pervasive configuration management and comprehensive software integrity controls may be effective in preventing execution of unauthorized code. In addition to commercial off-the-shelf software, malicious code may also be present in custom-built software. This could include, for example, logic bombs, back doors, and other types of cyber attacks that could affect organizational missions/business functions. Traditional malicious code protection mechanisms cannot always detect such code. In these situations, organizations rely instead on other safeguards including, for example, secure coding practices, configuration management and control, trusted procurement processes, and monitoring practices to help ensure that software does not perform functions other than the functions intended. Organizations may determine that in response to the detection of malicious code, different actions may be warranted. For example, organizations can define actions in response to malicious code detection during periodic scans, actions in response to detection of malicious downloads, and/or actions in response to detection of maliciousness when attempting to open or execute files. Related controls: CM-3, MP-2, SA-4, SA-8, SA-12, SA-13, SC-7, SC-26, SC-44, SI-2, SI-4, SI-7.

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Control Number	SI-4
Title	Information System Monitoring
CDSS Requirement	The organization must: a. Monitor the information system to detect: 1. Attacks and indicators of potential attacks in accordance with organization-defined monitoring objectives; and 2. Unauthorized local, network, and remote connections; b. Identify unauthorized use of the information system through organization-defined techniques and methods; c. Deploy monitoring devices: 1. Strategically within the information system to collect organization-determined essential information; and 2. At ad hoc locations within the system to track specific types of transactions of interest to the organization; d. Protect information obtained from intrusion-monitoring tools from unauthorized access, modification, and deletion; e. Heighten the level of information system monitoring activity whenever there is an indication of increased risk to organizational operations and assets, individuals, other organizations, or the Nation based on law enforcement information, intelligence information, or other credible sources of information; Relevant risk would apply to anything impacting the confidentiality integrity or availability of the information system. f. Obtain legal opinion with regard to information system monitoring activities in accordance with applicable federal laws, Executive Orders, directives, policies, or regulations; and g. Provides organization-defined information system monitoring information to organization-defined personnel and CDSS as needed.
Supplemental Guidance (from NIST 800-53)	Information system monitoring includes external and internal monitoring. External monitoring includes the observation of events occurring at the information system boundary (i.e., part of perimeter defense and boundary protection). Internal monitoring includes the observation of events occurring within the information system. Organizations can monitor information systems, for example, by observing audit activities in real time or by observing other system aspects such as access patterns, characteristics of access, and other actions. The monitoring objectives may guide determination of the events. Information system monitoring capability is achieved through a variety of tools and techniques (e.g., intrusion detection systems, intrusion prevention systems, malicious code protection software, scanning tools, audit record monitoring software, network monitoring software). Strategic locations for monitoring devices include, for example, selected perimeter locations and near server farms supporting critical applications, with such devices typically being employed at the managed interfaces associated with controls SC-7 and AC-17. Einstein network monitoring devices from the Department of Homeland Security can also be included as monitoring devices. The granularity of monitoring information collected is based on organizational monitoring objectives and the capability of information systems to support such objectives. Specific types of transactions of interest include, for example, Hyper Text Transfer Protocol (HTTP) traffic that bypasses HTTP proxies. Information system monitoring is an integral part of organizational continuous monitoring and incident response programs. Output from system monitoring serves as input to continuous monitoring and incident response programs. A network connection is any connection with a device that communicates through a network (e.g., local area network, Internet). A remote connection is any connection with a device communicating through an external network (e.g., the Internet). Local, network, and remote connections can be either wired or wireless. Related controls: AC-3, AC-4, AC-8, AC-17, AU-2, AU-6, AU-7, AU-9, AU-12, CA-7, IR-4, PE-3, RA-5, SC-7, SC-26, SC-35, SI-3, SI-7.

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Control Number	SI-4(5)
Title	Information System Monitoring | System Generated Alerts
CDSS Requirement	The information system alerts County Worker when the following indications of compromise or potential compromise occur 1. Protected system files or directories have been modified without notification from the appropriate change/configuration management channels. 2. System performance indicates resource consumption that is inconsistent with expected operating conditions. 3. Auditing functionality has been disabled or modified to reduce audit visibility. 4. Audit or log records have been deleted or modified without explanation. 5. The system is raising alerts or faults in a manner that indicates the presence of an abnormal condition. 6. Resource or service requests are initiated from clients that are outside of the expected client membership set. 7. The system reports failed logins or password changes for administrative or key service accounts. 8. Processes and services are running that are outside of the baseline system profile. 9. Utilities, tools, or scripts have been saved or installed on production systems without clear indication of their use or purpose.
Supplemental Guidance (from NIST 800-53)	Alerts may be generated from a variety of sources, including, for example, audit records or inputs from malicious code protection mechanisms, intrusion detection or prevention mechanisms, or boundary protection devices such as firewalls, gateways, and routers. Alerts can be transmitted, for example, telephonically, by electronic mail messages, or by text messaging. Organizational personnel on the notification list can include, for example, system administrators, mission/business owners, system owners, or information system security officers. Related controls: AU-5, PE-6.
Control Number	SI-4(13)
Title	Information System Monitoring | Analyze Traffic / Event Patterns
CDSS Requirement	The organization must: a. Analyzes communications traffic/event patterns for the information system; b. Develops profiles representing common traffic patterns and/or events; and c. Uses the traffic/event profiles in tuning system-monitoring devices to reduce the number of false positives and the number of false negatives.
Supplemental Guidance (from NIST 800-53)	None

17. **System and Services Acquisition (SA)**

Control Number	**SA-9**
Title	External Information System Services
CDSS Requirement	The organization must: a. Require that providers of external information system services comply with organizational information security requirements and employ organization-defined security controls in accordance with CDSS PSA, applicable federal laws, Executive Orders, directives, policies, regulations, standards, and guidance; b. Defines and documents government oversight and user roles and responsibilities with regard to external information system services; and c. Employs organization-defined processes, methods, and techniques to monitor security control compliance by external service providers on an ongoing basis. *The state organization will provide its contractors and agents with copies of the Agreement, related IEAs, and all related attachments before initial disclosure of PII to such contractors and agents. Prior to signing the Agreement, and thereafter at CDSS's request, the state organization will obtain from its contractors and agents a current list of the employees of such contractors and agents with access to PII and provide such lists to CDSS.*
Supplemental Guidance (from NIST 800-53)	External information system services are services that are implemented outside of the authorization boundaries of organizational information systems. This includes services that are used by, but not a part of, organizational information systems. FISMA and OMB policy require that organizations using external service providers that are processing, storing, or transmitting federal information or operating information systems on behalf of the federal government ensure that such providers meet the same security requirements that federal agencies are required to meet. Organizations establish relationships with external service providers in a variety of ways including, for example, through joint ventures, business partnerships, contracts, interagency agreements, lines of business arrangements, licensing agreements, and supply chain exchanges. The responsibility for managing risks from the use of external information system services remains with authorizing officials. For services external to organizations, a chain of trust requires that organizations establish and retain a level of confidence that each participating provider in the potentially complex consumer-provider relationship provides adequate protection for the services rendered. The extent and nature of this chain of trust varies based on the relationships between organizations and the external providers. Organizations document the basis for trust relationships so the relationships can be monitored over time. External information system services documentation includes government, service providers, end user security roles and responsibilities, and service-level agreements. Service-level agreements define expectations of performance for security controls, describe measurable outcomes, and identify remedies and response requirements for identified instances of noncompliance. Related controls: CA-3, IR-7, PS-7.

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Control Number	SA-11
Title	Developer Security Testing And Evaluation
CDSS Requirement	The organization must require the developer of the information system, system component, or information system service to: a. Create and implement a security assessment plan; b. Perform [Selection (one or more): unit; integration; system; regression] testing/evaluation at [Assignment: organization-defined depth and coverage]; c. Produce evidence of the execution of the security assessment plan and the results of the security testing/evaluation; d. Implement a verifiable flaw remediation process; and e. Correct flaws identified during security testing/evaluation
Supplemental Guidance (from NIST 800-53)	Supplemental Guidance: Developmental security testing/evaluation occurs at all post-design phases of the system development life cycle. Such testing/evaluation confirms that the required security controls are implemented correctly, operating as intended, enforcing the desired security policy, and meeting established security requirements. Security properties of information systems may be affected by the interconnection of system components or changes to those components. These interconnections or changes (e.g., upgrading or replacing applications and operating systems) may adversely affect previously implemented security controls. This control provides additional types of security testing/evaluation that developers can conduct to reduce or eliminate potential flaws. Testing custom software applications may require approaches such as static analysis, dynamic analysis, binary analysis, or a hybrid of the three approaches. Developers can employ these analysis approaches in a variety of tools (e.g., web-based application scanners, static analysis tools, binary analyzers) and in source code reviews. Security assessment plans provide the specific activities that developers plan to carry out including the types of analyses, testing, evaluation, and reviews of software and firmware components, the degree of rigor to be applied, and the types of artifacts produced during those processes. The depth of security testing/evaluation refers to the rigor and level of detail associated with the assessment process (e.g., black box, gray box, or white box testing). The coverage of security testing/evaluation refers to the scope (i.e., number and type) of the artifacts included in the assessment process. Contracts specify the acceptance criteria for security assessment plans, flaw remediation processes, and the evidence that the plans/processes have been diligently applied. Methods for reviewing and protecting assessment plans, evidence, and documentation are commensurate with the security category or classification level of the information system. Contracts may specify documentation protection requirements. Related controls: CA-2, CM-4, SA-3, SA-4, SA-5, SI-2.

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B. Minimum Cloud Security Requirements

County Department/Agency and any agents, subcontractors, and vendors storing PII in a cloud service must comply with the Cloud Computing Policy, State Administration Manual (SAM) Sections 4983-4983.1, and employ the capabilities in the Cloud Security Standard, SIMM 5315-B to protect information and systems in cloud services as outlined below.

1. Identify and classify assets to focus and prioritize efforts in aligning business needs and risk management.
2. Each information asset for which the County Department/Agency entity has ownership responsibility shall be inventoried and identified to include the following:
    a. Description and value of the information asset.
    b. Owner of the information asset.
    c. Custodians of the information asset.
    d. Users of the information asset.
    e. Classification of information.
    f. FIPS Publication 199 categorization and level of protection (Low, Moderate, or High).
    g. Importance of information assets to the execution of the Agency/state entity's mission and program function.
    h. Potential consequences and impacts if confidentiality, integrity, and availability of the information asset were compromised.

3. Security of cloud services stems from managing authentication and fine-grained authorization. To safeguard cloud systems, County Department/Agency shall establish processes and procedures to ensure:
    a. Maintenance of user identities, including both provisioning and de-provisioning;
    b. Enforcement of password policies or more advanced multifactor mechanisms to authenticate users and devices;
    c. Management of access control rules, limiting access to the minimum necessary to complete defined responsibilities;
    d. Separation of duties to avoid functional conflicts;
    e. Periodic recertification of access control rules to identify those that are no longer needed or provide overly broad clearance;
    f. Use of privileged accounts that can bypass security are restricted and audited;
    g. Systems to administer access based on roles are defined and installed; and
    h. Encryption keys and system security certificates are effectively generated, exchanged, stored and safeguarded.

4. Infrastructure protection controls limit the impact of unintended access or potential vulnerabilities. PaaS and SaaS resources may already have these controls implemented by the service provider. County Department/Agency must configure information assets to provide only

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essential capabilities.

5. County Department/Agency are entrusted with protecting the integrity and confidentiality of data processed by their information systems. Cloud technologies simplify data protection by providing managed data storage services with native protection and backup features, but these features must be configured and managed appropriately.
6. Detective controls identify potential security threats or incidents, supporting timely investigation and response. County Department/Agency must continuously identify and remediate vulnerabilities.
7. Response controls enable timely event and incident response which is essential to reducing the impact if an incident were to occur. Compliance with incident management requirements as outlined in VII. Notification and Investigation of Breaches and Security Incidents.
8. Recover controls facilitate long-term recovery activities following events or incidents. With cloud services, primarily SaaS solutions, the services provider hosts the data in its application, and unless properly planned and provisioned for in the contract with the service provider it may be difficult or impossible to obtain the data in a usable format at contract termination. County Department/Agency must ensure agreements with cloud service providers include recover controls.

C. ***Minimum Necessary.*** Only the minimum necessary amount of PII required to perform required business functions applicable to the terms of this Agreement may be used, disclosed, copied, downloaded, or exported.

D. ***Transmission and Storage of PII.*** All persons that will be working with PII shall employ FIPS 140-2 or greater approved security functions as described in section 6.2.2 of NIST SP 800-140Cr1 encryption of PII at rest and in motion unless County Department/Agency determines it is not reasonable and appropriate to do so based upon a risk assessment, and equivalent alternative measures are in place and documented as such. In addition, County Department/Agency shall maintain, at a minimum, the most current industry standards for transmission and storage of CDSS data and other confidential information.

E. ***DHCS Remote Work Policy.*** County Department/Agency, its County Workers and any agents, subcontractors, and vendors accessing PII pursuant to this PSA when working remotely, shall follow reasonable policies and procedures that are equivalent to or better than the DHCS Remote Work Policy, as published in Medi-Cal Eligibility Division Informational Letter (MEDIL) | 23-35E. Working remotely means working from a physical location not under the control of the person's employer.

If DHCS changes the terms of the DHCS Remote to Work Policy, DHCS will, as soon as reasonably possible, supply copies to CWDA and the County Department/Agency or its designee as well as DCHS' proposed target date for compliance. For a period of thirty (30) days, DHCS will accept input from

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CWDA and the County Department/Agency or its designee on the proposed changes. DHCS will issue a new policy in a future MEDIL. If the County Department/Agency is unable to comply with these standards, the CWD will be asked to develop a Plan of Action and Milestones (POA&M) detailing a concrete roadmap to becoming fully compliant with the policy's standard. The POA&M must be provided to CDSS for review and approval. Any CWDA who is under a POA&M will be required to provide quarterly updates to DHCS until the fully compliant.

VI. AUDIT CONTROLS

A. ***Audit Control Mechanisms.*** The County Department/Agency shall ensure audit control mechanisms are in place that are compliant with the Technical Security Controls within Section V of this Agreement.

B. ***Anomalies.*** When the County Department/Agency or CDSS suspects MEDS usage anomalies, the County Department/Agency shall work with CDSS to investigate the anomalies and report conclusions of such investigations and remediation to CDSS.

C. ***Notification to CDSS in event County Department/Agency is subject to other Audit.*** If County Department/Agency is the subject of an audit, compliance review, investigation, or any proceeding that is related to the performance of its obligations pursuant to this Agreement, or is the subject of any judicial or administrative proceeding alleging a violation of law related to the privacy and security of PII, including but not limited to PII, the County Department/Agency shall promptly notify CDSS unless it is legally prohibited from doing so.

VII. PAPER, RECORD, AND MEDIA CONTROLS

A. ***Supervision of Data.*** PII shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk, or office at the individual's place of employment or at home when working remotely. Unattended means that information may be observed by an individual not authorized to access the information.

B. ***Data in Vehicles.*** The County Department/Agency shall have policies that include, based on applicable risk factors, a description of the circumstances under which the County Workers can transport PII, as well as the physical security requirements during transport. A County Department/Agency that chooses to permit its County Workers to leave records unattended in vehicles, shall include provisions in its policies to provide that the PII is stored in a non-visible area such as a trunk, that the vehicle is locked, and that under no circumstances permit PII to be left unattended in a vehicle overnight or for other extended periods of time.

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C. ***Public Modes of Transportation.*** PII shall not be left unattended at any time in airplanes, buses, trains, etc., inclusive of baggage areas. This should be included in training due to the nature of the risk.

D. ***Escorting Visitors.*** Visitors to areas where PII is contained shall be escorted, and PII shall be kept out of sight while visitors are in the area.

E. ***Confidential Destruction.*** PII shall be disposed of through confidential means, such as cross cut shredding or pulverizing.

F. ***Removal of Data.*** PII shall not be removed from the premises of County Department/Agency except for justifiable business purposes.

G. ***Faxing.***

1. Faxes containing PII shall not be left unattended and fax machines shall be in secure areas.

2. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them and notify the sender.

3. Fax numbers shall be verified with the intended recipient before sending the fax.

H. ***Mailing.***

1. Mailings containing PII shall be sealed and secured from damage or inappropriate viewing of PII to the extent possible.

2. Mailings that include 500 or more individually identifiable records containing PII in a single package shall be sent using a tracked mailing method that includes verification of delivery and receipt.

VIII. NOTIFICATION AND INVESTIGATION OF BREACHES AND SECURITY INCIDENTS

During the term of this Agreement, the County Department/Agency agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:

A. ***Initial Notice to DHCS:***
The County Department/Agency shall notify DHCS using DHCS' online incident reporting portal of any suspected security incident, intrusion, or unauthorized access, use, or disclosure of PII or potential loss of PII. When making notification, the following applies:

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1. If a suspected security incident involves PII provided or verified by SSA, the County Department/Agency shall immediately notify DHCS upon discovery. For more information on SSA data, please see the Definition section of this Agreement.

2. If a suspected security incident does not involve PII provided or verified by SSA, the County Department/Agency shall notify DHCS promptly and in no event later than one working day of discovery of:

    a. Unsecured PII if the PII is reasonably believed to have been accessed or acquired by an unauthorized person;
    b. Any suspected security incident which risks unauthorized access to PII and/or;
    c. Any intrusion or unauthorized access, use, or disclosure of PII in violation of this Agreement; or
    d. Potential loss of PII affecting this Agreement.

Notice to DHCS shall include all information known at the time the incident is reported. The County Department/Agency can submit notice via the DHCS incident reporting portal which is available online at: https://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/default.aspx

If DHCS' online incident reporting portal is unavailable, notice to DHCS can instead be made via email using the DHCS Privacy Incident Report (PIR) form. The email address to submit a PIR can be found on the PIR and in subsection H of this section. The County Department/Agency shall use the most current version of the PIR, which is available online at: https://www.dhcs.ca.gov/formsandpubs/laws/priv/Documents/Privacy-Incident-Report-PIR.pdf.

If the County Department/Agency is unable to notify DHCS the via the Incident Reporting Portal or email, notification can be made by telephone using the contact information listed in subsection H.

A breach shall be treated as discovered by the County Department/Agency as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach), who is an employee, officer or other agent of the County Department.

Upon discovery of a breach, security incident, intrusion, or unauthorized access, use, or disclosure of PII, the County Department/Agency shall take:

1. Prompt corrective action to mitigate any risks or damages involved with the security incident or breach; and

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2. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

B. ***Investigation of Security Incident or Breach.*** The County Department/Agency shall immediately investigate such a security incident, breach, or unauthorized use of PII.

C. ***Complete Report.*** Within ten (10) working days of the discovery the County Department/Agency shall provide any additional information related to the incident requested by DHCS. The County Department/Agency shall make reasonable efforts to provide DHCS with such information.

The complete report must include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable federal and state laws. The report shall include a full, detailed corrective action plan (CAP) including mitigating measures that were taken to halt and/or contain the improper use or disclosure.

If DHCS requests additional information related to the incident, the County Department/Agency shall make reasonable efforts to provide DHCS with such information. If necessary, the County Department/Agency shall submit an updated report with revisions and/or additional information after the Completed Report has been provided. DHCS will review and determine whether a breach occurred and whether individual notification is required. DHCS will maintain the final decision making over a breach determination.

D. ***Notification of Individuals.*** If the cause of a breach is solely attributable to County Department/Agency or its agents, County Department/Agency shall notify individuals accordingly and shall pay all costs of such notifications as well as any costs associated with the breach. The notifications shall comply with applicable federal and state law. DHCS shall approve the time, manner, and content of any such notifications and their review and approval must be obtained before the notifications are made. DHCS and the County Department/Agency shall work together to ensure that notification of individuals is done in compliance with statutory deadlines within applicable federal and state law.

If the cause of a breach is solely attributable to CDSS, CDSS shall pay all costs of such notifications as well as any costs associated with the breach. If there is any question as to whether CDSS or the County Department/Agency is responsible for the breach or CDSS and the County Department/Agency acknowledge that both are responsible for the breach, CDSS and the County Department/Agency shall jointly determine responsibility for purposes of allocating the costs.

1. All notifications (regardless of breach status) regarding beneficiaries'

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PII shall comply with the requirements set forth in Section 1798.29 of the California Civil Code and Section 17932 of Title 42 of United States Code, inclusive of its implementing regulations, including but not limited to the requirement that the notifications be made without unreasonable delay and in no event later than **sixty (60) calendar days** from discovery.

E. ***Responsibility for Reporting of Breaches***

1. ***Breach Attributable to County Department/Agency.*** If the cause of a breach of PII is attributable to the County Department/Agency or its agents, subcontractors, or vendors, the County Department/Agency shall be responsible for all required reporting of the breach.

2. ***Breach Attributable to CDSS.*** If the cause of the breach is attributable to CDSS, CDSS shall be responsible for all required reporting of the breach.

F. ***Coordination of Reporting.*** When applicable law requires the breach be reported to a federal or state agency, or that notice be given to media outlets, DHCS (if the breach involves MEDS or SSA data), CDSS, and the County Department/Agency shall coordinate to ensure such reporting is compliant with applicable law and prevent duplicate reporting and to jointly determine responsibility for purposes of allocating the costs of such reports, if any.

G. ***Submission of Sample Notification to Attorney General:*** If the cause of the breach is attributable to the County Department/Agency or an agent, subcontractor, or vendor of the County Department/Agency and if notification to more than 500 individuals is required pursuant to California Civil Code section 1798.29, regardless of whether County Department/Agency is considered only a custodian and/or non-owner of the PII, County Department/Agency shall, at its sole expense and at the sole election of DHCS, either:

1. Electronically submit a single sample copy of the security breach notification, excluding any personally identifiable information, to the Attorney General pursuant to the format, content, and timeliness provisions of Section 1798.29, subdivision (e). County Department/Agency shall inform the DHCS Privacy Officer of the time, manner, and content of any such submissions prior to the transmission of such submissions to the Attorney General; or

2. Cooperate with and assist DHCS in its submission of a sample copy of the notification to the Attorney General.

H. ***CDSS and DHCS Contact Information.*** The County Department/Agency shall utilize the below contact information to direct all communication/notifications of

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breach and security incidents to CDSS and DHCS. CDSS reserves the right to make changes to the contact information by giving written notice to the County Department/Agency. Said changes shall not require an amendment to this Agreement or any other agreement into which it is incorporated.

CDSS Breach and Security Incident Reporting

California Department of Social Services
Information Security and Privacy Office
Department of Health Care Services

744 P Street, MS 9-10-59
Sacramento, CA 95814-6413

Email: GEN1370@dss.ca.gov Telephone: (916) 651-5558
The preferred method of communication is email, when available. Do not include any PII unless requested by CDSS.

DHCS Breach and Security Incident Reporting

Privacy Officer
c/o Data Privacy Unit
Department of Health Care Services

P.O. Box 997413, MS 0011
Sacramento, CA 95899-7413

Email: incidents@dhcs.ca.gov Telephone: (916) 445-4646
The preferred method of communication is email, when available. Do not include any PII unless requested by DHCS

IX. CDSS PSA CONTACTS

The County Department/Agency shall utilize the below contact information for any PSA-related inquiries or questions. CDSS reserves the right to make changes to the contact information by giving written notice to the County Department/Agency. Said changes shall not require an amendment to this Agreement or any other agreement into which it is incorporated. *Please use the contact information listed in Section VIII of this Agreement for any PII incident or breach reporting.*

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PSA Inquires and Questions
Department of Social Services
Information Security and Privacy Office - PSA
744 P Street, MS-10-59
Sacramento, CA 95814-6413

Email: iso@dss.ca.gov

X. COMPLIANCE WITH SSA AGREEMENT

The County Department/Agency agrees to comply with applicable privacy and security requirements in the Computer Matching and Privacy Protection Act Agreement (CMPPA) between SSA and the California Health and Human Services Agency (CalHHS), in the Information Exchange Agreement (IEA) between SSA and DHCS, and in the Electronic Information Exchange Security Requirements and Procedures for State and Local Agencies Exchanging Electronic Information with SSA (TSSR), which are incorporated into this Agreement within section V. Technical Security Controls and Exhibit A (available upon request).

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

If SSA changes the terms of its agreement(s) with CDSS, CDSS will, as soon as reasonably possible after receipt, supply copies to County Welfare Directors Association (CWDA) and the County Department/Agency or its designee as well as CDSS' proposed target date for compliance. For a period of thirty (30) days, CDSS will accept input from CWDA and the County Department/Agency or its designee on the proposed target date and make adjustments, if appropriate. After the thirty (30) day period, CDSS will submit the proposed target date to SSA, which will be subject to adjustment by SSA. Once a target date for compliance is determined by SSA, CDSS will supply copies of the changed agreement to CWDA and the County Department/Agency or its designee, along with the compliance date expected by SSA. If the County Department/Agency is not able to meet the SSA compliance date, the County Department/Agency will be asked to develop a Plan of Action and Milestones POAM detailing a concrete roadmap to becoming fully compliant with the policy's standard. The POAM must be provided to CDSS for review and approval. Any County Department/Agency who is under a POAM will be required to provide quarterly updates to CDSS until the fully compliant.

A copy of Exhibit A can be requested by authorized County Department/Agency individuals from CDSS using the contact information listed in Section IX of this Agreement.

XI. COMPLIANCE WITH DEPARTMENT OF HOMELAND SECURITY

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AGREEMENT

The County Department/Agency agrees to comply with substantive privacy and security requirements in the Computer Matching Agreement (CMA) between the Department of Homeland Security, United States Citizenship and Immigration Services (DHS-USCIS) and CDSS, which is hereby incorporated into this Agreement (Exhibit B) and available upon request. If there is any conflict between a privacy and security standard in the CMA and a standard in this Agreement, the most stringent standard shall apply. The most stringent standard means the standard which provides the greatest protection to PII.

If DHS-USCIS changes the terms of its agreement(s) with CDSS, CDSS will, as soon as reasonably possible after receipt, supply copies to the CWDA and the County Department/Agency or its designee as well as CDSS' proposed target date for compliance. For a period of thirty (30) days, CDSS will accept input from CWDA and the County Department/Agency or its designee on the proposed target date and make adjustments, if appropriate. After the 30-day period, CDSS will submit the proposed target date to DHS-USCIS, which will be subject to adjustment by DHS-USCIS. Once a target date for compliance is determined by DHS-USCIS, CDSS will supply copies of the changed agreement to CWDA and the County Department/Agency or its designee, along with the compliance date expected by DHS-USCIS. If the County Department/Agency is not able to meet the DHS-USCIS compliance date, the POA&M must be provided to CDSS for review and approval. Any County Department/Agency who is under a POA&M will be required to provide quarterly updates to CDSS until the fully compliant.

A copy of Exhibit B can be requested by authorized County Department/Agency individuals from CDSS using the contact information listed in Section IX of this Agreement.

XII. COUNTY DEPARTMENT'S/AGENCY'S AGENTS, SUBCONTRACTORS, AND VENDORS

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

County Departments/Agencies who would like assistance or guidance with this

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requirement are encouraged to contact CDSS via email at iso@dss.ca.gov.

XIII. ASSESSMENTS AND REVIEWS

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

XIV. ASSISTANCE IN LITIGATION OR ADMINISTRATIVE PROCEEDINGS

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

XV. AMENDMENT OF AGREEMENT

CDSS and the County Department/Agency acknowledge that federal and state laws relating to data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such changes. Upon request by CDSS, the County Department/Agency agrees to promptly enter into negotiations with CDSS concerning an amendment to this Agreement as may be needed by changes in federal and state laws and regulations or NIST 800-53. In addition to any other lawful remedy, CDSS may terminate this Agreement upon 30 days written notice if the County Department/Agency does not promptly agree to enter into negotiations to amend this Agreement when requested to do so or does not enter into an amendment that CDSS deems necessary.

XVI. TERMINATION

This Agreement shall terminate on September 1, 2028, regardless of the date the Agreement is executed by the parties. The parties can agree in writing to extend the term of the Agreement. County Department/Agency's requests for an extension shall

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be approved by CDSS and limited to no more than a six (6) month extension.

A. ***Survival:*** All provisions of this Agreement that provide restrictions on disclosures of PII and that provide administrative, technical, and physical safeguards for the PII in the County Department/Agency's possession shall continue in effect beyond the termination or expiration of this Agreement and shall continue until the PII is destroyed or returned to CDSS.

XVII. TERMINATION FOR CAUSE

Upon CDSS' knowledge of a material breach or violation of this Agreement by the County Department/Agency, CDSS may provide an opportunity for the County Department/Agency to cure the breach or end the violation and may terminate this Agreement if the County Department/Agency does not cure the breach or end the violation within the time specified by CDSS. This Agreement may be terminated immediately by CDSS if the County Department/Agency has breached a material term and CDSS determines, in its sole discretion, that cure is not possible or available under the circumstances. Upon termination of this Agreement, the County Department/Agency shall return or destroy all PII in accordance with Section VII, above. The provisions of this Agreement governing the privacy and security of the PII shall remain in effect until all PII is returned or destroyed and CDSS receives a certificate of destruction.

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XVIII. SIGNATORIES

The signatories below warrant and represent that they have the competent authority on behalf of their respective agencies to enter into the obligations set forth in this Agreement.

The authorized officials whose signatures appear below have committed their respective agencies to the terms of this Agreement. The contract is effective no later than ten calendar weeks after the date this ACL was issued.

For the County of Monterey,

Department/Agency of Social Services,

(Signature) (Date)

Roderick W. Franks — Director

(Name) (Title)

For the California Department of Social Services,

(Signature) (Date)

Chief, Contracts Bureau

(Name) (Title)

DocuSigned by:
Anne Brereton
A46091E5DE63489...
Deputy County Counsel

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EXHIBIT A

Exhibit A consists of the current versions of the following documents, copies of which can be requested by the County Department/Agency information security and privacy staff, or other authorized county official from CDSS by using the contact information listed in Section IX of this Agreement.

- Computer Matching and Privacy Protection Act Agreement between the SSA and California Health and Human Services Agency
- Information Exchange Agreement between SSA and DHCS
- Electronic Information Exchange Security Requirements and Procedures for State and Local Agencies Exchanging Electronic Information with the SSA (TSSR)

EXHIBIT B

Exhibit B consists of the current version of the following document, a copy of which can be requested by the County Department/Agency information security and privacy staff, or other authorized county official from CDSS by using the contact information listed in Section IX of this Agreement.

- Computer Matching Agreement between the Department of Homeland Security, United States Citizenship and Immigration Services (DHS-USCIS) and California Department of Social Services (CDSS)

EXHIBIT C

Exhibit C consists of the current version of the SIMM-5300-A, a copy of which can be requested by the County Department/Agency information security and privacy staff, or other authorized county official from CDSS by using the contact information listed in Section IX of this Agreement. The SIMM-5300-A can be used as guidance for implementing security controls found in NIST SP 800-53.

Introduced: 9/23/2025

Current Status: Department of Social Services - Consent

Version: 1

Matter Type: BoS Agreement

a. Approve and authorize the Director or designee of the Department of Social Services to sign an Agreement with Kendal White dba K&D Landscaping Inc to provide services to pour concrete slab and place dog tunnel at SHARE Center, retroactive to September 1, 2025 for the period of September 1, 2025 through June 30, 2026, in the amount of $40,000; and
b. Authorize the Director or designee of the Department of Social Services to sign up to three amendments to this Agreement where the total amendments do not exceed 10% ($4,000) of the amended contract amount, do not significantly change the scope of work, and do not exceed the maximum aggregate amount of $44,000.

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Approve and authorize the Director or designee of the Department of Social Services to sign an Agreement with Kendal White dba K&D Landscaping Inc to provide services to pour concrete slab and place dog tunnel at SHARE Center, retroactive to September 1, 2025 for the period of September 1, 2025 through June 30, 2026, in the amount of $40,000; and
b. Authorize the Director or designee of the Department of Social Services to sign up to three amendments to this Agreement where the total amendments do not exceed 10% ($4,000) of the amended contract amount, do not significantly change the scope of work, and do not exceed the maximum aggregate amount of $44,000.

SUMMARY/DISCUSSION:
This agreement is for minor renovations to the pet run area of the Salinas Housing Advancement, Resource & Education (SHARE) Center. These improvements will allow for installation of additional kennels and a dog tunnel intended to enhance recreation and accommodations for pets who are staying with their owners at the SHARE Center. The dog tunnel and kennels were obtained through a previous grant specifically to enhance the needs of pets staying in homeless shelters and housing navigation centers.
The Department of Social Services (DSS) worked with Public Works, Facilities and Parks (PWFP) several years ago to complete these renovations, however the scope and cost exceeded the budget available for this project. Several bids were initially issued thru PWFP as DSS went back to strategize on how to scale back the project to work within the budget available. DSS requested quotes from several vendors on County Purchasing's Master Agreement listing prior to selecting the vendor for this project using prevailing wage. This agreement is retroactive and DSS is requesting approval of this agreement.

OTHER AGENCY INVOLVEMENT:
The Office of County Counsel has reviewed and approved the Agreements as to form, as has the Auditor-Controller's Office as to financial provisions.
FINANCING:
Funding for this agreement is provided by Homeless, Housing, Assistance and Prevention grant round 4 with funds specifically designated for shelter improvements. Sufficient appropriations and estimated revenues in SOC004 are included in the FY 2025-26 Adopted Budget.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
This agreement correlates to the Health & Human Services Strategic Initiative adopted by the Board of Supervisors by promoting access to safe shelter and housing navigation services to reduce risk for physical and mental health issues and other chronic illness to individuals experiencing homelessness.
Check the related Board of Supervisors Strategic Initiatives:
___Economic Development
___Administration
_X_Health & Human Services
___Infrastructure
___Public Safety

Prepared by: Sylvia Solis, Administrative Operations Manager x4483

Approved by: Roderick W. Franks, DSS Director, x4430

Attachment: Agreement

The proposed agreement is on file with Clerk of the Board as an attachment to this Board Report.

Introduced: 9/23/2025
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

a. Approve and authorize the Director or designee of the Department of Social Services to sign an Agreement with Kendal White dba K&D Landscaping Inc to provide services to pour concrete slab and place dog tunnel at SHARE Center, retroactive to September 1, 2025 for the period of September 1, 2025 through June 30, 2026, in the amount of $40,000; and
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RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Approve and authorize the Director or designee of the Department of Social Services to sign an Agreement with Kendal White dba K&D Landscaping Inc to provide services to pour concrete slab and place dog tunnel at SHARE Center, retroactive to September 1, 2025 for the period of September 1, 2025 through June 30, 2026, in the amount of $40,000; and
b. Authorize the Director or designee of the Department of Social Services to sign up to three amendments to this Agreement where the total amendments do not exceed 10% ($4,000) of the amended contract amount, do not significantly change the scope of work, and do not exceed the maximum aggregate amount of $44,000.

SUMMARY/DISCUSSION:
This agreement is for minor renovations to the pet run area of the Salinas Housing Advancement, Resource & Education (SHARE) Center. These improvements will allow for installation of additional kennels and a dog tunnel intended to enhance recreation and accommodations for pets who are staying with their owners at the SHARE Center. The dog tunnel and kennels were obtained through a previous grant specifically to enhance the needs of pets staying in homeless shelters and housing navigation centers.

The Department of Social Services (DSS) worked with Public Works, Facilities and Parks (PWFP) several years ago to complete these renovations, however the scope and cost exceeded the budget available for this project. Several bids were initially issued thru PWFP as DSS went back to strategize on how to scale back the project to work within the budget available. DSS requested quotes from several vendors on County Purchasing's Master Agreement listing prior to selecting the vendor for this project using prevailing wage. This agreement is retroactive and DSS is requesting approval of this agreement.

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This agreement correlates to the Health & Human Services Strategic Initiative adopted by the Board of Supervisors by promoting access to safe shelter and housing navigation services to reduce risk for physical and mental health issues and other chronic illness to individuals experiencing homelessness.

Check the related Board of Supervisors Strategic Initiatives:
____Economic Development
____Administration
_X__Health & Human Services
____Infrastructure
____Public Safety

Prepared by: Sylvia Solis, Administrative Operations Manager x4483

Approved by: Roderick W. Franks, DSS Director, x4430

Attachment: Agreement

The proposed agreement is on file with Clerk of the Board as an attachment to this Board Report.

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COUNTY OF MONTEREY STANDARD AGREEMENT

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:

Kendel White dba K&D Landscaping Inc.,

(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1.0 GENERAL DESCRIPTION:

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

Provide: services to pour concrete slab and place dog tunnel.

2.0 PAYMENT PROVISIONS:

2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of: **$** 40,000.00

3.0 TERM OF AGREEMENT:

3.01 The term of this Agreement is from September 1, 2025 to June 30, 2026, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement**.

3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS:

The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions

Exhibit B Other:

See page 11(a) for a list of Exhibits

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5.0 PERFORMANCE STANDARDS:

5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.

5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6.0 PAYMENT CONDITIONS:

6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.

6.03 Invoice amounts shall be billed directly to the ordering department.

6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.05 CONTRACTOR shall not receive reimbursement for mileage or travel expenses unless set forth in this Agreement.

7.0 TERMINATION:

7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

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7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8.0 INDEMNIFICATION:

CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9.0 INSURANCE REQUIREMENTS:

9.01 **Evidence of Coverage:** Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 **Qualifying Insurers:** All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current A.M. Best's Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Agent.

9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to

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indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance: including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence, and $2,000,000 in the aggregate.
(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Auto Liability Coverage: must include motor vehicles, including scheduled, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.
(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance: if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.
(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.
(Note: Professional liability insurance coverage is required if the contractor is providing a professional service regulated by the state. Examples of service providers regulated by the state are insurance agents, professional architects and engineers, doctors, certified public accountants, lawyers, etc. However, other professional Contractors, such as computer or software designers, technology services, and services providers such as claims administrators, should also have professional liability. If in doubt, consult with your risk or contract manager.)

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor.

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9.04 **Other Requirements:**

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Additional Insured Status:

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the auto liability policy for liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor. Auto liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance.

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage:

For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Workers' Compensation Waiver of Subrogation:

The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against COUNTY, its officers, officials, employees, agents, or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by CONTRACTOR. Should CONTRACTOR be self-insured for workers' compensation, CONTRACTOR hereby agrees to waive its right of subrogation against COUNTY, its officers, officials,

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employees, agents, or volunteers.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance and endorsements with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10.0 RECORDS AND CONFIDENTIALITY:

10.01 **Confidentiality:** CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.02 **County Records:** When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.

10.03 **Maintenance of Records:** CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after reciept of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then CONTRACTOR shall retain said records until such action is resolved.

10.04 **Access to and Audit of Records:** The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining

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to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05 **Royalties and Inventions:** County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

10.06 **Format of Deliverables:** For this section, "Deliverables" shall mean all electronic documents CONTRACTOR provides to the County under this Agreement. CONTRACTOR shall ensure all Deliverables comply with the requirements of the Web Content Accessibility Guidelines ("WCAG") 2.1, pursuant to the Americans with Disabilities Act ("ADA"). CONTRACTOR bears the burden to deliver Deliverables, such as Adobe Acrobat Portable Document Format ("PDF") and Microsoft Office files, complying with WCAG 2.1. CONTRACTOR shall defend and indemnify the County against any breach of this Section. This Section shall survive the termination of this Agreement. Find more on Accessibility at this State website: https://webstandards.ca.gov/accessibility/.

11.0 NON-DISCRIMINATION:

11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS:

If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13.0 COMPLIANCE WITH APPLICABLE LAWS:

13.01 CONTRACTOR shall keep itself informed of and in compliance with all federal, state, and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT as well as any privacy laws including, if applicable, HIPAA. CONTRACTOR shall procure all permits and licenses,

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pay all charges and fees, and give all notices require by law in the performance of the Services.

13.02 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

13.03 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations, and guidelines that are in force at the time such documentation is prepared.

14.0 INDEPENDENT CONTRACTOR:

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is always acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

15.0 NOTICES:

Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	**FOR CONTRACTOR:**
Roderick W. Franks, Director	Brian Gates, Senior Project Manager
Name and Title	Name and Title
1000 S. Main St., Suite 301, Salinas, CA 93901	P.O. Box 2187, Freedom, CA 95019
Address	Address
831-755-4430	831-728-4018
Phone:	Phone:

16.0 MISCELLANEOUS PROVISIONS.

16.01 **Conflict of Interest:** CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance

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of the services required to be rendered under this Agreement.

16.02 **Amendment:** This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

16.03 **Waiver:** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

16.04 **Contractor:** The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

16.05 **Disputes:** CONTRACTOR shall continue to perform under this Agreement during any dispute.

16.06 **Assignment and Subcontracting:** The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

16.07 **Successors and Assigns:** This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

16.08 **Headings:** The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

16.09 **Time is of the Essence:** Time is of the essence in each and all of the provisions of this Agreement.

16.10 **Governing Law:** This Agreement shall be governed by and interpreted under the laws of the State of California; venue shall be Monterey County.

16.11 **Non-exclusive Agreement:** This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

16.12 **Construction of Agreement:** The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

16.13 **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

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16.14 **Authority:** Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

16.15 **Integration:** This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.

16.16 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

17.0 CONSENT TO USE OF ELECTRONIC SIGNATURES.

17.01 The parties to this Agreement consent to the use of electronic signatures via DocuSign to execute this Agreement. The parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 U.S.C. Section 7001 et seq.; California Government Code Section 16.5; and, California Civil Code Section 1633.1 *et. seq.* Pursuant to said state and federal law as may be amended from time to time, the parties to this Agreement hereby authenticate and execute this Agreement, and any and all Exhibits to this Agreement, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF).

17.02 **Counterparts.**

The parties to this Agreement understand and agree that this Agreement can be executed in two (2) or more counterparts and transmitted electronically via facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) via email transmittal.

17.03 **Form: Delivery by E-Mail or Facsimile.**

Executed counterparts of this Agreement may be delivered by facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) by e-mail transmittal, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart or counterparts had been delivered to the other party in person.

********** THIS SECTION INTENTIONALLY LEFT BLANK **********

18.0 SIGNATURE PAGE

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: _____

Contracts/Purchasing Officer

Date: _____

By: _____

Department Head (if applicable)

Date: _____

Approved as to Form
Office of the County Counsel[1]
Susan K. Blitch, County Counsel

By: DocuSigned by: Anne Brereton A46091E5DE63489...

County Counsel

Date: 9/22/2025 | 3:26 PM PDT

Approved as to Fiscal Provisions

By: DocuSigned by: Patricia Ruiz E79EF64E37454F6...

Auditor/Controller

Date: 9/23/2025 | 9:11 AM PDT

Reviewed as to Liability Provisions
Office of the County Counsel-Risk Management

By: _____

David Bolton, Risk Manager

Date: _____

CONTRACTOR

Kendel White dba K&D Landscaping Inc.

Contractor/Business Name *

By: DocuSigned by: Justin White 87E9FFD21634479...

(Signature of Chair, President, or Vice-President)

Justin White - CEO

Name and Title

Date: 9/19/2025 | 1:49 PM PDT

By: Signed by: Jessica Wendt 0993BB2020E841E...

(Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Jessica Wendt, Secretary

Name and Title

Date: 9/22/2025 | 3:10 PM PDT

County Board of Supervisors' Agreement No. _____ approved on _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers (California Corporations Code, §313). If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of either 1) any member, or 2) two (2) managers (Corporations Code, §17703.01, subds. (a) and (d)). If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute on behalf of the partnership (Corporations Code, §§16301 and 15904.02). If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign

[1]Approval by the Office of the County Counsel is required.

[2]Approval by Auditor-Controller is required.

[3]Review by Risk Management is necessary only if changes are made in the Indemnification or Insurance paragraphs.

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LIST OF EXHIBITS
Kendal White dba K&D Landscaping Inc

Exhibit A	Scope of Services
Exhibit B	DSS Additional Provisions
Exhibit C	Proposal
Exhibit D	Budget
Exhibit E	Sample Invoice

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SCOPE OF SERVICES/PAYMENT PROVISIONS

Kendal White dba K&D LANDSCAPING INC

A. TOTAL FUNDING: $40,000.00 HHAP-4

B. CONTRACT TERM: September 1, 2025 – June 30, 2026

C. CONTACT INFORMATION:

County Contract Monitor:
County of Monterey Department of Social Services
Sylvia Solis, Administrative Services Officer
1000 S. Main Street, Suite 304 Salinas, CA 93901
Phone: (831) 755-4483
Soliss@countyofmonterey.gov

Contractor Information:
K&D Landscaping Inc
Brian Gates, Senior Project Manager
P.O. Box 2187, Freedom, CA 95019
Phone: (831) 718-4018
Brian@kndlandscaping.com

Location of Services:
SHARE Center
845 E. Laurel Drive
Salinas, CA

D. CONTRACT AWARD INFORMATION

CONTRACTOR UEI Number: KDGWW1EDAYK1
Date County Awarded Funding: N/A
ALN and Dollar Amount: N/A
Federal Award Description: N/A
Research and Development: No
Indirect Cost Rate: N/A

E. DESCRIPTION OF SERVICES:

CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

E.1 Excavation, grade, pour and broom area for a concrete pad in the open area of the dog kennel area size 45’ x 12’ pad. The concrete shall be 3500 psi mix, 6” thick, with #3 rebar at 16” o.c. over machine compacted base rock.

E.2 Place and compact base rock for the dog tunnel installation, install dog tunnel, provided by COUNTY.

E.3 CONTRACTOR shall provide services and staff and otherwise do all things necessary for or incidental to the performance of work, as set forth below.

E.3.1 Spread surplus soil on site or haul away

F. COMPENSATION/PAYMENT PROVISIONS:

In accordance with the principles of this Agreement, the duties and responsibilities of COUNTY are outlined as follows. The COUNTY shall:

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SCOPE OF SERVICES/PAYMENT PROVISIONS

F.1 Prevailing wages: CONTRACTOR shall comply with provisions of the California Labor Code (sections 1720, et seq.) governing public works, including payment of prevailing wages, payroll records and employment of apprentices. Copies of the determination of the general prevailing rate of per diem wages are available to interested parties at: http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm.

F.2 DIR Registration: During the entire term of this Agreement CONTRACTOR shall be registered with the California Department of Industrial Relations as a Public Works Contractor pursuant to Division 2, Part 7, Chapter 1, commencing with section 1720 of the California Labor Code. CONTRACTOR shall also fully comply with all SB 854 requirements.

F.3 Posting of Prevailing Wages at Job Site: CONTRACTOR shall be responsible for posting a copy of the determination of the prevailing wage rate of per diem wages at each job site for which CONTRACTOR provides services under this agreement to remain compliant with California Labor Code 1773.2.

F.4 The COUNTY may, in its sole discretion, terminate this Agreement or withhold payments claimed by the CONTRACTOR for services rendered if the CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

F.5 Total cost of this program is ***forty thousand dollars*** **($40,000.00)**.

F.5.1 Details regarding payments toward this project shall be reported *monthly* on the *Monthly* Invoices in the form of **Exhibit E, Sample Invoice**.

F.6 Maximum amount payable by COUNTY to CONTRACTOR under this Agreement shall not exceed ***forty thousand dollars*** **($40,000.00),** per **Exhibits D, Budget.**

F.7 CONTRACTOR shall submit original signed monthly invoices with supportive documentation to COUNTY setting forth the amount claimed by the 10th day of the month in which services were performed on the form set in **Exhibit E**, **Sample Invoice**. The final fiscal year invoices will be due no later than *July 10, 2026*.

F.8 All original signed invoices shall be submitted to the County Contract Monitor as listed in Section C.

(End of Exhibit A)

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MONTEREY COUNTY
DEPARTMENT OF SOCIAL SERVICES

ADDITIONAL PROVISIONS

I. PAYMENT BY COUNTY:

1.01 Monthly claims/invoices by CONTRACTOR: Not later than the tenth (10th) day of each month, CONTRACTOR shall submit to COUNTY a signed invoice setting forth the amount claimed. All invoices (monthly and final) shall be submitted in the form set forth in **Exhibit E**.

1.02 Final Invoice; forfeiture for late invoice: CONTRACTOR's final month and end of fiscal year invoice is due, and must be received by COUNTY, no later than close of business on **July 10th. If the Final Invoice is not received by COUNTY by close of business on July 10th. CONTRACTOR understands and agrees that the reimbursement of CONTRACTOR's final expenses represented by that invoice may be forfeited, and COUNTY shall have no legal obligation regarding it, nor shall COUNTY be required to make any payment towards that untimely/late invoiced claim.**

1.03 Allowable Costs:
a) Allowable costs shall be the CONTRACTOR's actual costs of developing, supervising and delivering the services under this Agreement, as set forth in **Exhibit D**. Only the costs listed in **Exhibit D** as contract expenses may be claimed as allowable costs. Any dispute over whether costs are allowable shall be resolved in accordance with the provisions of 45 Code of Federal Regulations, Part 74, Sub-Part F and 48 Code of Federal Regulations (CFR), Chapter 1, Part 31.

b) Allowable costs for travel expenses incurred while providing services under this Agreement, as set forth in **Exhibit D**, must follow the Monterey County Auditor/Controller's Travel Policy https://www.countyofmonterey.gov/government/departments-a-h/auditor-controller/policies-and-procedures and should be invoiced the current per diem rates for lodging, meals, and mileage up to the rates listed online at https://www.irs.gov/tax-professionals/standard-mileage-rates.

1.04 Cost Control: CONTRACTOR shall not exceed by more than twenty (20) percent any contract expense line-item amount in the budget without the written approval of COUNTY, given by and through the Contract Administrator or Contract Administrator's designee. CONTRACTOR shall submit an amended budget with its request for such approval. Such approval shall not permit CONTRACTOR to receive more than the maximum total amount payable under this contract. Therefore, an increase in one-line item will require corresponding decreases in other line items.

1.05 Payment in Full:
a) If COUNTY certifies and pays the amount requested by CONTRACTOR, such payment shall be deemed payment in full for the month in question and may not thereafter be reviewed or modified, except to permit COUNTY's recovery of overpayments.

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b) If COUNTY certifies and pays a lesser amount than the amount requested, COUNTY shall, immediately upon certification of the lesser amount, notify CONTRACTOR in writing of such certification. If CONTRACTOR does not protest the lesser amount by delivering to COUNTY a written notice of protest within twenty (20) days after CONTRACTOR's receipt of the certification, then payment of the lesser amount shall be deemed payment in full for the month in question and may not thereafter be questioned by CONTRACTOR.

1.06 Disputed payment amount: If COUNTY pays a lesser amount than the amount requested, and if CONTRACTOR submits a written notice of protest to COUNTY within twenty (20) days after CONTRACTOR's receipt of the certification, then the parties shall promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such dispute until the parties have met and attempted to resolve the dispute in person.

II. PERFORMANCE STANDARDS & COMPLIANCE

2.01 Outcome objectives and performance standards: CONTRACTOR shall for the entire term of this Agreement provide the service outcomes set forth in **Exhibit A**. CONTRACTOR shall meet the contracted level of service and the specified performance standards described in **Exhibit A**, unless prevented from doing so by circumstances beyond CONTRACTOR's control, including but not limited to, natural disasters, fire, theft, and shortages of necessary supplies or materials due to labor disputes.

2.02 County monitoring of services: COUNTY shall monitor services provided under this Agreement in order to evaluate the effectiveness and quality of services provided.

2.03 Notice of defective performance: COUNTY shall notify CONTRACTOR in writing within thirty (30) days after discovering any defects in CONTRACTOR's performance. CONTRACTOR shall promptly take action to correct the problem and to prevent its recurrence. Such corrective action shall be completed and a written report made to the COUNTY concerning such action not later than thirty (30) days after the date of the COUNTY's written notice to CONTRACTOR.

2.04 Termination for cause: Notwithstanding Section 7.02 of the Agreement, if the corrective actions required above are not completed and the report to the COUNTY not made within thirty (30) days, the COUNTY may terminate this Agreement by giving five (5) days' written notice to CONTRACTOR.

2.05 Remedies for Inadequate Service Levels:

a) For each month that service falls below 80% of the contracted level, CONTRACTOR shall submit to the COUNTY an analysis of the causes of the problem and any necessary actions to be taken to correct the problem. If the problem continues for another month, the COUNTY shall meet with CONTRACTOR to explore the problem and develop an appropriate written corrective action plan with appropriate time frames.

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b) If CONTRACTOR does not carry out the required corrective action within the time frame specified, sanctions shall be applied in accordance with funding source regulations.

c) Notwithstanding Section 7.02 of the Agreement, if, after the COUNTY notifies CONTRACTOR of any sanctions to be imposed, CONTRACTOR continues in its failure to take corrective action, then COUNTY may terminate this contract by giving CONTRACTOR five (5) days' written notice.

d) If all appropriate corrective actions are taken but service still falls 80% or more below contracted level, COUNTY and CONTRACTOR may renegotiate the contracted level of service.

2.06 Training for Staff: CONTRACTOR shall insure that sufficient training is provided to its volunteer and paid staff to enable them to perform effectively on the project, and to increase their existing level of skills. Additionally, CONTRACTOR shall ensure that all staff completes Division 21 Civil Rights training.

2.07 Bi-lingual Services: CONTRACTOR shall ensure that qualified staff is available to accommodate non-English speaking, and limited English proficient, individuals.

2.08 Assurance of drug free-workplace: CONTRACTOR shall submit to the COUNTY evidence of compliance with the California Drug-Free Workplace Act of 1990, Government Code sections 8350 et seq., by doing the following:

- Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying the actions that will be taken against employees for violations of the prohibition;
- Establishing a drug-free awareness program to inform employees about all of the following:
  1) the dangers of drug abuse in the workplace;
  2) the organization's policy of maintaining a drug-free workplace;
  3) any available drug counseling, rehabilitation, and employee assistance programs;
  4) the penalties that may be imposed upon employees for drug abuse violations;
  5) requiring that each employee engaged in the performance of the contract or grant be given a copy of the company's drug-free policy statement and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.

III. CONFIDENTIALITY

CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with Welfare and Institutions (W & I) Code Sec. 10850, 45 CFR Sec. 205.50, and all other applicable provisions of law which provide for the confidentiality of records and prohibit their being opened for examination for any purpose not directly connected with the administration of public social services. Whether or not covered by W&I Code Sec. 10850 or by 45 CFR Sec. 205.50, confidential medical or personnel records and the identities of clients and complainants shall not be disclosed unless there is proper consent to such disclosure or a court order

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requiring disclosure. Confidential information gained by CONTRACTOR from access to any such records, and from contact with its clients and complainants, shall be used by CONTRACTOR only in connection with its conduct of the program under this Agreement. The COUNTY, through the Director of the Department of Social Services, and his/her representatives, shall have access to such confidential information and records to the extent allowed by law, and such information and records in the hands of the COUNTY shall remain confidential and may be disclosed only as permitted by law.

IV. NON-DISCRIMINATION

CONTRACTOR certifies that to the best of its ability and knowledge it will comply with the nondiscrimination program requirements set forth in this Section.

4.01 Discrimination Defined: The term "discrimination" as used in this contract, is the same term that is used in Monterey County Code, Chapter 2.80 "Procedures for Investigation and Resolution of Discrimination Complaints"; it means the illegal denial of equal employment opportunity, harassment (including sexual harassment and violent harassment), disparate treatment, favoritism, subjection to unfair or unequal working conditions, and/or other discriminatory practice by any Monterey County official, employee or agent, due to an individual's race, color, ethnic group, national origin, ancestry, religious creed, sex, sexual orientation, age, veteran's status, cancer-related medical condition, physical handicap (including AIDS) or disability. The term also includes any act of retaliation.

4.02 Application of Monterey COUNTY Code Chapter 2.80: The provisions of Monterey COUNTY Code Chapter 2.80 apply to activities conducted pursuant to this Agreement. Complaints of discrimination made by CONTRACTOR against the COUNTY, or by recipients of services against CONTRACTOR, may be pursued using the procedures established by Chapter 2.80. CONTRACTOR shall establish and follow its own written procedures for the prompt and fair resolution of discrimination complaints made against CONTRACTOR by its own employees and agents, and shall provide a copy of such procedures to COUNTY on demand by COUNTY.

4.03 Compliance with laws: During the performance of this Agreement, CONTRACTOR shall comply with all applicable federal, state and local laws and regulations which prohibit discrimination, including but not limited to the following:

- **California Fair Employment and Housing Act**, California Government Code Sec. 12900 et seq., see especially Section 12940 (c), (h), (1), (i), and (j); and the administrative regulations issued thereunder, 2 Calif. Code of Regulations Secs. 7285.0 et seq. (Division 4 - Fair Employment and Housing Commission);

- **California Government Code Secs. 11135 - 11139.5,** as amended (Title 2, Div. 3, Part 1, Chap. 1, Art. 9.5) and any applicable administrative rules and regulations issued under these sections; including **Title 22 California Code of Regulations 98000-98413**.

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- **Federal Civil Rights Acts of 1964 and 1991** (see especially Title VI, 42 USC Secs. 2000d et seq.), as amended, and all administrative rules and regulations issued thereunder (see especially 45 CFR Part 80);

- **The Rehabilitation Act of 1973**, Secs. 503 and 504 (29 USC Sec. 793 and 794), as amended; all requirements imposed by the applicable HHS regulations (45 CFR Parts 80, 84 and 91); and all guidelines and interpretations issued pursuant thereto;

- **7 Code of Federal Regulations (CFR),** Part 15 and **28 CFR** Part 42;

- **Title II of the Americans with Disabilities Act of 1990** (P.L. 101-336), 42 U.S.C. Secs. 12101 et seq. and 47 U.S.C. Secs. 225 and 611, and any federal regulations issued pursuant thereto (see 24 CFR Chapter 1; 28 CFR Parts 35 and 36; 29 CFR Parts 1602, 1627, and 1630; and 36 CFR Part 1191);

- **Unruh Civil Rights Act**, Calif. Civil Code Sec. 51 et seq., as amended;

- **Monterey COUNTY Code**, Chap. 2.80.;

- **Age Discrimination in Employment Act 1975,** as amended **(ADEA),** 29 U.S.C. Secs 621 et seq.;

- **Equal Pay Act of 1963**, 29 U.S.C. Sec. 206(d);

- **California Equal Pay Act**, Labor Code Sec.1197.5.

- **California Government Code** Section 4450**;**

- **The Dymally-Alatorre Bilingual Services Act; Calif. Government Code Sec. 7290 et seq.**

- **The Food Stamp Act of 1977, as amended and in particular Section 272.6.**

- **California Code of Regulations, Title 24, Section 3105A(e)**

- **Removal of Barriers to Inter-Ethnic Adoption Act of 1996, Section 1808**

4.04 Written assurances: Upon request by COUNTY, CONTRACTOR will give any written assurances of compliance with the Civil Rights Acts of 1964 and 1991, the Rehabilitation Act of 1973 and/or the Americans with Disabilities Act of 1990, as may be required by the federal government in connection with this Agreement, pursuant to 45 CFR Sec. 80.4 or 45 CFR Sec. 84.5, and 91; 7 CFR Part 15; and 28 CFR Part 35**,** or other applicable State or federal regulation.

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4.05 Written non-discrimination policy: Contractor shall maintain a written statement of its non-discrimination policies which shall be consistent with the terms of this Agreement. Such statement shall be available to employees, recipients of services, and members of the public, upon request.

4.06 Grievance Information: CONTRACTOR shall advise applicants who are denied CONTRACTOR's services, and recipients who do receive services, of their right to present grievances, and of their right to a State hearing concerning services received under this Agreement.

4.07 Notice to Labor Unions: CONTRACTOR shall give written notice of its obligations under paragraphs 4.01 - 4.08 to labor organizations with which it has a collective bargaining or other agreement.

4.08 Access to records by government agencies: CONTRACTOR shall permit access by COUNTY and by representatives of the State Department of Fair Employment and Housing, and any state agency providing funds for this Agreement, upon reasonable notice at any time during normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, facilities, and other sources of information as the inspecting party may deem appropriate to ascertain compliance with these non-discrimination provisions.

4.09 Binding on Subcontractors: The provisions of paragraphs 4.01 - 4.08 shall also apply to all of CONTRACTOR's subcontractors. CONTRACTOR shall include the non-discrimination and compliance provisions of these paragraphs in all subcontracts to perform work or provide services under this Agreement.

V. ADDITIONAL REQUIREMENTS

5.01 Covenant Against Contingent Fees: CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit this Agreement. There has been no agreement to make commission payments in order to obtain this Agreement. For breach or violation of this warranty, COUNTY shall have the right to terminate this Agreement without liability or, at its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingency fee.

5.02 Debarment, Suspension and Fraud, and Abuse: CONTRACTOR certifies to the best of its knowledge and belief, that it and any subcontractors:

a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or State department or agency.

b) Have not, within a three-year period preceding this Agreement, been convicted of, or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction or contract under a public transaction; violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

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c) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity (federal, State, or local) with commission of any of the offenses in 5.02(b).

d) Have not, within a three-year period preceding this Agreement, had one or more public transactions (federal, State, or local) terminated for cause or default.

CONTRACTOR shall report immediately to COUNTY in writing, any incidents of alleged fraud and/or abuse by either CONTRACTOR or its subcontractors.

CONTRACTOR shall maintain any records, documents, or other evidence of fraud and abuse until otherwise notified by COUNTY.

CONTRACTOR agrees to timely execute any and all amendments to this Agreement or other required documentation relating to the debarment/suspension status of any subcontractors.

VI. CONTRACT ADMINISTRATORS

6.01 Contract Administrator – CONTRACTOR: CONTRACTOR hereby designates **Brian Gates** as its Contract Administrator for this Agreement. All matters concerning this Agreement which are within the responsibility of CONTRACTOR shall be under the direction of, or shall be submitted to, the CONTRACTOR's Contract Administrator. CONTRACTOR may, in its sole discretion, change its designation of the Contract Administrator, and shall promptly give written notice to COUNTY of any such change.

6.02 Contract Administrator – COUNTY: COUNTY hereby designates the Director of the Monterey County Department of Social Services as its Contract Administrator for this Agreement. All matters concerning this Agreement which are within the responsibility of COUNTY shall be under the direction of, or shall be submitted to, the Director or such other COUNTY employee in the Department of Social Services as the Director may appoint. COUNTY may, in its sole discretion, change its designation of the Contract Administrator, and shall promptly give written notice to CONTRACTOR of any such change.

VII. CONTRACT DEPENDENT ON GOVERNMENT FUNDING

COUNTY's payments to CONTRACTOR under this Agreement are funded by the State and Federal governments. If funds from State and Federal sources are not obtained and continued at a level sufficient to allow for COUNTY's purchase of the indicated quantity of services, then COUNTY may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as COUNTY may specify in its notice, unless in the meanwhile the parties enter into a written Amendment modifying this Agreement.

VIII. APPEAL PROCESS

In the event of a dispute or grievance regarding the terms and conditions of this Agreement, both parties shall abide by the following procedures:

a) CONTRACTOR shall first discuss the problem informally with the designated DSS Contact/Program Analyst. If the problem is not resolved, CONTRACTOR must, within

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fifteen (15) working days of the failed attempt to resolve the dispute with DSS Contact/Program Analyst, submit a written complaint, together with any evidence, to the DSS Branch Deputy Director. The complaint must include a description of the disputed issues, the legal authority/basis for each issue which supports CONTRACTOR's position, and the remedy sought. The Branch Deputy Director shall, within fifteen (15) working days after receipt of CONTRACTOR's written complaint, make a determination on the dispute, and issue a written decision and reasons therefore. All written communication shall be pursuant to Section 14. NOTICES of this Agreement. Should CONTRACTOR disagree with the decision of the Division Deputy Director, CONTRACTOR may appeal the decision to the Director of the Department of Social Services.

b) CONTRACTOR's appeal of the Branch Deputy Director's decision must be submitted to the Department Director within ten (10) working days from the date of the decision; be in writing, state the reasons why the decision is unacceptable, and include the original complaint, the decision that is the subject of appeal, and all supporting documents. Within twenty (20) working days from the date of CONTRACTOR'S appeal, the Department Director, or his/her designee, shall meet with CONTRACTOR to review the issues raised on appeal. The Department Director shall issue a final written decision within fifteen (15) working days of such meeting.

c) CONTRACTOR may appeal the final decision of the Department Director in accordance with the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the regulations adopted thereunder. (Title 1, Subchapter 2.5 commencing with Section 251, or Subchapter 3 commencing with Section 300, whichever is applicable, of the California Code of Regulations).

d) CONTRACTOR shall continue to carry out the obligations under this Agreement during any dispute.

e) Costs incurred by CONTRACTOR for administrative/court review are not reimbursable by COUNTY.

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Date: 8/1/2025
Proposal # 13715

Share Center
845 E Laurel Dr
Salinas,, CA 93905

Dog Kennel Project

Dog Kennel Concrete Pad

Scope of Work:

- Excavate, grade, and prep area for concrete pad inside dog kennel area (45' x 12')
- Pour and broom finish natural grey concrete for the dog kennel's
- The concrete will be a 3500 psi mix, 6" thick, with #3 rebar @ 16" o.c. over machine-compacted base rock
- Adjust one utility box to the proposed concrete elevation

Qualifications:

- Spread surplus soil on site or haul away
- Includes prevailing wages

Exclusions:

- Removal, repairs, or relocation of unknown underground utilities
- Over-excavation of unsuitable soil
- Installation of the dog kennels
- Drainage work
- Compaction testing
- Permits, fees, or drawings

Dog Kennel Concrete Pad : $29,551.00

Dog Tunnel

Scope of Work:

Docusign Envelope ID: 0381A6D5-999A-4F4E-B6D6-E425032BDF0F

- Excavate as needed
- Place and compact base rock for the dog tunnel installation
- Install dog tunnel (provided by client)
- Spread surplus soil on site

Dog Tunnel: $2,736.00

Project Total $32,287.00

Professionalism - Teamwork - Humility - Respect - Hunger - Safety

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EXHIBIT C

Docusign Envelope ID: 0381A6D5-999A-4F4E-B6D6-E425032BDF0F

September 1, 2025 - June 30, 2026

Agency Name K&D Landscaping Inc

Expense Categories	Shelter Improvements $40,000.00	Total Budget $40,000.00
Dog Kennel Concrete Pad	$ 29,551.00	$ 29,551.00
Dog Tunnel	$ 2,736.00	$ 2,736.00
Other	$ 7,713.00	$ 7,713.00
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
Program Total	$ 40,000.00	$ 40,000.00

Funding Source: HHAP-4, Shelter Improvements (SIMP)

Docusign Envelope ID: 0381A6D5-999A-4F4E-B6D6-E425032BDF0F

LANDSCAPING, INC.
DESIGN · INSTALL · MAINTAIN

Invoice

Date	Invoice #
09/18/25	
Terms	
Net 10	

Bill To	Property Address
County of Monterey 845 E Laurel Dr Salinas, CA 93905	Share Center 845 E Laurel Dr Salinas,, CA 93905

Item	Invoice Amt
Sample Invoice	

A 3% convenience fee will be added for all credit card payments

Total

Credits/Payments ($)

Balance Due

Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due
	$0.00	$0.00	$0.00	$0.00

P 831-728-4018 | F 831-728-6544
P.O. Box 2187
Freedom, CA 95019

Introduced: 9/17/2025
Version: 1

Current Status: Criminal Justice - Consent
Matter Type: BoS Agreement

a. Authorize and direct the Contracts Purchasing Officer or their designee to execute a non-standard agreement with Ganete Solutions Inc., dba ArmorerLink. for firearms tracking purposes, etc., for the period to November 1, 2025 through October 31, 2028 and thereafter may increase annually to a total annual amount not to exceed $25,000 beginning November 1, 2028 and will auto-renew each year thereafter until terminated.
b. Authorize the Sheriff or Sheriff's designee to approve annual service in an amount not to exceed $25,000 annually.

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Authorize and direct the Contracts Purchasing Officer or their designee to execute a non-standard agreement with Ganete Solutions Inc., dba ArmorerLink. for firearms tracking purposes, etc., for the period to November 1, 2025 through October 31, 2028 and thereafter may increase annually to a total annual amount not to exceed $25,000, beginning November 1, 2028 and will auto-renew each year thereafter until terminated.
b. Authorize the Sheriff or Sheriff's designee to approve annual service in an amount not to exceed $25,000 annually.

SUMMARY/DISCUSSION:
The Monterey County Sheriff's Office (MCSO) is required to maintain training standards to maintain certification with both the California Peace Officer Standards and Training (POST) and the Board of State Corrections in California (BSCC) these training files must be maintained and verified by the two agencies periodically to ensure compliance with the standards. Each sworn officer must complete a specific number of hours of training for the Sheriff's Office to remain in compliance. All local detention facilities must adhere to these training mandates per Title 15 and Penal Code 6030.

The current practices of investigating complaints and police misconduct including a review of a deputy's training file to verify the subject of the investigation has maintained the high standards expected of Law Enforcement Officers.

MCSO employs a multitude of weapons and tools necessary to accomplish the mission of a modern Law Enforcement agency. These tools and weapons are often potentially dangerous and not available to the general public in this state. Appropriate records and tracking is required to ensure the safety and security of these items.

A tracking system like ArmorLink fulfills the requirements brought on by all the above listed mandates.

This system was identified as a superior product to the existing system, TMS.

ArmorerLink is a web-based software and can be accessed in the multiple areas that the department, and specifically the training unit, operate. TMS was an outdated program that had to be locally installed on each terminal. ArmorerLink can be accessed by any terminal that has internet access allowing us to track training and gear at the point of transaction ensuring records are more complete, up to date, and entered more promptly.

TMS also had limited user access due to the confidential nature of the material saved within the system. ArmorerLink allows for several different types of credentials allowing staff to be granted access only to items in their scope of duties. This allows our armorers and trainers to input information immediately but prevents them from changing records they should not have access to.

The following agencies are currently utilizing ArmorerLink:
San Jose PD, Contra Costa County SO, Alameda County SO, Solano County SO, Santa Clara County SO, San Francisco SO and Hayward PD.

OTHER AGENCY INVOLVEMENT:
The Office of County Counsel has reviewed and advised on this Agreement as to legal form. The Auditor-Controller has reviewed the contract but does not agree to the non-standard payment provisions.

FINANCING:
The costs of this contract is included in the FY 2025-26 Adopted Budget, and ongoing costs will be included in future year budgets. There will be no increase in the General Fund Contribution resulting from this Board action.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
Mark a check to the related Board of Supervisors Strategic Plan Goals [Include one or two sentences referencing the Ordinance, Code, Board Order/Resolution, etc. in relation to this selection]:

____ Well-Being and Quality of Life
_X__ Sustainable Infrastructure for the Present and Future
_X__ Safe and Resilient Communities
____ Diverse and Thriving Economy
____ Dynamic Organization and Employer of Choice

Prepared by: Arthur Curtright, Management Analyst, ext. #3708
Reviewed by: Jason Smith, ext. #7240
Reviewed by: Keith Boyd, Undersheriff, ext. #3859
Approved by: Tina Nieto, Sheriff/Coroner, ext. #3750

Attachment:
Board Report
ArmorerLink Non-Standard Agreement

Quote #18036
Quote #18037
Quote #18038

Introduced: 9/17/2025
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

a. Authorize and direct the Contracts Purchasing Officer or their designee to execute a non-standard agreement with Ganete Solutions Inc., dba ArmorerLink. for firearms tracking purposes, etc., for the period to November 1, 2025 through October 31, 2028 and thereafter may increase annually to a total annual amount not to exceed $25,000, beginning November 1, 2028 and will auto-renew each year thereafter until terminated.
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OTHER AGENCY INVOLVEMENT:
The Office of County Counsel has reviewed and advised on this Agreement as to legal form. The Auditor-Controller has reviewed the contract but does not agree to the non-standard payment provisions.

FINANCING:
The costs of this contract is included in the FY 2025-26 Adopted Budget, and ongoing costs will be included in future year budgets. There will be no increase in the General Fund Contribution resulting from this Board action.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
Mark a check to the related Board of Supervisors Strategic Plan Goals [Include one or two sentences referencing the Ordinance, Code, Board Order/Resolution, etc. in relation to this selection]:

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_X__ Sustainable Infrastructure for the Present and Future
_X__ Safe and Resilient Communities
____ Diverse and Thriving Economy
____ Dynamic Organization and Employer of Choice

Prepared by: Arthur Curtright, Management Analyst, ext. #3708
Reviewed by: Jason Smith, ext. #7240
Reviewed by: Keith Boyd, Undersheriff, ext. #3859
Approved by: Tina Nieto, Sheriff/Coroner, ext. #3750

Attachment:
Board Report
ArmorerLink Non-Standard Agreement

Quote #18036
Quote #18037
Quote #18038

Docusign Envelope ID: 8FA40615-FD0E-4FF9-B7A6-24B88967495B

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AGREEMENT

This Agreement between you and Armorer Link (“Armorer Link”) governs your use of the Armorer Link Software as a Service application ("Service") and the related equipment ("Equipment") and client software and updates ("Software") that Armorer Link provides you in connection with the Service (together, "Products"). Additional terms are stated at the Armorer Link web site, www.armorerlink.com and are incorporated by reference. Updates to this Agreement and those terms will be effective 30 days after they are published on the Web Site; you may elect not to accept an update by canceling your subscription to the Service.

1. The Service

1.1 Subject to this Agreement and your timely meeting of the financial terms, including payment of applicable fees and charges, stated on the web site where you activated your subscription to the Service, Armorer Link grants you a personal, non-exclusive, and non-transferable license to access and use the Service for your internal use on your own behalf and not for the benefit of any third party. The Service will be available to you 24 hours per day via Internet access, other than for interruptions due to service maintenance and upgrades, system failure, system back-up and recovery, and for causes beyond 's control. Armorer Link may cancel this Agreement and the Service by sending notice to your email address on file not less than 30 days before the discontinuation date.

1.2 Depending on your Service configuration, you will be required to provide your own mobile devices and to download and install the Software. The Software is licensed to you subject to any terms and conditions presented

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when you download it from a source authorized by, as well as those contained in this Agreement. If there is a conflict, this Agreement will control. You are licensed to use the Software only with the Service, and your license will end when your subscription to the Service ends. The Software is copyrighted and licensed, not sold, and is Armorer Link's confidential and unpublished information, or that of Armorer Link's licensors. You will retain any copyright notices and proprietary legends on all copies of the Software and the media on which it is delivered. Any attempt to transfer the Software is void and will automatically cause your license to end.

1.3 You are licensed to possess and use only the object code form of the Software. Except as this Agreement expressly permits, you may not (a) use, copy, modify, publish, or display the Software; or (b) disclose, rent, loan, or transfer it to any other party. You may not reverse engineer the Software or derive a source code equivalent of it other than as authorized by statute. You are not licensed to use the Software in conjunction with software or hardware other than that authorized by Armorer Link, and Armorer Link does not warrant that the Service will be compatible with your hardware. Use of hardware that has been modified contrary to the manufacturer's specifications or guidelines, including modifications that disable hardware or software controls (e.g., "jail breaking"), is expressly prohibited, and your use of such hardware will entitle Armorer Link to terminate this Agreement and access to the Services immediately, without further obligation to you. Your license will automatically end if you fail to comply with any part of this Agreement. When your license ends, you will immediately stop using the Software and will destroy all copies unless Armorer Link directs otherwise.

1.4 You may choose to or we may invite you to submit comments or ideas about the Service, including without limitation about how to improve the Service or our other products ("Ideas"). By submitting any Idea, you acknowledge that your disclosure is gratuitous, unsolicited, and without restriction; that it will not place Armorer Link under any fiduciary or other obligation; and that Armorer Link is free to use the Idea without any additional compensation to you, or to disclose the Idea on a non-confidential basis or otherwise to anyone. You further acknowledge that, by acceptance of your submission, Armorer Link does not waive any rights to use similar or related ideas previously known to Armorer Link, or developed by its employees, or obtained from sources other than you.

2. ArmorerLink Responsibilities

2.1.1 Your monthly subscription fee includes support during the term of this Agreement for Armorer Link Firearm Management System (ALFMS) including:
2.1.2 Desktop and Mobile Applications
2.1.3 User Manual .PDF Download
2.1.4 Training Tutorial Videos for Entire Program
2.1.5 Unlimited Online Training with Live Instructor
2.1.6 Software Support by Email and/or Telephone M-F 08:00- 17:00 PST
2.1.7 Server Infrastructure Supported 24x7x365
2.1.8 Quarterly Software Updates
2.1.9 Data Storage
2.1.10 Daily Data Backup
2.1.11 Customer Service Live Operator 24x7x365 Toll Free (800) 571-0753
2.1.12 Equipment warranty support on the terms stated at the Website
2.1.13 Annual subscription 11-01-25 through 10-31-26 $18,300.00 USD
2.1.14 Annual subscription 11-01-26 through 10-31-27 $18,300.00 USD
2.1.15 Annual subscription 11-01-27 through 10-31-28 $18,300.00 USD

2.2 Armorer Link will use commercially reasonable efforts to provide you with seven days' advance notice of any scheduled downtime and will notify you as soon as reasonably possible of any significant disabling of the Services for security reasons.

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3. Your Responsibilities

3.1 You are responsible for installing, configuring, and using the Service, Software, and Equipment, including account set up, configuration settings, compliance with applicable laws and regulations (including those related to data privacy), and establishing any credit card processing or other services.

3.2 To use the Service, you must maintain Internet access at your own expense. Armorer Link is not responsible for and does not warrant the performance of any Internet service or other provider or its services, and you agree that Armorer Link has no liability to you for such performance or services.

3.3 Title to hardware, software, systems, documentation, and other intellectual property used by Armorer Link to provide the Services will remain with Armorer Link or its licensors, unless otherwise agreed in writing. You will take reasonable actions to protect Armorer Link's intellectual property rights. You will use all reasonable efforts to prevent any unauthorized access to, or use of, the Services, the Software, or their documentation and you will promptly notify Armorer Link if any such unauthorized access or use occurs.

3.4 This agreement applies only to the United States, and all Services performed in the United States, regardless of where the end user of the Service is located. If you or your customers are located outside the United States, you will take all actions necessary to comply with the laws and regulations of all relevant countries.

4. Data and System Security

4.1 Armorer Link has implemented physical, technical, and organizational measures designed to secure Personal Information (as defined in Section 9) from unauthorized access, use, alteration, or disclosure. Armorer Link will: (a) maintain an appropriate level of physical security controls over its data center including, but not limited to, appropriate alarm systems, fire suppression, and access controls (including off-hour controls); (b) periodically test its systems for security breach vulnerabilities; (c) use commercially reasonable efforts to protect its systems from unauthorized access, including the use of firewall and data Armorer Link option technologies as applicable; and (d) maintain safety and physical security procedures with respect to its access and maintenance of your data which are materially consistent with general industry practice. Notwithstanding the foregoing, you acknowledge that Armorer Link cannot guarantee that unauthorized third parties will never be able to defeat those measures or use Personal Information for improper purposes and that you provide Personal Information to Armorer Link at your own risk.

4.2 "Customer Data" means Personal Information relating to your employees or end users. Customer Data is your Confidential Information and will remain your property. Armorer Link will not disclose Customer Data to any third party without your consent, but you acknowledge that Customer Data and your other Confidential Information may be subject to regulation and examination by auditors and regulatory agencies with oversight of your business, and Armorer Link may disclose it to them upon their request. You are responsible for all Customer Data, including its legality, reliability, integrity, accuracy, and quality. You will determine whether any privacy laws, regulations, or other legal duties apply to Customer Data and will implement appropriate measures to ensure compliance. You warrant that you have obtained and will maintain all authorization from all parties (including customers and end users) necessary for Armorer Link to provide the Service without violating any law or regulation, and you will not use the Service in any manner that would violate a law or regulation.

4.3 Armorer Link may retain, disclose, and use Transaction Data which it creates in the course of the Services and which may be based upon Customer Data. "Transaction Data" is anatomized or aggregated data that has had all personally identifiable information removed.

4.4 You acknowledge that it is your responsibility to secure and protect your data.

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4.5 You acknowledge that Armorer Link does not control the transfer of data over telecommunications facilities, and that use of or connection to the Internet is inherently insecure and provides opportunity for unauthorized access by third parties. Armorer Link will not be responsible for any delays, delivery failures, or any other loss or damage resulting from such transfer. Armorer Link does not warrant that third-party Internet sites will be accessible without interruption, will meet your requirements or expectations or those of any third party, or will be free from errors, defects, design flaws, or omissions. All data backup download recoveries are your responsibility. You will follow Armorer Link's password security guidelines, and you will guard passwords against misuse. Armorer Link may direct you to change the password to one that is more secure.

4.6 You will not use, nor will you permit any third party to use, the Services to upload, post, or otherwise transmit any data that: (a) is deceptive, misleading, unlawful, harmful, threatening, abusive, harassing, tortuous, defamatory, vulgar, obscene, libelous, invasive of others' privacy, hateful, or racially, ethnically, or otherwise objectionable; (b) is harmful to minors in any way; (c) you do not have a right to transmit under any law or under contractual or fiduciary relationships; (d) infringes any patent, trademark, trade secret, copyright, or other proprietary rights of any party; (e) constitutes unsolicited or unauthorized advertising or promotional materials, including but not limited to junk mail, spam, chain letters, and pyramid schemes; (f) is designed to access or monitor any material or information on any Armorer Link system using any manual process or robot, spider, scraper, or other automated means; (g) violates privacy or other laws; or (h) contains software viruses or any other computer code, files, or programs designed to interrupt, destroy, impose an unreasonable or disproportionally large load on, or limit the functionality of any computer hardware or software, or telecommunications equipment. You will defend and hold Armorer Link harmless from any claim or loss resulting from your failure to comply with this section.

4.7 With respect to any Armorer Link computer system, network, or service, you agree not to: (a) impersonate any person or entity; (b) forge headers or otherwise manipulate identifiers in order to disguise the origin of any data; (c) develop or deploy restricted access pages or hidden pages or images (i.e., those not linked from another accessible page); (d) interfere with or disrupt Armorer Link websites, servers, systems, or networks; (e) violate any applicable law or regulation; (f) stalk or otherwise harass another; (g) use, or attempt to use, any system or account without the owner's permission; or (h) interfere with, defeat, or circumvent any security function. You will defend and hold Armorer Link harmless from any claim or loss resulting from your failure to comply with this section.

5. Warranties

5.1 Armorer Link warrants that the Service and Software will be materially as described and published. Provided that you have timely paid all subscription and other fees due, Armorer Link will promptly at its expense correct any Service or Software that fails to materially conform to this warranty. If Armorer Link is unable reasonably to do so, as your sole remedy you may terminate the Service by giving written notice to Armorer Link within 30 days after the non-conformance. You will pay Armorer Link for all Services actually provided through the termination date. Equipment is warranted against defects in manufacture and at Armorer Link sole discretion, Armorer Link will replace or refund the purchase price of nonconforming Equipment. Warranty claims must be submitted in accordance with the terms stated at the Web Site. These are the sole and exclusive warranties made by Armorer Link There are no warranties of merchantability or fitness for a particular purpose. There are no other warranties or warranty remedies, oral or written, express or implied.

5.2 You warrant that: (a) you are at least eighteen years of age; (b) you are eligible to register and use the Service and have the right, power, and ability to enter into and perform under this Agreement; (c) the name you identify when you register is your real name or the business name under which you sell goods and services; (d) any sales transaction you submit will represent a bona fide sale by you, will accurately describe the goods or services sold and delivered to a purchaser, and will be properly reported for tax (including sales and ad valorem tax) purposes; and (e) you will fulfill all your obligations to each customer for which you submit a transaction and will resolve any consumer dispute or complaint directly with the purchaser.

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6. Infringement Claims

6.1 Armorer Link will, at its expense, defend you against any intellectual property ("IP") Claim. Armorer Link will also pay the damages, costs, and attorneys' fees that are awarded against you in a final, non-appealable court judgment for the IP Claim, or required to be paid by you or on your behalf in a settlement of the IP Claim that Armorer Link has agreed to in writing. As used in this Section 6, an "IP Claim" means a suit brought against you by a third party to the extent the suit alleges that your use of a Product provided to you by Armorer Link infringes a patent or copyright of the third party.

6.2 Armorer Link's obligations under an IP Claim are subject to you: (a) providing prompt written notice that the IP Claim has been threatened or brought, whichever is sooner (the "Claim Notice"); (b) providing Armorer Link sole control of the defense, appeal, and/or settlement of the IP Claim; (c) cooperating with respect to the defense, appeal, and/or settlement of the IP Claim; (d) providing requested documentation and information relevant to the IP Claim or its defense, appeal, and/or settlement; and (e) complying with all court orders. If delay in providing the Claim Notice causes detriment to Armorer Link with respect to the defense or resolution of the IP Claim, the obligations set forth in Section 6.1 will not apply to the IP Claim. Notwithstanding any other provision of this Agreement, Armorer Link is not responsible for any fees (including attorneys' fees), expenses, costs, judgments, or awards that are incurred prior to its receipt of the Claim Notice. Armorer Link will have the sole right to select counsel. You may, at your sole expense, engage additional counsel of your choosing for purposes of conferring with Armorer Link's counsel.

6.3 The obligations set forth in Section 6.1 will not apply to an IP Claim if the alleged infringement is based on, caused by, or results from (a) Armorer Link's compliance with your designs, specifications, or instructions; (b) modification of the Product other than by Armorer Link; (c) any product or service not provided by Armorer Link to you; or (d) combination or use of the Product with any product or service not provided by Armorer Link to you.

6.4 If an intellectual property infringement allegation is brought or threatened against the Product, or Armorer Link believes that such an allegation may be brought or threatened, Armorer Link may obtain a license for the Product; modify the Product; or replace the Product with a product having substantially the same functionality. If Armorer Link in its discretion determines that none of the foregoing is available on a reasonable basis, upon Armorer Link's written notice to you: (a) Armorer Link may cease delivering the Services and refund any amount that you have pre-paid for Services not yet delivered; and (b) you will promptly return any Software or Equipment to Armorer Link, and Armorer Link will refund the price you paid Armorer Link for that Software or Equipment, less depreciation on a five-year straight-line basis.

6.5 This Section 6 sets forth Armorer Link's entire obligations and your exclusive remedies with respect to any IP Claim or any intellectual property infringement.

7. Mutual Liability Limitations

7.1 Neither party will be liable to the other, whether in an action in contract, tort, product liability, strict liability, statute, law, equity, or otherwise arising under or related to this Agreement: for any indirect, incidental, consequential, special, or punitive damages; for loss of profits or revenue (other than in an action by Armorer Link to recover payment of a price owed); or for loss of time, opportunity, or data. Neither party will be liable to the other for any amount greater than the cumulative purchase price, fees, and charges paid for the Products at issue. As used in this Section 7, a "party" includes a party to this Agreement and its affiliates, employees, agents, contractors, and suppliers when acting in that capacity with respect to the Products, and any persons or entities claiming by or through a party to this Agreement.

7.2 Section 7.1 will not limit a party's liability for direct damages for personal injury, including death, to the extent caused by its negligence or willful misconduct; or its liability for direct damages resulting from violating the other's intellectual property rights or intentionally breaching Section 9; or a party's obligation to defend, hold harmless, or indemnify the other under Sections 4.6, 4.7, or 6. A party will be liable for physical damage to real or tangible personal

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property to the extent caused by its negligence or willful misconduct, but its liability will be limited to one million dollars per occurrence (such limitation applying collectively to all persons or entities defined as a "party" in Section 7.1).

7.3 Each clause and phrase of this Section 7 is separate from each other clause and phrase, and from the remedy limitations and exclusions elsewhere in this Agreement and will apply notwithstanding any failure of essential purpose of a remedy, any termination of this Agreement, or severability of any clause or phrase in this Agreement.

8. Third Party Products

Your rights to use any Product bearing the logo or copyright of a third party provided to you by Armorer Link is as stated on any agreement provided with them. You acknowledge and agree that all third-party Products are provided "as-is" without a warranty from Armorer Link Accordingly, Armorer Link expressly disclaims all warranties of any nature with respect to any third-party Products, whether oral or written, express or implied, including but not limited to the implied warranties of merchantability, fitness for a particular purpose, and non-infringement of any third-party rights.

9. Confidentiality

9.1 "Confidential Information" is proprietary information disclosed by one party to the other related to the disclosing party, this Agreement, or the Products. As it applies to the Products, input data you provide to Armorer Link and all Personal Information (as defined below) are considered Confidential Information. In addition, business plans, pricing information, software in human-readable form, and any other information that, by its nature or on its face, reasonably should be understood by the receiving party to be confidential are considered Confidential Information whether or not marked as such. Other Confidential Information disclosed in documents or other tangible form must be clearly designated, labeled, or marked as confidential or its equivalent at the time of disclosure, and Confidential Information disclosed in oral or other intangible form must be identified as confidential at the time of disclosure, and summarized in tangible form marked as confidential and delivered to the recipient within 10 days after disclosure. "Personal Information" is information relating to an identified or identifiable individual and includes information relating to identification (including age, gender, social security number, address, telephone number, email address, and other contact information), finances, employment, or health that is subject to confidentiality obligations under any applicable law or regulation.

9.2 Confidential Information does not include information that is or becomes available without restriction through no wrongful act.

9.3 All Confidential Information remains the disclosing party's property. Upon the disclosing party's request, all Confidential Information (other than materials that have been licensed to the recipient and with respect to which the recipient is in full compliance with its obligations) will be destroyed or returned to the disclosing party, less a single archival copy which may be used only for the purpose of business discussions with the other party addressing compliance issues or disputes related to that Confidential Information.

9.4 Each party will use reasonable efforts to prevent the disclosure of the others Confidential Information to third parties and its employees who do not have a need to know. Confidentiality obligations under this Agreement with respect to Personal Information, your data, customer information, financial records, business plans, and software in human-readable form will continue indefinitely. Otherwise, confidentiality obligations under this Agreement will end three years after the date of disclosure.

9.5 Either party may disclose Confidential Information to its accountants, lawyers, and other professional advisers; and to its affiliates, consultants, and contractors who have a need to know it to further permitted use of the Services; provided that each agrees in writing to confidentiality obligations consistent with this Agreement, including its

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intellectual property and confidentiality provisions. Each party is an intended third-party beneficiary of any such agreement and will have the right to directly enforce it.

10. Governing Law and Disputes

10.1 Customer City and State law governs this Agreement, and the relationships created by it, except for its laws regarding conflicts of law and arbitrability; the Federal Arbitration Act will govern all issues of arbitrability. Neither party may bring a claim more than two years after the underlying cause of action first accrues.

10.2 Each party agrees to give the other prompt written notice of any claim, controversy, or dispute arising under or related to this Agreement, and both parties agree to engage in good faith discussions to resolve the matter. If that fails to resolve the matter promptly, either party may request the other to participate in mediation before a mutually agreed mediator. Any controversy, claim, or dispute which is not resolved through the procedures set forth above within 60 days (or such longer period as the parties may agree) will be resolved by arbitration before a sole arbitrator who is an attorney, under the then-current Commercial Arbitration Rules of the American Arbitration Association. The duty and right to arbitrate will extend to any employee, officer, director, shareholder, agent, or Affiliate, of a party to the extent that right or duty arises through a party or is related to this Agreement. The decision and award of the arbitrator will be final and binding, and the award rendered may be entered in any court having jurisdiction. The arbitrator is directed to hear and decide potentially dispositive motions in advance of a hearing on the merits by applying the applicable law to uncontested facts and documents. The arbitration will be held at the customer City and State. This Section 10.2, and the obligation to mediate and arbitrate, will not apply to claims for misuse or infringement of a party's intellectual property or Confidential Information, or collection of sums owed to Armorer Link under this Agreement. A party may at any time seek an injunction or other equitable relief in aid of arbitration. The arbitrator will not have authority to award punitive damages, non-compensatory damages, or any damages other than direct damages, or have authority to award direct damages inconsistent with the limitations and exclusions set forth in this Agreement.

11. General Terms

11.1 Except for your obligation to make payments when due, neither party will be liable for failing to fulfill its obligations due to acts of God or government, civil commotion, military authority, war, riots, terrorism, strikes, fire, or other causes beyond its reasonable control.

11.2 Except as permitted by this Section 11.2, neither party may assign this Agreement or its rights or obligations under it without the express consent of the other party. Armorer Link may use affiliates, contractors, or suppliers to act on its behalf (but doing so will not alter Armorer Link's obligations to you, and those parties will be bound to the same confidentiality obligations as Armorer Link), and may assign this Agreement to its parent, subsidiary, or other affiliated company, or to an assignee or transferee upon Armorer Link's entry into a merger, consolidation or sale of assets transaction. In this Agreement, references to "Armorer Link" include its employees, contractors, and agents.

11.3 The parties are independent contractors to one another. Employees of one will not be deemed to be or act as employees or other representatives of the other. A party will not be responsible for compensating; providing insurance or benefits; making unemployment, Social Security or Medicare contributions; or withholding taxes or other withholdings against earnings of the other's employees or contractors.

11.4 If any provision of this Agreement is held to be illegal, invalid, or unenforceable in whole or in part, it will be enforced to the maximum extent permissible so as to affect the intent of the parties, and the remaining provisions will remain in full force and effect. Terms intended by the parties to survive termination of this Agreement will survive termination. Failure to enforce any provision of this Agreement will not constitute a waiver of future enforcement of that or any other provision.

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ArmorerLink® LEGAL NOTICE AND LICENSE AGREEMENT

Initial
MW

Ganete Solutions, Inc. d/b/a ArmorerLink®	Agency-Name
DocuSigned by: Joe D. Ganete 4137FFA36CD0471...	
Signature	Signature
Joe Ganete	
Name	Name
Chief Executive Officer	
Title	Title
9/16/2025 | 13:02 PDT	
Date Signed	Date Signed

ArmorerLink

4660 NE Belknap Court, Suite 101
Hillsboro, OR 97124
+18005710753
tana.ganete@armorerlink.com

Quote

ADDRESS	SHIP TO	SHIP DATE	11/01/2025	QUOTE	18036
Dep. Mario Jaime	Dep. Mario Jaime	SHIP VIA	On-Line Activation	DATE	09/11/2025
Monterey County Sheriff's Office	Monterey County Sheriff's Office	TRACKING#	N/A	EXPIRATION DATE	11/01/2025
1414 Natividad Rd.	1414 Natividad Rd.				
Salinas, CA 93906	Salinas, CA 93906				

ACCOUNT MGR.	CUSTOMER P.O.	CUSTOMER NO.
Joe D. Ganete	PO 2300 0000015535	06264

SKU	DESCRIPTION	QTY	RATE	AMOUNT
SUB-ARM-014	ArmorerLink FMS USER LICENSE Annual Subscription Starting Date: 11/01/2025 Ending Date: 10/31/2026 Data Hosted at AWS Government Cloud Multi Tenancy Two Factor Authentication (2FA) Timed-Based One-Time Password (TOTP) Enabled Strong Password Enabled I.P. Address Whitelist Capable Single Sign-on for MS Azure or OKTA Subscribers SOC2 Type II Certified ArmorerLink FMS iOS Rangemaster Mobile Application ArmorerLink Mobile Web Application for iOS and Android User Manual PDF, and Setup / Training Guide PDF Training Tutorial Videos Quarterly Application Updates Cyber/Liability Insurance Policy $2M ($4M Aggragate) ArmorerLink FMS SUPPORT Annual Subscription Support Team Based in U.S.A. Support by ArmorerLink Email Ticket System Support Response 2 Hours Support Resolution 4 to 6 Hours Standard Support Available M-F 0800 - 1700 PST Emergency Support 24 x 7 x 365 Toll-free (800) 571-0753 Hot Servers & Data Backup at AWS-GOV Data Centers ArmorerLink FMS ONLINE TRAINING Annual Subscription Instructed by Live Certified ArmorerLink Trainers Training Available Mon-Fri at 0830, 1130, or 1430 PST Daily Training Capped at 2 Hour Sessions (10 Hours Weekly) Training Session Instructor to Student Ratio 1:25 Maximum Course Handouts and Training Recordings Included Quarterly Webinars and Continuous Improvement Training	330	40.00	13,200.00
SUB-ARM-006	ArmorerLink FMS MOBILE WEB SCANING LICENSE Annual Subscription Rotating User License Connects iOS or Android Mobile Phone Camera to ALFMS Activates Scanning QR and Data Matrix Bar Codes	1	300.00	300.00

	Activates Range Qualifications Capture & Asset Physical Counts Requires Internet Connection			
SUB-ARM-001	ArmorerLink FMS ARMORY Module Annual Subscription Track Firearm Inventory, Accessories, and Dispositions Track Firearm Parts, Tools, and Supply Inventory Track Firearm Maintenance and Repair Records Firearm Service Appointment Scheduling and Management Firearm Inventory and Maintenance Reporting	1	1,200.00	1,200.00
SUB-ARM-002	ArmorerLink FMS SHOOTING RANGE Module Annual Subscription Track Firearm Qualification Scores Shooting Range Appointment Scheduling Automated Email Reminders for Qualifications Includes Rangemaster iOS Application (iOS Store Download) Qualification Status and Scores Reporting	1	1,200.00	1,200.00
SUB-ARM-004	ArmorerLink FMS TRAINING Module Annual Subscription Track Training Records Track Training Certificates and Expiration Dates Track Training Attendance and Hours Track In-service and External Training Training Status and Records Reporting	1	1,200.00	1,200.00
SUB-ARM-003	ArmorerLink FMS EQUIPMENT Module Annual Subscription Track Equipment Inventory Track Equipment Maintenance and Repair Records Track Equipment Dispositions Equipment Request and Authorization System Equipment Inventory and Maintenance Reporting	1	1,200.00	1,200.00

TOTAL **$18,300.00**

ACH PAYMENT
Ganete Solutions, Inc. DBA: ArmorerLink
Bank of America, NA
Business Checking
Routing Number: 323070380
Account Number: ********7476

WIRE TANSFER PAYMENT
Ganete Solutions, Inc. DBA: ArmorerLink
Bank of America, NA
Business Checking
Routing Number: 026009593
Account Number: ********7476
SWIFT USD: BOFAUS3N

CREDIT CARD PAYMENT (Surcharge 3%)
https://link.clover.com/urlshortener/MbzQnQ

Payment Terms: Net 30
Prices Include Shipping
FEIN: 81-4200279

Accepted By

Accepted Date

ArmorerLink

4660 NE Belknap Court, Suite 101
Hillsboro, OR 97124
+18005710753
tana.ganete@armorerlink.com

Quote

ADDRESS	SHIP TO	SHIP DATE	11/01/2026	QUOTE	18037
Dep. Mario Jaime	Dep. Mario Jaime	SHIP VIA	On-Line Activation	DATE	09/11/2025
Monterey County Sheriff's Office	Monterey County Sheriff's Office	TRACKING#	N/A	EXPIRATION DATE	11/01/2025
1414 Natividad Rd.	1414 Natividad Rd.				
Salinas, CA 93906	Salinas, CA 93906				

ACCOUNT MGR.	CUSTOMER NO.
Joe D. Ganete	06264

SKU	DESCRIPTION	QTY	RATE	AMOUNT
SUB-ARM-014	ArmorerLink FMS USER LICENSE Annual Subscription Starting Date: 11/01/2026 Ending Date: 10/31/2027 Data Hosted at AWS Government Cloud Multi Tenancy Two Factor Authentication (2FA) Timed-Based One-Time Password (TOTP) Enabled Strong Password Enabled I.P. Address Whitelist Capable Single Sign-on for MS Azure or OKTA Subscribers SOC2 Type II Certified ArmorerLink FMS iOS Rangemaster Mobile Application ArmorerLink Mobile Web Application for iOS and Android User Manual PDF, and Setup / Training Guide PDF Training Tutorial Videos Quarterly Application Updates Cyber/Liability Insurance Policy $2M ($4M Aggragate) ArmorerLink FMS SUPPORT Annual Subscription Support Team Based in U.S.A. Support by ArmorerLink Email Ticket System Support Response 2 Hours Support Resolution 4 to 6 Hours Standard Support Available M-F 0800 - 1700 PST Emergency Support 24 x 7 x 365 Toll-free (800) 571-0753 Hot Servers & Data Backup at AWS-GOV Data Centers ArmorerLink FMS ONLINE TRAINING Annual Subscription Instructed by Live Certified ArmorerLink Trainers Training Available Mon-Fri at 0830, 1130, or 1430 PST Daily Training Capped at 2 Hour Sessions (10 Hours Weekly) Training Session Instructor to Student Ratio 1:25 Maximum Course Handouts and Training Recordings Included Quarterly Webinars and Continuous Improvement Training	330	40.00	13,200.00
SUB-ARM-006	ArmorerLink FMS MOBILE WEB SCANING LICENSE Annual Subscription Rotating User License Connects iOS or Android Mobile Phone Camera to ALFMS Activates Scanning QR and Data Matrix Bar Codes	1	300.00	300.00

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TOTAL **$18,300.00**

ACH PAYMENT
Ganete Solutions, Inc. DBA: ArmorerLink
Bank of America, NA
Business Checking
Routing Number: 323070380
Account Number: ********7476

WIRE TANSFER PAYMENT
Ganete Solutions, Inc. DBA: ArmorerLink
Bank of America, NA
Business Checking
Routing Number: 026009593
Account Number: ********7476
SWIFT USD: BOFAUS3N

CREDIT CARD PAYMENT (Surcharge 3%)
https://link.clover.com/urlshortener/MbzQnQ

Payment Terms: Net 30
Prices Include Shipping
FEIN: 81-4200279

Accepted By

Accepted Date

ArmorerLink

4660 NE Belknap Court, Suite 101
Hillsboro, OR 97124
+18005710753
tana.ganete@armorerlink.com

Quote

ADDRESS	SHIP TO	SHIP DATE	11/01/2027	QUOTE	18038
Dep. Mario Jaime	Dep. Mario Jaime	SHIP VIA	On-Line Activation	DATE	09/11/2025
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1414 Natividad Rd.	1414 Natividad Rd.				
Salinas, CA 93906	Salinas, CA 93906				

ACCOUNT MGR.	CUSTOMER NO.
Joe D. Ganete	06264

SKU	DESCRIPTION	QTY	RATE	AMOUNT
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TOTAL **$18,300.00**

ACH PAYMENT
Ganete Solutions, Inc. DBA: ArmorerLink
Bank of America, NA
Business Checking
Routing Number: 323070380
Account Number: ********7476

WIRE TANSFER PAYMENT
Ganete Solutions, Inc. DBA: ArmorerLink
Bank of America, NA
Business Checking
Routing Number: 026009593
Account Number: ********7476
SWIFT USD: BOFAUS3N

CREDIT CARD PAYMENT (Surcharge 3%)
https://link.clover.com/urlshortener/MbzQnQ

Payment Terms: Net 30
Prices Include Shipping
FEIN: 81-4200279

Accepted By

Accepted Date

Introduced: 9/22/2025 **Current Status:** Criminal Justice - Consent

Version: 1 **Matter Type:** BoS Agreement

a. Authorize the Contracts and Purchasing Officer or their designee to execute Amendment 2 to the agreement (A-16608) with In Time Services, Inc., dba In Time, extending the agreement an additional two (2) year period (October 18, 2025 through October 17, 2027) for a revised full agreement term of October 18, 2022 through October 17, 2027 and adding $131,914 for a revised total agreement amount not to exceed $328,218.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

a. Authorize the Contracts and Purchasing Officer or their designee to execute Amendment 2 to the agreement (A-16608) with In Time Services, Inc., dba In Time, extending the agreement an additional two (2) year period (October 18, 2025 through October 17, 2027) for a revised full agreement term of October 18, 2022 through October 17, 2027 and adding $131,914 for a revised total agreement amount not to exceed $328,218.

SUMMARY/DISCUSSION:

On October 10, 2023 the Board of Supervisors approved a retroactive sole source agreement with InTime, to provide a time keeping and scheduling solution for the Monterey County Sheriff's Office (MCSO).

The In Time system is designed for public safety agencies and has a proven history. The system is able to communicate with the County's current HRM Payroll system which will eliminate repetitive work, making the payroll process more streamlined and efficient.

The current CGI Advantage system which contains the HRM Payroll system is in the process of being replaced, however, there have been some delays. InTime will do the final conversion (timekeeping to payroll) once the system has been replaced. After the system has been replaced, MCSO will still need to utilize the InTime system for scheduling and timekeeping for payroll purposes.

In Time is based out of Canada, as such the company is covered for workers compensation insurance through the government, so they will not submit a waiver for not submitting workers compensation insurance.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and advised on this Agreement as to legal form. The Auditor-Controller has reviewed and approved the Agreement as to fiscal provisions.

FINANCING:
The cost of this contract was included in the FY 2025-26 Adopted Budget. There will be no increase in General Fund Contribution as a result of this Board action.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
Mark a check to the related Board of Supervisors Strategic Plan Goals [Include one or two sentences referencing the Ordinance, Code, Board Order/Resolution, etc. in relation to this selection]:

____ Well-Being and Quality of Life
_X_ Sustainable Infrastructure for the Present and Future
____ Safe and Resilient Communities
____ Diverse and Thriving Economy
____ Dynamic Organization and Employer of Choice

Prepared by: Arthur Curtright, Management Analyst II, Ext#3708
Reviewed by: Jason Smith, AOB Chief, Ext #3801
Approved by: Tina Nieto, Sheriff/Coroner, Ext#3750

Attachment:
Board Report
Board Order with Agreement & Amendment #1
Amendment #2

Introduced: 9/22/2025
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

a. Authorize the Contracts and Purchasing Officer or their designee to execute Amendment 2 to the agreement (A-16608) with In Time Services, Inc., dba In Time, extending the agreement an additional two (2) year period (October 18, 2025 through October 17, 2027) for a revised full agreement term of October 18, 2022 through October 17, 2027 and adding $131,914 for a revised total agreement amount not to exceed $328,218.

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Authorize the Contracts and Purchasing Officer or their designee to execute Amendment 2 to the agreement (A-16608) with In Time Services, Inc., dba In Time, extending the agreement an additional two (2) year period (October 18, 2025 through October 17, 2027) for a revised full agreement term of October 18, 2022 through October 17, 2027 and adding $131,914 for a revised total agreement amount not to exceed $328,218.

SUMMARY/DISCUSSION:
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In Time is based out of Canada, as such the company is covered for workers compensation insurance through the government, so they will not submit a waiver for not submitting workers compensation insurance.

OTHER AGENCY INVOLVEMENT:
The Office of County Counsel has reviewed and advised on this Agreement as to legal form. The Auditor-Controller has reviewed and approved the Agreement as to fiscal provisions.

FINANCING:

The cost of this contract was included in the FY 2025-26 Adopted Budget. There will be no increase in General Fund Contribution as a result of this Board action.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

Mark a check to the related Board of Supervisors Strategic Plan Goals [Include one or two sentences referencing the Ordinance, Code, Board Order/Resolution, etc. in relation to this selection]:

____ Well-Being and Quality of Life
_X_ Sustainable Infrastructure for the Present and Future
____ Safe and Resilient Communities
____ Diverse and Thriving Economy
____ Dynamic Organization and Employer of Choice

Prepared by: Arthur Curtright, Management Analyst II, Ext#3708
Reviewed by: Jason Smith, AOB Chief, Ext #3801
Approved by: Tina Nieto, Sheriff/Coroner, Ext#3750

Attachment:
Board Report
Board Order with Agreement & Amendment #1
Amendment #2

Docusign Envelope ID: 7F9AD686-30AE-4B92-B0CA-199FAC0CA7F1

AMENDMENT 2

To Agreement A-16608 by and between
County of Monterey, herein after referred to as "County"
And
InTime Services Inc., dba InTime, herein after referred to as "Contractor"

THIS AMENDMENT is made to the AGREEMENT A-16608 for time keeping system and support services for the Monterey County Sheriff/Coroner's Office, by and between **INTIME SERVICES, INC., DBA INTIME,** hereinafter "CONTRACTOR", and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "County".

WHEREAS, the County and CONTRACTOR originally entered into this Agreement on October 18, 2022 with a Not to Exceed amount of $72,790; and

WHEREAS, the County and CONTRACTOR extended the AGREEMENT A-16608 by adding $123,514 for a new Not to Exceed amount of $196,304 and extended the term of the Agreement by two (2) years with a new term ending date of October 17, 2025 on October 16, 2027 per Amendment 1: and

WHEREAS, the County and CONTRACTOR wish to amend the AGREEMENT by adding $131,914 and extending the Agreement by two (2) year with a new term ending date of October 17, 2027.

NOW THEREFORE, the County and CONTRACTOR hereby agree to amend the AGREEMENT in the following manner:

1. This Amendment is effective October 18, 2025 through October 17, 2027.

2. *The total amount payable by County to CONTRACTOR under this Agreement is not to exceed the sum of $328,218.*

3. Exhibits – Exhibit A is hereby replaced with Exhibit A-1 effective October 18, 2025, per Amendment 2, hereto attached.

4. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT and shall continue in full force and effect as set forth in the AGREEMENT.

5. A copy of the AMENDMENT shall be attached to the original AGREEMENT executed by the County on October 18, 2022.

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IN WITNESS WHEREOF, the parties have executed this AMENDMENT on the day and year written below.

MONTEREY COUNTY

Contracts/Purchasing Officer

Dated:

Approved as to Fiscal Provisions:

DocuSigned by:
Patricia Ruiz
E79EF64E57454F6...

Deputy Auditor/Controller

Dated: 9/25/2025 | 10:33 AM PDT

Approved as to Liability Provisions:

Risk Management

Dated:

Approved as to Form:

Signed by:
Michael Whilden
0F98C5BE9B6F476...

County Counsel

Dated: 9/23/2025 | 10:30 AM PDT

InTime Services, Inc., dba In Time

By: Signed by:
Jason de Boer
3416700C939D46E...

Signature of Chair, President, or Vice-President

Jason de Boer, Vice President, Sales

Printed Name and Title

Dated: 9/18/2025 | 5:20 PM PDT

By: Signed by:
Jason de Boer
3416700C939D46E...

(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)*

Jeff Lacey, CEO

Printed Name and Title

Dated: 9/18/2025 | 5:20 PM PDT

County Board of Supervisors' Agreement Number: _____.

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

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To Agreement A-16608 by and between
County of Monterey, herein after referred to as "County"
And
InTime Services Inc., dba InTime, herein after referred to as "Contractor"

Scope/Payment Provisions

A. SCOPE – In addition to services previously outlined

A.1 CONTRACTOR shall configure Timekeeping to Payroll Module specifically for customers unique Timekeeping data and payroll rules, provide web interface, training and support.

Support includes (for no additional fees):
- Changes or additions to: rank codes, leave codes, overtime codes, assignment codes, budget codes, time bank codes, shift differential codes, pay rates, work groups with no logic requirements or hard coding
- Changes to Payroll work periods
- Change to Prior Pay Period adjustment (eg. Change from 1 to 2 week look back, or from 2 to 1 week look back), but not including the addition of Prior Pay Period adjustment if not included in the initial deployment
- Changes to shift rotations

Any additional customization request will be assessed by InTime and may be subject to additional fees.

*In Time Timekeeping Module properly implemented is a prerequisite to use the InTime Payroll Module.

A.2 CONTRACTOR shall upon request start implementation of TimeKeeping-to-Payroll Module.

TimeKeeping to Payroll Module Implementation – Remote Professional services

Tasks	**Project Start Date:**	Completed
Requirement Analysis & Verification	TBD	
Module Statement of Work (SOW) Completion	TBD	
Module Configuration and set-up	TBD	
Module delivered per SOW	TBD	
Interface Testing completed and accepted	TBD	
Interface Roll-out support (completed and accepted)	TBD	
Training	TBD	

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B. COMPENSATION/ PAYMENT

a. County shall pay an amount not to exceed $328,218 for subscription service for the Scheduling and Timekeeping Modules.
b. Remote Professional Services - $7,000 (one-time fee upon acceptance of successful implementation for timekeeping-to-payroll module) *Will be started after requested by email from Sheriff's Payroll Manager.
c. Current payment for subscription services is based on 461 employees for the Scheduling Module and Timekeeping Module.

Subscription Services for Modules (12 Months)		
Scheduling Module	($72/per employee)	$33,192
Timekeeping Module	($36/per employee)	$16,596
*Timekeeping-to-Payroll Module	($27.48 per employee)	$12,669

*Will be paid upon request for implementation of TimeKeeping-to-Payroll Module and will be prorated based on number of months left. Request for implementation will come from MCSO Fiscal Manager.

ALL TAXABLE ITEMS SHOULD BE CLEARLY IDENTIFIED. It is preferable to state the tax rate applied in parenthesis and all taxes should be listed as a separate line item.

There shall be no travel reimbursement allowed during this Agreement.

CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.

A.2 CONTRACTORS BILLING PROCEDURES

Invoicing shall occur annually. All invoices shall reference the Lease number attached to this agreement. It is preferable to submit invoices and statements electronically to the County's invoice tracking system at:

230-SOFiscal@countyofmonterey.gov

If CONTRACTOR lacks the ability to use this system, hard copy invoices will be accepted via mail addressed to the following location:

Monterey County Sheriff/Coroner's Office
Attention: Fiscal Unit Accounts Payable
1414 Natividad Road

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Salinas, CA 93906

County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

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Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Wendy Root Askew to:

Agreement No.: A-16608
a. Authorize the Contracts and Purchasing Officer or their designee to execute a non-standard agreement with In Time Services, Inc., dba In Time, retroactive to October 18, 2022, for a time keeping and schedule subscription solution in the amount of $72,790; and
b. Authorize the Contracts and Purchasing Officer or their designee to execute amendment 1 with In Time Services, Inc., dba In Time, effective October 18, 2023 through October 17, 2025, in the amount of $196,304.

PASSED AND ADOPTED on this 10th day of October 2023, by roll call vote:

AYES: Supervisors Alejo, Lopez, Askew, and Adams
NOES: None
ABSENT: Supervisor Church

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting October 10, 2023.

Dated: October 11, 2023
File ID: A 23-482
Agenda Item No.: 20

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Vicente Ramirez, Deputy

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inTime®

Proposal & Agreement For Monterey County Sheriff's Office

Cloud Hosted Scheduling and Workforce Management

Prepared by: Ian Komnenic
Account Executive 1.877.603.2830
ext. 562
Ikomnenic@intimesoft.com

Date Issued: Sept 12, 2022

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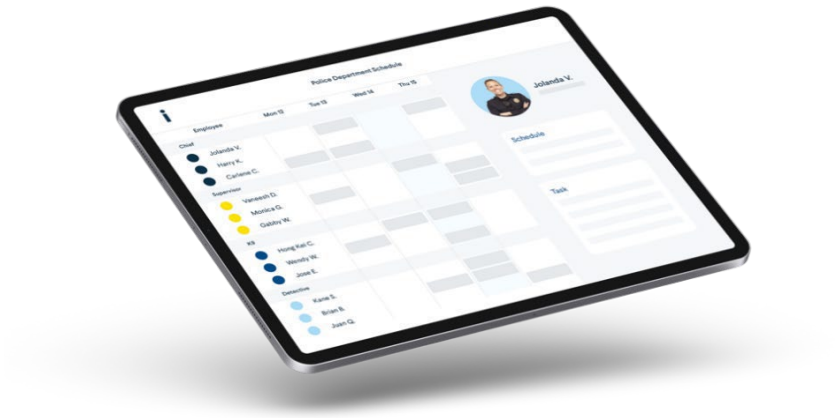
About InTime



InTime is the leading provider of Scheduling and Workforce Management software that's **purpose-built for public safety agencies**. InTime's product offering has been refined through 25 years of experience and in-house development, and proven to meet the needs of over 500 agencies, who trust InTime in helping them work more efficiently, spend smarter, reduce risks and better engage their teams.

In addition to providing the most robust product offering, InTime brings implementation expertise ensuring rapid time-to-value, effective training, world class customer support, and public safety workforce management thought leadership. Additionally, hundreds of members of InTime's customer community share their experiences and learn from each other at **InTime University**, InTime's annual user conference.

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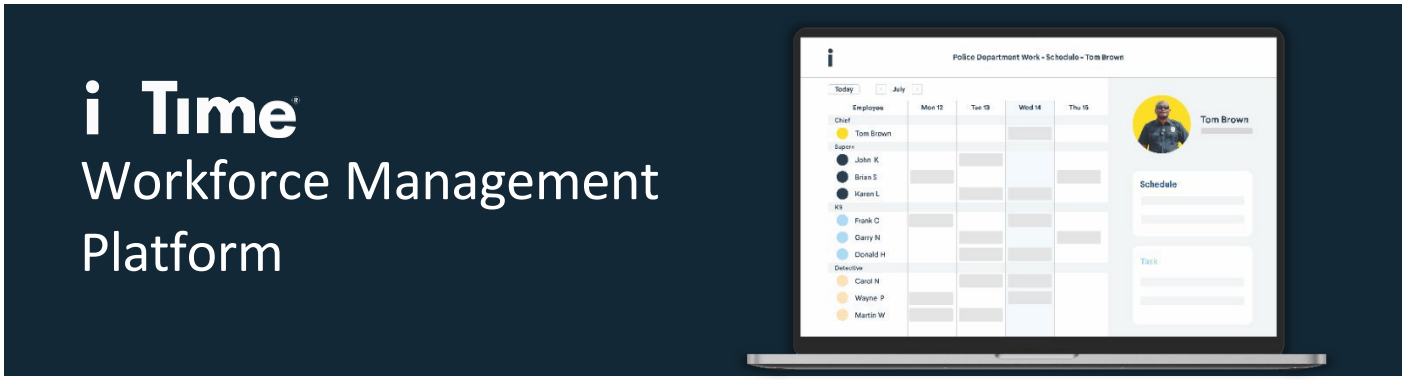
InTime Workforce Management Platform

InTime understands the unique workforce management needs of the various roles within a public safety agency and has optimized the software accordingly. This includes insightful analysis and reporting for **Command**, an efficient suite of scheduling and related tools to ensure **Operations** is highly effective, accurate and efficient, and an easy to use online and mobile experience for **Staff** to have instant visibility of, and the ability to request changes to, their individual schedules



Scheduling Timekeeping

Shift Bidding

Overtime Management

Leave Management

Training & Certifications

Court & Subpoena

Operations

Efficient Scheduling
Automated Timesheets
Equitable Shift Posting
Minimum Staffing
Manage Approvals
Special Events

Command

Data-driven Decisions
Reduce Labor Complaints
Overtime Cost Management

Employee Fatigue
Risk Mitigation
Accountability

Staff

Mobile App Access
Real-time Schedule
Timesheets Submission
Overtime Sign-Up
Push Notifications
Leave & Swap Requests

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Making Better Agencies

InTime customers have experienced significant returns on their investment in the forms of reduced costs and risk, while improving efficiencies, better ensuring compliance and enhancing agency-wide communication.

46%

Reduction in court-related Overtime across 23 member agencies

Integrated Law & Justice for Orange County

100%

Visibility of schedule history, changes and reasons

North Dakota DOC

90%

Reduction in time spent managing Overtime

Winnebago County Sheriff

50%

Reduction in Overtime costs

Azusa Police Department

"Now, I might send out 20 [shifts] on a Thursday and by Thursday night, have those 20 shifts signed up for, within 10-15 minutes."

– Lieutenant, South San Francisco Police Department

"Using InTime to manage Secondary Duty, I am able to have full accountability for all my officers and offer better customer service to clients requesting off duty."

– Chief, Bluffton Police Department

"Before, I had 3 or 4 different sheets that I had to update to keep everything accurate. Now, everything is in one place and it's easy to transfer officers from one shift to another. It's beyond belief how much time and money is saved."

– Lieutenant, Toledo Police Department

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Your Stated Objectives

Through discussions with your agency, we understand the following to be Monterey County Sheriff's primary objectives as they relate to making improvements for the agency, through the implementation of an advanced workforce management platform purpose-built for public safety.

Spend Smarter

- Gain greater visibility to overtime expenditures by type, reason or approver to identify inefficiencies and opportunities to reduce costs.
- Enabling the entire scheduling function, including creation and modifications to be completed in a fraction of the time, while also notifying all affected employees through real time push notifications.
- Quickly identifying eligible employees for open shifts, saving time and preventing scheduling of non-eligible staff.
- Ensuring minimum staff counts while also not over-staffing when not needed.

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Work More Efficiently

- Post, find, and fill shifts significantly faster, more accurately, and in an equitable manner.
- Enable real time visibility of shift vacancies weeks or a month in advance, for better informed planning and decision making.
- Ensuring more efficient and accurate scheduling to prevent errors and wasted employee time.
- Automated completion of timesheets to ensure greater accuracy (no redundant data entry) and significant time savings for all staff.

Reduce Risk

- Ensuring staff shift assignments meet union rules and/or other organization policies
- Automated alerts to flag for issues related to training/certification, fatigue, and assignment type compliance to prevent inappropriate scheduling
- Automation of timesheets to reduce likelihood of non-compliant timesheet processes

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Engage Your Team

- Improved communication across the organization with scheduling notifications via a rich mobile experience (mobile optimized web browser, or iOS and Android App)
- Instant visibility to available Overtime postings
- Staff can quickly make requests for leave or shift trades and receive approvals via mobile alerts or email
- Supervisors can facilitate request approvals/rejections via web including smartphone

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Proposed Solution Components

Scheduling via Software-as-a-Services (SaaS) is the core of the proposed solution to address your agency's primary objectives, but there is far more to agency success that just signing up to use a scheduling software service. The following outlines the proposed solution components, that collectively, provide a holistic approach to successfully addressing your agency's objectives.

Software-as-a-Service (SaaS)

InTime is provided via an annual subscription model and hosted on Amazon Web Services (AWS).

Public Safety agencies have many complex processes related to scheduling and timekeeping. InTime, through providing solutions for hundreds of public safety agencies for 25 years, has seen just about every unique scheduling process. With this knowledge, InTime continuously enhances the software to be the most robust and efficient on the market. While many entry-level products struggle to adapt to complex public safety agency processes, it is InTime that provides the robust software offering that just works.

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InTime Architecture

InTime is cloud hosted and provides the primary software capabilities, security, administration, and data storage. InTime is hosted on Amazon Web Services (AWS) in a Multi-Availability Zone deployment that synchronously replicates the data to a standby instance in a different Availability Zone, and provides the premium standard for reliability and security.

InTime is accessed via the following tools, **all of which are included with the InTime subscription**.

InTime Desktop

A robust client easily installed on the computers of the schedulers or others in management, that provides secure access to the core product for scheduling and related capabilities, administration, and reporting.

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InTime Mobile

Available for both **Android and iOS**, a rich Mobile App for staff to:

- view individual and team schedules
- sign up for shifts, overtime and extra-duty
- submit leave requests
- request shift trades
- punch-in punch-out (geo-fenced)
- receive mobile alerts

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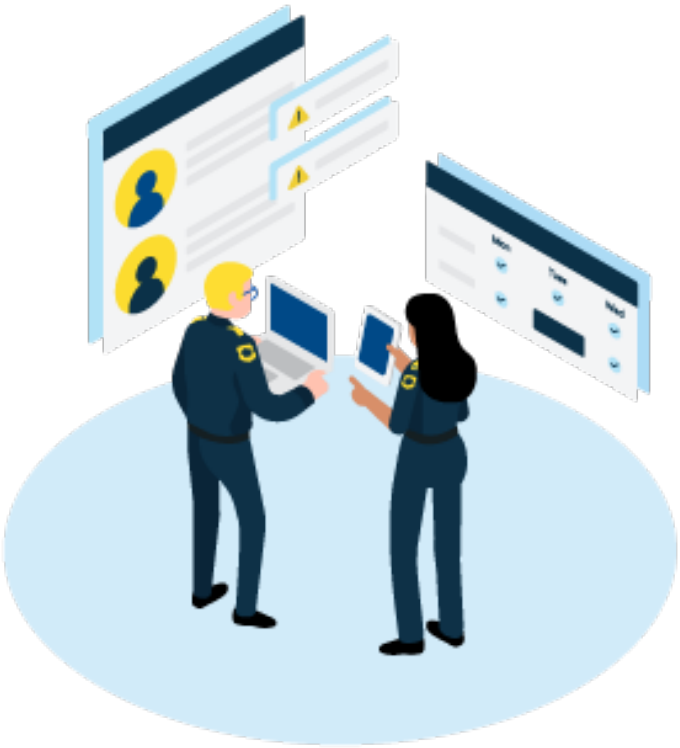
InTime Web

A mobile optimized web browser experience for use on computers, tablets or smartphones, where staff can:

- view individual and team schedules
- sign up for shifts, overtime and extra-duty
- submit leave requests
- request shift trades
- And supervisors can approve/reject requests



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Software Modules and Relates Services

Scheduling System

The Scheduling System is the foundation of InTime and can be complemented with any or all of InTime's optional integrated modules to provide a complete solution to meet your organization's objectives.

Public safety agencies have many complex processes related to scheduling.

InTime's Scheduling system has been enhanced over 25 years to provide most robust offering on the market that addresses most every unique process for public safety scheduling.

While many entry-level products struggle to adapt to complex public safety agency processes, it is InTime's Scheduling offering that just works.

Learn more here

Attributes Include:

- Overtime tracking, posting and reporting
- Minimum staffing indicator
- Email notifications
- Integrated special duty assignments
- Integrated training assignments
- Customizable daily rosters
- Comprehensive employee profile
- Skills and attribute tracking
- Employee Staff filters
- Over 100 standard and highly configurable reports
- History tracking
- Supervisor leave approvals

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Timekeeping Module

With scheduling at the core, all your employee data, complex pay rules, and overtime information are built into your schedule and pushed automatically to Timekeeping . Employees can submit overtime and activity slips for approval.

Learn more here

Attributes Include:

- Timesheets populated automatically from Schedule
- Electronic overtime requests
- Employee timesheet verification
- Supervisor activity and timesheet approvals (up to 3 levels)
- Generic .CSV Payroll Export
- Payroll specific timecard print outs

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Professional Services

Implementation Services

InTime's Implementation team is comprised of former public safety officials who are experts in the nuances of complex scheduling, timekeeping and change management. Using a proven framework for organizational success, they lead new InTime customers to ensure the software is configured to address our customer's processes and objectives. The implementation process includes the customer assuming some of the tasks, and in doing so helps the customer develop a body of product knowledge that is beneficial for on-going product usage. Implementation services are delivered remotely via Zoom or other web meeting tools.

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Implementation Deliverables for **Scheduling**

- InTime Project Management throughout set-up process
- Preliminary Setup for the Customer Project Team system access
- Importing your Employee Profile Data into InTime
- Setting up your Leave Types and Ranks in InTime
    - Setting up an Email Server Account for Notifications from the system to your employees
- Setting up an SMS Account, if required, for text notifications
    - Coaching and directing Customer Project Team through the following Setup Tasks:
- Setting up Fatigue Rules
- Defining rules for when shifts overlap
- Set up any applicable FLSA overtime rules for each Work Group
- Building a Unit Structure to mirror the Customer's Organizational setup
- Configuring Employee Attributes that define employee skills, abilities, certifications, restrictions, and training
- Completing the Employee Profile setup:
    - Assigning the previously defined Employee Attributes to individual employees
    - Assigning ranks to individual employees
    - Assigning employees to their specific Work Unit and Work Group
- Entering all Shifts and Activities for every Work Unit
- Entering all Internal and External Locations where employees work
- Connecting the applicable Shifts and Activities to the Locations
- Entering custom data fields to allow for tracking and reporting of tagging information in those custom data fields
- Defining all of the reason's employee work overtime
- Defining any Differential Pays employees receive
- Defining any situations where employees are unpaid
- Defining any situations where employees are paid on a standby basis
- Entering the names of all Customers (entities that hire your employees or use your employees outside normal assignments)
- Setting up Employee Filters that allow you to define sub-sets of employees based on Work Unit, Rank, and/or Attributes

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- Setting up required Coverage Levels for various Work Units (minimum staffing levels)
- Defining the reasons for rejecting Leave Requests, declining assigned Overtime, and for cancelling assignments
- Setting up the rules to sort-order and organize a list of employees to assist in the equitable distribution of voluntary and mandatory overtime assignments
- Setting up all of the scheduling shift patterns worked in the organization (days on and days off with properly assigned shifts and locations)
- Assigning the defined shift patterns to every Employee
- Loading the Master Template Schedule into the Work Schedule
- Marking up the Work Schedule with rulers to define pay periods and highlight holidays or any special day on the calendar
- Setting up required staffing positions at locations, whether regular duty posts or extra duty assignments
- Setting up automatic Notifications to an employees for specific scheduling tasks, such as approving or rejecting requests
- Setting up reminders and allowing employees to acknowledge those reminders; along with additional notifications when reminders are ignored.
- Setting up Time Bank Accruals in InTime to mirror the master Time Bank Accrual setup in a payroll system
- Setting up Roles for the Schedulers that define their specific permissions as to what they can see and what they can edit
- Building custom Daily Roster Reports that populate data from a single day showing who is working and where, as well as those on Leave
- Activating InTime Web and InTime Mobile and defining rules for what data is available in those environments
- Configuring a training environment to allow users to train on using the system without affecting the production schedule
- Explaining how to close and lock down the schedule to changes

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Implementation Deliverables for

Timekeeping Module

- Coaching and directing Customer Project Team through the following Setup Tasks:
    - Entering Codes & Reference Values for:
        - Leave Types
        - Activities & Shifts
        - Work Locations
        - Work Units
        - Overtime Reasons

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InTime Scheduler Training Course

InTime's training experts deliver training with the agency's unique processes and goals in mind. As opposed to a fictitious "canned" training environment, InTime's customers are trained in their own InTime system that has already been tailored for their unique processes. Training is delivered remotely (web meeting). On-site training may be available for additional fees. InTime also provides a suite of online training refresher videos with step-by-step instructions for no additional fees.

All Training Courses have a maximum class size of 10 staff.

Scheduler Training Course Deliverables:

- Training conducted in the customer's InTime Training Branch that has been tailored for the customer during the implementation process, to ensure an effective and pertinent training environment
- Train Schedulers on use of InTime from Employee perspective:
    - Accessing InTime Web and InTime Mobile for:
        - Viewing Schedules
        - Submitting Requests (Timesheet, Activity, Leave, Trades)
        - Overtime Assignment Sign-up
        - Profile Display
        - Preferences & Availability
- Train Schedulers on use of InTime from Scheduler perspective:
    - Accessing the InTime Desktop for:
        - Viewing the Work Schedule (multiple options)
            - Daily, one week, two weeks, three weeks, four weeks, one month
            - Unit View, Employee View, Location View, Activity View, Agent Views
            - Filtering for any sub-set of employees, locations, or activities
        - Editing the Work Schedule
            - Making Assignments
            - Clearing Assignments
            - Creating Tasks
            - Setting up Reminders
            - Assigning & Clearing Leave
            - Assigning & Tracking Overtime

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  - Scheduling sub-assignments (assignments within an assignment)
- Viewing and editing Employee Profile data
- Sending Notifications via SMS or Email to any sub-set of employees
- Reporting capabilities for Employees, Schedules, Attendance, Payroll, Billing, Notifications, Assets, Training, Licensing, SMS Usage, User Logins, Web Services, and Timekeeping Exporting
- Tagging Assignment with Tracking information for reporting
- Assigning Assets on a per-assignment basis
- Using the History feature (complete audit trail for scheduling changes)
- Posting available overtime assignments to the Web portal and Mobile Apps to specific employee groups qualified to work the assignment
- Filling assignments and overtime (voluntary & mandatory) using Find List Organizers and Calculators configured to your policies
- Approving or rejecting incoming employee requests:
  - Leave Requests
  - Activity Requests
  - Court Requests
  - Timesheet Requests
  - Shift Trade Requests

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InTime Additional Module

Training Course Deliverables

In addition to the training referenced above, your schedulers and administrators will receive additional training to learn how to best utilize the following integrated module(s), upon completion of the InTime Scheduler Training Course:

Timekeeping Module

- Submitting Activity Requests via the InTime Web or Mobile Apps
- Approving and Rejecting Activity Requests in the Work Schedule
- Submitting Timesheets via the InTime Web or Mobile Apps
- Checking Timesheets for Conflicts (Timesheet and schedule not in sync)
- Generating Timesheet Reports
- Approving and Rejecting Timesheets in the Work Schedule
- Dealing with Activity Requests that reduce the assignment period
- Generating Time Card Reports
- Generating Timekeeping CSV Export Reports

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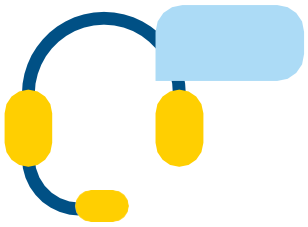

Customer Support

Invariably, customer organizations will need a helping hand or expert insights in solving complex challenges with their scheduling and timekeeping. InTime's Customer Support team is trained to guide our customers to use the software in the best way to address their challenges.

Customers also automatically have access to software updates as they are released.

Attributes include:

- Unlimited Help Desk Support during business hours
- 24/7 critical support
- Online customer community hub
- Online "refresher" video library available 24/7
- Automatic software updates including written and video instructions for new features

"The responsiveness, the thoroughness, the explanations, and the care…InTime's Support is phenomenal. I don't believe you'll find any comparison between the customer support; that's really what makes the software that much more magnificent". Lt. Michael Howard (Novato Police Department

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InTime University (Annual User Conference)

We invest in your success with InTime University.

Once a year, InTime invites all its customers to a three-day user conference event at a major USA city. The agenda includes product training sessions, customers sharing their case study stories, public safety industry speakers, and an opportunity to network with like- minded public safety officials to exchange experiences and ideas.

There's only one catch - all attendees need to be InTime customers.

InTime makes a significant investment in this event to help keep customer registration fees affordable.

We look forward to hosting you at the next conference. Listen to

what attendees say

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InTime Solution Pricing

Annual Subscription For: **468 Employees**

SCHEDULING MODULE ($72/emp/year)	$33,696/Year
TIMEKEEPING MODULE ($36/emp/year)	$16,848/Year
CUSTOMER SUPPORT AND MAINTENANCE	Included
SECURE HOSTING • Top tier cloud service provider • Automatic failover • Real time data redundancy	~~$1,800/Year~~

REMOTE PROFESSIONAL SERVICES
Implementation Services for modules listed above
• Unique Implementation for the following groups
  ○ Patrol
  ○ Corrections
	$15,163
	(one time fee)

2 Training Course for Schedulers for the services and modules listed above. *All Training Courses have a maximum class size of 10 staff.*	$6,633 (One time fee)

First Fees:	$50,544
Implementation Services:	~~$15,163~~
Completion of Discovery & Pre-Config and phases 1-2	$7,581
Completion of phases 3-5	$7,581
Training Fees (Course 1):	$3,316
Training Fees (Course 2):	$3,316

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Notes

1. All prices are in US Dollars.
2. This proposal is valid for 30 days.
3. Fees are exclusive of any and all applicable taxes and duties, including withholding taxes.
4. Payment for the subscription fee and for professional services (if any) are net thirty (30) days from date of invoice.
5. InTime's T&Cs is Attachment A, Attachment B insurance information, Appendix A support level definition.
6. InTime's Implementation Phases/Schedule attached to this proposal.
7. Invoicing schedule is per the following:

   Subscription Fee: Upon contract signing and annually on contract date anniversary

   Implementation Services: To be billed upon completion of phases per previous page

   Training: Upon completion of training

Acceptance of Terms

To indicate acceptance of the terms of this proposal, either issue InTime a purchase order referencing this proposal for the amounts indicated or sign the document on the spaces indicated below.

Both parties have read and agreed to the terms and conditions of this proposal:

County of Monterey	DocuSigned by: Debra R. Wilson 7B741837AA0D41B...	10/18/2022 | 11:11 AM PDT
Customer Organization Name	**Authorized Signature**	**Date**
DocuSigned by: Irv Grant 454AC3465FD4490... 10/11/2022 | 8:31 AM PDT	DocuSigned by: Bryan Mousa 811C333563B9474... 10/18/2022 | 11:09 AM PDT	
Irv Grant, Deputy County Counsel IV	Gary Giboney, Chief Deputy Auditor-Controller	
InTime Services Inc.		Sept 26, 2022
Vendor Name	**Authorized Signature**	**Date**

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InTime MCSO Proposal Terms and Conditions

A. InTime Services, Inc. (hereinafter “InTime”) provides an application for scheduling personnel as a service delivered over the Internet ("Services") to The County of Monterey, a political subdivision of the State of California (hereinafter “Customer”). The application is proprietary to InTime.
B. In conjunction with such Services, InTime also provides Support to its Customers to allow them to use the Service.
C. Customer desires to obtain such Services from InTime.
D. Customer hereby engages InTime to perform, and InTime hereby agrees to perform, the services described in this Agreement in conformity with the terms of this Agreement.

1. DEFINITIONS

1.1 "Confidential Information" means information concerning any information relating to the business and technology of either party which is not generally available to third parties and which is treated by the parties, in accordance with their policies, as confidential information or a trade secret and specifically includes the Services, either parties business processes, information about either parties customers or users in any manner, shape or form or other like information. For the purposes of this Agreement, a party disclosing Confidential Information is a Discloser and the party receiving Confidential Information is a Recipient. Confidential Information does not include information which is:

a. at the time of disclosure, or thereafter becomes part of the public domain without any violation of this Agreement by the Recipient;
b. already in the Recipient’s possession before disclosure of such information to the Recipient by the Discloser;
c. following the Effective Date is furnished to the Recipient by a third party without that third party being in breach directly or indirectly of an obligation to the Discloser to keep such information secret confidential and secret; and
d. developed independently by the Recipient without use of Discloser’s Confidential Information as evidenced by reasonably detailed written records.

1.2 "Customer” means the County of Monterey, a political subdivision of the State of California.
1.3 "Agreement" means this document, provided by InTime to Customer containing a price quote, setting out the term and if applicable, specifying applicable governing law.

1.4 "Support" means technical support provided by InTime to Customer relating to Customer's use of the Services, on a remote basis by telephone, e-mail, and fax, and optionally at the Customer’s site, and is subject to the availability of support personnel and facility infrastructure services. Such support includes problem diagnosis, consultation, dial-in diagnosis services, and problem resolution with the Support levels defined in Appendix A.

2. SERVICES

2.1 InTime will provide the Services to Customer in accordance with applicable laws and regulation. The Services will be provided on the following basis:

(a) InTime will use commercially reasonable efforts to make the Services available 24

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hours a day, 7 days a week, except for:

(i) planned downtime (and InTime will give Customer at least 72 hours notice of such downtime and will attempt to schedule such downtime to the extent practicable during weekend hours from 6:00 p.m. Pacific time Friday to 3:00 a.m. Pacific time Monday), or

(ii) any unavailability caused by circumstances beyond InTime's reasonable control.

2.2 Under no circumstances can Customer allow other commercial entities to access the Services. Customer is prohibited from providing or repurposing the Services to other parties in any manner, including as a service bureau or application service provider.

2.3 Violation of any of the terms of this Agreement or use of the Services in a way that breaches applicable law or regulation in any way entitles InTime to terminate this Agreement and Customer's access to the Services. InTime will give its Customers written notice of such breach. If such breach is not corrected in 30 days InTime may terminate this Agreement. PLEASE NOTE THAT INTIME STRICTLY ENFORCES THIS POLICY AND WILLPROSECUTE ANY VIOLATION OF THIS AGREEMENT TO THE FULLEST EXTENT PERMISSIBLE BY LAW.

2.4 It is Customer's own responsibility to:

(a) provide for its own access to the Internet, arrange for secure Internet access therefore and pay any service fees associated with such access;
(b) be responsible for the accuracy, quality, integrity and legality of data which is processed using the Services, including the exclusion of Social Insurance Numbers (SIN) and Social Security Numbers (SSN), and of the means by which such data was acquired;
(c) use commercially reasonable efforts to prevent unauthorized access to or use of the Services, and notify InTime promptly of any unauthorized access or use;
(d) use the Services only in accordance with any documentation and applicablelaws and regulations.

2.6 Customer may not use InTime trademarks such as "InTime" without the prior written permission of InTime. InTime may not use Customer trademarks such as the Monterey County Logo or any other trademarked Customer material without prior written permission of Customer.

2.7 No other services are provided with the Service unless agreed to otherwise by InTime and the Customer.

3. WARRANTY AND LIMITATION OF LIABILITY

3.1 SPECIFIC EXCLUSION OF OTHER WARRANTIES - THE SERVICES ARE PROVIDED "AS IS, WHERE IS" OTHER THAN AS SET OUT IN SECTION 5. INTIME DISCLAIMS ALL WARRANTIES WITH RESPECT TO THE SERVICES WHETHER EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, DURABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NEITHER PARTY IS LIABLE UNDER THIS AGREEMENT FOR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY, OR INCIDENTAL DAMAGES OR LOSS OF PROFITS RESULTING FROM THE SERVICES (OR ANY THIRD PARTY GOODS OR SERVICES) EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. InTime's and Customer's total aggregate liability shall not exceed the limits of their respective insurance policies.

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4. OWNERSHIP CONFIDENTIALITY AND USE LIMITATION

4.1 Ownership

(a) Subject to the limited rights expressly granted under this Agreement, InTime reserves all rights, title and interest in and to the Services, including all related intellectual property rights. No rights are granted to Customer under this Agreement other than as expressly set forth with respect to limited rights to use the Services.

(b) Customer shall not (i) permit any third party to access the Services except as expressly permitted, (ii) create derivate works based on the Services, (iii) copy, frame or mirror any part or content of the Services, other than copying or framing on Customer's own internal non-publicly accessible networks or otherwise for Customer's own internal business purposes, (iv) reverse engineer the Services, or (v) access the Services in order to (a) build a competitive product or service, or (b) copy any features, functions or graphics of the Services.

(c) As between InTime and Customer, Customer exclusively own all rights, title and interest in and to all of Customer's data.

4.2 Confidentiality - The following terms apply to Confidential Information and the ownership thereof.

(a) All Confidential Information is owned by the respective parties.

(b) Neither party will, at any time whether before or after the termination of this Agreement, disclose, furnish, or make accessible to anyone any Confidential Information or permit the occurrence of any of the foregoing.

(c) Each party will hold in confidence and not disclose any Confidential Information of the other party. All Confidential Information will be maintained in confidence by the Recipient, will not be disclosed to any person or entity in any way except as provided in this Agreement, and will be protected with the same degree of care the Recipient normally uses in the protection of its own confidential and proprietary information, but in no case with any less degree than reasonable care.

(d) The Confidential Information may be disclosed by the Recipient only to those employees, directors, officers, auditors or consultants of the Recipient having the need to receive such Confidential Information for the purposes of this Agreement, provided the recipients of such Confidential Information are already bound by written confidentiality and non-disclosure obligations similar to those undertaken by the Recipient under this Agreement. The Recipient shall immediately give notice to the Discloser of any unauthorized use or disclosure of the Confidential Information. The Recipient agrees to assist the Discloser in remedying any such unauthorized use or disclosure of Confidential Information.

(e) To the extent the Recipient is required to disclose any Confidential Information pursuant to a valid subpoena or other applicable order by a governmental agency or judicial body or by operation of law, the Recipient will promptly notify the Discloser in writing of the existence, terms and circumstances surrounding such disclosure (except as prohibited by law) so that the Discloser may seek a protective order or other appropriate remedy from the proper authority. The Recipient agrees to reasonably cooperate with the

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Discloser in seeking such order or remedy at Disclosure's cost and expense. The Recipient further agrees that if the Recipient is required to disclose any Confidential Information, the Recipient will furnish only that portion of the Confidential Information that is legally required and will reasonably cooperate with Disclosure's efforts to obtain reliable, written assurances that confidential and legally compliant treatment will be accorded to such Confidential Information

(f) The obligations of confidence contained herein will survive termination or expiry of this Agreement.

5. REPRESENTATION AND INDEMNIFICATION

5.1. Indemnification by InTime – InTime shall indemnify, defend, and hold harmless Customer, its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by InTime and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the Customer. It is the intent of the parties to this Agreement to provide the broadest possible coverage for Customer. InTime shall reimburse Customer for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which InTime is obligated to indemnify, defend and hold harmless Customer under this Agreement.

5.2 Exclusive Remedy - This Section 5 states InTime's sole liability to, and Customer's exclusive remedy against InTime for any type of Claim described in this Section.

6. TERM AND TERMINATION

6.1 Term – This Agreement shall begin upon execution and continue for the term of one year. The Term may be extended through a mutually executed written amendment to this Agreement. Customer may terminate this Agreement at any time without cause upon 30 days written notice.

6.2 Termination - This Agreement shall terminate in each of the following events:

(a) at the option of either party if the other party materially defaults in the performance or observance of any of its obligations hereunder and fails to remedy the default within 30 days after receiving written demand therefore; or

(b) immediately, at the option of the non-breaching party if either party breaches section 4.1(b) or 4.2 of this Agreement; or

(c) at the option of either party if the other party becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or if a receiver or trustee in bankruptcy is appointed for the other party, or if any proceeding in bankruptcy, receivership, or liquidation is instituted against the other party and is not dismissed within 30 days following commencement thereof or

(d) on the occurrence of the events set out in section 7.4 provided that the right of termination shall be in addition to all other rights and remedies available to the parties for default or wrongdoing by the other.

6.3 Suspension of Obligations - If either party should default in the performance or

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observance of any of its obligations, then, in addition to all other rights and remedies available to the non-defaulting party, following the default and expiration of an applicable cure period, the non-defaulting party may suspend performance and observance of any or all its obligations under this Agreement, without liability, until the other party's default is remedied.

6.4 Refund for Termination of Agreement for cause – If this Agreement is terminated for cause by Customer, then InTime shall refund Customer any prepaid fees covering the remainder of the term of all subscriptions after the effective date of termination. Upon any termination for cause by InTime, Customer shall pay any unpaid fees through the effective date of termination. In no event shall any termination relieve Customer of the obligation to pay any fees payable to InTime for the period prior to the effective date of termination.

6.5 Return of Customer Data - Following termination of the Agreement, InTime will provide read-only access to Customer's data for a period of six months without charge and provide an export of customers data in a standard format as mutually agreed to by Customer and InTime. After such period, InTime shall have no obligation to maintain or provide any of Customer's data and may, unless legally prohibited, delete all of Customer's data in InTime's systems or otherwise in InTime's possession or control.

7. GENERAL

7.1 This Agreement contains the whole agreement between InTime and Customer relating to the Services.

7.2 InTime may assign this Agreement in connection with a merger, amalgamation or corporate re-organization involving InTime, or in connection with the sale of all or substantially all the assets of InTime or to an affiliate or wholly-owned subsidiary of InTime.

7.3 This Agreement may only be modified through a mutually executed written amendment.

7.4 InTime reserves the right to suspend the Services for repair, maintenance, and/or upgrade work. Unless InTime cannot do so for security or other reasons beyond our reasonable control, InTime will give Customer reasonable notice of such suspension.

7.5 This Agreement is governed by the laws of the State of California, United State of America. All disputes arising out of or in connection with this Agreement shall be referred to and finally resolved by arbitration or mediation. The place of arbitration or mediation shall be Monterey County California, United States of America.

7.6 The parties acknowledge that each is an independent contractor and nothing in this Agreement constitutes a joint venture or partnership and neither party has the right to bind nor act for the other as agent or in any other capacity.

8. PAYMENT PROVISIONS

8.1 InTime shall submit invoices upon execution of this Agreement and annually on the anniversary date of this Agreement for any renewal terms.

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8.2 All invoices shall set forth the amounts claimed by InTime Services, Inc., together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The Customer shall certify the invoice, either in the amount requested or in such other amount as the Customer approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

8.3 Pricing is exclusive of any and all applicable taxes and duties, including withholding taxes. All Prices are in US Dollars. No travel costs shall be reimbursed through this Agreement.

8.4 The maximum amount payable by Customer to Intime under this Agreement shall not exceed the sum of seventy-two thousand three hundred thirty-nine dollars ($72,339.00) per InTime Solution Pricing, page 23 of this Agreement.

9. INSURANCE

9.1 Insurance Coverage Requirements Without limiting InTime's duty to indemnify, InTime shall main in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:
9.1.1 Commercial General Liability Insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.
9.1.2 Business Automobile Liability Insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than $500,000 per occurrence.
9.1.3 Workers' Compensation Insurance, if InTime employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.
9.1.4 Professional Liability Insurance, if required for the professional services being provided (e.g., those persons authorized by a license to engage in a business or professional regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, InTime shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.
9.1.5 Cyber liability –InTime shall carry and maintain cyber liability insurance with limits of not less than the amounts set out in Attachment B covering claims involving privacy violations, record holder breach notification costs, privacy breach remediation costs, privacy regulatory actions, fines and penalties, theft of confidential or protected information, damage to or destruction of electronic information, restoration or retrieval of electronic information, intentional and/or unintentional release of private or confidential information, alteration of electronic information, ransomware, extortion and network security.

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ATTACHMENT B - INSURANCE

Data Breach and Privacy Cyber Liability

Provider shall maintain at all times during the provision of Cloud Services, and as otherwise required herein, data breach and privacy cyber liability insurance in a manner consistent with section 9.1.5 with limits of no less than $5,000,000 per claim and $5,000,000 in the aggregate provided that limits for the following specific scheduled specific items are limited to the following:

1. Privacy Regulation Proceeding $ 1,000,000 per claim $ 1,000,000
2. Privacy Event Response $ 1,000,000 per claim $ 1,000,000
3. Cyber Crimes
    i. Data Restoration $ 250,000 per claim $ 250,000 aggregate
    ii. Network Restoration $ 250,000 per claim $ 250,000 aggregate (Including Bricking)
4. Business Interruption $ 250,000 per claim $ 250,000 aggregate
5. Computer Extortion $ 250,000 per claim $ 250,000 aggregate
6. Regulation Investigation $ 250,000 per claim $ 250,000 aggregate.

9.2 Other Insurance Requirements Commercial general liability, automotive liability, and cyber liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of InTime's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by Customer and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by InTime's insurance.

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Appendix A of Attachment A to Agreement – Support Level Definition

All Customer requests for Support shall be managed as described below. The degree of InTime's responsiveness ("Severity") shall be based on the nature of the initial Customer Support request. The Customer will always make every effort to respond in a timely fashion to requests from InTime for assistance in providing Support.

"Normal Support Hours" are 6:00 AM through 5:00 PM (Pacific Time), Monday through Friday, excluding statutory holidays.

Critical Severity	Available: 24 hours/day, 7 days/week, via special toll-free number in North America.
Description:	A Customer detected critical Software error that renders the entire live InTime production system, or an essential part of it, inoperable or "down".
Initial Response:	All support requests will be dispatched with call details and problem description within 5 minutes of receipt of support request. During Normal Support Hours, warm transfer immediate response if an InTime Support representative is available, otherwise a callback response within 15 minutes average, one (1) hour maximum. Outside of Normal Support Hours a callback response within eight (8) hours average, sixteen (16) hours maximum.
Resolution Response:	Once an InTime Support representative has made contact with the customer regarding the support request, InTime will work continuously to return the InTime production system to normal "up" operation, with an average resolution time of not more than eight (8) hours.
Chargeable Service:	If the Critical Severity support service is used by the Customer for non-critical support then the service is chargeable at InTime's current hourly support service rates.

High Severity	Available: Normal Support Hours
Description:	A Customer detected non-critical Software error in a module of the live InTime production system, which seriously impairs system operation but does not render it "down". Non- critical Software errors exclude cosmetic, documentation, or reporting problems, and also questions regarding the operation of the software, its installation or training.
Initial Response:	During Normal Support Hours, immediate response if an InTime Support representative is available, otherwise a callback response within two (2) hours. However if the request is made within the last hour of the day or after the close of day, then within the first two (2) hours of the next Normal Support Hours day.
Resolution Response:	InTime will work continuously to restore system operation within Normal Support Hours.

Normal Severity	Available: Normal Support Hours
Description:	All other Support requests not described above.
Initial Response:	During Normal Support Hours, immediate response if an InTime Support representative is available, otherwise a callback response within four (4) hours. However if the request is made within the last four hours of the day or after the close of day, then within the first four (4) hours of the next Normal Support Hours day.
Resolution Response:	InTime will correct documentation errors in upcoming releases of the documentation. InTime will provide Software error corrections in the course of its standard development and upgrade methodology for the Software.

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Implementation - Configuration Phases

Contract Signing	**Project Start Date:**	
Discovery & Pre-Configuration Work		**Completed**
Discovery Request Sent & Received		
Change Management Doc Sent - Stakeholders Needed		
Instance Ordered		
Set up Support Usersname & Add Daily Sched. Role		
Basic Setup Done (Branches/System Set. in place)		
Complete AWS Email Verification & Test		
Employee CSV Reviewed & Loaded		
Agency Logo Installed		
Ranks and Leaves Entered		
Date:		**Completed**
Kick-off Meeting (Project Manager Handoff)		
Review Handoff & Change Mgmt Doc's in Mtg		
Configure Admin Users w/Passwords		
Send Log-in Info to Customer		
Review all System Settings		
Date:	**Trained**	**Completed**
Phase 1 (Configuration)	Week 1	Week 2
- Confirm that Change Messaging has gone out to agency		
- Review "Plan for Changeover" in Change Doc		
- Close Shift & Not Worked Settings		
- Configure Unit Structure		
- Configure Work Groups		
- Set Default Work Group		
- Configure Employee Attributes & Values		
Train on Employee Data Attachment		
- Ranks (If not done w/import)		
- Unit		
- Work Group		
- Attribute Values		
Date:	**Trained**	**Completed**
Phase 2 (Configuration - Continued)	Week 2	Week 3
- Review the "Communications Needed" Change Mgmt		
- Configure Activity & Shift Data		
- Configure Hours Modifiers		
- Configure Locations & Sub Locations		
- Configure Customers		
- Configure Attribute Restrictions/Permissions		
Date:	**Trained**	**Completed**
Phase 3 (Configuration and System Setup)	Week 3	Week 4
- Configure Location - Activity Filtering		
- Configure Tracking Categories		
- Configure Schedule Rulers		
- Configure Location Attribute & Values		
- Configure Notifications Filters		
Template Schedule		
- Pattern Setup		
- Include Breaks & Differential Hrs		
- Assigning Patterns to Employees		
Date:	**Trained**	**Completed**
Phase 4 (System Setup - Continued)	Week 4	Week 5

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- Reminder to Message Project Progress to Org.		
- Load Template into Work Schedule		
- Turn on Access to InTime Web		
- Unit / Location Coverages Setup		
- Configure Filters (Employee & Demand)		
- Review Decline & Rejection Lists		
- Review Cancel Reasons		
- Review Post Fill Override Reasons		
- Configure Find List Organizers		
- Configure Find List Usage Calculators		
- Mandatory List P.A. Proximity F.A. Proximity		
- Configure Weekly Demand		
- Provide Web & Mobile App Videos for Distribution		
Date:	**Trained**	**Completed**
Phase 5 (Final Schedule Configuration)	Week 5	Week 6
- InTime Web Log-in and Basics		
- Add Users		
- Create and Assign Roles		
- Turn Over System Admin User:		
- Configure Time Banks		
- Assign Time Banks to Employees		
- Configure Daily Roster Format & Tables		
- Configure Training Branch Data		
- Provide Scheduler Download & Log-in Instructions		
- Send Model Policy		
- Provide Manuals, Guides, Basic Videos		

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SOLE SOURCE/SOLE BRAND JUSTIFICATION

OVERVIEW:

On rare occasions there may be a need to purchase goods or services from one vendor/contractor without going to formal bid or requesting competitive quotations. This is known as "Sole Source" purchasing. This document does not replace an Agreement.

"Sole Source" purchasing is authorized by Monterey County Code 2.32.040, Emergency Purchases, and by Monterey County Code 2.32.070, Competitive Bidding Not Required.

"Sole Source" purchasing may be necessary under certain circumstances such as an emergency wherein the department head or other County Official who is authorized to sign requisitions may purchase items for the continuance of the department function, or that items purchased are necessary for the preservation of life or property, and that no authorized purchasing department personnel are immediately available to make the purchase.

A sole source may be designated when it is apparent that a needed product or service is uniquely available from the source, or for all practical purposes, it is justifiably in the best interest of the County. The designation of a "Sole Source" supplier must be authorized by the County Purchasing Agent or Deputy-Purchasing Agent before the requirement for competitive quotations is waived.

In an effort to expedite sole source/brand requisition requests through Contracts/Purchasing, we would encourage you to review the criteria for Sole Source/Brand form herein. If you feel your request meets such criteria, follow the instructions in filling out the form, along with a Department Head signature approving the request on behalf of their department. If sole source/brand justification is warranted and accepted by Purchasing, the request shall be signed by the Contracts/Purchasing Officer (CPO).

This is an internal review process. Departments are requested to use discretion in their discussion with vendors so as not to compromise any competitive advantage the Buyer may utilize, regardless of the acceptance or rejection of the sole source/brand justification.

Contracts/Purchasing will advise you when a particular competitive review process may both serve the County better and/or be required by governing law.

The **JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST** is **NOT** an agreement.

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PROCEDURE:

Sole source/brand purchasing is an exception to the normal procurement function and requires a detailed justification. In processing sole source/brand requests for supplies, services and/or equipment, Contracts/Purchasing adheres to and is governed by the principles set forth in both the Federal and State Laws governing public purchasing and the Public Contract Code, and by the adopted and approved County of Monterey Policies and Procedures.

If you are requesting a particular vendor, brand, or product, you must make this fact clear on your request. Such a request should not be made unless the request is reasonable and appropriately justified to meet legal requirements and can withstand a possible audit. The County requirements and the format for submitting such requests are contained herein.

The **JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST** is **NOT** an agreement.

The following factors **DO NOT** apply to sole source/brand requests and should not be included in your sole source/brand justification. They will not be considered and only tend to confuse the evaluation process.

1. Personal preference for product or vendor
2. Cost, vendor performance, and local service (this may be considered an award factor in competitive bidding)
3. Features which exceed the minimum department requirements
4. Explanation for the actual need and basic use for the equipment, unless the information relates to a request for unique factors
5. A request for no substitution submitted without justification. This is a sole source/brand request requiring detailed justification including established sole source/brand criteria

Please make copies of the Criteria for Sole Source/Brand form for your future use.

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County of Monterey
General Services- Contracts/Purchasing Division
JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST

Date 9/21/2022

1. Please indicate the following:

Procurement: ☐ Goods ☑ Services

Description of Item: Cloud Hosted Scheduling System

(Check One)

☑ Sole Source: Item is available from one source only. Item is a one-of-a kind and is not sold through distributors. Manufacturer is the exclusive distributor.

☐ Sole Brand: Various sources can supply the specified model and brand and competitive bids will be solicited for the requested brand only. Meets form, fit and function- nothing else will do.

Note: Sole Source/Sole Brand Requests are not maintained as a standing request. Each request is for a single one-time purchase only.

Sole Source/Sole Brand Request is not an Agreement.

2. Vendor Selection:

☐ Preferred Vendor
☑ Sole Source

Vendor Name: In Time Services, Inc., dba In Time

Address: 1465 Slater Road City: Ferndale State: WA

Phone Number: (778) 655-6499 Fax: ( )

Contact Person: Ian Komnenic Title: Account Executive

Federal Employer #: 98-1458195

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3. Provide a brief description of the goods/services to be purchased and why this purchase is being proposed under a sole source acquisition.

   a) Why were product and/or vendor chosen?

This vendor was chosen based on the service they are currently providing to the Emergency Communications/911. The system is designed for public safety agencies and has a proven history. The system is able to communicate with the County's HRM Payroll system which will eliminate repetitive work, making the payroll process more streamlined and efficient.

   b) What are the unique performance features of the product/brand requested that are not available in any other product/brand? For Services: what unique qualifications, rights, and licenses does the vendor possess to qualify as a sole source/brand request?

The system is the only system that can successfully communicate with the County's HRM system, in addition the system is designed for public safety operations. InTime is the only solution designed for the complex scheduling needs and InTime has created a workforce scheduling application with a unique combination of both post based scheduling for custody staff and unit based scheduling for patrol staff. InTime designs and manufactures its own software and is its sole distributor.

   c) Why are these specific features/qualifications required?

MCSO is 24/7 as such, we are in need of a usuable system which can allow for all the different schedules that MCSO has. InTime's system was designed for public safety agencies, their system will be utilized for that purpose, patrol and the jail. InTimes scheduling and time keeping are within the same solution, so there is no need to go to a different application in order to do your schedule or submit your time.

   d) What other products/services have been examined and/or rejected?

Kronos cannot communicate with County HRM payroll system and County ITD stated that it was cost prohibited to try and develop a system at this time.

   e) Why are other sources providing like goods or services unacceptable (please give a full meaningful explanation)?

The kronos system is unable to communicate with the County HRM system and ITD states that it is cost prohibited at this time. Other vendors have been non-responsive and to our knowledge unable to provide scheduling and time keeping in the same environment or communicate with the County HRM system

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f) What are the unique performance features REQUIRED (not merely preferred), and how would your requirement be inhibited without this particular item or service?

The InTime solution can communicate with the County HRM system, which will prevent repetitive work

g) Estimated Costs:

$72,340.00

4. Is there an unusual or compelling urgency associated with this project?

☐ No

☑ Yes (Please describe)

MCSO currently has to manually enter information into the County HRM system, which is not efficient and has the potential for numerous errors

MCSO is a 24/7 operation with varying shifts

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THE FOLLOWING TO BE COMPLETED BY THE REQUESTOR

I hereby certify that:

1. I am an approved department representative and am aware of the County's requirements for competitive bidding, as well as the criteria for justification for sole source/brand purchasing.
2. I have gathered the required technical information and have made a concentrated effort to review comparable and/or equal equipment.
3. The information contained herein is complete and accurate.
4. There is justification for sole source/brand purchasing noted above as it meets the County's criteria.
5. A sole source/brand purchase in this case would withstand a possible audit or a vendor's protest.

DocuSigned by:
Arthur Curtright
6360863792FB430...

Requestors Signature

9/21/2022 | 2:49 PM PDT

Date

DocuSigned by:
C8786B6B62B54C5...

Authorized Signature by Department Head

9/21/2022 | 2:57 PM PDT

Date

DocuSigned by:
GINA ENCALADO
9B465FF632F442B...

Approved by Contracts/Purchasing Officer

9/22/2022 | 7:40 AM PDT

Date

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AMENDMENT 1

To Agreement by and between
County of Monterey, herein after referred to as "County"
And
In Time Services Inc., dba In Time, herein after referred to as "Contractor"

THIS AMENDMENT is made to the AGREEMENT for time keeping system and support services for the Monterey County Sheriff/Coroner's Office, by and between **IN TIME SERVICES, INC., DBA IN TIME,** hereinafter "CONTRACTOR", and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "County".

WHEREAS, the County and CONTRACTOR originally entered into this Agreement on October 18, 2022 with a Not to Exceed amount of $72,790; and

WHEREAS, the County and CONTRACTOR wish to amend the AGREEMENT by adding $123,514 and extending the Agreement by two (2) year with a new term ending date of October 17, 2025.

NOW THEREFORE, the County and CONTRACTOR hereby agree to amend the AGREEMENT in the following manner:

1. This Amendment is effective October 18, 2023 through October 17, 2025.

2. *The total amount payable by County to CONTRACTOR under this Agreement is not to exceed the sum of $196,304.*

3. Exhibit – Exhibit A, per Amendment 1, hereto attached.

4. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT and shall continue in full force and effect as set forth in the AGREEMENT.

5. A copy of the AMENDMENT shall be attached to the original AGREEMENT executed by the County on October 18, 2022.

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IN WITNESS WHEREOF, the parties have executed this AMENDMENT on the day and year written below.

MONTEREY COUNTY

DocuSigned by:
Debra R. Wilson
7B7419374AAD41B...
Contracts/Purchasing Officer

Dated: 10/16/2023 | 12:30 PM PDT

Approved as to Fiscal Provisions:

DocuSigned by:
Jennifer Forsyth
4E7E667876464AE...
Deputy Auditor/Controller

Dated: 10/16/2023 | 12:27 PM PDT

Approved as to Liability Provisions:

Risk Management

Dated:

Approved as to Form:

DocuSigned by:
Kevin Murphy
A66CE20520D3477...
County Counsel

Dated: 10/16/2023 | 12:02 PM PDT

In Time Services, Inc., dba In Time

By: DocuSigned by:
Jason de Boer
8D5895749D96413...
Signature of Chair, President, or Vice-President

Jason de Boer, Vice President, Sales
Printed Name and Title

Dated: 10/13/2023 | 10:34 AM PDT

By: DocuSigned by:
41C21C49B3F743B...
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)*

Jeff Lacey, CEO
Printed Name and Title

Dated: 10/16/2023 | 11:37 AM PDT

County Board of Supervisors' Agreement Number: _____.

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

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To Agreement by and between
County of Monterey, herein after referred to as "County"
And
In Time Services Inc., dba In Time, herein after referred to as "Contractor"

Scope/Payment Provisions

A. SCOPE – In addition to services previously outlined

A.1 CONTRACTOR shall configure Timekeeping to Payroll Module specifically for customers unique Timekeeping data and payroll rules, provide web interface, training and support.

Support includes (for no additional fees):
- Changes or additions to: rank codes, leave codes, overtime codes, assignment codes, budget codes, time bank codes, shift differential codes, pay rates, work groups with no logic requirements or hard coding
- Changes to Payroll work periods
- Change to Prior Pay Period adjustment (eg. Change from 1 to 2 week look back, or from 2 to 1 week look back), but not including the addition of Prior Pay Period adjustment if not included in the initial deployment
- Changes to shift rotations

Any additional customization request will be assessed by In Time and may be subject to additional fees.

*In Time Timekeeping Module properly implemented is a prerequisite to use the In Time Payroll Module.

A.2 CONTRACTOR shall upon request start implementation of TimeKeeping-to-Payroll Module.

TimeKeeping to Payroll Module Implementation – Remote Professional services

Tasks	**Project Start Date:**	Completed
Requirement Analysis & Verification		
Module Statement of Work (SOW) Completion		
Module Configuration and set-up		
Module delivered per SOW		
Interface Testing completed and accepted		
Interface Roll-out support (completed and accepted)		
Training		

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B. COMPENSATION/ PAYMENT

a. County shall pay an amount not to exceed $196,304 for subscription service for the Scheduling and Timekeeping Modules.

b. Remote Professional Services - $7,000 (one-time fee upon acceptance of successful implementation for timekeeping-to-payroll module) **Will be started after requested by email from Sheriff's Payroll Manager.

c. Current payment for subscription services is based on 430 employees

Subscription Services for Modules (12 Months)		
Scheduling Module	($72/per employee)	$30,960.00
Timekeeping Module	($36 per employee)	$15,480.00
**Timekeeping-to-Payroll Module	($27.48 per employee)	$11,817.00

**Will be paid upon request for implementation of TimeKeeping-to-Payroll Module, and will be prorated based on number of months left in the year (cost is $984.75 per month).

ALL TAXABLE ITEMS SHOULD BE CLEARLY IDENTIFIED. It is preferable to state the tax rate applied in parenthesis and all taxes should be listed as a separate line item.

There shall be no travel reimbursement allowed during this Agreement.

CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.

A.2 CONTRACTORS BILLING PROCEDURES

Invoicing shall occur annually. All invoices shall reference the Lease number attached to this agreement. It is preferable to submit invoices and statements electronically to the County's invoice tracking system at:

MCSOSheriff.Fiscal@co.monterey.ca.us

If CONTRACTOR lacks the ability to use this system, hard copy invoices will be accepted via mail addressed to the following location:

Monterey County Sheriff/Coroner's Office
Attention: Fiscal Unit Accounts Payable

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1414 Natividad Road
Salinas, CA 93906

County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

Introduced: 9/23/2025

Current Status: General Government - Consent

Version: 1

Matter Type: General Agenda Item

a. Approve and authorize the County Administrative Officer or designee, to execute Amendment No. 1 to the Development Management Agreement #A-17471 with DignityMoves, a California non-profit corporation, to add $1,088,075 towards construction costs of a 34-unit Low Barrier Navigation Center to be located at 118 First Street in the City of Watsonville, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area, for a revised agreement amount not to exceed $6,122,666 with no change to the contract term ending of June 30, 2026; and,
b. Approve and authorize the County Administrative Officer or designee, to sign up to two (2) future amendments to this agreement where amendments do not exceed 10% ($612,266) and do not significantly alter the scope of services as determined by the Director of Homeless Services and subject to approval by County Counsel.

RECOMMENDATION:

It is recommended that the Board of Supervisors:
a. Approve and authorize the County Administrative Officer or designee, to execute Amendment No. 1 to the Development Management Agreement #A-17471 with DignityMoves, a California non-profit corporation, to add $1,088,075 towards construction costs of a 34-unit Low Barrier Navigation Center to be located at 118 First Street in the City of Watsonville, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area, for a revised agreement amount not to exceed $6,122,666 with no change to the contract term ending of June 30, 2026; and,
b. Approve and authorize the County Administrative Officer or designee, to sign up to two (2) future amendments to this agreement where amendments do not exceed 10% ($612,266) and do not significantly alter the scope of services as determined by the Director of Homeless Services and subject to approval by County Counsel.

SUMMARY/DISCUSSION:

This Amendment No. 1 to Agreement No. 17471 (“Agreement”) with DignityMoves adds $1,088,075 in funding to cover additional construction costs of a 34-bed Low Barrier Navigation Center (“LBNC”) to be located at 118 First Street in the City of Watsonville, for a revised agreement amount not to exceed $6,122,666 with no change to the contract term ending of June 30, 2026.

Construction of the LBNC began on July 21, 2025, with an original construction budget of $5,034,591. However, due to extended permitting delays and unforeseen requirements imposed by the City of Watsonville, a funding gap of $1,088,075 has been identified, bringing the estimated total construction budget to $6,122,666.

On September 17, 2025, the County received a housing fund award of $1,228,961 from the Central California Alliance for Health (CCAH) to address this budget shortfall in the amount of $1,088,075. The remaining balance of the CCAH award in the amount of $140,886, after covering the construction gap, will be used to furnish the LBNC. Furnishings will be procured through an amendment to the service provider contract with Community Action Board of Santa Cruz, Inc. ("CAB"), under a subrecipient agreement between the County and the Coalition of Homeless Services Providers ("CHSP").

Construction of the LBNC is anticipated to be completed by December 2025. Upon opening, the 34-bed LBNC will provide not only safe shelter but also access to supportive services, housing navigation, and recuperative or short-term post-hospitalization care, all to be delivered by CAB.

OTHER AGENCY INVOLVEMENT:
The Office of the County Counsel-Risk Management, and the Auditor-Controller's office have approved the proposed Amendment No. 1 to Agreement No. 17471 as to form, insurance, and fiscal provisions, respectively.

FINANCING:
There will be no impact on the General Fund from approval of this action. If approved, this Amendment No. 1 will be financed with a housing funding grant in the amount of $1,088,075 awarded to the County by the Central California Alliance for Health. Sufficient appropriations and estimated revenues are included in the County Administrative Office's Fiscal Year Adopted Budget 2025-2026 for the Homelessness Strategies and Initiatives Division (001-1050-CAO004-8598).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
This initiative supports the County of Monterey's Adopted 2025-2026 Strategic Goals and Key Objectives through the construction of interim sheltering for the purpose of transitioning residents out of homelessness into permanent and/or other housing opportunities.

Mark a check to the related Board of Supervisors Strategic Plan Goals

_X_ Well-Being and Quality of Life
_X_ Sustainable Infrastructure for Present and Future
___ Safe Resilient Communities
___ Diverse and Thriving Economy

Prepared by: Sarah Federico, Management Analyst II, CAO-HSI Division, ext 5341
Reviewed by: Roxanne Wilson, CAO-HSI Division, ext 5445
Approved by: Deborah Paolinelli, Assistant County Administrative Officer, ext 5309

Attachments:
Amendment No. 1
Board Order
Agreement

Proposed Amendment No. 1 is on file with Clerk of the Board as an attachment to this Board Report.

Introduced: 9/23/2025

Current Status: General Government - Consent

Version: 1

Matter Type: General Agenda Item

a. Approve and authorize the County Administrative Officer or designee, to execute Amendment No. 1 to the Development Management Agreement #A-17471 with DignityMoves, a California non-profit corporation, to add $1,088,075 towards construction costs of a 34-unit Low Barrier Navigation Center to be located at 118 First Street in the City of Watsonville, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area, for a revised agreement amount not to exceed $6,122,666 with no change to the contract term ending of June 30, 2026; and,
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a. Approve and authorize the County Administrative Officer or designee, to execute Amendment No. 1 to the Development Management Agreement #A-17471 with DignityMoves, a California non-profit corporation, to add $1,088,075 towards construction costs of a 34-unit Low Barrier Navigation Center to be located at 118 First Street in the City of Watsonville, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area, for a revised agreement amount not to exceed $6,122,666 with no change to the contract term ending of June 30, 2026; and,
b. Approve and authorize the County Administrative Officer or designee, to sign up to two (2) future amendments to this agreement where amendments do not exceed 10% ($612,266) and do not significantly alter the scope of services as determined by the Director of Homeless Services and subject to approval by County Counsel.

SUMMARY/DISCUSSION:

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OTHER AGENCY INVOLVEMENT:
The Office of the County Counsel-Risk Management, and the Auditor-Controller's office have approved the proposed Amendment No. 1 to Agreement No. 17471 as to form, insurance, and fiscal provisions, respectively.

FINANCING:
There will be no impact on the General Fund from approval of this action. If approved, this Amendment No. 1 will be financed with a housing funding grant in the amount of $1,088,075 awarded to the County by the Central California Alliance for Health. Sufficient appropriations and estimated revenues are included in the County Administrative Office's Fiscal Year Adopted Budget 2025-2026 for the Homelessness Strategies and Initiatives Division (001-1050-CAO004-8598).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
This initiative supports the County of Monterey's Adopted 2025-2026 Strategic Goals and Key Objectives through the construction of interim sheltering for the purpose of transitioning residents out of homelessness into permanent and/or other housing opportunities.

Mark a check to the related Board of Supervisors Strategic Plan Goals

_X_ Well-Being and Quality of Life
_X_ Sustainable Infrastructure for Present and Future
___ Safe Resilient Communities
___ Diverse and Thriving Economy

Prepared by: Sarah Federico, Management Analyst II, CAO-HSI Division, ext 5341
Reviewed by: Roxanne Wilson, CAO-HSI Division, ext 5445
Approved by: Deborah Paolinelli, Assistant County Administrative Officer, ext 5309

Attachments:
Amendment No. 1
Board Order
Agreement

Proposed Amendment No. 1 is on file with Clerk of the Board as an attachment to this Board Report.

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AMENDMENT #1 TO AGREEMENT A-17471
BY AND BETWEEN
COUNTY OF MONTEREY & DIGNITYMOVES

THIS AMENDMENT #1 is made and entered into by and between the County of Monterey, a political subdivision of the State of California, (hereinafter "COUNTY"), and DignityMoves, a California non-profit corporation (hereinafter "CONTRACTOR").

WHEREAS, COUNTY and CONTRACTOR entered into an AGREEMENT for the development of a 34-bed low barrier navigation center for unhoused individuals to address the homelessness crisis in the counties of Monterey and Santa Cruz to be located at 118 First Street, Watsonville, California for the former occupants of an encampment located along the multi-jurisdictional boundaries of the Pajaro River adjacent to the City of Watsonville, for the period of April 23, 2024 to June 30, 2026 for a contract total of $5,034,591.00; and,

WHEREAS, the parties wish to amend the AGREEMENT via AMENDMENT #1 to **add $1,088,075 for additional construction costs** with no change to the contract term for a **revised** contract total of **$6,122,666.00.**

NOW THEREFORE, the COUNTY and CONTRACTOR agree to amend the AGREEMENT in the following manner:

This Agreement is hereby amended on the terms and conditions set forth in the Original Agreement and Amendment #1 incorporated herein by this reference, except as specifically set forth below.

1. **TITLE PAGE of the Agreement is amended as follows:**
   Remove "Recurso de Fuerza Village" and **add "Low Barrier Navigation Center"** and remove address "5 Cherry Court" and add **"118 First Street".**

2. **RECITAL SECTION B is amended as follows:**
   Remove "5 Cherry Court" and **add "118 First Street"** and remove "APN 017-172-31" and **add "APN 017-172-32".**

3. **RECITAL SECTION D is amended to read as follows:**
   The County will provide and administer funding, in the amount of approximately **$6,122,666** comprised of State of California Encampment Resolution Funding and a housing funding award from the Central California Alliance for Health (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "Funding").

4. **AGREEMENT FOOTER is amended as follows:**
   Remove "$5,034,591" and **add "$6,122,666"** and **add "ERF-2-R & CCAH Housing Funding Award".**

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5. **ARTICLE 7, PARAGRAPH 2 is amended to read as follows:**
   The County will provide and administer funding in the amount of approximately **$6,122,666**, which will include funds administered by the County through the State of California Encampment Resolution Funding Program and the Central California Alliance for Health Housing Funding Award (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "Funding").

6. **Exhibit A-1** hereto replaces Exhibit A and reflects an updated site design plan image of the property site.

7. **Exhibit B-1** hereto replaces Exhibit B and reflects the **addition of $1,088,075** for a new development budget of **$6,122,666**.

8. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT #1 and shall continue in full force and effect as set forth in the AGREEMENT.

9. A copy of this AMENDMENT #1 shall be attached to the original AGREEMENT, dated April 23, 2024, respectively.

This space left blank intentionally.

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IN WITNESS WHEREOF, COUNTY and DIGNITYMOVES have executed this AMENDMENT #1 on the day and year written below.

COUNTY OF MONTEREY:	**DIGNITYMOVES:**
COUNTY ADMINISTRATIVE OFFICE, Sonia M. De La Rosa, CAO By: _____ Deborah Paolinelli, Assistant CAO Date: _____ _	**Elizabeth Funk, CEO of DignityMoves** By: DocuSigned by: Elizabeth Funk 1FD7AD6FFC2D49E... Elizabeth Funk, CEO Date: 9/22/2025 | 4:09 PM PDT
CONTRACTS & PURCHASING OFFICER, Debra R. Wilson By: _____ Date: _____	**Freya Estreller, DignityMoves CFO** By: DocuSigned by: Freya Estreller, CFO 41ACC6452DD1460... Freya Estreller, CFO Date: 9/22/2025 | 5:26 PM PDT
APPROVED AS TO FORM: Office of the County Counsel-Risk Management, Susan K. Blitch, County Counsel By: DocuSigned by: Anne Brereton A46091E5DE63489... Anne Brereton, Deputy County Counsel Date: 9/23/2025 | 9:35 AM PDT	
APPROVED AS TO FISCAL PROVISIONS: Rupa Shah, Auditor-Controller By: DocuSigned by: Jennifer Forsyth 4E7E65787545 4AE... Date: 9/23/2025 | 10:29 AM PDT	
APPROVED AS TO RISK MANAGEMENT: Office of the County Counsel-Risk Management, Susan K. Blitch, County Counsel By: Signed by: David Bolton 68FDC263FF6243C... David Bolton, Risk Manager Date: 9/23/2025 | 9:39 AM PDT	

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DEVELOPMENT MANAGEMENT AGREEMENT

BETWEEN

COUNTY OF MONTEREY

AND

DIGNITYMOVES,
a California nonprofit corporation

~~Recurso de Fuerza Village~~Low Barrier Navigation Center
~~5 Cherry Court~~118 First Street
Watsonville, California 95076

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DEVELOPMENT MANAGEMENT AGREEMENT

THIS DEVELOPMENT MANAGEMENT AGREEMENT (the "**Agreement**") is entered into as of the last date opposite the respective signatures (the "Effective Date"), by and between the County of Monterey ("**County**") and DIGNITYMOVES, a California nonprofit corporation ("**DignityMoves**"), collectively referred to as "**the Parties**".

RECITALS

A. This Agreement is intended to provide for the development of modular housing for unhoused individuals in order to assist in addressing the homelessness crisis in the counties of Santa Cruz and Monterey.

B. Westview (Japanese) Presbyterian Church, a California nonprofit corporation (the "**Church**") owns the real property located at 118 First Street~~5 Cherry Court~~, Watsonville, California, which is located within the jurisdictional boundaries of the City of Watsonville (the "**City**") in the Santa Cruz County (APN 017-172-~~31~~32), as more particularly described in **Exhibit** "**A-1**" (the "**Property**"). Exhibit A-1 is attached to this Agreement and incorporated by this reference. The Parties understand and agree that a County selected nonprofit partner based in Santa Cruz County will lease the Property from the Church and that the Property will serve as the site for the development of modular housing for unhoused individuals.

C. DignityMoves, with the approval of the City and County, intends to develop the Property with an interim housing project for unhoused individuals proposed to contain 34 modular individual residential sleeping units (sometimes referred to as "modular housing units" or "units"), along with wet areas (including common restrooms and restrooms adjoining certain units), common areas (including but not limited to ancillary dining, green space, pet area, laundry and storage facilities for residents) and office and administration facilities for operation of the foregoing (together with all related facilities, the "**Project**"). For purposes of this Agreement, the term "Project" shall be deemed to include the final number of residential units developed with related improvements as ultimately approved by the agency or agencies or Governmental authority or authorities with jurisdiction.

D. The County will provide and administer funding, in the amount of approximately $~~5,034,591~~6,122,666, comprised of State of California Encampment Resolution Funding and a housing funding award from the Central California Alliance for Health ~~which will include funds administered by the County through the State of California Encampment Resolution Funding Program~~ (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "**Funding**"). The Parties understand and agree that no additional funds have been donated, or otherwise provided or allocated, to fund the construction of the Project as of the effective date of this Agreement.

E. DignityMoves is experienced in developing interim housing development projects similar to the Project and will provide development management services for this Project.

F. The County desires to engage DignityMoves, and DignityMoves desires, to

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manage, arrange, supervise, and coordinate the planning, design, entitlement, permitting, construction and completion of the Development Work (as such term is hereinafter defined) upon the terms, conditions and covenants herein described.

G. The Parties understand and agree that the County intends to assign and transfer the ownership of the modular housing units to the County of Santa Cruz by on or about June 30, 2026.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and the mutual promises and covenants contained in this Agreement, the County and DignityMoves agree as follows:

ARTICLE 1
DEFINITIONS

For the purposes of this Agreement, the following terms shall have the respective meanings set forth below:

"**Affiliate**" shall mean a person or entity controlled by, under common control with or controlling another person or entity. The term "control" means the ownership, directly or indirectly, of at least 50% of the voting ownership interests in an entity, or the management control of an entity.

"**Agreement**" shall mean this Development Management Agreement, as may be amended, modified or supplemented from time to time.

"**Architect**" shall mean the licensed project architect engaged by DignityMoves to serve as architect for the Project. DignityMoves has engaged Gensler Architects of San Francisco, California to act as the Architect for the Project.

"**Business Day**" shall mean any day other than a Saturday, Sunday or other than a holiday on which businesses in the State of California are generally closed for business.

"**City**" shall mean the City of Watsonville, California.

"**Claims**" shall mean any and all claims, liabilities, losses, damages, costs or expenses, including, without limitation, actual attorneys' fees and costs, court costs, demands, debts, causes of action, fines, judgments and penalties.

"**Construction Contract(s)**" shall mean any construction contracts entered into by DignityMoves and any Contractor providing for the performance of Development Work.

"**Consultants**" shall mean the architects, engineers, consultants or designers engaged by DignityMoves for the Project.

"**Contractor**" shall mean one or more licensed general contractors to be engaged by DignityMoves to construct all or a portion of the Improvements engaged by DignityMoves to act

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as the general contractor for the Project.

"**County**" shall mean County of Monterey, California.

"**Day**" shall mean a calendar day unless specifically referenced as a Business Day.

"**Development Budget**" shall mean the budget for the Development Work to be agreed to in writing by the County and DignityMoves in accordance with the terms of this Agreement, as it may be amended and/or updated from time to time as mutually agreed to in writing by the parties, setting forth the anticipated costs, expenses, and income and other relevant financial projections to perform and complete the Development Work.

"**Development Plan**" shall mean the general plan for development of the Project consisting of the product type and size, site plan and density of development and Project amenities, which shall be consistent with the Entitlements and shall be subject to County approval.

"**Development Schedule**" shall mean a schedule to be prepared by DignityMoves, the Architect and Contractor and approved by the County in its reasonable discretion showing the dates of commencement and completion of various components of the Development Work, which Development Schedule shall be updated by DignityMoves in consultation with the Architect and Contractor and reviewed by the County as provided in this Agreement.

"Development Work" shall mean any and all construction and other work necessary for the construction of the Improvements, all as covered by the Development Budget.

"**Entitlements**" shall mean the Permits and all other Governmental agreements, permits, approvals and entitlements required from time to time for the development of the Project.

"**Government**" or "**Governmental**" shall mean and include the City, County and any other governmental, quasi-governmental, or public utility authority.

"**Improvements**" shall mean the onsite and offsite grading, installation of sewer, water, storm drain, electrical, cable, and other utilities and connections to the Property and the Project, site preparation and, if required, installation of prefabricated and/or modular housing units to be incorporated into the Project, and vertical construction of any improvements constituting the Project, together with the installation of landscape areas, including entry areas, walkways, open space and any other improvements to be constructed in connection with the development of the Project as set forth in the Plans and Specifications, as the same may be amended, modified or supplemented from time to time pursuant to the terms hereof, and any other Work of Improvement as that term is defined in Section 8050 of the California Civil Code.

"**Line Items**" shall mean the cost accounting categories set forth in the Development Budget for each of the construction trades for the construction of the Improvements and for any separate material categories or other development costs, including costs to obtain the Entitlements.

"**Notice of Termination**" shall mean a written notice of termination of this Agreement

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delivered by the County to DignityMoves and/or by DignityMoves to the County.

"**Permits**" shall mean such grading and building permits, or any other public agency permits as may be necessary for the construction of the Improvements.

"**Plans and Specifications**" shall mean the grading plans and the architectural and engineering plans and specifications for the Improvements including the improvement plans that may be approved by the City, the plot plans showing the proposed location of the Improvements and appurtenances, and such other plans and specifications as may be necessary for the construction of the Improvements.

"**Project**" shall have the meaning set forth in Recital C.

"**Project Costs**" shall mean all costs incurred by DignityMoves in connection with the Project, in accordance with the Development Budget or otherwise approved by the County in writing.

"**Property**" shall have the meaning set forth in Recital B.

"**Services**" shall mean the development services contemplated to be performed by DignityMoves under this Agreement.

"**Subcontractor**" shall mean a person or organization who has a direct contract with DignityMoves and/or DignityMoves' Contractor/s to perform any work or to provide any materials, equipment or supplies for the Project.

"**Third Party or Parties**" shall mean individually or collectively, as applicable, any Consultant, Contractor, Subcontractor, vendor, supplier or any other person or entity providing services or materials to the Project, other than DignityMoves.

"**Third Party Contract**" shall mean a contract between DignityMoves and any Third Party with respect to the development of the Project, including any Construction Contract.

"**Unavoidable Delay**" shall mean any prevention, delay or stoppage in the Services required of DignityMoves and/or other Third Parties performing services pursuant to this Agreement, but not including any payment and/or performance obligations of DignityMoves, caused by war, insurrection, strikes, lockouts, riots, unusually adverse weather, unavailability of labor or construction materials, supplies and equipment or product shortages, floods, earthquakes, fires, casualties, acts of God, acts of a public enemy, epidemics, pandemics, quarantine restrictions, freight embargoes, lack of transportation, suits filed by unrelated third parties concerning or arising out of this Agreement or unseasonable weather conditions, unknown Property conditions discovered during the course of construction, newly enacted Governmental regulations or controls, the application to the Project of existing regulations or controls or similar events outside the performing party's control impacting the Project, its location or the region in which the Project is located, or other matters or causes beyond the reasonable control of DignityMoves, including delays arising from an action under the California Environmental

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Quality Act (CEQA), failure by City to expedite the plan check process, or unreasonable processing times for City or other public agency approvals, which shall extend the time within which this Agreement requires certain acts to be performed for a period equal to any such prevention, delay or stoppage. The time for performance of provisions of this Agreement by either Party shall be extended for a period equal to the period of any Unavoidable Delay affecting the Project or this Agreement will be deemed granted only if written notice by the Party claiming such extension is sent to the other Party within thirty (30) calendar days from the commencement of the cause.

ARTICLE 2
ENGAGEMENT; STANDARDS OF PERFORMANCE

2.1 Engagement. The County hereby engages DignityMoves as the development manager of the Project with respect to the Development Work, for the purpose of managing, supervising, and coordinating the planning, design, entitlement, permitting, construction and completion of the Development Work, all in accordance with the terms, conditions and limitations herein set forth. DignityMoves hereby accepts such engagement and DignityMoves hereby agrees to use reasonable efforts to perform the Services, including (i) obtaining and preserving all Entitlements required for Project occupancy (See Section 3.2.2), (ii) negotiating any Third Party Contracts necessary for the completion of the Project, (iii) overseeing and managing construction of the Improvements by Third Parties pursuant to approved Plans and Specifications, (iv) obtaining the acceptance of the applicable Improvements by the relevant Governmental agencies, (v) otherwise providing all Services necessary for completion of the Development Work, within the Development Budget and Project Schedule as the same may be modified from time to time, (vi) signing documents, purchase orders, change orders and other instruments and writings related to the Project, (vii) issuing payments in connection with the Development Work on checks drawn against the Project Account(s) (as such term is hereafter defined), and (viii) such other tasks as are necessary to perform or procure the Development Work or as requested by the County.

2.2 Standard of Performance. DignityMoves shall furnish its skill and judgment to perform the Development Work and shall cooperate with the City, the County and the Third Parties performing Development Work or otherwise providing services relating to the Project. DignityMoves shall perform its duties and obligations under this Agreement in a reasonably efficient, expeditious and economical manner, in accordance with the applicable Project Schedule (subject, however, to the provisions of Section 3.2) and within the amounts budgeted in the Development Budget (except as otherwise permitted pursuant to the terms of this Agreement) consistent with the professional care, skill, judgment, diligence and care ordinarily provided by development managers practicing in the same or similar locality under the same or similar circumstances, but in no event less than reasonable skill and care, and in compliance with all Applicable Laws. DignityMoves shall perform its services as expeditiously as is consistent with such skill and care and the orderly progress of the Project, consistent with the Development Schedule. DignityMoves shall devote sufficient time and attention to ensure the full, prompt, and professional discharge of its duties under this Agreement.

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2.3 DignityMoves' Personnel, Contractors and Consultants. DignityMoves may perform its duties and obligations hereunder with its own employees and/or by engaging Consultants or Contractors. DignityMoves shall be responsible for hiring, supervising, training, and terminating all of its employees and staff members performing Services relating to the Project. The persons designated by DignityMoves as its representatives ("**Representatives**") shall represent DignityMoves as its agents and all written communications given to or by those Representatives shall be as if given to or by DignityMoves. DignityMoves and its employees, agents, Third Party Consultants, and Contractors shall at all times perform DignityMoves' obligations hereunder in a good and workmanlike manner. Any employee, agent, Third Party Consultant or Contractor of DignityMoves performing Development Work who, in the reasonable opinion of the County, does not perform its work in a skillful manner or appears to be incompetent or to act in a disorderly or intemperate manner shall, at the written request of the County, be promptly removed from performing Development Work on the Project. DignityMoves shall fully comply with all applicable laws and regulations relating to Workers' Compensation Insurance (WCI), social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related laws, including the California Labor Code, as applicable to DignityMoves' employees, agents, Third Party Consultants and Contractors.

2.4 County's Representative. Roxanne V. Wilson, County Administrative Office Homeless Services Director shall represent the County, and all written communications given to or by such representative shall be deemed given to or by the County. The County's representative may be changed from time to time by the County by delivery of written notice thereof to DignityMoves.

2.5 Access to Work. The County, DignityMoves and their respective officers, managers, members, representatives, agents, and employees shall at all times have access to the Project and the Development Work wherever it is in preparation or progress. It is acknowledged by all Parties that the County does not own the Project premises.

2.6 Project Accounts; Funding. DignityMoves shall submit to the Contract Administrator monthly invoices on a form acceptable to County setting forth the amounts claimed by DignityMoves for the previous month, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the County may require. The Contract Administrator or his or her designee shall certify the invoice within seven (7) business days of receipt of the invoice; either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within forty-five (45) days of receiving the certified invoice. DignityMoves shall not receive reimbursement for travel expenses unless set forth in this Agreement.

2.6.1 Dignity Moves shall establish a bank account (the "Project Account") specifically for the Project. The County will wire an advance payment of two million dollars and zero cents ($2,000,000) into the Project Account upon execution of the Agreement prior

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to DignityMoves submitting the initial draw package. To offset the advance payment, DignityMoves shall deduct $500,000 over each of the first four (4) monthly invoices of the Agreement. The advanced payment shall be fully offset by the Project completion date. DignityMoves agrees that the advanced payment provided in this Agreement, is to be used solely for the purposes of this Project. All payments after the advance payment will be paid 45 days after receipt of a certified invoice to the Auditor-Controller's office. Dignity Moves shall be authorized to issue checks or make withdrawals for payment of contractors, vendors and consultants from such Project Account once the County has approved the draw package.

2.6.2 The Draw Process. On a monthly basis: (a) Consultants and the Contractor shall submit their invoices to DignityMoves no later than the 23rd day of each month for work completed as of the 23rd day of that month; (b) DignityMoves shall review all invoices received for work completed as of the 23rd day of that month and assemble a DRAW PACKAGE for submittal to the County for the County's approval on the 25th day of that month, which draw package shall include: (i) a SUMMARY listing all invoices (including an invoice for DignityMoves' development fee pursuant to ARTICLE 7) to be paid for that month and the total draw amount; (ii) copies of all invoices to be paid; (iii) General Contractor's Application for Payment including conditional releases for the current pay application and unconditional releases for the previous pay application; and (iv) an updated DEVELOPMENT BUDGET reflecting paid-to-date and balance-to-complete. DignityMoves recommends and is amenable to a monthly draw review meeting with the County.

2.7 Licensing. DignityMoves has advised the County, and the County acknowledges, that DignityMoves does not hold a State of California, Department of Consumer Affairs, Contractors State License Board (CSLB) license. DignityMoves will obtain a business license with the City of Watsonville.

2.8 Term. The term of this Agreement shall commence as of the Effective Date and shall terminate on June 30, 2026, or on the date a certificate of occupancy issues for the Project and the County of Santa Cruz receives possession of the Project, whichever date is earlier.

2.9 Termination. The County may cancel and terminate this Agreement upon fourteen (14) days' written notice to DignityMoves upon an Event of Default provided, however, that if such Event of Default is deemed curable by both parties following a meet and confer, DignityMoves shall have the ability to cure the Event of Default within such fourteen (14) day period. Notwithstanding this provision, County shall have the right to immediately terminate this agreement in the event DignityMoves becomes insolvent, files or has filed against it, a petition for voluntary or involuntary bankruptcy or pursuant to any other insolvency law, makes or seeks to make a general assignment for the benefit of its creditors or applies for, consents to, or is ordered to an appointment of a trustee, receiver, or custodian for a substantial part of its property or business; provided, however, if such petition for voluntary or involuntary bankruptcy or pursuant to any other insolvency law or appointment of a trustee, receiver, or custodian for a substantial part of its property or business was involuntary and not consented to by DignityMoves, County may only terminate this Agreement if such petition or appointment is not discharged, stayed or dismissed

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within sixty (60) days of the filing of said petition or appointment, whichever occurs earlier.

ARTICLE 3
PERFORMANCE OF THE DEVELOPMENT WORK

3.1 Development Budgets.

3.1.1 Approval of Development Budgets. The County has approved of the preliminary Development Budget attached hereto as Exhibit B-1 and incorporated by this reference. DignityMoves shall advise the County if DignityMoves determines that the amounts set forth in the applicable Development Budget will be exceeded. Any amendments and all material changes to the Development Budget shall be promptly delivered and subject to the County's prior written approval.

3.1.2 Conformity with Development Budget. DignityMoves shall use commercially reasonable and diligent efforts to enable the Development Work to be completed in conformity with the Development Budget making use of the Funding available the Project; provided, however, in no event shall DignityMoves (a) be required to extend credit or expend funds with respect to the Project or (b) be responsible for the payment of any amounts incurred in excess of the Development budget unless such amounts arise from DignityMoves' gross negligence, willful misconduct or willful failure to perform its material obligations under this Agreement (beyond any applicable notice and cure period). The County acknowledges that changes to the Project scope will impact the Development Budget.

3.2 Project Schedule and Development Plan.

3.2.1 Approved Project Schedule and Development Plan. DignityMoves and the County will jointly agree upon the Project Schedule and Development Plan. The Project Schedule and Development Plan shall be updated regularly by DignityMoves. DignityMoves shall provide the County with reports with respect to the progress of the Development Work and the status of the Development Budget and amounts of the Funding remaining in the Project Accounts. DignityMoves shall provide the County with concurrent copies of Contractors' monthly applications for payment.

3.2.2 Delay. DignityMoves shall proceed with diligence to perform the Development Work in accordance with the Development Plan, the Development Schedule and the Development Budget. If any delay in completion of the Development Work in accordance with the Project Schedule (or other applicable time period as specified herein) occurs due to an Unavoidable Delay, including any City or public agency processing delays, the Project Schedule shall be appropriately modified. In the event of an Unavoidable Delay, DignityMoves and the County shall meet and confer within seven (7) business days to discuss modifications to the Development Plan, Project Schedule and the Development Budget.

3.2.3 Notification by DignityMoves. Promptly after DignityMoves becomes aware that (i) any action or performance shown in the Project Schedule will be materially delayed

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beyond the start or completion date that is specified for such action or performance in the Project Schedule or (ii) any changes to the Development Plan are necessary or advisable, and at such other times as the County may reasonably request, DignityMoves shall furnish to the County proposed additional or revised schedules with variance explanations and/or revisions to the Development Plan and/or Project Schedule. DignityMoves shall submit a written remedial plan of action for recapturing such schedule slippage, together with supporting documentation therefor. The County shall review the proposal with DignityMoves and DignityMoves shall make any necessary revisions thereto as mutually agreed upon during the review.

3.3 Responsibilities of DignityMoves.

3.3.1 General Responsibility. DignityMoves' general responsibility hereunder as the County's development manager shall be to manage, arrange, supervise and coordinate the planning, design, entitlement, permitting, development, construction, and completion of the Development Work, and to take such actions as the County may reasonably request within the scope of DignityMoves' responsibilities in this Agreement. DignityMoves will be required to make continuous inspections of the work and shall be responsible for fully understanding and supervising the means, methods, and techniques of construction, regardless of whether or not the work is under its control or under the control of Third Parties including DignityMoves' Contractors and any Subcontractors. In furtherance of the foregoing, the Development Work is proposed to consist of the following: a 34-unit interim housing site constructed with individual modular housing units containing individual rooms for habitation, along with common bathrooms, administrative offices, dining facilities, laundry and storage.

3.3.2 Project Approvals. DignityMoves shall be solely responsible for procuring Entitlements. DignityMoves shall ensure that the Project shall be developed in accordance with the terms and conditions of this Agreement and all approvals, entitlements and permits that the City and County or any other governmental body or agency with jurisdiction over the Project or the Property has granted or issued as of the effective date of this Agreement or may hereafter grant or issue in connection with development of the Project. DignityMoves and the County acknowledge that construction of the Project is expected to commence on or about June 1, 2024.

3.3.3 Construction Plans. DignityMoves has engaged the Architect to prepare construction plans for the Project (the "**Construction Plans**"), and together with the Architect, and such Consultants as the Architect and DignityMoves deem necessary, shall cause to be prepared building, grading and landscaping permit applications for review and approval by the City within sixty days of the Effective Date of this Agreement. DignityMoves shall be responsible for securing prompt review and comments by the City on any submissions of Construction Plans. DignityMoves shall inform the County of the City's comments, and the Architect shall instruct any Contractor or Consultants to submit each subsequent revision within thirty days of receipt of the City's comments, to the extent reasonably practicable. As used herein "**Construction Plans**" means all construction documents upon which DignityMoves, the Architect, Contractor and any Subcontractors or Consultants shall rely upon in constructing the Project, and shall include, without limitation, the site development plan, final architectural

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drawings, landscaping, exterior lighting and signage plans and specifications, materials specifications, final elevations, and building plans and specifications. The Construction Plans and any modifications thereto shall be based upon the site plan and elevations approved by the City and County, and the approvals issued by the City and County for the Project and shall not materially deviate therefrom without the express written consent of County.

3.3.4 Construction Pursuant to Plans. DignityMoves shall oversee the development, design and construction of the Project as herein described, in accordance with the approved Construction Plans and all other permits and approvals granted by the City and County pertaining to the Project. DignityMoves shall require its Architect, Contractor(s), Subcontractor(s), employees and Consultants to comply with all directions, rules and regulations of any fire marshal, health officer, building official or other officer of every governmental agency having jurisdiction over the Property or the Project. All design and construction work on the Project shall be performed by licensed design professionals including licensed Contractors, engineers or architects, as applicable and in accordance with state and local laws and regulations.

3.3.5 Construction Schedule. DignityMoves shall cause construction of the Project to be commenced by starting utility extensions, site preparation and foundation preparation ("**Commence Construction**") within three business days of City's issuance of a grading permit for the Property consistent with the Construction Plans, and the City's written notice to proceed. DignityMoves and the Architect shall cause construction of the Project to be diligently prosecuted to completion.

3.3.6 Bonds, Mechanic's Liens and Stop Notices. DignityMoves shall instruct the Contractor to procure performance and labor and materials bonds from sureties acceptable to DignityMoves to ensure completion of the Improvements in the estimated amount of the costs. DignityMoves shall keep the Property free from liens arising out of any work performed, materials furnished, or obligations incurred by or on behalf of DignityMoves in the performance of its duties hereunder.

3.3.7 As-Built Plans. Upon completion of construction, DignityMoves shall request on behalf of the County following the completion of the Improvements, either a set of marked-up as-built plans for the Improvements prepared by the Contractor, or alternatively a record drawing reflecting construction prepared by the Project Architect.

3.3.8 Use of Plans. The contracts secured and executed by DignityMoves relating to design and construction of the Improvements shall provide, in form and substance reasonably satisfactory to DignityMoves and the County, for the purpose of development of the Project.

3.3.9 Cost of Construction. The costs of designing, developing and constructing the Improvements of the Project and compliance with the Project approvals shall be paid from the Funding, which shall be made available pursuant to this Agreement to DignityMoves for its disbursement and application to the Architect, Contractor(s), Subcontractor(s), Consultants and other professionals contributing to the construction of the Project. See Section 3.5.

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3.3.10 Equal Opportunity. There shall be no discrimination on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the hiring, firing, promoting or demoting of any person engaged in construction work on the Property, and DignityMoves and its agents, including its Architect, Contractors, Subcontractors, Consultants shall refrain from discrimination on such basis.

3.3.11 Compliance with Laws. DignityMoves and any Contractors, and Consultants engaged by DignityMoves pursuant to this Agreement to carry out the construction of the Project and all subsequent improvements, alterations and replacements, shall perform such construction in a first class and workmanlike fashion in accordance with the Construction Plans and in accordance with Applicable Laws. The parties understand and agree that if the modular housing units are transferred to the County of Santa Cruz during the Warranty period for said units, then any and all rights pursuant to said Warranty period, including any corresponding product defect or manufacturing claims, shall be transferred to the County of Santa Cruz.

3.4 Ownership of Plans and Materials. The County is the sole owner of all Plans and Specifications and all other materials, prepared in connection with the Project. Upon completion or any termination of this Agreement, the County shall retain sole custody of all such materials and DignityMoves shall return to the County any and all copies of such materials.

3.5 Sufficiency of Project Funds. The Parties have agreed, and secured the understanding and agreement of the County, that the amount of the Funding is anticipated to be sufficient to complete the Project, and the Parties will work cooperatively and in good faith to accomplish the same in accordance with the Development Budget and Project Schedule as the same may be modified from time to time. Should the amount of Funding be deemed insufficient, by DignityMoves in its reasonable discretion, to complete the Project in accordance with the Plans and Specifications and pursuant to the Project Schedule, DignityMoves and the County shall meet and confer and either (a) identify and obtain sources of additional funding or (b) agree upon changes to either the Plans and Specifications or the Project Schedule, or both, in order to accomplish cost savings and efficiencies so the Project can be completed with the available amount of Funding and any additional funding identified pursuant to clause (a) of this Section 3.5 above.

3.6 Approvals and Requests for Consent. If at any time DignityMoves requests the approval of the County with respect to any matter relating to the Project, the County shall provide such approval or disapproval within five (5) Business Days of receiving written notice of such request (as provided in Section 10.4) from DignityMoves along with any documentation to support DignityMoves' request for approval and/or consent by the County. In the event the County is not able to process approval or disapproval within five (5) business days, the parties shall meet and confer regarding the process and timeframe to respond to such request, but approval or disapproval shall in no event be provided later than ten (10) days of the County's receipt of the written request from DignityMoves.

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ARTICLE 4
AUTHORITY OF DEVELOPMENT MANAGER

4.1 General Authority. DignityMoves shall carry out and discharge the responsibilities and obligations of DignityMoves under this Agreement (including, without limitation, all of the responsibilities imposed upon DignityMoves under Article 3); provided, however, that DignityMoves shall have no right or authority, express or implied, to commit or otherwise obligate the County in any manner whatsoever except to the extent specifically provided herein or specifically authorized in writing by the County.

ARTICLE 5
PROGRESS MEETINGS; REPORTING REQUIREMENTS

5.1 Progress Meetings. At the County's request, DignityMoves shall schedule and attend meetings with the County to discuss the progress of the development and construction of the Project. At such meetings DignityMoves shall provide the County with any updated Project Schedule, Development Budget and Development Plan required to be delivered by DignityMoves.

5.2 Third Party Information. DignityMoves shall furnish to the County, from time to time, promptly after the County's request, a current list of all of Dignity Moves' Contractors, Subcontractors, Consultants and Third Parties employed in connection with the Development Work.

5.3 Books and Records. Electronic copies of DignityMoves correct and complete books of account and business records in which all transactions respecting the Development Work shall be timely entered in accordance with generally accepted accounting principles and practices. Such accounts and records shall be kept by DignityMoves on an accrual basis and in all respects in a manner consistent with generally accepted accounting principles and practices consistently applied. DignityMoves shall preserve all such records and upon the expiration or earlier termination of this Agreement, shall deliver copies of all such records to the County. Such books shall be open at all reasonable times for inspection or copying by the County and its agents, employees, and representatives. The books shall be audited as directed by the County.

ARTICLE 6
INSURANCE AND INDEMNIFICATION

6.1 Insurance General. At all times during the Term, without limiting DignityMoves' duty to indemnify County, DignityMoves shall comply with the following insurance requirements:

6.1.1.1 Except as otherwise approved by the County, all insurance described under this Article to be carried by DignityMoves will be maintained by DignityMoves as follows: it will maintain workers compensation, general commercial liability, automobile

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insurance and an umbrella policy as more fully described below. These insurance policies are understood to be provided in association with DignityMoves development management services. DignityMoves' Contractor and any Subcontractor will obtain and maintain their own separate insurance policies as required.

6.1.1.2 Premiums for all policies of insurance required to be maintained by DignityMoves under this Agreement shall be paid by DignityMoves unless otherwise provided in this Agreement or in the Development Budget.

6.2 Evidence of Insurance. As evidence of DignityMoves' specified insurance coverage, the County shall accept certificates issued by DignityMoves' insurance carrier acceptable to the County showing such policies in force for the specified period. Such evidence shall be delivered to the County prior to commencement of Services. DignityMoves shall also allow the County to inspect such evidence of insurance as DignityMoves obtains from its Subcontractor(s), but the County shall have no obligation to inspect such evidence of insurance.

6.3 Workers' Compensation Insurance. DignityMoves shall maintain Workers' Compensation Insurance (statutory limit) for all persons whom it employs in carrying out the Services under this Agreement.

6.4 Commercial General Liability Insurance. DignityMoves shall maintain Commercial General Liability Insurance on an "occurrence" basis, with reasonably acceptable deductibles, premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence and with a total limit of Two Million Dollars ($2,000,000.00) with coverage at least as broad as the current ISO forms.

6.5 Automobile Liability Insurance. DignityMoves shall maintain owned, hired, leased, and non-owned automobile liability insurance covering all use of all automobiles, trucks and other motor vehicles utilized by DignityMoves in connection with this Agreement, with a combined single limit for bodily injury and property damage of One Million Dollars ($1,000,000.00).

6.6 Umbrella/Excess Coverage. DignityMoves shall maintain umbrella/excess liability coverage on an "occurrence" basis, with a combined single limit for bodily injury and property damage of Two Million Dollars ($2,000,000.00) covering general liability and automobile liability.

6.7 Additional Insured. Additional Insured Status. The County of Monterey, its officers, officials, employees, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of DignityMoves including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to DignityMoves' insurance (at least as broad as ISO Form CG 20 10 11 85 or

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if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

6.8 Primary Non-Contributory Coverage. For any claims related to this contract, DignityMoves' insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the DignityMoves' insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

6.9 Waiver of Subrogation. DignityMoves hereby grants to County a waiver of any right to subrogation which any insurer of DignityMoves may acquire against the County by virtue of the payment of any loss under such insurance. DignityMoves agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

6.10 Other Insurance Requirements. All insurance required by this Agreement shall be with a company reasonably acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of two (2) years following the date DignityMoves completes its performance of services under this Agreement. Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended nonrenewal thereof. Each policy shall provide coverage for DignityMoves and additional insureds with respect to claims arising from each subcontractor performing work under this Agreement or be accompanied by a certificate of insurance from each showing each subcontractor has identical insurance coverage to the above requirements. Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of DignityMoves' work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of Additional Insureds shall not be called upon to contribute to a loss covered by DignityMoves' insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99. Prior to the execution of this Agreement by the County, DignityMoves shall file certificates of insurance with the County's Contract Administrator and County's Contracts/Purchasing Division, showing that DignityMoves has in effect the insurance required by this Agreement. DignityMoves shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. DignityMoves shall at all times during the term of this Agreement maintain in

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force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify DignityMoves and DignityMoves shall have five (5) calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by DignityMoves to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

6.11 County's Insurance. The County is self-insured for general liability up to $2.5 million. Above the self-insured retention, the County maintains a primary excess layer up to $10 million. The County may elect to maintain an OCIP insurance policy with respect to the Project in such form and amount and with such limits as reasonably agreed by DignityMoves and the County and an employee liability policy (EPL) covering all County employees working at the Project.

6.12 Indemnification. DignityMoves shall indemnify, defend and hold harmless the County, its officers, agents and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with any negligence or willful misconduct by DignityMoves, its officers, employees, Contractors, Subcontractors, and/or Consultants, such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "DignityMoves' performance" includes Dignity Moves' action or inaction and the action or inaction of DignityMoves' officers, employees, agents, Contractors, Subcontractors and Consultants.

6.14 Indemnification Agreement to be included in DignityMoves' Design Professional Agreements. DignityMoves shall require the following indemnification provisions to be included in their Professional Services Agreement and Construction Contracts for any design/construction work to be performed as a part of this Program, (Indemnification Agreement) "design professional" has the same meaning set forth in California Civil Code section 2782.8. If any term, provision or application of this Indemnification Agreement provision is found to be invalid, in violation of public policy or unenforceable to any extent, such finding shall not invalidate any other term or provision of this Indemnification Agreement provision, and such other terms and provisions shall continue in full force and effect. If there is any conflict between the terms, provisions or application of this Indemnification Agreement provision and the provisions of California Civil Code sections 2782 or 2782.8, the broadest indemnity protection for County under this Indemnification Agreement that is permitted by law shall be provided by DignityMoves' design professionals.

6.15 Indemnification for Design Professional Services Claims. Dignity Moves' design professionals shall indemnify, defend and hold harmless County, its governing board, directors, officers, employees, and agents against any claims that arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of DignityMoves' design

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professionals', its employees, Contractors, Subcontractors, Consultants and agents in the performance of design professional services under this Agreement, excepting only liability arising from the sole negligence, active negligence or willful misconduct of County, or defect in a design furnished by County, but in no event shall the amount of DignityMoves' design professional's liability exceed DignityMoves' design professional's proportionate percentage of fault as determined by a court, arbitrator or mediator, or as set out in a settlement agreement. In the event one (1) or more defendants to any action involving such claim or claims against County is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, such Contractor shall meet and confer with the other parties to such action regarding unpaid defense costs. DignityMoves' design professionals shall agree to reimburse our clients for their legal fees and costs in proportion to either our agreed (via settlement agreement) or adjudicated (via arbitration or litigation) percentage fault.

6.16 Indemnification for All Other Claims or Loss. For any claim, loss, injury, damage, expense or liability other than claims arising out of DignityMoves' design professionals' performance of design professional services under this Agreement, DignityMoves' design professionals' shall indemnify, defend and hold harmless County, its governing board, directors, officers, employees, and agents against any claim for loss, injury, damage, expense or liability resulting from or alleging injury to or death of any person or loss of use of or damage to property, arising from or related to the performance of services under this Agreement by DignityMoves' design professionals', its employees, Contractors, Subcontractors, Consultants or agents, excepting only liability arising from the sole negligence, active negligence or willful misconduct of County, or defect in a design furnished by County.

ARTICLE 7
COMPENSATION AND REIMBURSEMENT OF DEVELOPMENT MANAGER

DignityMoves shall be compensated by a development fee equal to Three Hundred Thousand Dollars ($300,000). DignityMoves shall be entitled to reimbursement of its actual expenses and costs in the amounts indicated for such purposes in the Project Budget. DignityMoves understands and agrees that such reimbursements are for actual costs which may be limited or reduced in the event of changes to the Project Budget. Any changes to the Project Budget shall be reviewed and approved by the County. The Parties understand and agree that as of the effective date of this Agreement, no additional funds have been donated, or otherwise provided or allocated to fund the construction of the Project as indicated above in Recital D which states,

The County will provide and administer funding, in the amount of approximately $~~5,034,591~~6,122,666, which will include funds administered by the County through the State of California Encampment Resolution Funding Program and the Central California Alliance for Health Housing Funding Award (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "Funding"). ~~The Parties understand and agree that no additional funds have been donated, or otherwise provided or allocated, to fund the construction of the Project.~~

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ARTICLE 8
FUNDING FOR PROJECT

8.1 Costs to be Paid With Funding. Project Costs, which are to be sourced by the Funding and such additional funding sources as the Parties may identify and secure during the term of this Agreement, shall include the following general categories to the extent incurred by DignityMoves in accordance with the Development Budget (Exhibit B-1):

8.1.1 All costs for architectural, legal, accounting, engineering and other consultant services and for soils, geological, and toxic and hazardous waste studies, and any environmental studies;

8.1.2 All construction costs, including labor and material costs and equipment rental and repair, and the costs to maintain the Property as provided in this Agreement;

8.1.3 All Governmental licenses and fees relating to the Project, costs to process, obtain and maintain the Entitlements, all real and personal property taxes imposed against the Property and Project and all bonds or deposits required in connection with the development of the Project;

8.1.4 All financing costs, including interest payments, for loans from traditional lenders for actual costs incurred and directly related to DignityMoves' Development of the Project.

8.1.5 The premiums on any insurance required to be carried by DignityMoves pursuant to this Agreement to the extent properly allocable to the Project (but excluding Workers' Compensation Insurance); and

8.1.6 Subject to available Funding, all other actual costs incurred in connection with the Development Work.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of DignityMoves. DignityMoves hereby represents and warrants to the County as follows:

9.1.1 Formation; Qualification. DignityMoves is a nonprofit corporation, duly formed, validly existing and in good standing under the laws of the State of California.

9.1.2 Authorization; Binding Agreement. DignityMoves has taken all action required to allow DignityMoves to enter into this Agreement. This Agreement constitutes a legal, valid and binding obligation of DignityMoves, and neither its execution nor performance

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violates the requirements of any other agreement to which DignityMoves is a party or is otherwise bound.

9.1.3 Resources. DignityMoves has and shall maintain at all times during the Term sufficient facilities, expertise, staff, assets and other resources to perform its duties under this Agreement.

9.2 Representations and Warranties of County. The County hereby represents and warrants to DignityMoves as follows:

9.2.1 County. County is a political subdivision of the State of California.

9.2.2 Authorization; Binding Agreement. The County has taken all action required to allow the County to enter into this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the County.

ARTICLE 10
MISCELLANEOUS PROVISIONS

10.1 Remedies Cumulative. No remedy herein reserved is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other given in this Agreement or as now or hereafter existing or at law, equity or by statute.

10.2 Nonwaiver. The failure of either party to notify the other of any default under this Agreement shall not be deemed to be a waiver of any continuing default of any term, covenant or condition set forth in this Agreement, nor of such party's right to declare a default for any such continuing breach, and the failure of either party to insist upon strict performance of any of the terms, covenants or conditions of this Agreement, or to exercise any option in this Agreement in any one or more instances, shall not be construed as a waiver or relinquishment of any such terms, covenants, conditions or options, but the same shall be and remain in full force and effect,

10.3 Successors and Assigns. Neither party may assign this Agreement in whole or in part, or any interest herein, without the other party's prior written consent, which shall not be unreasonably withheld. Any assignment without such consent shall be void and of no effect. Notwithstanding the foregoing, DignityMoves acknowledges that the County intends to assign this Agreement to the County of Santa Cruz on or before June 30, 2026. The rights and obligations of the parties hereunder shall, subject to the limitations on assignment contained in this Section, be binding upon, and inure to the benefit of, the successors and assigns of the County and DignityMoves.

10.4 Written Notice. For purposes of this Agreement, notices will be deemed to have been given upon personal delivery thereof, three (3) Business Days after having been deposited in the United States mail, postage prepaid and properly addressed, one (1) Business Day after having been sent by Federal Express or other similar overnight delivery service or upon confirmation if sent by facsimile or email. Any party hereto may from time to time, by written notice to the other,

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designate a different address which shall be substituted for the one set forth below.

County:	County of Monterey County Administrative Office 168 West Alisal Street, Third Floor Salinas, California 93901 Attn: Roxanne V. Wilson, Homeless Services Director Email: wilsonr@co.monterey.ca.us
DignityMoves:	DignityMoves 2406 Bush Street San Francisco, California 94115 Attn: Elizabeth Funk, Chair/CEO Email: elizabeth@DignityMoves.org

10.5 Severability. Should any one or more provisions set forth in this Agreement for any reason be held invalid, illegal or unenforceable in any respect, any such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been incorporated therein provided that the deletion of such provision does not materially alter this Agreement.

10.6 No Third-Party Beneficiaries. This Agreement is not intended and shall not be deemed or construed to confer any rights, powers or privileges on any person, firm, partnership, corporation or other entity not a party hereto except as may be expressly provided herein to the contrary.

10.7 Exhibits and Headings; Construction. The Exhibits attached or to be attached hereto shall be construed with and as integral parts of this Agreement to the same extent as if the same had been set forth verbatim herein. The titles and headings of articles and sections of this Agreement are intended for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement. As used herein: (i) the singular shall include the plural (and vice versa) and the masculine or neuter gender shall include the feminine gender (and vice versa) where the context so requires; (ii) locative adverbs such as "herein," "hereto," and "hereunder" shall refer to this Agreement in its entirety and not to any specific Section or paragraph; (iii) the terms "include," "including," and similar terms shall be construed as though followed immediately by the phrase "but not limited to;" and (iv) "shall," "will" and "must" are mandatory and "may" is permissive.

10.8 Oral Agreements. No oral order, objection, claim or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by an express waiver or modification thereof in writing, and no evidence shall be introduced in any proceeding of any other waiver or modification.

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10.9 Counterparts. This Agreement may be executed in any number of counterparts, and each of such counterparts for all purposes shall be deemed to be an original, and all of such counterparts should constitute one and the same agreement.

10.10 Governing Law; Venue for Resolution of Legal Actions. This Agreement shall be governed by the laws of the State of California. Any litigation regarding the enforcement or the interpretation of the terms and conditions of this Agreement shall be filed in the Superior Court of the State of California, County of Monterey.

10.11 Merger. All prior understandings and agreements between the parties respecting this relationship, are merged into this Agreement, which Agreement fully and completely expresses the agreement of the parties, and there are no representations, warranties or agreements except as specifically and expressly set forth herein and in the Exhibits which are attached and incorporated by reference into this Agreement.

10.12 Time. Time is of the essence for this Agreement and each provision hereof of which time is an element.

10.13 Confidentiality. DignityMoves and its officers, employees, agents, and Contractors, Subcontractors and Consultants shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. DignityMoves shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits DignityMoves to disclose such records or information. DignityMoves shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. DignityMoves shall not use any confidential information gained by DignityMoves in the performance of this Agreement except for the sole purpose of carrying out DignityMoves' obligations under this Agreement.

10.14 County Records. When this Agreement expires or terminates, DignityMoves shall return to County any County records which DignityMoves used or received from County to perform services under this Agreement.

10.15 Maintenance of Records. DignityMoves shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. DignityMoves shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then DignityMoves shall retain said records until such action is resolved.

10.16 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of DignityMoves related to services provided under this Agreement. Pursuant to Government Code section 8546.7,

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if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.17 Non-Discrimination: During the performance of this Agreement. DignityMoves and its Contractors, Subcontractors and Consultants shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in DignityMoves' employment practices or in the furnishing of services to recipients. DignityMoves shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. DignityMoves and Contractors, Subcontractors and Consultants shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

10.18 Compliance With Terms of State or Federal Grants. If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, DignityMoves will comply with all the provisions of said contract, to the extent applicable to DignityMoves as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to DignityMoves, at no cost to DignityMoves.

10.19 Parties' Relationship. No provisions of this Agreement shall be intended to create an agency, partnership or joint venture or other similar relationship between the County and DignityMoves with respect to the Project, and neither party shall have the power to bind or obligate the other party, except as expressly set forth in this Agreement. Neither this Agreement nor any communication or other action between the parties relating to the Project, is intended shall be construed to create a joint venture, partnership or other similar relationship between DignityMoves and the County.

10.20 Advice of Counsel. Each party represents and warrants that it has received the advice of independent counsel of its own choosing with respect to the meaning and effect of this Agreement. No provision of this Agreement shall be construed in favor of or against any party on the ground that such party or its counsel drafted the provision.

10.21 DignityMoves' Default. The occurrence and continuance of any one or more of the following events, beyond the expiration of any applicable grace and/or cure period provided for herein, is an "**Event of Default**" hereunder by DignityMoves:

10.21.1 Uncured Breach. Any breach or default by DignityMoves of any

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covenant, duty, obligation, representation, or warranty under this Agreement; provided, however, that before such breach or default is deemed an Event of Default, DignityMoves shall have: (i) received notice from the County of such breach or default; and (ii)(A) failed to cure or remedy such breach or default within ten (10) business days following such notice, in the event of a monetary default, or thirty (30) days following the date of such notice in the event of any other breach or default; or (B) if such breach or default does not consist of the failure to pay money and is not curable within such thirty (30)-day period, failed to commence such cure within such thirty (30)-day period or failed to diligently and continuously pursue such a cure or remedy thereafter and in any event failed to fully cure or remedy such breach or default within sixty (60) days of such notice to DignityMoves.

10.21.2 Bankruptcy. There is a bankruptcy or dissolution with DignityMoves.

10.21.3 Improper Conduct. DignityMoves is grossly negligent or engages in fraud, bad faith, or willful misconduct in connection with the Services.

10.22 Contingency. This Agreement is contingent upon the County's successful receipt and retainment of grant funding from the State of California Encampment Resolution Funding grant.

10.23 Remedies on Default. Upon an Event of Default, the non-defaulting party shall have the authority to exercise any and all rights and remedies available at law or in equity, including, without limitation, the right to terminate this Agreement upon ten (10) days' written notice to the other.

[SIGNATURES ON FOLLOWING PAGES]

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IN WITNESS WHEREOF, County and DIGNITYMOVES have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY:	**DIGNITYMOVES, a non-profit Corporation:**
County Administrative Office (CAO), Sonia M. De La Rosa, CAO By: _____ Deborah Paolinelli, Assistant CAO Date: _____	**Elizabeth Funk, Chair** By:_____ Elizabeth Funk, Chair Date: _____
Debra R. Wilson, Contracts/Purchasing Officer By: _____ Debra R. Wilson, Contracts/Purchasing Officer Date: _____	**DIGNITYMOVES, a non-profit corporation:** By: _____ Freya Estreller, CFO Name: _____ Title: _____
APPROVED AS TO FORM: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: _____ Marina Pantchenko, Deputy County Counsel	
APPROVED AS TO FISCAL PROVISIONS: Rupa Shah, Auditor-Controller By: _____ Name: _____ Title: _____	
APPROVED AS TO INSURANCE AND INDEMNIFICATION PROVISIONS: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: _____ David Bolton, Risk Manager	

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EXHIBIT A-1

THE PROPERTY ~~("TEST FIT") OPTION 1 & OPTION 2~~

SITE PLAN DIAGRAM

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EXHIBIT B-1

DIGNITYMOVES DEVELOPMENT BUDGET

Dignity Moves
Development Management Services Budget
~~5 Cherry Court~~118 First Street in the City of Watsonville (APN 017-172-~~31~~32)

Hard Costs	
GC Contract	$ ~~1,796,906.00~~3,711,986
~~FEMA Floodplain Zone Improvements~~	~~$ 1,000,000.00~~
Modular Buildings	$ ~~969,855.00~~1,444,672.00
Owner Contingency	$ ~~380,000.00~~200,000.00
~~Accessory Buildings~~	~~$ 47,000.00~~
~~Accessories~~	~~$ 2,500.00~~
Hard Costs Subtotal	**$ ~~4,196,261.00~~5,356,658.00**
Soft Costs	
Design	
Initial Design	$ 5,000.00
Architectural Contract	$ ~~162,000.00~~66,147.00
~~Design Contingency~~	~~$ 10,000.00~~
Consultants	
MEP	$ ~~30,000.00~~5,000.00
~~Structural~~	~~$ 15,000.00~~
Civil Engineering	$ ~~15,000.00~~ 45,000.00
~~Site Survey~~	~~$ 25,000.00~~
Permit Fees	$ 264,407.00~~59,298.00~~
~~School Fees~~	~~$ 39,532.00~~
Utility Connection Fees	
Electrical Engineering Fees & Install Costs	$ 75,000.00
~~Water Connection & Capacity Fees~~	~~$ 25,000.00~~
~~Sewer Connection & Capacity Fees~~	~~$ 15,000.00~~
~~*FF&E*~~	
~~Personal Property~~	~~$ 25,000.00~~
~~*Low Voltage*~~	
~~Security System, Cameras~~	~~$ 30,000.00~~
Financing/Legal	
Legal	$ ~~7,500.00~~7,338.00

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Management Fee		
Dignity Moves	$	300,000.00
Soft Costs Subtotal	**$**	**~~838,330.00~~766,008.00**
Total Project Budget	**$**	**~~5,034,591.00~~6,122,666.00**

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Chris Lopez to:

Adopt Resolution No.: 24-137	
Agreement No.: A-17312	**Coalition of Homeless Services Providers**
Agreement No.: A-17471	**DignityMoves**

a. Approve and authorize the County Administrative Officer or designee, to execute a non-standard agreement with DignityMoves, a California non-profit corporation, for the development of a 34-unit non-congregate low-barrier housing navigation center in the City of Watsonville, for a total cost of $5,034,591 upon execution through June 30, 2026; and,
b. Authorize and direct the Auditor-Controller to issue a one-time payment to DignityMoves in the amount of $2,000,000 upon execution of the agreement with an invoice to meet grant term expenditure requirements by June 30, 2024; and,
c. Approve and authorize the County Administrative Officer or designee to execute a non-standard agreement with the Coalition of Homeless Services Providers to identify and contract with a local non-profit to operate a 34-unit non-congregate, low-barrier housing navigation center in the City of Watsonville, for $2,571,460, with a term of April 23, 2024, through March 31, 2027, as recommended by the County Administrative Officer; and,
d. Authorize and direct the Auditor-Controller to issue a one-time payment to the Coalition of Homeless Services Providers for the full contract amount of $2,571,460 upon execution of this agreement with an invoice to meet the grant term expenditure requirements by June 30, 2024; and,
e. Authorize the County Administrative Officer or designee to sign up to (3) amendments for each of these agreements that do not significantly change the scope of work and subject to approval by County Counsel; and,
f. Adopt a resolution to authorize and direct the Auditor-Controller to increase appropriations and estimated revenues by $3,486,354, to amend the Fiscal Year 2023-24 Adopted Budget for the County Administrative Office Intergovernmental and Legislative Affairs (IGLA)-Homeless Services (001-1050-CAO004-8054) financed by grant revenues from the California Interagency Council on Homelessness to develop and operate a non-congregate, low-barrier navigation center in Watsonville, CA (4/5th vote required).

PASSED AND ADOPTED on this 23rd day of April 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting April 23, 2024.

Revised Date: September 16, 2025
File ID: RES 24-071
Agenda Item No.: 9

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

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DEVELOPMENT MANAGEMENT AGREEMENT

BETWEEN

COUNTY OF MONTEREY

AND

DIGNITYMOVES,
a California nonprofit corporation

Recurso de Fuerza Village
5 Cherry Court
Watsonville, California 95076

DocuSign Envelope ID: C1241BDA-3DAD-41A8-82C7-FBEB6AE6004D

DEVELOPMENT MANAGEMENT AGREEMENT

THIS DEVELOPMENT MANAGEMENT AGREEMENT (the "**Agreement**") is entered into as of the last date opposite the respective signatures (the "Effective Date"), by and between the County of Monterey ("**County**") and DIGNITYMOVES, a California nonprofit corporation ("**DignityMoves**"), collectively referred to as "**the Parties**".

RECITALS

A. This Agreement is intended to provide for the development of modular housing for unhoused individuals in order to assist in addressing the homelessness crisis in the counties of Santa Cruz and Monterey.

B. Westview (Japanese) Presbyterian Church, a California nonprofit corporation (the "**Church**") owns the real property located at 5 Cherry Court, Watsonville, California, which is located within the jurisdictional boundaries of the City of Watsonville (the "**City**") in the Santa Cruz County (APN 017-172-31), as more particularly described in **Exhibit "A"** (the "**Property**"). Exhibit A is attached to this Agreement and incorporated by this reference. The Parties understand and agree that a County selected nonprofit partner based in Santa Cruz County will lease the Property from the Church and that the Property will serve as the site for the development of modular housing for unhoused individuals.

C. DignityMoves, with the approval of the City and County, intends to develop the Property with an interim housing project for unhoused individuals proposed to contain 34 modular individual residential sleeping units (sometimes referred to as "modular housing units" or "units"), along with wet areas (including common restrooms and restrooms adjoining certain units), common areas (including but not limited to ancillary dining, green space, pet area, laundry and storage facilities for residents) and office and administration facilities for operation of the foregoing (together with all related facilities, the "**Project**"). For purposes of this Agreement, the term "Project" shall be deemed to include the final number of residential units developed with related improvements as ultimately approved by the agency or agencies or Governmental authority or authorities with jurisdiction.

D. The County will provide and administer funding, in the amount of approximately $5,034,591, which will include funds administered by the County through the State of California Encampment Resolution Funding Program (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "**Funding**"). The Parties understand and agree that no additional funds have been donated, or otherwise provided or allocated, to fund the construction of the Project as of the effective date of this Agreement.

E. DignityMoves is experienced in developing interim housing development projects similar to the Project and will provide development management services for this Project.

F. The County desires to engage DignityMoves, and DignityMoves desires, to manage, arrange, supervise, and coordinate the planning, design, entitlement, permitting,

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construction and completion of the Development Work (as such term is hereinafter defined) upon the terms, conditions and covenants herein described.

G. The Parties understand and agree that the County intends to assign and transfer the ownership of the modular housing units to the County of Santa Cruz by on or about June 30, 2026.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and the mutual promises and covenants contained in this Agreement, the County and DignityMoves agree as follows:

ARTICLE 1
DEFINITIONS

For the purposes of this Agreement, the following terms shall have the respective meanings set forth below:

"**Affiliate**" shall mean a person or entity controlled by, under common control with or controlling another person or entity. The term "control" means the ownership, directly or indirectly, of at least 50% of the voting ownership interests in an entity, or the management control of an entity.

"**Agreement**" shall mean this Development Management Agreement, as may be amended, modified or supplemented from time to time.

"**Architect**" shall mean the licensed project architect engaged by DignityMoves to serve as architect for the Project. DignityMoves has engaged Gensler Architects of San Francisco, California to act as the Architect for the Project.

"**Business Day**" shall mean any day other than a Saturday, Sunday or other than a holiday on which businesses in the State of California are generally closed for business.

"**City**" shall mean the City of Watsonville, California.

"**Claims**" shall mean any and all claims, liabilities, losses, damages, costs or expenses, including, without limitation, actual attorneys' fees and costs, court costs, demands, debts, causes of action, fines, judgments and penalties.

"**Construction Contract(s)**" shall mean any construction contracts entered into by DignityMoves and any Contractor providing for the performance of Development Work.

"**Consultants**" shall mean the architects, engineers, consultants or designers engaged by DignityMoves for the Project.

"**Contractor**" shall mean one or more licensed general contractors to be engaged by DignityMoves to construct all or a portion of the Improvements engaged by DignityMoves to act as the general contractor for the Project.

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"**County**" shall mean County of Monterey, California.

"**Day**" shall mean a calendar day unless specifically referenced as a Business Day.

"**Development Budget**" shall mean the budget for the Development Work to be agreed to in writing by the County and DignityMoves in accordance with the terms of this Agreement, as it may be amended and/or updated from time to time as mutually agreed to in writing by the parties, setting forth the anticipated costs, expenses, and income and other relevant financial projections to perform and complete the Development Work.

"**Development Plan**" shall mean the general plan for development of the Project consisting of the product type and size, site plan and density of development and Project amenities, which shall be consistent with the Entitlements and shall be subject to County approval.

"**Development Schedule**" shall mean a schedule to be prepared by DignityMoves, the Architect and Contractor and approved by the County in its reasonable discretion showing the dates of commencement and completion of various components of the Development Work, which Development Schedule shall be updated by DignityMoves in consultation with the Architect and Contractor and reviewed by the County as provided in this Agreement.

"Development Work" shall mean any and all construction and other work necessary for the construction of the Improvements, all as covered by the Development Budget.

"**Entitlements**" shall mean the Permits and all other Governmental agreements, permits, approvals and entitlements required from time to time for the development of the Project.

"**Government**" or "**Governmental**" shall mean and include the City, County and any other governmental, quasi-governmental, or public utility authority.

"**Improvements**" shall mean the onsite and offsite grading, installation of sewer, water, storm drain, electrical, cable, and other utilities and connections to the Property and the Project, site preparation and, if required, installation of prefabricated and/or modular housing units to be incorporated into the Project, and vertical construction of any improvements constituting the Project, together with the installation of landscape areas, including entry areas, walkways, open space and any other improvements to be constructed in connection with the development of the Project as set forth in the Plans and Specifications, as the same may be amended, modified or supplemented from time to time pursuant to the terms hereof, and any other Work of Improvement as that term is defined in Section 8050 of the California Civil Code.

"**Line Items**" shall mean the cost accounting categories set forth in the Development Budget for each of the construction trades for the construction of the Improvements and for any separate material categories or other development costs, including costs to obtain the Entitlements.

"**Notice of Termination**" shall mean a written notice of termination of this Agreement delivered by the County to DignityMoves and/or by DignityMoves to the County.

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"**Permits**" shall mean such grading and building permits, or any other public agency permits as may be necessary for the construction of the Improvements.

"**Plans and Specifications**" shall mean the grading plans and the architectural and engineering plans and specifications for the Improvements including the improvement plans that may be approved by the City, the plot plans showing the proposed location of the Improvements and appurtenances, and such other plans and specifications as may be necessary for the construction of the Improvements.

"**Project**" shall have the meaning set forth in Recital C.

"**Project Costs**" shall mean all costs incurred by DignityMoves in connection with the Project, in accordance with the Development Budget or otherwise approved by the County in writing.

"**Property**" shall have the meaning set forth in Recital B.

"**Services**" shall mean the development services contemplated to be performed by DignityMoves under this Agreement.

"**Subcontractor**" shall mean a person or organization who has a direct contract with DignityMoves and/or DignityMoves' Contractor/s to perform any work or to provide any materials, equipment or supplies for the Project.

"**Third Party or Parties**" shall mean individually or collectively, as applicable, any Consultant, Contractor, Subcontractor, vendor, supplier or any other person or entity providing services or materials to the Project, other than DignityMoves.

"**Third Party Contract**" shall mean a contract between DignityMoves and any Third Party with respect to the development of the Project, including any Construction Contract.

"**Unavoidable Delay**" shall mean any prevention, delay or stoppage in the Services required of DignityMoves and/or other Third Parties performing services pursuant to this Agreement, but not including any payment and/or performance obligations of DignityMoves, caused by war, insurrection, strikes, lockouts, riots, unusually adverse weather, unavailability of labor or construction materials, supplies and equipment or product shortages, floods, earthquakes, fires, casualties, acts of God, acts of a public enemy, epidemics, pandemics, quarantine restrictions, freight embargoes, lack of transportation, suits filed by unrelated third parties concerning or arising out of this Agreement or unseasonable weather conditions, unknown Property conditions discovered during the course of construction, newly enacted Governmental regulations or controls, the application to the Project of existing regulations or controls or similar events outside the performing party's control impacting the Project, its location or the region in which the Project is located, or other matters or causes beyond the reasonable control of DignityMoves, including delays arising from an action under the California Environmental Quality Act (CEQA), failure by City to expedite the plan check process, or unreasonable

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processing times for City or other public agency approvals, which shall extend the time within which this Agreement requires certain acts to be performed for a period equal to any such prevention, delay or stoppage. The time for performance of provisions of this Agreement by either Party shall be extended for a period equal to the period of any Unavoidable Delay affecting the Project or this Agreement will be deemed granted only if written notice by the Party claiming such extension is sent to the other Party within thirty (30) calendar days from the commencement of the cause.

ARTICLE 2
ENGAGEMENT; STANDARDS OF PERFORMANCE

2.1 Engagement. The County hereby engages DignityMoves as the development manager of the Project with respect to the Development Work, for the purpose of managing, supervising, and coordinating the planning, design, entitlement, permitting, construction and completion of the Development Work, all in accordance with the terms, conditions and limitations herein set forth. DignityMoves hereby accepts such engagement and DignityMoves hereby agrees to use reasonable efforts to perform the Services, including (i) obtaining and preserving all Entitlements required for Project occupancy (See Section 3.2.2), (ii) negotiating any Third Party Contracts necessary for the completion of the Project, (iii) overseeing and managing construction of the Improvements by Third Parties pursuant to approved Plans and Specifications, (iv) obtaining the acceptance of the applicable Improvements by the relevant Governmental agencies, (v) otherwise providing all Services necessary for completion of the Development Work, within the Development Budget and Project Schedule as the same may be modified from time to time, (vi) signing documents, purchase orders, change orders and other instruments and writings related to the Project, (vii) issuing payments in connection with the Development Work on checks drawn against the Project Account(s) (as such term is hereafter defined), and (viii) such other tasks as are necessary to perform or procure the Development Work or as requested by the County.

2.2 Standard of Performance. DignityMoves shall furnish its skill and judgment to perform the Development Work and shall cooperate with the City, the County and the Third Parties performing Development Work or otherwise providing services relating to the Project. DignityMoves shall perform its duties and obligations under this Agreement in a reasonably efficient, expeditious and economical manner, in accordance with the applicable Project Schedule (subject, however, to the provisions of Section 3.2) and within the amounts budgeted in the Development Budget (except as otherwise permitted pursuant to the terms of this Agreement) consistent with the professional care, skill, judgment, diligence and care ordinarily provided by development managers practicing in the same or similar locality under the same or similar circumstances, but in no event less than reasonable skill and care, and in compliance with all Applicable Laws. DignityMoves shall perform its services as expeditiously as is consistent with such skill and care and the orderly progress of the Project, consistent with the Development Schedule. DignityMoves shall devote sufficient time and attention to ensure the full, prompt, and professional discharge of its duties under this Agreement.

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2.3 DignityMoves' Personnel, Contractors and Consultants. DignityMoves may perform its duties and obligations hereunder with its own employees and/or by engaging Consultants or Contractors. DignityMoves shall be responsible for hiring, supervising, training, and terminating all of its employees and staff members performing Services relating to the Project. The persons designated by DignityMoves as its representatives ("**Representatives**") shall represent DignityMoves as its agents and all written communications given to or by those Representatives shall be as if given to or by DignityMoves. DignityMoves and its employees, agents, Third Party Consultants, and Contractors shall at all times perform DignityMoves' obligations hereunder in a good and workmanlike manner. Any employee, agent, Third Party Consultant or Contractor of DignityMoves performing Development Work who, in the reasonable opinion of the County, does not perform its work in a skillful manner or appears to be incompetent or to act in a disorderly or intemperate manner shall, at the written request of the County, be promptly removed from performing Development Work on the Project. DignityMoves shall fully comply with all applicable laws and regulations relating to Workers' Compensation Insurance (WCI), social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related laws, including the California Labor Code, as applicable to DignityMoves' employees, agents, Third Party Consultants and Contractors.

2.4 County's Representative. Roxanne V. Wilson, County Administrative Office Homeless Services Director shall represent the County, and all written communications given to or by such representative shall be deemed given to or by the County. The County's representative may be changed from time to time by the County by delivery of written notice thereof to DignityMoves.

2.5 Access to Work. The County, DignityMoves and their respective officers, managers, members, representatives, agents, and employees shall at all times have access to the Project and the Development Work wherever it is in preparation or progress. It is acknowledged by all Parties that the County does not own the Project premises.

2.6 Project Accounts; Funding. DignityMoves shall submit to the Contract Administrator monthly invoices on a form acceptable to County setting forth the amounts claimed by DignityMoves for the previous month, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the County may require. The Contract Administrator or his or her designee shall certify the invoice within seven (7) business days of receipt of the invoice; either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within forty-five (45) days of receiving the certified invoice. DignityMoves shall not receive reimbursement for travel expenses unless set forth in this Agreement.

2.6.1 Dignity Moves shall establish a bank account (the "Project Account") specifically for the Project. The County will wire an advance payment of two million dollars and zero cents ($2,000,000) into the Project Account upon execution of the Agreement prior to DignityMoves submitting the initial draw package. To offset the advance payment,

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DignityMoves shall deduct $500,000 over each of the first four (4) monthly invoices of the Agreement. The advanced payment shall be fully offset by the Project completion date. DignityMoves agrees that the advanced payment provided in this Agreement, is to be used solely for the purposes of this Project. All payments after the advance payment will be paid 45 days after receipt of a certified invoice to the Auditor-Controller's office. Dignity Moves shall be authorized to issue checks or make withdrawals for payment of contractors, vendors and consultants from such Project Account once the County has approved the draw package.

2.6.2 The Draw Process. On a monthly basis: (a) Consultants and the Contractor shall submit their invoices to DignityMoves no later than the 23rd day of each month for work completed as of the 23rd day of that month; (b) DignityMoves shall review all invoices received for work completed as of the 23rd day of that month and assemble a DRAW PACKAGE for submittal to the County for the County's approval on the 25th day of that month, which draw package shall include: (i) a SUMMARY listing all invoices (including an invoice for DignityMoves' development fee pursuant to ARTICLE 7) to be paid for that month and the total draw amount; (ii) copies of all invoices to be paid; (iii) General Contractor's Application for Payment including conditional releases for the current pay application and unconditional releases for the previous pay application; and (iv) an updated DEVELOPMENT BUDGET reflecting paid-to-date and balance-to-complete. DignityMoves recommends and is amenable to a monthly draw review meeting with the County.

2.7 Licensing. DignityMoves has advised the County, and the County acknowledges, that DignityMoves does not hold a State of California, Department of Consumer Affairs, Contractors State License Board (CSLB) license. DignityMoves will obtain a business license with the City of Watsonville.

2.8 Term. The term of this Agreement shall commence as of the Effective Date and shall terminate on June 30, 2026, or on the date a certificate of occupancy issues for the Project and the County of Santa Cruz receives possession of the Project, whichever date is earlier.

2.9 Termination. The County may cancel and terminate this Agreement upon fourteen (14) days' written notice to DignityMoves upon an Event of Default provided, however, that if such Event of Default is deemed curable by both parties following a meet and confer, DignityMoves shall have the ability to cure the Event of Default within such fourteen (14) day period. Notwithstanding this provision, County shall have the right to immediately terminate this agreement in the event DignityMoves becomes insolvent, files or has filed against it, a petition for voluntary or involuntary bankruptcy or pursuant to any other insolvency law, makes or seeks to make a general assignment for the benefit of its creditors or applies for, consents to, or is ordered to an appointment of a trustee, receiver, or custodian for a substantial part of its property or business; provided, however, if such petition for voluntary or involuntary bankruptcy or pursuant to any other insolvency law or appointment of a trustee, receiver, or custodian for a substantial part of its property or business was involuntary and not consented to by DignityMoves, County may only terminate this Agreement if such petition or appointment is not discharged, stayed or dismissed within sixty (60) days of the filing of said petition or appointment, whichever occurs earlier.

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ARTICLE 3
PERFORMANCE OF THE DEVELOPMENT WORK

3.1 Development Budgets.

3.1.1 Approval of Development Budgets. The County has approved of the preliminary Development Budget attached hereto as Exhibit B and incorporated by this reference. DignityMoves shall advise the County if DignityMoves determines that the amounts set forth in the applicable Development Budget will be exceeded. Any amendments and all material changes to the Development Budget shall be promptly delivered and subject to the County's prior written approval.

3.1.2 Conformity with Development Budget. DignityMoves shall use commercially reasonable and diligent efforts to enable the Development Work to be completed in conformity with the Development Budget making use of the Funding available the Project; provided, however, in no event shall DignityMoves (a) be required to extend credit or expend funds with respect to the Project or (b) be responsible for the payment of any amounts incurred in excess of the Development budget unless such amounts arise from DignityMoves' gross negligence, willful misconduct or willful failure to perform its material obligations under this Agreement (beyond any applicable notice and cure period). The County acknowledges that changes to the Project scope will impact the Development Budget.

3.2 Project Schedule and Development Plan.

3.2.1 Approved Project Schedule and Development Plan. DignityMoves and the County will jointly agree upon the Project Schedule and Development Plan. The Project Schedule and Development Plan shall be updated regularly by DignityMoves. DignityMoves shall provide the County with reports with respect to the progress of the Development Work and the status of the Development Budget and amounts of the Funding remaining in the Project Accounts. DignityMoves shall provide the County with concurrent copies of Contractors' monthly applications for payment.

3.2.2 Delay. DignityMoves shall proceed with diligence to perform the Development Work in accordance with the Development Plan, the Development Schedule and the Development Budget. If any delay in completion of the Development Work in accordance with the Project Schedule (or other applicable time period as specified herein) occurs due to an Unavoidable Delay, including any City or public agency processing delays, the Project Schedule shall be appropriately modified. In the event of an Unavoidable Delay, DignityMoves and the County shall meet and confer within seven (7) business days to discuss modifications to the Development Plan, Project Schedule and the Development Budget.

3.2.3 Notification by DignityMoves. Promptly after DignityMoves becomes aware that (i) any action or performance shown in the Project Schedule will be materially delayed beyond the start or completion date that is specified for such action or performance in the Project

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Schedule or (ii) any changes to the Development Plan are necessary or advisable, and at such other times as the County may reasonably request, DignityMoves shall furnish to the County proposed additional or revised schedules with variance explanations and/or revisions to the Development Plan and/or Project Schedule. DignityMoves shall submit a written remedial plan of action for recapturing such schedule slippage, together with supporting documentation therefor. The County shall review the proposal with DignityMoves and DignityMoves shall make any necessary revisions thereto as mutually agreed upon during the review.

3.3 Responsibilities of DignityMoves.

3.3.1 General Responsibility. DignityMoves' general responsibility hereunder as the County's development manager shall be to manage, arrange, supervise and coordinate the planning, design, entitlement, permitting, development, construction, and completion of the Development Work, and to take such actions as the County may reasonably request within the scope of DignityMoves' responsibilities in this Agreement. DignityMoves will be required to make continuous inspections of the work and shall be responsible for fully understanding and supervising the means, methods, and techniques of construction, regardless of whether or not the work is under its control or under the control of Third Parties including DignityMoves' Contractors and any Subcontractors. In furtherance of the foregoing, the Development Work is proposed to consist of the following: a 34-unit interim housing site constructed with individual modular housing units containing individual rooms for habitation, along with common bathrooms, administrative offices, dining facilities, laundry and storage.

3.3.2 Project Approvals. DignityMoves shall be solely responsible for procuring Entitlements. DignityMoves shall ensure that the Project shall be developed in accordance with the terms and conditions of this Agreement and all approvals, entitlements and permits that the City and County or any other governmental body or agency with jurisdiction over the Project or the Property has granted or issued as of the effective date of this Agreement or may hereafter grant or issue in connection with development of the Project. DignityMoves and the County acknowledge that construction of the Project is expected to commence on or about June 1, 2024.

3.3.3 Construction Plans. DignityMoves has engaged the Architect to prepare construction plans for the Project (the "**Construction Plans**"), and together with the Architect, and such Consultants as the Architect and DignityMoves deem necessary, shall cause to be prepared building, grading and landscaping permit applications for review and approval by the City within sixty days of the Effective Date of this Agreement. DignityMoves shall be responsible for securing prompt review and comments by the City on any submissions of Construction Plans. DignityMoves shall inform the County of the City's comments, and the Architect shall instruct any Contractor or Consultants to submit each subsequent revision within thirty days of receipt of the City's comments, to the extent reasonably practicable. As used herein "**Construction Plans**" means all construction documents upon which DignityMoves, the Architect, Contractor and any Subcontractors or Consultants shall rely upon in constructing the Project, and shall include, without limitation, the site development plan, final architectural drawings, landscaping, exterior lighting and signage plans and specifications, materials

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specifications, final elevations, and building plans and specifications. The Construction Plans and any modifications thereto shall be based upon the site plan and elevations approved by the City and County, and the approvals issued by the City and County for the Project and shall not materially deviate therefrom without the express written consent of County.

3.3.4 Construction Pursuant to Plans. DignityMoves shall oversee the development, design and construction of the Project as herein described, in accordance with the approved Construction Plans and all other permits and approvals granted by the City and County pertaining to the Project. DignityMoves shall require its Architect, Contractor(s), Subcontractor(s), employees and Consultants to comply with all directions, rules and regulations of any fire marshal, health officer, building official or other officer of every governmental agency having jurisdiction over the Property or the Project. All design and construction work on the Project shall be performed by licensed design professionals including licensed Contractors, engineers or architects, as applicable and in accordance with state and local laws and regulations.

3.3.5 Construction Schedule. DignityMoves shall cause construction of the Project to be commenced by starting utility extensions, site preparation and foundation preparation ("**Commence Construction**") within three business days of City's issuance of a grading permit for the Property consistent with the Construction Plans, and the City's written notice to proceed. DignityMoves and the Architect shall cause construction of the Project to be diligently prosecuted to completion.

3.3.6 Bonds, Mechanic's Liens and Stop Notices. DignityMoves shall instruct the Contractor to procure performance and labor and materials bonds from sureties acceptable to DignityMoves to ensure completion of the Improvements in the estimated amount of the costs. DignityMoves shall keep the Property free from liens arising out of any work performed, materials furnished, or obligations incurred by or on behalf of DignityMoves in the performance of its duties hereunder.

3.3.7 As-Built Plans. Upon completion of construction, DignityMoves shall request on behalf of the County following the completion of the Improvements, either a set of marked-up as-built plans for the Improvements prepared by the Contractor, or alternatively a record drawing reflecting construction prepared by the Project Architect.

3.3.8 Use of Plans. The contracts secured and executed by DignityMoves relating to design and construction of the Improvements shall provide, in form and substance reasonably satisfactory to DignityMoves and the County, for the purpose of development of the Project.

3.3.9 Cost of Construction. The costs of designing, developing and constructing the Improvements of the Project and compliance with the Project approvals shall be paid from the Funding, which shall be made available pursuant to this Agreement to DignityMoves for its disbursement and application to the Architect, Contractor(s), Subcontractor(s), Consultants and other professionals contributing to the construction of the Project. See Section 3.5.

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3.3.10 Equal Opportunity. There shall be no discrimination on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the hiring, firing, promoting or demoting of any person engaged in construction work on the Property, and DignityMoves and its agents, including its Architect, Contractors, Subcontractors, Consultants shall refrain from discrimination on such basis.

3.3.11 Compliance with Laws. DignityMoves and any Contractors, and Consultants engaged by DignityMoves pursuant to this Agreement to carry out the construction of the Project and all subsequent improvements, alterations and replacements, shall perform such construction in a first class and workmanlike fashion in accordance with the Construction Plans and in accordance with Applicable Laws. The parties understand and agree that if the modular housing units are transferred to the County of Santa Cruz during the Warranty period for said units, then any and all rights pursuant to said Warranty period, including any corresponding product defect or manufacturing claims, shall be transferred to the County of Santa Cruz.

3.4 Ownership of Plans and Materials. The County is the sole owner of all Plans and Specifications and all other materials, prepared in connection with the Project. Upon completion or any termination of this Agreement, the County shall retain sole custody of all such materials and DignityMoves shall return to the County any and all copies of such materials.

3.5 Sufficiency of Project Funds. The Parties have agreed, and secured the understanding and agreement of the County, that the amount of the Funding is anticipated to be sufficient to complete the Project, and the Parties will work cooperatively and in good faith to accomplish the same in accordance with the Development Budget and Project Schedule as the same may be modified from time to time. Should the amount of Funding be deemed insufficient, by DignityMoves in its reasonable discretion, to complete the Project in accordance with the Plans and Specifications and pursuant to the Project Schedule, DignityMoves and the County shall meet and confer and either (a) identify and obtain sources of additional funding or (b) agree upon changes to either the Plans and Specifications or the Project Schedule, or both, in order to accomplish cost savings and efficiencies so the Project can be completed with the available amount of Funding and any additional funding identified pursuant to clause (a) of this Section 3.5 above.

3.6 Approvals and Requests for Consent. If at any time DignityMoves requests the approval of the County with respect to any matter relating to the Project, the County shall provide such approval or disapproval within five (5) Business Days of receiving written notice of such request (as provided in Section 10.4) from DignityMoves along with any documentation to support DignityMoves' request for approval and/or consent by the County. In the event the County is not able to process approval or disapproval within five (5) business days, the parties shall meet and confer regarding the process and timeframe to respond to such request, but approval or disapproval shall in no event be provided later than ten (10) days of the County's receipt of the written request from DignityMoves.

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ARTICLE 4
AUTHORITY OF DEVELOPMENT MANAGER

4.1 General Authority. DignityMoves shall carry out and discharge the responsibilities and obligations of DignityMoves under this Agreement (including, without limitation, all of the responsibilities imposed upon DignityMoves under Article 3); provided, however, that DignityMoves shall have no right or authority, express or implied, to commit or otherwise obligate the County in any manner whatsoever except to the extent specifically provided herein or specifically authorized in writing by the County.

ARTICLE 5
PROGRESS MEETINGS; REPORTING REQUIREMENTS

5.1 Progress Meetings. At the County's request, DignityMoves shall schedule and attend meetings with the County to discuss the progress of the development and construction of the Project. At such meetings DignityMoves shall provide the County with any updated Project Schedule, Development Budget and Development Plan required to be delivered by DignityMoves.

5.2 Third Party Information. DignityMoves shall furnish to the County, from time to time, promptly after the County's request, a current list of all of Dignity Moves' Contractors, Subcontractors, Consultants and Third Parties employed in connection with the Development Work.

5.3 Books and Records. Electronic copies of DignityMoves correct and complete books of account and business records in which all transactions respecting the Development Work shall be timely entered in accordance with generally accepted accounting principles and practices. Such accounts and records shall be kept by DignityMoves on an accrual basis and in all respects in a manner consistent with generally accepted accounting principles and practices consistently applied. DignityMoves shall preserve all such records and upon the expiration or earlier termination of this Agreement, shall deliver copies of all such records to the County. Such books shall be open at all reasonable times for inspection or copying by the County and its agents, employees, and representatives. The books shall be audited as directed by the County.

ARTICLE 6
INSURANCE AND INDEMNIFICATION

6.1 Insurance General. At all times during the Term, without limiting DignityMoves' duty to indemnify County, DignityMoves shall comply with the following insurance requirements:

6.1.1.1 Except as otherwise approved by the County, all insurance described under this Article to be carried by DignityMoves will be maintained by DignityMoves as follows: it will maintain workers compensation, general commercial liability, automobile

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insurance and an umbrella policy as more fully described below. These insurance policies are understood to be provided in association with DignityMoves development management services. DignityMoves' Contractor and any Subcontractor will obtain and maintain their own separate insurance policies as required.

6.1.1.2 Premiums for all policies of insurance required to be maintained by DignityMoves under this Agreement shall be paid by DignityMoves unless otherwise provided in this Agreement or in the Development Budget.

6.2 Evidence of Insurance. As evidence of DignityMoves' specified insurance coverage, the County shall accept certificates issued by DignityMoves' insurance carrier acceptable to the County showing such policies in force for the specified period. Such evidence shall be delivered to the County prior to commencement of Services. DignityMoves shall also allow the County to inspect such evidence of insurance as DignityMoves obtains from its Subcontractor(s), but the County shall have no obligation to inspect such evidence of insurance.

6.3 Workers' Compensation Insurance. DignityMoves shall maintain Workers' Compensation Insurance (statutory limit) for all persons whom it employs in carrying out the Services under this Agreement.

6.4 Commercial General Liability Insurance. DignityMoves shall maintain Commercial General Liability Insurance on an "occurrence" basis, with reasonably acceptable deductibles, premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence and with a total limit of Two Million Dollars ($2,000,000.00) with coverage at least as broad as the current ISO forms.

6.5 Automobile Liability Insurance. DignityMoves shall maintain owned, hired, leased, and non-owned automobile liability insurance covering all use of all automobiles, trucks and other motor vehicles utilized by DignityMoves in connection with this Agreement, with a combined single limit for bodily injury and property damage of One Million Dollars ($1,000,000.00).

6.6 Umbrella/Excess Coverage. DignityMoves shall maintain umbrella/excess liability coverage on an "occurrence" basis, with a combined single limit for bodily injury and property damage of Two Million Dollars ($2,000,000.00) covering general liability and automobile liability.

6.7 Additional Insured. Additional Insured Status. The County of Monterey, its officers, officials, employees, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of DignityMoves including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to DignityMoves' insurance (at least as broad as ISO Form CG 20 10 11 85 or

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if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

6.8 Primary Non-Contributory Coverage. For any claims related to this contract, DignityMoves' insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the DignityMoves' insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

6.9 Waiver of Subrogation. DignityMoves hereby grants to County a waiver of any right to subrogation which any insurer of DignityMoves may acquire against the County by virtue of the payment of any loss under such insurance. DignityMoves agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

6.10 Other Insurance Requirements. All insurance required by this Agreement shall be with a company reasonably acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of two (2) years following the date DignityMoves completes its performance of services under this Agreement. Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended nonrenewal thereof. Each policy shall provide coverage for DignityMoves and additional insureds with respect to claims arising from each subcontractor performing work under this Agreement or be accompanied by a certificate of insurance from each showing each subcontractor has identical insurance coverage to the above requirements. Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of DignityMoves' work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of Additional Insureds shall not be called upon to contribute to a loss covered by DignityMoves' insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99. Prior to the execution of this Agreement by the County, DignityMoves shall file certificates of insurance with the County's Contract Administrator and County's Contracts/Purchasing Division, showing that DignityMoves has in effect the insurance required by this Agreement. DignityMoves shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. DignityMoves shall at all times during the term of this Agreement maintain in

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force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify DignityMoves and DignityMoves shall have five (5) calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by DignityMoves to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

6.11 County's Insurance. The County is self-insured for general liability up to $2.5 million. Above the self-insured retention, the County maintains a primary excess layer up to $10 million. The County may elect to maintain an OCIP insurance policy with respect to the Project in such form and amount and with such limits as reasonably agreed by DignityMoves and the County and an employee liability policy (EPL) covering all County employees working at the Project.

6.12 Indemnification. DignityMoves shall indemnify, defend and hold harmless the County, its officers, agents and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with any negligence or willful misconduct by DignityMoves, its officers, employees, Contractors, Subcontractors, and/or Consultants, such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "DignityMoves' performance" includes Dignity Moves' action or inaction and the action or inaction of DignityMoves' officers, employees, agents, Contractors, Subcontractors and Consultants.

6.14 Indemnification Agreement to be included in DignityMoves' Design Professional Agreements. DignityMoves shall require the following indemnification provisions to be included in their Professional Services Agreement and Construction Contracts for any design/construction work to be performed as a part of this Program, (Indemnification Agreement) "design professional" has the same meaning set forth in California Civil Code section 2782.8. If any term, provision or application of this Indemnification Agreement provision is found to be invalid, in violation of public policy or unenforceable to any extent, such finding shall not invalidate any other term or provision of this Indemnification Agreement provision and such other terms and provisions shall continue in full force and effect. If there is any conflict between the terms, provisions or application of this Indemnification Agreement provision and the provisions of California Civil Code sections 2782 or 2782.8, the broadest indemnity protection for County under this Indemnification Agreement that is permitted by law shall be provided by DignityMoves' design professionals.

6.15 Indemnification for Design Professional Services Claims. Dignity Moves' design professionals shall indemnify, defend and hold harmless County, its governing board, directors, officers, employees, and agents against any claims that arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of DignityMoves' design

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professionals', its employees, Contractors, Subcontractors, Consultants and agents in the performance of design professional services under this Agreement, excepting only liability arising from the sole negligence, active negligence or willful misconduct of County, or defect in a design furnished by County, but in no event shall the amount of DignityMoves' design professional's liability exceed DignityMoves' design professional's proportionate percentage of fault as determined by a court, arbitrator or mediator, or as set out in a settlement agreement. In the event one (1) or more defendants to any action involving such claim or claims against County is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, such Contractor shall meet and confer with the other parties to such action regarding unpaid defense costs. DignityMoves' design professionals shall agree to reimburse our clients for their legal fees and costs in proportion to either our agreed (via settlement agreement) or adjudicated (via arbitration or litigation) percentage fault.

6.16 Indemnification for All Other Claims or Loss. For any claim, loss, injury, damage, expense or liability other than claims arising out of DignityMoves' design professionals' performance of design professional services under this Agreement, DignityMoves' design professionals' shall indemnify, defend and hold harmless County, its governing board, directors, officers, employees, and agents against any claim for loss, injury, damage, expense or liability resulting from or alleging injury to or death of any person or loss of use of or damage to property, arising from or related to the performance of services under this Agreement by DignityMoves' design professionals', its employees, Contractors, Subcontractors, Consultants or agents, excepting only liability arising from the sole negligence, active negligence or willful misconduct of County, or defect in a design furnished by County.

ARTICLE 7
COMPENSATION AND REIMBURSEMENT OF DEVELOPMENT MANAGER

DignityMoves shall be compensated by a development fee equal to Three Hundred Thousand Dollars ($300,000). DignityMoves shall be entitled to reimbursement of its actual expenses and costs in the amounts indicated for such purposes in the Project Budget. DignityMoves understands and agrees that such reimbursements are for actual costs which may be limited or reduced in the event of changes to the Project Budget. Any changes to the Project Budget shall be reviewed and approved by the County. The Parties understand and agree that as of the effective date of this Agreement, no additional funds have been donated, or otherwise provided or allocated to fund the construction of the Project as indicated above in Recital D which states,

The County will provide and administer funding, in the amount of approximately $5,034,591, which will include funds administered by the County through the State of California Encampment Resolution Funding Program (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "Funding"). The Parties understand and agree that no additional funds have been donated, or otherwise provided or allocated, to fund the construction of the Project.

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ARTICLE 8
FUNDING FOR PROJECT

8.1 Costs to be Paid With Funding. Project Costs, which are to be sourced by the Funding and such additional funding sources as the Parties may identify and secure during the term of this Agreement, shall include the following general categories to the extent incurred by DignityMoves in accordance with the Development Budget (Exhibit B):

8.1.1 All costs for architectural, legal, accounting, engineering and other consultant services and for soils, geological, and toxic and hazardous waste studies, and any environmental studies;

8.1.2 All construction costs, including labor and material costs and equipment rental and repair, and the costs to maintain the Property as provided in this Agreement;

8.1.3 All Governmental licenses and fees relating to the Project, costs to process, obtain and maintain the Entitlements, all real and personal property taxes imposed against the Property and Project and all bonds or deposits required in connection with the development of the Project;

8.1.4 All financing costs, including interest payments, for loans from traditional lenders for actual costs incurred and directly related to DignityMoves' Development of the Project.

8.1.5 The premiums on any insurance required to be carried by DignityMoves pursuant to this Agreement to the extent properly allocable to the Project (but excluding Workers' Compensation Insurance); and

8.1.6 Subject to available Funding, all other actual costs incurred in connection with the Development Work.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of DignityMoves. DignityMoves hereby represents and warrants to the County as follows:

9.1.1 Formation; Qualification. DignityMoves is a nonprofit corporation, duly formed, validly existing and in good standing under the laws of the State of California.

9.1.2 Authorization; Binding Agreement. DignityMoves has taken all action required to allow DignityMoves to enter into this Agreement. This Agreement constitutes a legal, valid and binding obligation of DignityMoves, and neither its execution nor performance violates the requirements of any other agreement to which DignityMoves is a party or is otherwise

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bound.

9.1.3 Resources. DignityMoves has and shall maintain at all times during the Term sufficient facilities, expertise, staff, assets and other resources to perform its duties under this Agreement.

9.2 Representations and Warranties of County. The County hereby represents and warrants to DignityMoves as follows:

9.2.1 County. County is a political subdivision of the State of California.

9.2.2 Authorization; Binding Agreement. The County has taken all action required to allow the County to enter into this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the County.

ARTICLE 10
MISCELLANEOUS PROVISIONS

10.1 Remedies Cumulative. No remedy herein reserved is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other given in this Agreement or as now or hereafter existing or at law, equity or by statute.

10.2 Nonwaiver. The failure of either party to notify the other of any default under this Agreement shall not be deemed to be a waiver of any continuing default of any term, covenant or condition set forth in this Agreement, nor of such party's right to declare a default for any such continuing breach, and the failure of either party to insist upon strict performance of any of the terms, covenants or conditions of this Agreement, or to exercise any option in this Agreement in any one or more instances, shall not be construed as a waiver or relinquishment of any such terms, covenants, conditions or options, but the same shall be and remain in full force and effect,

10.3 Successors and Assigns. Neither party may assign this Agreement in whole or in part, or any interest herein, without the other party's prior written consent, which shall not be unreasonably withheld. Any assignment without such consent shall be void and of no effect. Notwithstanding the foregoing, DignityMoves acknowledges that the County intends to assign this Agreement to the County of Santa Cruz on or before June 30, 2026. The rights and obligations of the parties hereunder shall, subject to the limitations on assignment contained in this Section, be binding upon, and inure to the benefit of, the successors and assigns of the County and DignityMoves.

10.4 Written Notice. For purposes of this Agreement, notices will be deemed to have been given upon personal delivery thereof, three (3) Business Days after having been deposited in the United States mail, postage prepaid and properly addressed, one (1) Business Day after having been sent by Federal Express or other similar overnight delivery service or upon confirmation if sent by facsimile or email. Any party hereto may from time to time, by written notice to the other, designate a different address which shall be substituted for the one set forth below.

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County: County of Monterey
County Administrative Office
168 West Alisal Street, Third Floor
Salinas, California 93901
Attn: Roxanne V. Wilson, Homeless Services Director
Email: wilsonr@co.monterey.ca.us

DignityMoves: DignityMoves
2406 Bush Street
San Francisco, California 94115
Attn: Elizabeth Funk, Chair/CEO
Email: elizabeth@DignityMoves.org

10.5 Severability. Should any one or more provisions set forth in this Agreement for any reason be held invalid, illegal or unenforceable in any respect, any such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been incorporated therein provided that the deletion of such provision does not materially alter this Agreement.

10.6 No Third-Party Beneficiaries. This Agreement is not intended and shall not be deemed or construed to confer any rights, powers or privileges on any person, firm, partnership, corporation or other entity not a party hereto except as may be expressly provided herein to the contrary.

10.7 Exhibits and Headings; Construction. The Exhibits attached or to be attached hereto shall be construed with and as integral parts of this Agreement to the same extent as if the same had been set forth verbatim herein. The titles and headings of articles and sections of this Agreement are intended for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement. As used herein: (i) the singular shall include the plural (and vice versa) and the masculine or neuter gender shall include the feminine gender (and vice versa) where the context so requires; (ii) locative adverbs such as "herein," "hereto," and "hereunder" shall refer to this Agreement in its entirety and not to any specific Section or paragraph; (iii) the terms "include," "including," and similar terms shall be construed as though followed immediately by the phrase "but not limited to;" and (iv) "shall," "will" and "must" are mandatory and "may" is permissive.

10.8 Oral Agreements. No oral order, objection, claim or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by an express waiver or modification thereof in writing, and no evidence shall be introduced in any proceeding of any other waiver or modification.

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10.9 Counterparts. This Agreement may be executed in any number of counterparts, and each of such counterparts for all purposes shall be deemed to be an original, and all of such counterparts should constitute one and the same agreement.

10.10 Governing Law; Venue for Resolution of Legal Actions. This Agreement shall be governed by the laws of the State of California. Any litigation regarding the enforcement or the interpretation of the terms and conditions of this Agreement shall be filed in the Superior Court of the State of California, County of Monterey.

10.11 Merger. All prior understandings and agreements between the parties respecting this relationship, are merged into this Agreement, which Agreement fully and completely expresses the agreement of the parties, and there are no representations, warranties or agreements except as specifically and expressly set forth herein and in the Exhibits which are attached and incorporated by reference into this Agreement.

10.12 Time. Time is of the essence for this Agreement and each provision hereof of which time is an element.

10.13 Confidentiality. DignityMoves and its officers, employees, agents, and Contractors, Subcontractors and Consultants shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. DignityMoves shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits DignityMoves to disclose such records or information. DignityMoves shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. DignityMoves shall not use any confidential information gained by DignityMoves in the performance of this Agreement except for the sole purpose of carrying out DignityMoves' obligations under this Agreement.

10.14 County Records. When this Agreement expires or terminates, DignityMoves shall return to County any County records which DignityMoves used or received from County to perform services under this Agreement.

10.15 Maintenance of Records. DignityMoves shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. DignityMoves shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then DignityMoves shall retain said records until such action is resolved.

10.16 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of DignityMoves related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to

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this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.17 Non-Discrimination: During the performance of this Agreement. DignityMoves and its Contractors, Subcontractors and Consultants shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in DignityMoves' employment practices or in the furnishing of services to recipients. DignityMoves shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. DignityMoves and Contractors, Subcontractors and Consultants shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

10.18 Compliance With Terms of State or Federal Grants. If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, DignityMoves will comply with all the provisions of said contract, to the extent applicable to DignityMoves as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to DignityMoves, at no cost to DignityMoves.

10.19 Parties' Relationship. No provisions of this Agreement shall be intended to create an agency, partnership or joint venture or other similar relationship between the County and DignityMoves with respect to the Project, and neither party shall have the power to bind or obligate the other party, except as expressly set forth in this Agreement. Neither this Agreement nor any communication or other action between the parties relating to the Project, is intended shall be construed to create a joint venture, partnership or other similar relationship between DignityMoves and the County.

10.20 Advice of Counsel. Each party represents and warrants that it has received the advice of independent counsel of its own choosing with respect to the meaning and effect of this Agreement. No provision of this Agreement shall be construed in favor of or against any party on the ground that such party or its counsel drafted the provision.

10.21 DignityMoves' Default. The occurrence and continuance of any one or more of the following events, beyond the expiration of any applicable grace and/or cure period provided for herein, is an "**Event of Default**" hereunder by DignityMoves:

10.21.1 Uncured Breach. Any breach or default by DignityMoves of any covenant, duty, obligation, representation, or warranty under this Agreement; provided, however,

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that before such breach or default is deemed an Event of Default, DignityMoves shall have: (i) received notice from the County of such breach or default; and (ii)(A) failed to cure or remedy such breach or default within ten (10) business days following such notice, in the event of a monetary default, or thirty (30) days following the date of such notice in the event of any other breach or default; or (B) if such breach or default does not consist of the failure to pay money and is not curable within such thirty (30)-day period, failed to commence such cure within such thirty (30)-day period or failed to diligently and continuously pursue such a cure or remedy thereafter and in any event failed to fully cure or remedy such breach or default within sixty (60) days of such notice to DignityMoves.

10.21.2 Bankruptcy. There is a bankruptcy or dissolution with DignityMoves.

10.21.3 Improper Conduct. DignityMoves is grossly negligent or engages in fraud, bad faith, or willful misconduct in connection with the Services.

10.22 Contingency. This Agreement is contingent upon the County's successful receipt and retainment of grant funding from the State of California Encampment Resolution Funding grant.

10.23 Remedies on Default. Upon an Event of Default, the non-defaulting party shall have the authority to exercise any and all rights and remedies available at law or in equity, including, without limitation, the right to terminate this Agreement upon ten (10) days' written notice to the other.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, County and DIGNITYMOVES have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY:	**DIGNITYMOVES, a non-profit Corporation:**
County Administrative Office (CAO), Sonia M. De La Rosa, CAO By: DocuSigned by: Debbie Paolinelli, Assistant County Administrative Officer 146A6B4B40BC402... Deborah Paolinelli, Assistant CAO Date: 4/26/2024 | 2:17 PM PDT	**Elizabeth Funk, Chair** By: DocuSigned by: 1FD7AD6FFC2D49E... Elizabeth Funk, Chair Date: 4/9/2024 | 9:16 AM PDT
Debra R. Wilson, Contracts/Purchasing Officer By: DocuSigned by: Debra Wilson 1847E7A18CED4D3... Debra R. Wilson, Contracts/Purchasing Officer Date: 4/26/2024 | 2:19 PM PDT	**DIGNITYMOVES, a non-profit corporation:** By: DocuSigned by: Freya Estreller, CFO 4/9/2024 | 9:37 AM PDT 41ACC6452DD1460... Freya Estreller, CFO Name: _____ Title: _____
APPROVED AS TO FORM: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: DocuSigned by: Marina Pantchenko Marina Pantchenko, Deputy County Counsel 4/11/2024 | 10:07 AM PDT	
APPROVED AS TO FISCAL PROVISIONS: Rupa Shah, Auditor-Controller By: _____ Name: _____ Title: _____	
APPROVED AS TO INSURANCE AND INDEMNIFICATION PROVISIONS: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: DocuSigned by: David Bolton, Risk Manager 4/11/2024 | 10:08 AM PDT David Bolton, Risk Manager	

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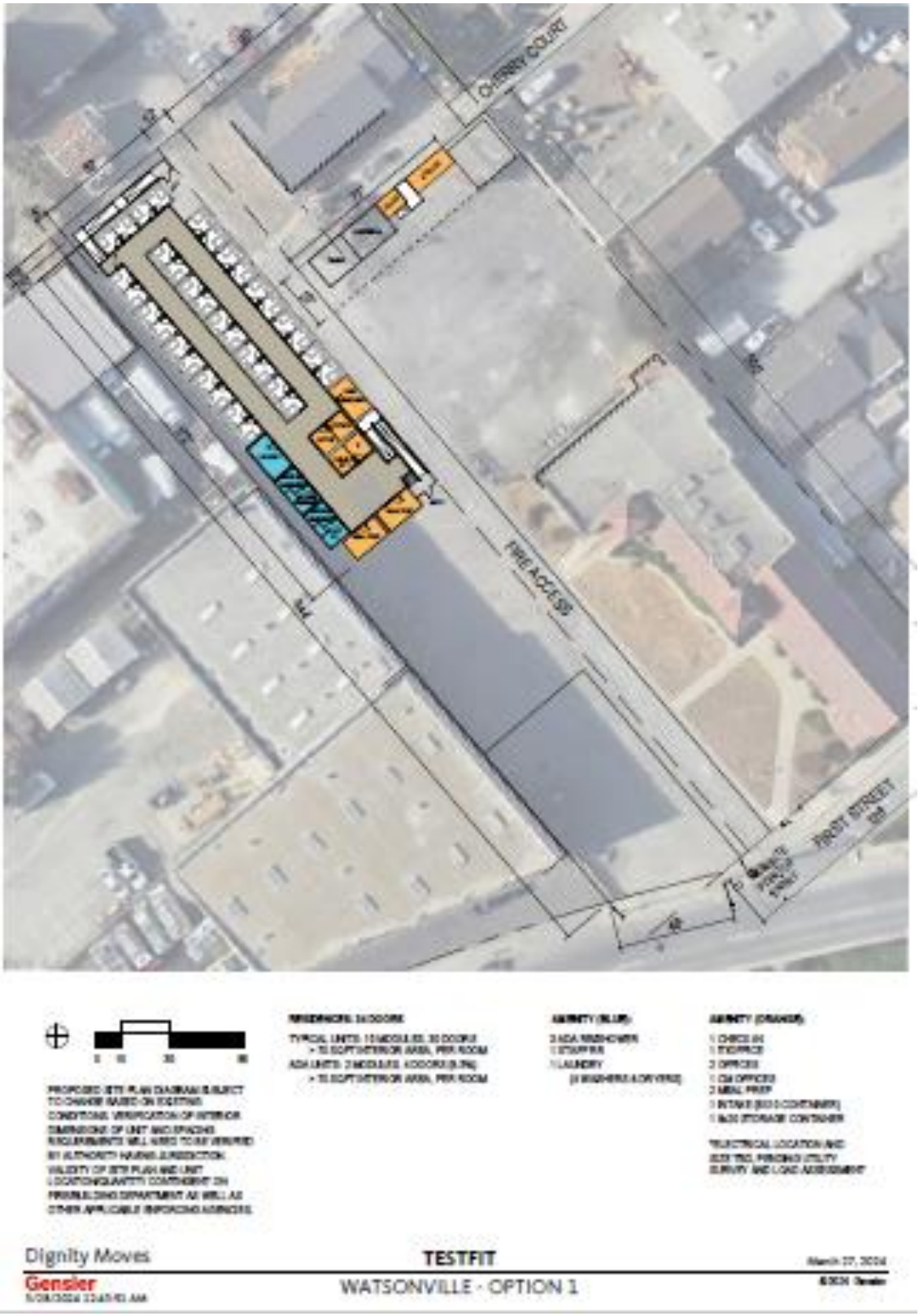
EXHIBIT A

THE PROPERTY ("TEST FIT") OPTION 1 & OPTION 2



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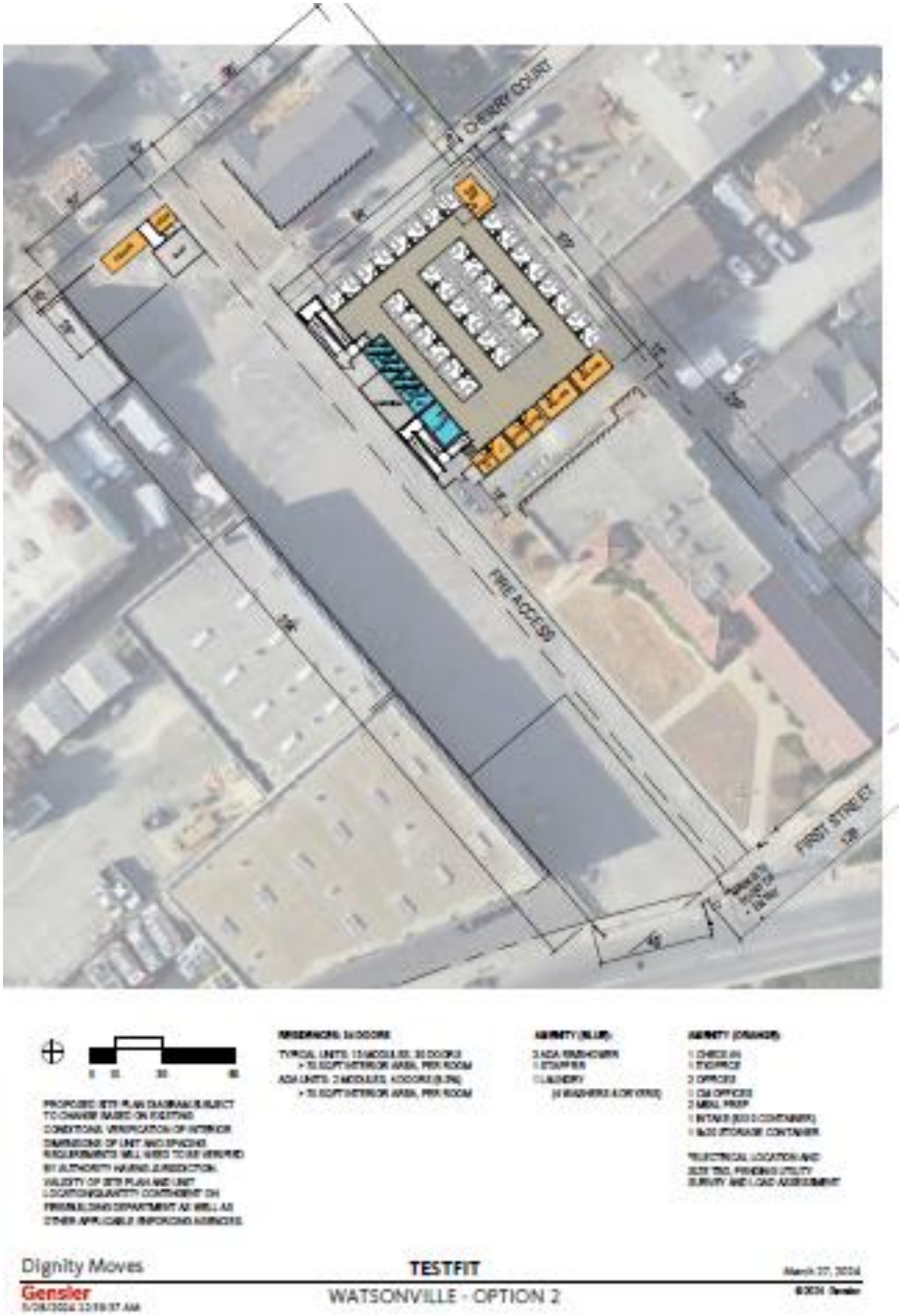

Dignity Moves
Gensler

TESTFIT

WATSONVILLE - OPTION 2

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EXHIBIT B

DIGNITYMOVES DEVELOPMENT BUDGET

Dignity Moves
Development Management Services Budget
5 Cherry Court in the City of Watsonville (APN 017-172-31)

Hard Costs		
GC Contract	$	1,796,906.00
FEMA Floodplain Zone Improvements	$	1,000,000.00
Modular Buildings	$	969,855.00
Owner Contingency	$	380,000.00
Accessory Buildings	$	47,000.00
Accessories	$	2,500.00
Hard Costs Subtotal	**$**	**4,196,261.00**
Soft Costs		
Design		
Initial Design	$	5,000.00
Architectural Contract	$	162,000.00
Design Contingency	$	10,000.00
Consultants		
MEP	$	30,000.00
Structural	$	15,000.00
Civil Engineering	$	15,000.00
Site Survey	$	25,000.00
Permit Fees	$	59,298.00
School Fees	$	39,532.00
Utility Connection Fees		
Electrical Engineering Fees & Install Costs	$	75,000.00
Water Connection & Capacity Fees	$	25,000.00
Sewer Connection & Capacity Fees	$	15,000.00
FF&E		
Personal Property	$	25,000.00
Low Voltage		
Security System, Cameras	$	30,000.00
Financing/Legal		
Legal	$	7,500.00
Management Fee		
Dignity Moves	$	300,000.00
Soft Costs Subtotal	**$**	**838,330.00**
Total Project Budget	**$**	**5,034,591.00**

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Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Chris Lopez to:

Adopt Resolution No.: 24-137
a. Approve and authorize the County Administrative Officer or designee, to execute a non-standard agreement with DignityMoves, a California non-profit corporation, for the development of a 34-unit non-congregate low-barrier housing navigation center in the City of Watsonville, for a total cost of $5,034,591 upon execution through June 30, 2026; and,
b. Authorize and direct the Auditor-Controller to issue a one-time payment to DignityMoves in the amount of $2,000,000 upon execution of the agreement with an invoice to meet grant term expenditure requirements by June 30, 2024; and,
c. Approve and authorize the County Administrative Officer or designee to execute a non-standard agreement with the Coalition of Homeless Services Providers to identify and contract with a local non-profit to operate a 34-unit non-congregate, low-barrier housing navigation center in the City of Watsonville, for $2,571,460, with a term of April 23, 2024, through March 31, 2027, as recommended by the County Administrative Officer; and,
d. Authorize and direct the Auditor-Controller to issue a one-time payment to the Coalition of Homeless Services Providers for the full contract amount of $2,571,460 upon execution of this agreement with an invoice to meet the grant term expenditure requirements by June 30, 2024; and,
e. Authorize the County Administrative Officer or designee to sign up to (3) amendments for each of these agreements that do not significantly change the scope of work and subject to approval by County Counsel; and,
f. Adopt a resolution to authorize and direct the Auditor-Controller to increase appropriations and estimated revenues by $3,486,354, to amend the Fiscal Year 2023-24 Adopted Budget for the County Administrative Office Intergovernmental and Legislative Affairs (IGLA)-Homeless Services (001-1050-CAO004-8054) financed by grant revenues from the California Interagency Council on Homelessness to develop and operate a non-congregate, low-barrier navigation center in Watsonville, CA (4/5th vote required).

PASSED AND ADOPTED on this 23rd day of April 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting April 23, 2024.

DocuSign Envelope ID: C1241BDA-3DAD-41A8-82C7-FBEB6AE6004D

Dated: April 25, 2024
File ID: RES 24-071
Agenda Item No.: 9

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

Introduced: 9/25/2025

Current Status: General Government - Consent

Version: 1

Matter Type: BoS Resolution

Adopt a Resolution to:

a. Amend the FY 2025-26 Health Department Adopted Budget (Fund 001, Department 4000, Unit 8124, Appropriations Unit HEA003) to approve the reallocation and reclassification of one (1) Health Program Coordinator to one (1) Public Health Program Manager I as indicated in Attachment A, effective October 4, 2025; and

b. Direct the County Administrative Office and the Auditor-Controller to incorporate the approved position changes in the FY 2025-26 Adopted Budget and the Human Resources Department to implement the changes in the Advantage Human Resources Management (HRM) system.

RECOMMENDATION:

It is recommended that the Board of Supervisors consider adopting a Resolution to:

a. Amend the FY 2025-26 Health Department Adopted Budget (Fund 001, Department 4000, Unit 8124, Appropriations Unit HEA003) to approve the reallocation and reclassification of one (1) Health Program Coordinator to one (1) Public Health Program Manager I as indicated in Attachment A, effective October 4, 2025; and
b. Direct the County Administrative Office and the Auditor-Controller to incorporate the approved position changes in the FY 2025-26 Adopted Budget and the Human Resources Department to implement the changes in the Advantage Human Resources Management (HRM) system.

SUMMARY:

The Human Resources Department conducted a classification study of a Health Program Coordinator incumbent in the Health Department. The study found the incumbent was performing duties more aligned with the Public Health Program Manager I classification. The Human Resources Department recommends the Board of Supervisors amend the FY 2025-26 Health Department Adopted Budget to approve the reallocation and reclassification of one (1) Health Program Coordinator to Public Health Program Manager I.

DISCUSSION:

The Health Department requested a classification study of the Health Program Coordinator incumbent assigned to the Health Department's Women, Infants and Children (WIC) Program. The objective of the study was to determine if the incumbent was appropriately classified, and if not, to recommend a classification that accurately reflects the duties and responsibilities currently assigned to the incumbent.

The Human Resources Department conducted a classification study of the Health Program Coordinator incumbent. The study found that the Health Program Coordinator classification does not accurately reflect the duties and responsibilities the incumbent is performing. The incumbent is providing program oversight and supervision for both professional and paraprofessional staff assigned to the WIC and CalFresh programs. Given the scope of work, complexity and consequence error, it was determined that the appropriate classification accurately reflecting the duties being performed is Public Health Program Manager I.

Therefore, the Human Resources Department recommends that the Board of Supervisors reallocate and reclassify the incumbent from Health Program Coordinator to Public Health Program Manager I.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

The Board of Supervisors Budget Committee and the Health Department concur with these recommendations. In addition, Service Employees International Union (SEIU) has been provided notice of these recommendations.

FINANCING:

The salary and benefits increase for Health Department Budget Unit 8124 - Fund 001 - Appropriation Unit HEA003 for the remainder of FY 2025-26 is approximately $8,221 or $11,622 annually. The Department will manage the increase within its FY 2025-26 adopted budget.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

The proposed recommended actions demonstrate the County's commitment in recruiting, retaining, and attracting a diverse, talented workforce that supports the mission of the County of Monterey.

____ Well-Being and Quality of Life
____ Sustainable Infrastructure for the Present and Future
____ Safe and Resilient Communities
____ Diverse and Thriving Economy
__✓__ Dynamic Organization and Employer of Choice

Prepared by: Cicely Henson, Human Resource Analyst II
Approved by: Andreas Pyper, Director of Human Resources

Attachment:
Resolution
Attachment A

County of Monterey

Board Report

Legistar File Number: RES 25-145

Item No.

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

October 07, 2025

Introduced: 9/25/2025

Current Status: General Government - Consent

Version: 1

Matter Type: BoS Resolution

Adopt a Resolution to:

a. Amend the FY 2025-26 Health Department Adopted Budget (Fund 001, Department 4000, Unit 8124, Appropriations Unit HEA003) to approve the reallocation and reclassification of one (1) Health Program Coordinator to one (1) Public Health Program Manager I as indicated in Attachment A, effective October 4, 2025; and
b. Direct the County Administrative Office and the Auditor-Controller to incorporate the approved position changes in the FY 2025-26 Adopted Budget and the Human Resources Department to implement the changes in the Advantage Human Resources Management (HRM) system.

RECOMMENDATION:

It is recommended that the Board of Supervisors consider adopting a Resolution to:

a. Amend the FY 2025-26 Health Department Adopted Budget (Fund 001, Department 4000, Unit 8124, Appropriations Unit HEA003) to approve the reallocation and reclassification of one (1) Health Program Coordinator to one (1) Public Health Program Manager I as indicated in Attachment A, effective October 4, 2025; and
b. Direct the County Administrative Office and the Auditor-Controller to incorporate the approved position changes in the FY 2025-26 Adopted Budget and the Human Resources Department to implement the changes in the Advantage Human Resources Management (HRM) system.

SUMMARY:

The Human Resources Department conducted a classification study of a Health Program Coordinator incumbent in the Health Department. The study found the incumbent was performing duties more aligned with the Public Health Program Manager I classification. The Human Resources Department recommends the Board of Supervisors amend the FY 2025-26 Health Department Adopted Budget to approve the reallocation and reclassification of one (1) Health Program Coordinator to Public Health Program Manager I.

DISCUSSION:

The Health Department requested a classification study of the Health Program Coordinator incumbent assigned to the Health Department's Women, Infants and Children (WIC) Program. The objective of the study was to determine if the incumbent was appropriately classified, and if not, to recommend a classification that accurately reflects the duties and responsibilities currently assigned to the incumbent.

The Human Resources Department conducted a classification study of the Health Program Coordinator incumbent. The study found that the Health Program Coordinator classification does not accurately reflect the duties and responsibilities the incumbent is performing. The incumbent is providing program oversight and supervision for both professional and paraprofessional staff assigned to the WIC and CalFresh programs. Given the scope of work, complexity and consequence error, it was determined that the appropriate classification accurately reflecting the duties being performed is Public Health Program Manager I.

Therefore, the Human Resources Department recommends that the Board of Supervisors reallocate and reclassify the incumbent from Health Program Coordinator to Public Health Program Manager I.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

The Board of Supervisors Budget Committee and the Health Department concur with these recommendations. In addition, Service Employees International Union (SEIU) has been provided notice of these recommendations.

FINANCING:

The salary and benefits increase for Health Department Budget Unit 8124 - Fund 001 - Appropriation Unit HEA003 for the remainder of FY 2025-26 is approximately $8,221 or $11,622 annually. The Department will manage the increase within its FY 2025-26 adopted budget.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

The proposed recommended actions demonstrate the County's commitment in recruiting, retaining, and attracting a diverse, talented workforce that supports the mission of the County of Monterey.

____ Well-Being and Quality of Life
____ Sustainable Infrastructure for the Present and Future
____ Safe and Resilient Communities
____ Diverse and Thriving Economy
__✓__ Dynamic Organization and Employer of Choice

Prepared by: Cicely Henson, Human Resource Analyst II
Approved by: Andreas Pyper, Director of Human Resources

Attachment:
Resolution
Attachment A

ATTACHMENT A

Reallocate Position and Reclassify Incumbent from Health Program Coordinator to Public Health Program Manager I
Health Department
Budget Unit 8124-Fund 001-Appropriation Unit HEA003

	Class Code	Position Title	Position Number	Position Increase/Decrease	Revised Total FTE
From	50K18	Health Program Coordinator	0003	(1.0)	5.0
To	14C80	Public Health Program Manager I	0002	1.0	2.0

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.: HRM Control No. 25-015)
Adopt a Resolution to:)
a. Amend the FY 2025-26 Health Department Adopted Budget (Fund 001, Department 4000, Unit 8124) to reallocate and reclassify one (1) 1.0 FTE Health Program Coordinator I to one (1) Public Health Program Manager I as indicated in Attachment A, effective October 4, 2025;)
b. Direct the County Administrative Office and the Auditor-Controller to incorporate the approved position changes in the FY 2025-26 Adopted Budget and the Human Resources Department to implement the changes in the Advantage Human Resources Management (HRM) system.)

WHEREAS, the Human Resources Department conducted a classification study of an incumbent in the Health Program Coordinator classification in the Health Department; and

WHEREAS, the study found that the incumbent's current duties being performed no longer align with the duties of Health Program Coordinator and the most appropriate classification within the County classification system is Public Health Program Manager I; and

WHEREAS, it is recommended that one (1) Health Program Coordinator position be reallocated to a Public Health Program Manager I position and the incumbent be reclassified from a Health Program Coordinator to a Public Health Program Manager I;

WHEREAS, to implement the recommendation, the action requires the FY 2025-26 Adopted Budget to be amended;
NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors in and for the County of Monterey as follows:

1. The Health Department Budget Unit 4000-8124-Fund 001 is amended to reallocate and approve the reclassification of one (1) Health Program Coordinator to one (1) Public Health Program Manager I as indicated below:

	Class Code	Position Title	Position Number	Position Increase/Decrease	Revised Total FTE
From	50K18	Health Program Coordinator	0003	(1.0)	5.0
To	14C80	Public Health Program Manager I	0002	1.0	2.0

2. The County Administrative Office and the Auditor-Controller are directed to incorporate the approved position changes in the FY 2025-26 Adopted Budget and the Human Resources Department is directed to implement the changes in the Advantage Human Resources Management (HRM) System.

PASSED AND ADOPTED on this _____day of _____, 2025, by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book___ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
, Deputy

Introduced: 9/25/2025

Current Status: General Government - Consent

Version: 1

Matter Type: BoS Resolution

Adopt a Resolution to:

a. Amend Personnel Policies and Practices Resolution (PPPR) No. 98-394 Appendix A and B to adjust the base wage salary range of the Registrar of Voters classification as indicated in attachment A;

b. Direct the Human Resources Department to implement the changes in the Advantage HRM system.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopts a Resolution to:

a. Amend Personnel Policies and Practices Resolution (PPPR) No. 98-394 Appendix A and B to adjust the base wage salary range of the Registrar of Voters classification as indicated in attachment A;
b. Direct the Human Resources Department to implement the changes in the Advantage HRM system.

SUMMARY:

A base wage compensation study on the Registrar of Voters classification was conducted by independent consulting firm Regional Government Services (RGS). The results of the base wage analysis identified the classification is below the market of the County's comparable agencies by 23.79%. The Human Resources Department recommends adjusting the base wage salary in order to align with the labor market average in accordance with the County Compensation Philosophy.

DISCUSSION:

The County Administrative Office requested the Human Resources Department to contract with independent consulting firm Regional Government Services (RGS) to conduct a base wage compensation study of the Registrar of Voters classification.

RGS conducted the study in accordance with County of Monterey's Compensation Philosophy. RGS reports that the base wage analysis of the County comparable agencies found that, based on the duties performed, the classification of Registrar of Voters was matched to three (3) of the ten (10) comparable agencies: the Counties of Alameda, Santa Clara, and Sonoma. No comparable matches were identified in the Counties of Contra Costa, San Benito, San Luis Obispo, San Mateo, or Santa Cruz, nor in the Cities of Monterey and Salinas. The Registrar of Voters was found to be approximately 23.79% below the salary mean of the comparable agencies' classifications.

To promote the Human Resources Department's mission to make the County the employer of choice,

the goal is to provide labor market competitive wages by setting base wages within five percent (5% = - 4.495% with rounding) of the average of the agencies identified. The County's philosophy is to maintain a competitive compensation package that attracts and retains the highest quality candidates and employees to serve the community while maintaining sound fiscal standards.

The Human Resources recommends implementing the base wage adjustment in the same manner the prior Department Head base wage studies were implemented for Fiscal Year 2025-26 as follows: In the first year the amount below market will be adjusted such that it will bring the base wage to 20% below market which will be approximately 3.79%. In addition, the remaining 20% will be implemented over a four-year period, with 25% paid beginning the first full pay period following Board approval and each following year paid in the first full pay period of July. As a result, the year one total increase will be 8.79% beginning the first full pay period following Board of Supervisors approval.

Therefore, in accordance with the Compensation Philosophy, the Human Resources Department recommends adjusting the base wage salary of the Registrar of Voters classification as outlined above in order to align with the labor market average.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:
The Board of Supervisors Budget Committee and County Administrative Office concur with the recommendations.

FINANCING:
The salary and benefits increase resulting from this change for the Elections Department is approximately $17,543 for the remainder of FY 2025-26. The Department will attempt to absorb the increase within their budget and will report back to the Budget Committee and Board of Supervisors if any budgetary challenges arise. Subsequent annual increases will be addressed in future year's budgets through the annual budget process.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
The proposed recommended actions demonstrate the County's commitment in recruiting, retaining, and attracting a diverse, talented workforce that supports the mission of the County of Monterey.

__ Well-Being and Quality of Life
__ Sustainable Infrastructure for the Present and Future
__ Safe and Resilient Communities
__ Diverse and Thriving Economy
✓ Dynamic Organization and Employer of Choice

Prepared by: Kimberley Moore, Assistant Director of Human Resources, x5353
Approved by: Andreas Pyper, Director of Human Resources, x5043

Attachments:
Attachment A
Resolution

Introduced: 9/25/2025

Current Status: General Government - Consent

Version: 1

Matter Type: BoS Resolution

Adopt a Resolution to:

a. Amend Personnel Policies and Practices Resolution (PPPR) No. 98-394 Appendix A and B to adjust the base wage salary range of the Registrar of Voters classification as indicated in attachment A;

b. Direct the Human Resources Department to implement the changes in the Advantage HRM system.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopts a Resolution to:

a. Amend Personnel Policies and Practices Resolution (PPPR) No. 98-394 Appendix A and B to adjust the base wage salary range of the Registrar of Voters classification as indicated in attachment A;

b. Direct the Human Resources Department to implement the changes in the Advantage HRM system.

SUMMARY:

A base wage compensation study on the Registrar of Voters classification was conducted by independent consulting firm Regional Government Services (RGS). The results of the base wage analysis identified the classification is below the market of the County's comparable agencies by 23.79%. The Human Resources Department recommends adjusting the base wage salary in order to align with the labor market average in accordance with the County Compensation Philosophy.

DISCUSSION:

The County Administrative Office requested the Human Resources Department to contract with independent consulting firm Regional Government Services (RGS) to conduct a base wage compensation study of the Registrar of Voters classification.

RGS conducted the study in accordance with County of Monterey's Compensation Philosophy. RGS reports that the base wage analysis of the County comparable agencies found that, based on the duties performed, the classification of Registrar of Voters was matched to three (3) of the ten (10) comparable agencies: the Counties of Alameda, Santa Clara, and Sonoma. No comparable matches were identified in the Counties of Contra Costa, San Benito, San Luis Obispo, San Mateo, or Santa Cruz, nor in the Cities of Monterey and Salinas. The Registrar of Voters was found to be approximately 23.79% below the salary mean of the comparable agencies' classifications.

To promote the Human Resources Department's mission to make the County the employer of choice,

the goal is to provide labor market competitive wages by setting base wages within five percent (5% = - 4.495% with rounding) of the average of the agencies identified. The County's philosophy is to maintain a competitive compensation package that attracts and retains the highest quality candidates and employees to serve the community while maintaining sound fiscal standards.

The Human Resources recommends implementing the base wage adjustment in the same manner the prior Department Head base wage studies were implemented for Fiscal Year 2025-26 as follows: In the first year the amount below market will be adjusted such that it will bring the base wage to 20% below market which will be approximately 3.79%. In addition, the remaining 20% will be implemented over a four-year period, with 25% paid beginning the first full pay period following Board approval and each following year paid in the first full pay period of July. As a result, the year one total increase will be 8.79% beginning the first full pay period following Board of Supervisors approval.

Therefore, in accordance with the Compensation Philosophy, the Human Resources Department recommends adjusting the base wage salary of the Registrar of Voters classification as outlined above in order to align with the labor market average.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:
The Board of Supervisors Budget Committee and County Administrative Office concur with the recommendations.

FINANCING:
The salary and benefits increase resulting from this change for the Elections Department is approximately $17,543 for the remainder of FY 2025-26. The Department will attempt to absorb the increase within their budget and will report back to the Budget Committee and Board of Supervisors if any budgetary challenges arise. Subsequent annual increases will be addressed in future year's budgets through the annual budget process.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
The proposed recommended actions demonstrate the County's commitment in recruiting, retaining, and attracting a diverse, talented workforce that supports the mission of the County of Monterey.

__ Well-Being and Quality of Life
__ Sustainable Infrastructure for the Present and Future
__ Safe and Resilient Communities
__ Diverse and Thriving Economy
✓ Dynamic Organization and Employer of Choice

Prepared by: Kimberley Moore, Assistant Director of Human Resources, x5353
Approved by: Andreas Pyper, Director of Human Resources, x5043

Attachments:
Attachment A
Resolution

ATTACHMENT A

Adjust the base wage salary range of the Registrar of Voters classification as indicated below:

Classification Title: **Registrar of Voters**												
Hourly, Bi-Weekly and Monthly Pay Rates												
Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Class Code	WG *	EEO Cat*	W/C*	BU	FLSA Code*
$78.492	$82.808	$87.363	$92.167	$97.236	$102.098	$107.203						
$6,279.33	$6,624.68	$6,989.01	$7,373.39	$7,778.90	$8,167.85	$8,576.24	11A20	00	E	8810	Y	E
$13,605	$14,353	$15,143	$15,976	$16,854	$17,697	$18,582						

*provided for information purposes only

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.: PPPR Control No. 25-013)
HRM Control No. 25-014)
Adopt a Resolution to:)
a. Amend Personnel Policies and Practices Resolution (PPPR) No. 98-394 Appendix A and B to adjust the base wage salary range of the Registrar of Voters classification as indicated in attachment A;)
b. Direct the Human Resources Department to implement the changes in the Advantage HRM system.)

WHEREAS, the Human Resources Department contracted with independent consulting firm Regional Government Services (RGS) to conduct a base wage compensation study of the Registrar of Voters classification; and

WHEREAS, RGS reports that the base wage analysis of the County comparable agencies found that the classification of Registrar of Voters is approximately 23.79% below the salary mean of the comparable agencies' classifications; and

WHEREAS, the Human Resources Department recommends implementing the base wage adjustment in the same manner the prior Department Head base wage studies were implemented for Fiscal Year 2025-26 as follows: In the first year the amount below market will be adjusted such that it will bring the base wage to 20% below market which will be approximately 3.79%. In addition, the remaining 20% will be implemented over a four-year period, with 25% paid beginning the first full pay period following Board approval and each following year paid in the first full pay period of July. As a result, the year one total increase will be 8.79% beginning the first full pay period following Board of Supervisors approval; and

WHEREAS, to implement the recommendation, the action requires the Personnel Policies and Practices Resolution No. 98-394 Appendix A and B to be amended;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors in and for the County of Monterey as follows:

1. Personnel Policies and Practices Resolution (PPPR) No. 98-394 Appendix A and B is amended to adjust the base wage salary range of the Registrar of Voters classification as indicated below, effective the beginning of the pay period after Board approval:

Classification Title: **Registrar of Voters**												
Hourly, Bi-Weekly and Monthly Pay Rates												
Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Class Code	WG *	EEO Cat*	W/C*	BU	FLSA Code*
$78.492	$82.808	$87.363	$92.167	$97.236	$102.098	$107.203						
$6,279.33	$6,624.68	$6,989.01	$7,373.39	$7,778.90	$8,167.85	$8,576.24	11A20	00	E	8810	Y	E
$13,605	$14,353	$15,143	$15,976	$16,854	$17,697	$18,582						

*provided for information purposes only

2. The Human Resources Department is directed to implement the changes in the Advantage Human Resources Management (HRM) system.

PASSED AND ADOPTED on this _____day of _____, 2025, by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book___ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
, Deputy

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DEVELOPMENT MANAGEMENT AGREEMENT

BETWEEN

COUNTY OF MONTEREY

AND

DIGNITYMOVES,
a California nonprofit corporation

Recurso de Fuerza Village
5 Cherry Court
Watsonville, California 95076

DocuSign Envelope ID: C1241BDA-3DAD-41A8-82C7-FBEB6AE6004D

DEVELOPMENT MANAGEMENT AGREEMENT

THIS DEVELOPMENT MANAGEMENT AGREEMENT (the "**Agreement**") is entered into as of the last date opposite the respective signatures (the "Effective Date"), by and between the County of Monterey ("**County**") and DIGNITYMOVES, a California nonprofit corporation ("**DignityMoves**"), collectively referred to as "**the Parties**".

RECITALS

A. This Agreement is intended to provide for the development of modular housing for unhoused individuals in order to assist in addressing the homelessness crisis in the counties of Santa Cruz and Monterey.

B. Westview (Japanese) Presbyterian Church, a California nonprofit corporation (the "**Church**") owns the real property located at 5 Cherry Court, Watsonville, California, which is located within the jurisdictional boundaries of the City of Watsonville (the "**City**") in the Santa Cruz County (APN 017-172-31), as more particularly described in **Exhibit "A"** (the "**Property**"). Exhibit A is attached to this Agreement and incorporated by this reference. The Parties understand and agree that a County selected nonprofit partner based in Santa Cruz County will lease the Property from the Church and that the Property will serve as the site for the development of modular housing for unhoused individuals.

C. DignityMoves, with the approval of the City and County, intends to develop the Property with an interim housing project for unhoused individuals proposed to contain 34 modular individual residential sleeping units (sometimes referred to as "modular housing units" or "units"), along with wet areas (including common restrooms and restrooms adjoining certain units), common areas (including but not limited to ancillary dining, green space, pet area, laundry and storage facilities for residents) and office and administration facilities for operation of the foregoing (together with all related facilities, the "**Project**"). For purposes of this Agreement, the term "Project" shall be deemed to include the final number of residential units developed with related improvements as ultimately approved by the agency or agencies or Governmental authority or authorities with jurisdiction.

D. The County will provide and administer funding, in the amount of approximately $5,034,591, which will include funds administered by the County through the State of California Encampment Resolution Funding Program (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "**Funding**"). The Parties understand and agree that no additional funds have been donated, or otherwise provided or allocated, to fund the construction of the Project as of the effective date of this Agreement.

E. DignityMoves is experienced in developing interim housing development projects similar to the Project and will provide development management services for this Project.

F. The County desires to engage DignityMoves, and DignityMoves desires, to manage, arrange, supervise, and coordinate the planning, design, entitlement, permitting,

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construction and completion of the Development Work (as such term is hereinafter defined) upon the terms, conditions and covenants herein described.

G. The Parties understand and agree that the County intends to assign and transfer the ownership of the modular housing units to the County of Santa Cruz by on or about June 30, 2026.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and the mutual promises and covenants contained in this Agreement, the County and DignityMoves agree as follows:

ARTICLE 1
DEFINITIONS

For the purposes of this Agreement, the following terms shall have the respective meanings set forth below:

"**Affiliate**" shall mean a person or entity controlled by, under common control with or controlling another person or entity. The term "control" means the ownership, directly or indirectly, of at least 50% of the voting ownership interests in an entity, or the management control of an entity.

"**Agreement**" shall mean this Development Management Agreement, as may be amended, modified or supplemented from time to time.

"**Architect**" shall mean the licensed project architect engaged by DignityMoves to serve as architect for the Project. DignityMoves has engaged Gensler Architects of San Francisco, California to act as the Architect for the Project.

"**Business Day**" shall mean any day other than a Saturday, Sunday or other than a holiday on which businesses in the State of California are generally closed for business.

"**City**" shall mean the City of Watsonville, California.

"**Claims**" shall mean any and all claims, liabilities, losses, damages, costs or expenses, including, without limitation, actual attorneys' fees and costs, court costs, demands, debts, causes of action, fines, judgments and penalties.

"**Construction Contract(s)**" shall mean any construction contracts entered into by DignityMoves and any Contractor providing for the performance of Development Work.

"**Consultants**" shall mean the architects, engineers, consultants or designers engaged by DignityMoves for the Project.

"**Contractor**" shall mean one or more licensed general contractors to be engaged by DignityMoves to construct all or a portion of the Improvements engaged by DignityMoves to act as the general contractor for the Project.

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"**County**" shall mean County of Monterey, California.

"**Day**" shall mean a calendar day unless specifically referenced as a Business Day.

"**Development Budget**" shall mean the budget for the Development Work to be agreed to in writing by the County and DignityMoves in accordance with the terms of this Agreement, as it may be amended and/or updated from time to time as mutually agreed to in writing by the parties, setting forth the anticipated costs, expenses, and income and other relevant financial projections to perform and complete the Development Work.

"**Development Plan**" shall mean the general plan for development of the Project consisting of the product type and size, site plan and density of development and Project amenities, which shall be consistent with the Entitlements and shall be subject to County approval.

"**Development Schedule**" shall mean a schedule to be prepared by DignityMoves, the Architect and Contractor and approved by the County in its reasonable discretion showing the dates of commencement and completion of various components of the Development Work, which Development Schedule shall be updated by DignityMoves in consultation with the Architect and Contractor and reviewed by the County as provided in this Agreement.

"Development Work" shall mean any and all construction and other work necessary for the construction of the Improvements, all as covered by the Development Budget.

"**Entitlements**" shall mean the Permits and all other Governmental agreements, permits, approvals and entitlements required from time to time for the development of the Project.

"**Government**" or "**Governmental**" shall mean and include the City, County and any other governmental, quasi-governmental, or public utility authority.

"**Improvements**" shall mean the onsite and offsite grading, installation of sewer, water, storm drain, electrical, cable, and other utilities and connections to the Property and the Project, site preparation and, if required, installation of prefabricated and/or modular housing units to be incorporated into the Project, and vertical construction of any improvements constituting the Project, together with the installation of landscape areas, including entry areas, walkways, open space and any other improvements to be constructed in connection with the development of the Project as set forth in the Plans and Specifications, as the same may be amended, modified or supplemented from time to time pursuant to the terms hereof, and any other Work of Improvement as that term is defined in Section 8050 of the California Civil Code.

"**Line Items**" shall mean the cost accounting categories set forth in the Development Budget for each of the construction trades for the construction of the Improvements and for any separate material categories or other development costs, including costs to obtain the Entitlements.

"**Notice of Termination**" shall mean a written notice of termination of this Agreement delivered by the County to DignityMoves and/or by DignityMoves to the County.

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"**Permits**" shall mean such grading and building permits, or any other public agency permits as may be necessary for the construction of the Improvements.

"**Plans and Specifications**" shall mean the grading plans and the architectural and engineering plans and specifications for the Improvements including the improvement plans that may be approved by the City, the plot plans showing the proposed location of the Improvements and appurtenances, and such other plans and specifications as may be necessary for the construction of the Improvements.

"**Project**" shall have the meaning set forth in Recital C.

"**Project Costs**" shall mean all costs incurred by DignityMoves in connection with the Project, in accordance with the Development Budget or otherwise approved by the County in writing.

"**Property**" shall have the meaning set forth in Recital B.

"**Services**" shall mean the development services contemplated to be performed by DignityMoves under this Agreement.

"**Subcontractor**" shall mean a person or organization who has a direct contract with DignityMoves and/or DignityMoves' Contractor/s to perform any work or to provide any materials, equipment or supplies for the Project.

"**Third Party or Parties**" shall mean individually or collectively, as applicable, any Consultant, Contractor, Subcontractor, vendor, supplier or any other person or entity providing services or materials to the Project, other than DignityMoves.

"**Third Party Contract**" shall mean a contract between DignityMoves and any Third Party with respect to the development of the Project, including any Construction Contract.

"**Unavoidable Delay**" shall mean any prevention, delay or stoppage in the Services required of DignityMoves and/or other Third Parties performing services pursuant to this Agreement, but not including any payment and/or performance obligations of DignityMoves, caused by war, insurrection, strikes, lockouts, riots, unusually adverse weather, unavailability of labor or construction materials, supplies and equipment or product shortages, floods, earthquakes, fires, casualties, acts of God, acts of a public enemy, epidemics, pandemics, quarantine restrictions, freight embargoes, lack of transportation, suits filed by unrelated third parties concerning or arising out of this Agreement or unseasonable weather conditions, unknown Property conditions discovered during the course of construction, newly enacted Governmental regulations or controls, the application to the Project of existing regulations or controls or similar events outside the performing party's control impacting the Project, its location or the region in which the Project is located, or other matters or causes beyond the reasonable control of DignityMoves, including delays arising from an action under the California Environmental Quality Act (CEQA), failure by City to expedite the plan check process, or unreasonable

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processing times for City or other public agency approvals, which shall extend the time within which this Agreement requires certain acts to be performed for a period equal to any such prevention, delay or stoppage. The time for performance of provisions of this Agreement by either Party shall be extended for a period equal to the period of any Unavoidable Delay affecting the Project or this Agreement will be deemed granted only if written notice by the Party claiming such extension is sent to the other Party within thirty (30) calendar days from the commencement of the cause.

ARTICLE 2
ENGAGEMENT; STANDARDS OF PERFORMANCE

2.1 Engagement. The County hereby engages DignityMoves as the development manager of the Project with respect to the Development Work, for the purpose of managing, supervising, and coordinating the planning, design, entitlement, permitting, construction and completion of the Development Work, all in accordance with the terms, conditions and limitations herein set forth. DignityMoves hereby accepts such engagement and DignityMoves hereby agrees to use reasonable efforts to perform the Services, including (i) obtaining and preserving all Entitlements required for Project occupancy (See Section 3.2.2), (ii) negotiating any Third Party Contracts necessary for the completion of the Project, (iii) overseeing and managing construction of the Improvements by Third Parties pursuant to approved Plans and Specifications, (iv) obtaining the acceptance of the applicable Improvements by the relevant Governmental agencies, (v) otherwise providing all Services necessary for completion of the Development Work, within the Development Budget and Project Schedule as the same may be modified from time to time, (vi) signing documents, purchase orders, change orders and other instruments and writings related to the Project, (vii) issuing payments in connection with the Development Work on checks drawn against the Project Account(s) (as such term is hereafter defined), and (viii) such other tasks as are necessary to perform or procure the Development Work or as requested by the County.

2.2 Standard of Performance. DignityMoves shall furnish its skill and judgment to perform the Development Work and shall cooperate with the City, the County and the Third Parties performing Development Work or otherwise providing services relating to the Project. DignityMoves shall perform its duties and obligations under this Agreement in a reasonably efficient, expeditious and economical manner, in accordance with the applicable Project Schedule (subject, however, to the provisions of Section 3.2) and within the amounts budgeted in the Development Budget (except as otherwise permitted pursuant to the terms of this Agreement) consistent with the professional care, skill, judgment, diligence and care ordinarily provided by development managers practicing in the same or similar locality under the same or similar circumstances, but in no event less than reasonable skill and care, and in compliance with all Applicable Laws. DignityMoves shall perform its services as expeditiously as is consistent with such skill and care and the orderly progress of the Project, consistent with the Development Schedule. DignityMoves shall devote sufficient time and attention to ensure the full, prompt, and professional discharge of its duties under this Agreement.

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2.3 DignityMoves' Personnel, Contractors and Consultants. DignityMoves may perform its duties and obligations hereunder with its own employees and/or by engaging Consultants or Contractors. DignityMoves shall be responsible for hiring, supervising, training, and terminating all of its employees and staff members performing Services relating to the Project. The persons designated by DignityMoves as its representatives ("**Representatives**") shall represent DignityMoves as its agents and all written communications given to or by those Representatives shall be as if given to or by DignityMoves. DignityMoves and its employees, agents, Third Party Consultants, and Contractors shall at all times perform DignityMoves' obligations hereunder in a good and workmanlike manner. Any employee, agent, Third Party Consultant or Contractor of DignityMoves performing Development Work who, in the reasonable opinion of the County, does not perform its work in a skillful manner or appears to be incompetent or to act in a disorderly or intemperate manner shall, at the written request of the County, be promptly removed from performing Development Work on the Project. DignityMoves shall fully comply with all applicable laws and regulations relating to Workers' Compensation Insurance (WCI), social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related laws, including the California Labor Code, as applicable to DignityMoves' employees, agents, Third Party Consultants and Contractors.

2.4 County's Representative. Roxanne V. Wilson, County Administrative Office Homeless Services Director shall represent the County, and all written communications given to or by such representative shall be deemed given to or by the County. The County's representative may be changed from time to time by the County by delivery of written notice thereof to DignityMoves.

2.5 Access to Work. The County, DignityMoves and their respective officers, managers, members, representatives, agents, and employees shall at all times have access to the Project and the Development Work wherever it is in preparation or progress. It is acknowledged by all Parties that the County does not own the Project premises.

2.6 Project Accounts; Funding. DignityMoves shall submit to the Contract Administrator monthly invoices on a form acceptable to County setting forth the amounts claimed by DignityMoves for the previous month, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the County may require. The Contract Administrator or his or her designee shall certify the invoice within seven (7) business days of receipt of the invoice; either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within forty-five (45) days of receiving the certified invoice. DignityMoves shall not receive reimbursement for travel expenses unless set forth in this Agreement.

2.6.1 Dignity Moves shall establish a bank account (the "Project Account") specifically for the Project. The County will wire an advance payment of two million dollars and zero cents ($2,000,000) into the Project Account upon execution of the Agreement prior to DignityMoves submitting the initial draw package. To offset the advance payment,

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DignityMoves shall deduct $500,000 over each of the first four (4) monthly invoices of the Agreement. The advanced payment shall be fully offset by the Project completion date. DignityMoves agrees that the advanced payment provided in this Agreement, is to be used solely for the purposes of this Project. All payments after the advance payment will be paid 45 days after receipt of a certified invoice to the Auditor-Controller's office. Dignity Moves shall be authorized to issue checks or make withdrawals for payment of contractors, vendors and consultants from such Project Account once the County has approved the draw package.

2.6.2 The Draw Process. On a monthly basis: (a) Consultants and the Contractor shall submit their invoices to DignityMoves no later than the 23rd day of each month for work completed as of the 23rd day of that month; (b) DignityMoves shall review all invoices received for work completed as of the 23rd day of that month and assemble a DRAW PACKAGE for submittal to the County for the County's approval on the 25th day of that month, which draw package shall include: (i) a SUMMARY listing all invoices (including an invoice for DignityMoves' development fee pursuant to ARTICLE 7) to be paid for that month and the total draw amount; (ii) copies of all invoices to be paid; (iii) General Contractor's Application for Payment including conditional releases for the current pay application and unconditional releases for the previous pay application; and (iv) an updated DEVELOPMENT BUDGET reflecting paid-to-date and balance-to-complete. DignityMoves recommends and is amenable to a monthly draw review meeting with the County.

2.7 Licensing. DignityMoves has advised the County, and the County acknowledges, that DignityMoves does not hold a State of California, Department of Consumer Affairs, Contractors State License Board (CSLB) license. DignityMoves will obtain a business license with the City of Watsonville.

2.8 Term. The term of this Agreement shall commence as of the Effective Date and shall terminate on June 30, 2026, or on the date a certificate of occupancy issues for the Project and the County of Santa Cruz receives possession of the Project, whichever date is earlier.

2.9 Termination. The County may cancel and terminate this Agreement upon fourteen (14) days' written notice to DignityMoves upon an Event of Default provided, however, that if such Event of Default is deemed curable by both parties following a meet and confer, DignityMoves shall have the ability to cure the Event of Default within such fourteen (14) day period. Notwithstanding this provision, County shall have the right to immediately terminate this agreement in the event DignityMoves becomes insolvent, files or has filed against it, a petition for voluntary or involuntary bankruptcy or pursuant to any other insolvency law, makes or seeks to make a general assignment for the benefit of its creditors or applies for, consents to, or is ordered to an appointment of a trustee, receiver, or custodian for a substantial part of its property or business; provided, however, if such petition for voluntary or involuntary bankruptcy or pursuant to any other insolvency law or appointment of a trustee, receiver, or custodian for a substantial part of its property or business was involuntary and not consented to by DignityMoves, County may only terminate this Agreement if such petition or appointment is not discharged, stayed or dismissed within sixty (60) days of the filing of said petition or appointment, whichever occurs earlier.

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ARTICLE 3
PERFORMANCE OF THE DEVELOPMENT WORK

3.1 Development Budgets.

3.1.1 Approval of Development Budgets. The County has approved of the preliminary Development Budget attached hereto as Exhibit B and incorporated by this reference. DignityMoves shall advise the County if DignityMoves determines that the amounts set forth in the applicable Development Budget will be exceeded. Any amendments and all material changes to the Development Budget shall be promptly delivered and subject to the County's prior written approval.

3.1.2 Conformity with Development Budget. DignityMoves shall use commercially reasonable and diligent efforts to enable the Development Work to be completed in conformity with the Development Budget making use of the Funding available the Project; provided, however, in no event shall DignityMoves (a) be required to extend credit or expend funds with respect to the Project or (b) be responsible for the payment of any amounts incurred in excess of the Development budget unless such amounts arise from DignityMoves' gross negligence, willful misconduct or willful failure to perform its material obligations under this Agreement (beyond any applicable notice and cure period). The County acknowledges that changes to the Project scope will impact the Development Budget.

3.2 Project Schedule and Development Plan.

3.2.1 Approved Project Schedule and Development Plan. DignityMoves and the County will jointly agree upon the Project Schedule and Development Plan. The Project Schedule and Development Plan shall be updated regularly by DignityMoves. DignityMoves shall provide the County with reports with respect to the progress of the Development Work and the status of the Development Budget and amounts of the Funding remaining in the Project Accounts. DignityMoves shall provide the County with concurrent copies of Contractors' monthly applications for payment.

3.2.2 Delay. DignityMoves shall proceed with diligence to perform the Development Work in accordance with the Development Plan, the Development Schedule and the Development Budget. If any delay in completion of the Development Work in accordance with the Project Schedule (or other applicable time period as specified herein) occurs due to an Unavoidable Delay, including any City or public agency processing delays, the Project Schedule shall be appropriately modified. In the event of an Unavoidable Delay, DignityMoves and the County shall meet and confer within seven (7) business days to discuss modifications to the Development Plan, Project Schedule and the Development Budget.

3.2.3 Notification by DignityMoves. Promptly after DignityMoves becomes aware that (i) any action or performance shown in the Project Schedule will be materially delayed beyond the start or completion date that is specified for such action or performance in the Project

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Schedule or (ii) any changes to the Development Plan are necessary or advisable, and at such other times as the County may reasonably request, DignityMoves shall furnish to the County proposed additional or revised schedules with variance explanations and/or revisions to the Development Plan and/or Project Schedule. DignityMoves shall submit a written remedial plan of action for recapturing such schedule slippage, together with supporting documentation therefor. The County shall review the proposal with DignityMoves and DignityMoves shall make any necessary revisions thereto as mutually agreed upon during the review.

3.3 Responsibilities of DignityMoves.

3.3.1 General Responsibility. DignityMoves' general responsibility hereunder as the County's development manager shall be to manage, arrange, supervise and coordinate the planning, design, entitlement, permitting, development, construction, and completion of the Development Work, and to take such actions as the County may reasonably request within the scope of DignityMoves' responsibilities in this Agreement. DignityMoves will be required to make continuous inspections of the work and shall be responsible for fully understanding and supervising the means, methods, and techniques of construction, regardless of whether or not the work is under its control or under the control of Third Parties including DignityMoves' Contractors and any Subcontractors. In furtherance of the foregoing, the Development Work is proposed to consist of the following: a 34-unit interim housing site constructed with individual modular housing units containing individual rooms for habitation, along with common bathrooms, administrative offices, dining facilities, laundry and storage.

3.3.2 Project Approvals. DignityMoves shall be solely responsible for procuring Entitlements. DignityMoves shall ensure that the Project shall be developed in accordance with the terms and conditions of this Agreement and all approvals, entitlements and permits that the City and County or any other governmental body or agency with jurisdiction over the Project or the Property has granted or issued as of the effective date of this Agreement or may hereafter grant or issue in connection with development of the Project. DignityMoves and the County acknowledge that construction of the Project is expected to commence on or about June 1, 2024.

3.3.3 Construction Plans. DignityMoves has engaged the Architect to prepare construction plans for the Project (the "**Construction Plans**"), and together with the Architect, and such Consultants as the Architect and DignityMoves deem necessary, shall cause to be prepared building, grading and landscaping permit applications for review and approval by the City within sixty days of the Effective Date of this Agreement. DignityMoves shall be responsible for securing prompt review and comments by the City on any submissions of Construction Plans. DignityMoves shall inform the County of the City's comments, and the Architect shall instruct any Contractor or Consultants to submit each subsequent revision within thirty days of receipt of the City's comments, to the extent reasonably practicable. As used herein "**Construction Plans**" means all construction documents upon which DignityMoves, the Architect, Contractor and any Subcontractors or Consultants shall rely upon in constructing the Project, and shall include, without limitation, the site development plan, final architectural drawings, landscaping, exterior lighting and signage plans and specifications, materials

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specifications, final elevations, and building plans and specifications. The Construction Plans and any modifications thereto shall be based upon the site plan and elevations approved by the City and County, and the approvals issued by the City and County for the Project and shall not materially deviate therefrom without the express written consent of County.

3.3.4 Construction Pursuant to Plans. DignityMoves shall oversee the development, design and construction of the Project as herein described, in accordance with the approved Construction Plans and all other permits and approvals granted by the City and County pertaining to the Project. DignityMoves shall require its Architect, Contractor(s), Subcontractor(s), employees and Consultants to comply with all directions, rules and regulations of any fire marshal, health officer, building official or other officer of every governmental agency having jurisdiction over the Property or the Project. All design and construction work on the Project shall be performed by licensed design professionals including licensed Contractors, engineers or architects, as applicable and in accordance with state and local laws and regulations.

3.3.5 Construction Schedule. DignityMoves shall cause construction of the Project to be commenced by starting utility extensions, site preparation and foundation preparation ("**Commence Construction**") within three business days of City's issuance of a grading permit for the Property consistent with the Construction Plans, and the City's written notice to proceed. DignityMoves and the Architect shall cause construction of the Project to be diligently prosecuted to completion.

3.3.6 Bonds, Mechanic's Liens and Stop Notices. DignityMoves shall instruct the Contractor to procure performance and labor and materials bonds from sureties acceptable to DignityMoves to ensure completion of the Improvements in the estimated amount of the costs. DignityMoves shall keep the Property free from liens arising out of any work performed, materials furnished, or obligations incurred by or on behalf of DignityMoves in the performance of its duties hereunder.

3.3.7 As-Built Plans. Upon completion of construction, DignityMoves shall request on behalf of the County following the completion of the Improvements, either a set of marked-up as-built plans for the Improvements prepared by the Contractor, or alternatively a record drawing reflecting construction prepared by the Project Architect.

3.3.8 Use of Plans. The contracts secured and executed by DignityMoves relating to design and construction of the Improvements shall provide, in form and substance reasonably satisfactory to DignityMoves and the County, for the purpose of development of the Project.

3.3.9 Cost of Construction. The costs of designing, developing and constructing the Improvements of the Project and compliance with the Project approvals shall be paid from the Funding, which shall be made available pursuant to this Agreement to DignityMoves for its disbursement and application to the Architect, Contractor(s), Subcontractor(s), Consultants and other professionals contributing to the construction of the Project. See Section 3.5.

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3.3.10 Equal Opportunity. There shall be no discrimination on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the hiring, firing, promoting or demoting of any person engaged in construction work on the Property, and DignityMoves and its agents, including its Architect, Contractors, Subcontractors, Consultants shall refrain from discrimination on such basis.

3.3.11 Compliance with Laws. DignityMoves and any Contractors, and Consultants engaged by DignityMoves pursuant to this Agreement to carry out the construction of the Project and all subsequent improvements, alterations and replacements, shall perform such construction in a first class and workmanlike fashion in accordance with the Construction Plans and in accordance with Applicable Laws. The parties understand and agree that if the modular housing units are transferred to the County of Santa Cruz during the Warranty period for said units, then any and all rights pursuant to said Warranty period, including any corresponding product defect or manufacturing claims, shall be transferred to the County of Santa Cruz.

3.4 Ownership of Plans and Materials. The County is the sole owner of all Plans and Specifications and all other materials, prepared in connection with the Project. Upon completion or any termination of this Agreement, the County shall retain sole custody of all such materials and DignityMoves shall return to the County any and all copies of such materials.

3.5 Sufficiency of Project Funds. The Parties have agreed, and secured the understanding and agreement of the County, that the amount of the Funding is anticipated to be sufficient to complete the Project, and the Parties will work cooperatively and in good faith to accomplish the same in accordance with the Development Budget and Project Schedule as the same may be modified from time to time. Should the amount of Funding be deemed insufficient, by DignityMoves in its reasonable discretion, to complete the Project in accordance with the Plans and Specifications and pursuant to the Project Schedule, DignityMoves and the County shall meet and confer and either (a) identify and obtain sources of additional funding or (b) agree upon changes to either the Plans and Specifications or the Project Schedule, or both, in order to accomplish cost savings and efficiencies so the Project can be completed with the available amount of Funding and any additional funding identified pursuant to clause (a) of this Section 3.5 above.

3.6 Approvals and Requests for Consent. If at any time DignityMoves requests the approval of the County with respect to any matter relating to the Project, the County shall provide such approval or disapproval within five (5) Business Days of receiving written notice of such request (as provided in Section 10.4) from DignityMoves along with any documentation to support DignityMoves' request for approval and/or consent by the County. In the event the County is not able to process approval or disapproval within five (5) business days, the parties shall meet and confer regarding the process and timeframe to respond to such request, but approval or disapproval shall in no event be provided later than ten (10) days of the County's receipt of the written request from DignityMoves.

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ARTICLE 4
AUTHORITY OF DEVELOPMENT MANAGER

4.1 General Authority. DignityMoves shall carry out and discharge the responsibilities and obligations of DignityMoves under this Agreement (including, without limitation, all of the responsibilities imposed upon DignityMoves under Article 3); provided, however, that DignityMoves shall have no right or authority, express or implied, to commit or otherwise obligate the County in any manner whatsoever except to the extent specifically provided herein or specifically authorized in writing by the County.

ARTICLE 5
PROGRESS MEETINGS; REPORTING REQUIREMENTS

5.1 Progress Meetings. At the County's request, DignityMoves shall schedule and attend meetings with the County to discuss the progress of the development and construction of the Project. At such meetings DignityMoves shall provide the County with any updated Project Schedule, Development Budget and Development Plan required to be delivered by DignityMoves.

5.2 Third Party Information. DignityMoves shall furnish to the County, from time to time, promptly after the County's request, a current list of all of Dignity Moves' Contractors, Subcontractors, Consultants and Third Parties employed in connection with the Development Work.

5.3 Books and Records. Electronic copies of DignityMoves correct and complete books of account and business records in which all transactions respecting the Development Work shall be timely entered in accordance with generally accepted accounting principles and practices. Such accounts and records shall be kept by DignityMoves on an accrual basis and in all respects in a manner consistent with generally accepted accounting principles and practices consistently applied. DignityMoves shall preserve all such records and upon the expiration or earlier termination of this Agreement, shall deliver copies of all such records to the County. Such books shall be open at all reasonable times for inspection or copying by the County and its agents, employees, and representatives. The books shall be audited as directed by the County.

ARTICLE 6
INSURANCE AND INDEMNIFICATION

6.1 Insurance General. At all times during the Term, without limiting DignityMoves' duty to indemnify County, DignityMoves shall comply with the following insurance requirements:

6.1.1.1 Except as otherwise approved by the County, all insurance described under this Article to be carried by DignityMoves will be maintained by DignityMoves as follows: it will maintain workers compensation, general commercial liability, automobile

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insurance and an umbrella policy as more fully described below. These insurance policies are understood to be provided in association with DignityMoves development management services. DignityMoves' Contractor and any Subcontractor will obtain and maintain their own separate insurance policies as required.

6.1.1.2 Premiums for all policies of insurance required to be maintained by DignityMoves under this Agreement shall be paid by DignityMoves unless otherwise provided in this Agreement or in the Development Budget.

6.2 Evidence of Insurance. As evidence of DignityMoves' specified insurance coverage, the County shall accept certificates issued by DignityMoves' insurance carrier acceptable to the County showing such policies in force for the specified period. Such evidence shall be delivered to the County prior to commencement of Services. DignityMoves shall also allow the County to inspect such evidence of insurance as DignityMoves obtains from its Subcontractor(s), but the County shall have no obligation to inspect such evidence of insurance.

6.3 Workers' Compensation Insurance. DignityMoves shall maintain Workers' Compensation Insurance (statutory limit) for all persons whom it employs in carrying out the Services under this Agreement.

6.4 Commercial General Liability Insurance. DignityMoves shall maintain Commercial General Liability Insurance on an "occurrence" basis, with reasonably acceptable deductibles, premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence and with a total limit of Two Million Dollars ($2,000,000.00) with coverage at least as broad as the current ISO forms.

6.5 Automobile Liability Insurance. DignityMoves shall maintain owned, hired, leased, and non-owned automobile liability insurance covering all use of all automobiles, trucks and other motor vehicles utilized by DignityMoves in connection with this Agreement, with a combined single limit for bodily injury and property damage of One Million Dollars ($1,000,000.00).

6.6 Umbrella/Excess Coverage. DignityMoves shall maintain umbrella/excess liability coverage on an "occurrence" basis, with a combined single limit for bodily injury and property damage of Two Million Dollars ($2,000,000.00) covering general liability and automobile liability.

6.7 Additional Insured. Additional Insured Status. The County of Monterey, its officers, officials, employees, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of DignityMoves including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to DignityMoves' insurance (at least as broad as ISO Form CG 20 10 11 85 or

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if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

6.8 Primary Non-Contributory Coverage. For any claims related to this contract, DignityMoves' insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the DignityMoves' insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

6.9 Waiver of Subrogation. DignityMoves hereby grants to County a waiver of any right to subrogation which any insurer of DignityMoves may acquire against the County by virtue of the payment of any loss under such insurance. DignityMoves agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

6.10 Other Insurance Requirements. All insurance required by this Agreement shall be with a company reasonably acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of two (2) years following the date DignityMoves completes its performance of services under this Agreement. Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended nonrenewal thereof. Each policy shall provide coverage for DignityMoves and additional insureds with respect to claims arising from each subcontractor performing work under this Agreement or be accompanied by a certificate of insurance from each showing each subcontractor has identical insurance coverage to the above requirements. Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of DignityMoves' work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of Additional Insureds shall not be called upon to contribute to a loss covered by DignityMoves' insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99. Prior to the execution of this Agreement by the County, DignityMoves shall file certificates of insurance with the County's Contract Administrator and County's Contracts/Purchasing Division, showing that DignityMoves has in effect the insurance required by this Agreement. DignityMoves shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. DignityMoves shall at all times during the term of this Agreement maintain in

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force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify DignityMoves and DignityMoves shall have five (5) calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by DignityMoves to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

6.11 County's Insurance. The County is self-insured for general liability up to $2.5 million. Above the self-insured retention, the County maintains a primary excess layer up to $10 million. The County may elect to maintain an OCIP insurance policy with respect to the Project in such form and amount and with such limits as reasonably agreed by DignityMoves and the County and an employee liability policy (EPL) covering all County employees working at the Project.

6.12 Indemnification. DignityMoves shall indemnify, defend and hold harmless the County, its officers, agents and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with any negligence or willful misconduct by DignityMoves, its officers, employees, Contractors, Subcontractors, and/or Consultants, such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "DignityMoves' performance" includes Dignity Moves' action or inaction and the action or inaction of DignityMoves' officers, employees, agents, Contractors, Subcontractors and Consultants.

6.14 Indemnification Agreement to be included in DignityMoves' Design Professional Agreements. DignityMoves shall require the following indemnification provisions to be included in their Professional Services Agreement and Construction Contracts for any design/construction work to be performed as a part of this Program, (Indemnification Agreement) "design professional" has the same meaning set forth in California Civil Code section 2782.8. If any term, provision or application of this Indemnification Agreement provision is found to be invalid, in violation of public policy or unenforceable to any extent, such finding shall not invalidate any other term or provision of this Indemnification Agreement provision and such other terms and provisions shall continue in full force and effect. If there is any conflict between the terms, provisions or application of this Indemnification Agreement provision and the provisions of California Civil Code sections 2782 or 2782.8, the broadest indemnity protection for County under this Indemnification Agreement that is permitted by law shall be provided by DignityMoves' design professionals.

6.15 Indemnification for Design Professional Services Claims. Dignity Moves' design professionals shall indemnify, defend and hold harmless County, its governing board, directors, officers, employees, and agents against any claims that arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of DignityMoves' design

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professionals', its employees, Contractors, Subcontractors, Consultants and agents in the performance of design professional services under this Agreement, excepting only liability arising from the sole negligence, active negligence or willful misconduct of County, or defect in a design furnished by County, but in no event shall the amount of DignityMoves' design professional's liability exceed DignityMoves' design professional's proportionate percentage of fault as determined by a court, arbitrator or mediator, or as set out in a settlement agreement. In the event one (1) or more defendants to any action involving such claim or claims against County is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, such Contractor shall meet and confer with the other parties to such action regarding unpaid defense costs. DignityMoves' design professionals shall agree to reimburse our clients for their legal fees and costs in proportion to either our agreed (via settlement agreement) or adjudicated (via arbitration or litigation) percentage fault.

6.16 Indemnification for All Other Claims or Loss. For any claim, loss, injury, damage, expense or liability other than claims arising out of DignityMoves' design professionals' performance of design professional services under this Agreement, DignityMoves' design professionals' shall indemnify, defend and hold harmless County, its governing board, directors, officers, employees, and agents against any claim for loss, injury, damage, expense or liability resulting from or alleging injury to or death of any person or loss of use of or damage to property, arising from or related to the performance of services under this Agreement by DignityMoves' design professionals', its employees, Contractors, Subcontractors, Consultants or agents, excepting only liability arising from the sole negligence, active negligence or willful misconduct of County, or defect in a design furnished by County.

ARTICLE 7
COMPENSATION AND REIMBURSEMENT OF DEVELOPMENT MANAGER

DignityMoves shall be compensated by a development fee equal to Three Hundred Thousand Dollars ($300,000). DignityMoves shall be entitled to reimbursement of its actual expenses and costs in the amounts indicated for such purposes in the Project Budget. DignityMoves understands and agrees that such reimbursements are for actual costs which may be limited or reduced in the event of changes to the Project Budget. Any changes to the Project Budget shall be reviewed and approved by the County. The Parties understand and agree that as of the effective date of this Agreement, no additional funds have been donated, or otherwise provided or allocated to fund the construction of the Project as indicated above in Recital D which states,

The County will provide and administer funding, in the amount of approximately $5,034,591, which will include funds administered by the County through the State of California Encampment Resolution Funding Program (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "Funding"). The Parties understand and agree that no additional funds have been donated, or otherwise provided or allocated, to fund the construction of the Project.

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ARTICLE 8
FUNDING FOR PROJECT

8.1 Costs to be Paid With Funding. Project Costs, which are to be sourced by the Funding and such additional funding sources as the Parties may identify and secure during the term of this Agreement, shall include the following general categories to the extent incurred by DignityMoves in accordance with the Development Budget (Exhibit B):

8.1.1 All costs for architectural, legal, accounting, engineering and other consultant services and for soils, geological, and toxic and hazardous waste studies, and any environmental studies;

8.1.2 All construction costs, including labor and material costs and equipment rental and repair, and the costs to maintain the Property as provided in this Agreement;

8.1.3 All Governmental licenses and fees relating to the Project, costs to process, obtain and maintain the Entitlements, all real and personal property taxes imposed against the Property and Project and all bonds or deposits required in connection with the development of the Project;

8.1.4 All financing costs, including interest payments, for loans from traditional lenders for actual costs incurred and directly related to DignityMoves' Development of the Project.

8.1.5 The premiums on any insurance required to be carried by DignityMoves pursuant to this Agreement to the extent properly allocable to the Project (but excluding Workers' Compensation Insurance); and

8.1.6 Subject to available Funding, all other actual costs incurred in connection with the Development Work.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of DignityMoves. DignityMoves hereby represents and warrants to the County as follows:

9.1.1 Formation; Qualification. DignityMoves is a nonprofit corporation, duly formed, validly existing and in good standing under the laws of the State of California.

9.1.2 Authorization; Binding Agreement. DignityMoves has taken all action required to allow DignityMoves to enter into this Agreement. This Agreement constitutes a legal, valid and binding obligation of DignityMoves, and neither its execution nor performance violates the requirements of any other agreement to which DignityMoves is a party or is otherwise

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bound.

9.1.3 Resources. DignityMoves has and shall maintain at all times during the Term sufficient facilities, expertise, staff, assets and other resources to perform its duties under this Agreement.

9.2 Representations and Warranties of County. The County hereby represents and warrants to DignityMoves as follows:

9.2.1 County. County is a political subdivision of the State of California.

9.2.2 Authorization; Binding Agreement. The County has taken all action required to allow the County to enter into this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the County.

ARTICLE 10
MISCELLANEOUS PROVISIONS

10.1 Remedies Cumulative. No remedy herein reserved is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other given in this Agreement or as now or hereafter existing or at law, equity or by statute.

10.2 Nonwaiver. The failure of either party to notify the other of any default under this Agreement shall not be deemed to be a waiver of any continuing default of any term, covenant or condition set forth in this Agreement, nor of such party's right to declare a default for any such continuing breach, and the failure of either party to insist upon strict performance of any of the terms, covenants or conditions of this Agreement, or to exercise any option in this Agreement in any one or more instances, shall not be construed as a waiver or relinquishment of any such terms, covenants, conditions or options, but the same shall be and remain in full force and effect,

10.3 Successors and Assigns. Neither party may assign this Agreement in whole or in part, or any interest herein, without the other party's prior written consent, which shall not be unreasonably withheld. Any assignment without such consent shall be void and of no effect. Notwithstanding the foregoing, DignityMoves acknowledges that the County intends to assign this Agreement to the County of Santa Cruz on or before June 30, 2026. The rights and obligations of the parties hereunder shall, subject to the limitations on assignment contained in this Section, be binding upon, and inure to the benefit of, the successors and assigns of the County and DignityMoves.

10.4 Written Notice. For purposes of this Agreement, notices will be deemed to have been given upon personal delivery thereof, three (3) Business Days after having been deposited in the United States mail, postage prepaid and properly addressed, one (1) Business Day after having been sent by Federal Express or other similar overnight delivery service or upon confirmation if sent by facsimile or email. Any party hereto may from time to time, by written notice to the other, designate a different address which shall be substituted for the one set forth below.

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County: County of Monterey
County Administrative Office
168 West Alisal Street, Third Floor
Salinas, California 93901
Attn: Roxanne V. Wilson, Homeless Services Director
Email: wilsonr@co.monterey.ca.us

DignityMoves: DignityMoves
2406 Bush Street
San Francisco, California 94115
Attn: Elizabeth Funk, Chair/CEO
Email: elizabeth@DignityMoves.org

10.5 Severability. Should any one or more provisions set forth in this Agreement for any reason be held invalid, illegal or unenforceable in any respect, any such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been incorporated therein provided that the deletion of such provision does not materially alter this Agreement.

10.6 No Third-Party Beneficiaries. This Agreement is not intended and shall not be deemed or construed to confer any rights, powers or privileges on any person, firm, partnership, corporation or other entity not a party hereto except as may be expressly provided herein to the contrary.

10.7 Exhibits and Headings; Construction. The Exhibits attached or to be attached hereto shall be construed with and as integral parts of this Agreement to the same extent as if the same had been set forth verbatim herein. The titles and headings of articles and sections of this Agreement are intended for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement. As used herein: (i) the singular shall include the plural (and vice versa) and the masculine or neuter gender shall include the feminine gender (and vice versa) where the context so requires; (ii) locative adverbs such as "herein," "hereto," and "hereunder" shall refer to this Agreement in its entirety and not to any specific Section or paragraph; (iii) the terms "include," "including," and similar terms shall be construed as though followed immediately by the phrase "but not limited to;" and (iv) "shall," "will" and "must" are mandatory and "may" is permissive.

10.8 Oral Agreements. No oral order, objection, claim or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by an express waiver or modification thereof in writing, and no evidence shall be introduced in any proceeding of any other waiver or modification.

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10.9 Counterparts. This Agreement may be executed in any number of counterparts, and each of such counterparts for all purposes shall be deemed to be an original, and all of such counterparts should constitute one and the same agreement.

10.10 Governing Law; Venue for Resolution of Legal Actions. This Agreement shall be governed by the laws of the State of California. Any litigation regarding the enforcement or the interpretation of the terms and conditions of this Agreement shall be filed in the Superior Court of the State of California, County of Monterey.

10.11 Merger. All prior understandings and agreements between the parties respecting this relationship, are merged into this Agreement, which Agreement fully and completely expresses the agreement of the parties, and there are no representations, warranties or agreements except as specifically and expressly set forth herein and in the Exhibits which are attached and incorporated by reference into this Agreement.

10.12 Time. Time is of the essence for this Agreement and each provision hereof of which time is an element.

10.13 Confidentiality. DignityMoves and its officers, employees, agents, and Contractors, Subcontractors and Consultants shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. DignityMoves shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits DignityMoves to disclose such records or information. DignityMoves shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. DignityMoves shall not use any confidential information gained by DignityMoves in the performance of this Agreement except for the sole purpose of carrying out DignityMoves' obligations under this Agreement.

10.14 County Records. When this Agreement expires or terminates, DignityMoves shall return to County any County records which DignityMoves used or received from County to perform services under this Agreement.

10.15 Maintenance of Records. DignityMoves shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. DignityMoves shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then DignityMoves shall retain said records until such action is resolved.

10.16 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of DignityMoves related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to

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this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.17 Non-Discrimination: During the performance of this Agreement. DignityMoves and its Contractors, Subcontractors and Consultants shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in DignityMoves' employment practices or in the furnishing of services to recipients. DignityMoves shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. DignityMoves and Contractors, Subcontractors and Consultants shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

10.18 Compliance With Terms of State or Federal Grants. If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, DignityMoves will comply with all the provisions of said contract, to the extent applicable to DignityMoves as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to DignityMoves, at no cost to DignityMoves.

10.19 Parties' Relationship. No provisions of this Agreement shall be intended to create an agency, partnership or joint venture or other similar relationship between the County and DignityMoves with respect to the Project, and neither party shall have the power to bind or obligate the other party, except as expressly set forth in this Agreement. Neither this Agreement nor any communication or other action between the parties relating to the Project, is intended shall be construed to create a joint venture, partnership or other similar relationship between DignityMoves and the County.

10.20 Advice of Counsel. Each party represents and warrants that it has received the advice of independent counsel of its own choosing with respect to the meaning and effect of this Agreement. No provision of this Agreement shall be construed in favor of or against any party on the ground that such party or its counsel drafted the provision.

10.21 DignityMoves' Default. The occurrence and continuance of any one or more of the following events, beyond the expiration of any applicable grace and/or cure period provided for herein, is an "**Event of Default**" hereunder by DignityMoves:

10.21.1 Uncured Breach. Any breach or default by DignityMoves of any covenant, duty, obligation, representation, or warranty under this Agreement; provided, however,

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that before such breach or default is deemed an Event of Default, DignityMoves shall have: (i) received notice from the County of such breach or default; and (ii)(A) failed to cure or remedy such breach or default within ten (10) business days following such notice, in the event of a monetary default, or thirty (30) days following the date of such notice in the event of any other breach or default; or (B) if such breach or default does not consist of the failure to pay money and is not curable within such thirty (30)-day period, failed to commence such cure within such thirty (30)-day period or failed to diligently and continuously pursue such a cure or remedy thereafter and in any event failed to fully cure or remedy such breach or default within sixty (60) days of such notice to DignityMoves.

10.21.2 Bankruptcy. There is a bankruptcy or dissolution with DignityMoves.

10.21.3 Improper Conduct. DignityMoves is grossly negligent or engages in fraud, bad faith, or willful misconduct in connection with the Services.

10.22 Contingency. This Agreement is contingent upon the County's successful receipt and retainment of grant funding from the State of California Encampment Resolution Funding grant.

10.23 Remedies on Default. Upon an Event of Default, the non-defaulting party shall have the authority to exercise any and all rights and remedies available at law or in equity, including, without limitation, the right to terminate this Agreement upon ten (10) days' written notice to the other.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, County and DIGNITYMOVES have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY:	**DIGNITYMOVES, a non-profit Corporation:**
County Administrative Office (CAO), Sonia M. De La Rosa, CAO By: DocuSigned by: Debbie Paolinelli, Assistant County Administrative Officer 146A6B4B40BC402... Deborah Paolinelli, Assistant CAO Date: 4/26/2024 | 2:17 PM PDT	**Elizabeth Funk, Chair** By: DocuSigned by: 1FD7AD6FFC2D49E... Elizabeth Funk, Chair Date: 4/9/2024 | 9:16 AM PDT
Debra R. Wilson, Contracts/Purchasing Officer By: DocuSigned by: Debra Wilson 1847E7A18CED4D3... Debra R. Wilson, Contracts/Purchasing Officer Date: 4/26/2024 | 2:19 PM PDT	**DIGNITYMOVES, a non-profit corporation:** By: DocuSigned by: Freya Estreller, CFO 4/9/2024 | 9:37 AM PDT 41ACC6452DD1460... Freya Estreller, CFO Name: _____ Title: _____
APPROVED AS TO FORM: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: DocuSigned by: Marina Pantchenko Marina Pantchenko, Deputy County Counsel 4/11/2024 | 10:07 AM PDT	
APPROVED AS TO FISCAL PROVISIONS: Rupa Shah, Auditor-Controller By: _____ Name: _____ Title: _____	
APPROVED AS TO INSURANCE AND INDEMNIFICATION PROVISIONS: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: DocuSigned by: David Bolton, Risk Manager 4/11/2024 | 10:08 AM PDT David Bolton, Risk Manager	

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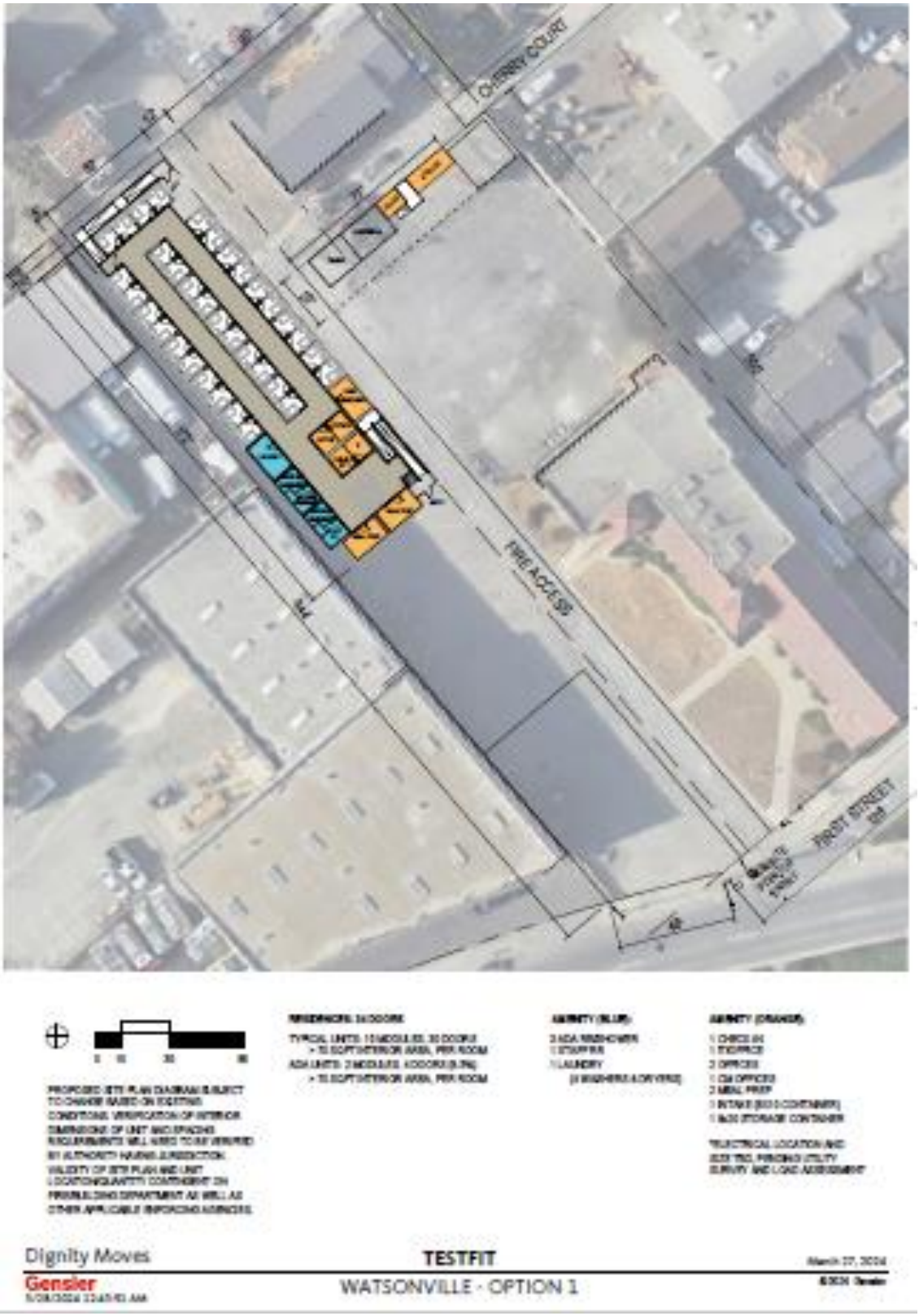
EXHIBIT A

THE PROPERTY ("TEST FIT") OPTION 1 & OPTION 2



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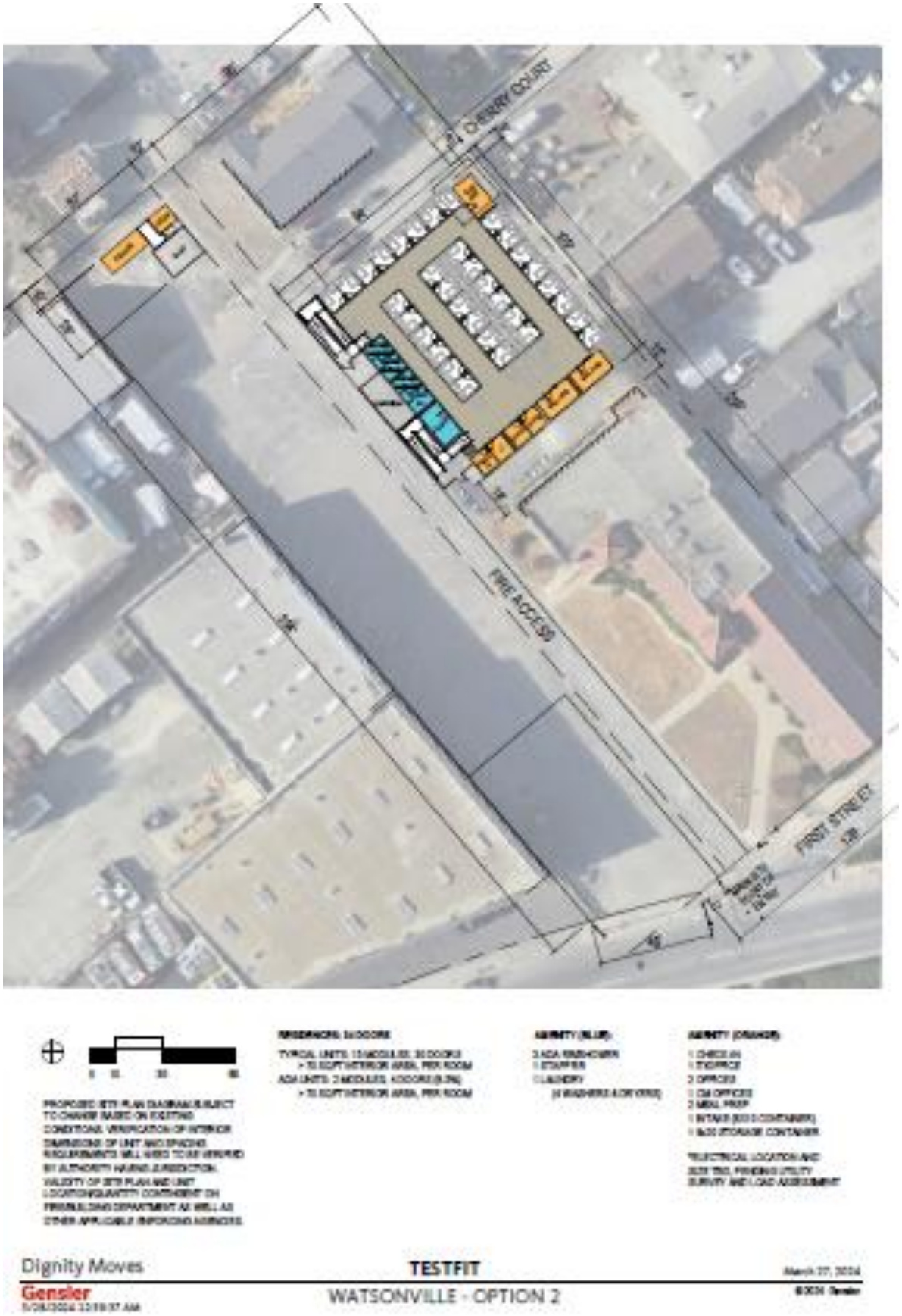

Dignity Moves
Gensler

TESTFIT

WATSONVILLE - OPTION 2

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EXHIBIT B

DIGNITYMOVES DEVELOPMENT BUDGET

Dignity Moves
Development Management Services Budget
5 Cherry Court in the City of Watsonville (APN 017-172-31)

Hard Costs		
GC Contract	$	1,796,906.00
FEMA Floodplain Zone Improvements	$	1,000,000.00
Modular Buildings	$	969,855.00
Owner Contingency	$	380,000.00
Accessory Buildings	$	47,000.00
Accessories	$	2,500.00
Hard Costs Subtotal	**$**	**4,196,261.00**
Soft Costs		
Design		
Initial Design	$	5,000.00
Architectural Contract	$	162,000.00
Design Contingency	$	10,000.00
Consultants		
MEP	$	30,000.00
Structural	$	15,000.00
Civil Engineering	$	15,000.00
Site Survey	$	25,000.00
Permit Fees	$	59,298.00
School Fees	$	39,532.00
Utility Connection Fees		
Electrical Engineering Fees & Install Costs	$	75,000.00
Water Connection & Capacity Fees	$	25,000.00
Sewer Connection & Capacity Fees	$	15,000.00
FF&E		
Personal Property	$	25,000.00
Low Voltage		
Security System, Cameras	$	30,000.00
Financing/Legal		
Legal	$	7,500.00
Management Fee		
Dignity Moves	$	300,000.00
Soft Costs Subtotal	**$**	**838,330.00**
Total Project Budget	**$**	**5,034,591.00**

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Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Chris Lopez to:

Adopt Resolution No.: 24-137
a. Approve and authorize the County Administrative Officer or designee, to execute a non-standard agreement with DignityMoves, a California non-profit corporation, for the development of a 34-unit non-congregate low-barrier housing navigation center in the City of Watsonville, for a total cost of $5,034,591 upon execution through June 30, 2026; and,
b. Authorize and direct the Auditor-Controller to issue a one-time payment to DignityMoves in the amount of $2,000,000 upon execution of the agreement with an invoice to meet grant term expenditure requirements by June 30, 2024; and,
c. Approve and authorize the County Administrative Officer or designee to execute a non-standard agreement with the Coalition of Homeless Services Providers to identify and contract with a local non-profit to operate a 34-unit non-congregate, low-barrier housing navigation center in the City of Watsonville, for $2,571,460, with a term of April 23, 2024, through March 31, 2027, as recommended by the County Administrative Officer; and,
d. Authorize and direct the Auditor-Controller to issue a one-time payment to the Coalition of Homeless Services Providers for the full contract amount of $2,571,460 upon execution of this agreement with an invoice to meet the grant term expenditure requirements by June 30, 2024; and,
e. Authorize the County Administrative Officer or designee to sign up to (3) amendments for each of these agreements that do not significantly change the scope of work and subject to approval by County Counsel; and,
f. Adopt a resolution to authorize and direct the Auditor-Controller to increase appropriations and estimated revenues by $3,486,354, to amend the Fiscal Year 2023-24 Adopted Budget for the County Administrative Office Intergovernmental and Legislative Affairs (IGLA)-Homeless Services (001-1050-CAO004-8054) financed by grant revenues from the California Interagency Council on Homelessness to develop and operate a non-congregate, low-barrier navigation center in Watsonville, CA (4/5th vote required).

PASSED AND ADOPTED on this 23rd day of April 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting April 23, 2024.

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Dated: April 25, 2024
File ID: RES 24-071
Agenda Item No.: 9

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

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AMENDMENT #1 TO AGREEMENT A-17471
BY AND BETWEEN
COUNTY OF MONTEREY & DIGNITYMOVES

THIS AMENDMENT #1 is made and entered into by and between the County of Monterey, a political subdivision of the State of California, (hereinafter "COUNTY"), and DignityMoves, a California non-profit corporation (hereinafter "CONTRACTOR").

WHEREAS, COUNTY and CONTRACTOR entered into an AGREEMENT for the development of a 34-bed low barrier navigation center for unhoused individuals to address the homelessness crisis in the counties of Monterey and Santa Cruz to be located at 118 First Street, Watsonville, California for the former occupants of an encampment located along the multi-jurisdictional boundaries of the Pajaro River adjacent to the City of Watsonville, for the period of April 23, 2024 to June 30, 2026 for a contract total of $5,034,591.00; and,

WHEREAS, the parties wish to amend the AGREEMENT via AMENDMENT #1 to **add $1,088,075 for additional construction costs** with no change to the contract term for a **revised** contract total of **$6,122,666.00.**

NOW THEREFORE, the COUNTY and CONTRACTOR agree to amend the AGREEMENT in the following manner:

This Agreement is hereby amended on the terms and conditions set forth in the Original Agreement and Amendment #1 incorporated herein by this reference, except as specifically set forth below.

1. **TITLE PAGE of the Agreement is amended as follows:**
   Remove "Recurso de Fuerza Village" and **add "Low Barrier Navigation Center"** and remove address "5 Cherry Court" and add **"118 First Street".**

2. **RECITAL SECTION B is amended as follows:**
   Remove "5 Cherry Court" and **add "118 First Street"** and remove "APN 017-172-31" and **add "APN 017-172-32".**

3. **RECITAL SECTION D is amended to read as follows:**
   The County will provide and administer funding, in the amount of approximately **$6,122,666** comprised of State of California Encampment Resolution Funding and a housing funding award from the Central California Alliance for Health (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "Funding").

4. **AGREEMENT FOOTER is amended as follows:**
   Remove "$5,034,591" and **add "$6,122,666"** and **add "ERF-2-R & CCAH Housing Funding Award".**

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5. **ARTICLE 7, PARAGRAPH 2 is amended to read as follows:**
   The County will provide and administer funding in the amount of approximately **$6,122,666**, which will include funds administered by the County through the State of California Encampment Resolution Funding Program and the Central California Alliance for Health Housing Funding Award (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "Funding").

6. **Exhibit A-1** hereto replaces Exhibit A and reflects an updated site design plan image of the property site.

7. **Exhibit B-1** hereto replaces Exhibit B and reflects the **addition of $1,088,075** for a new development budget of **$6,122,666**.

8. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT #1 and shall continue in full force and effect as set forth in the AGREEMENT.

9. A copy of this AMENDMENT #1 shall be attached to the original AGREEMENT, dated April 23, 2024, respectively.

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IN WITNESS WHEREOF, COUNTY and DIGNITYMOVES have executed this AMENDMENT #1 on the day and year written below.

COUNTY OF MONTEREY:	**DIGNITYMOVES:**
COUNTY ADMINISTRATIVE OFFICE, Sonia M. De La Rosa, CAO By: _____ Deborah Paolinelli, Assistant CAO Date: _____ _	**Elizabeth Funk, CEO of DignityMoves** By: DocuSigned by: Elizabeth Funk 1FD7AD6FFC2D49E... Elizabeth Funk, CEO Date: 9/22/2025 | 4:09 PM PDT
CONTRACTS & PURCHASING OFFICER, Debra R. Wilson By: _____ Date: _____	**Freya Estreller, DignityMoves CFO** By: DocuSigned by: Freya Estreller, CFO 41ACC6452DD1460... Freya Estreller, CFO Date: 9/22/2025 | 5:26 PM PDT
APPROVED AS TO FORM: Office of the County Counsel-Risk Management, Susan K. Blitch, County Counsel By: DocuSigned by: Anne Brereton A46091E5DE63489... Anne Brereton, Deputy County Counsel Date: 9/23/2025 | 9:35 AM PDT	
APPROVED AS TO FISCAL PROVISIONS: Rupa Shah, Auditor-Controller By: DocuSigned by: Jennifer Forsyth 4E7E65787545 4AE... Date: 9/23/2025 | 10:29 AM PDT	
APPROVED AS TO RISK MANAGEMENT: Office of the County Counsel-Risk Management, Susan K. Blitch, County Counsel By: Signed by: David Bolton 68FDC263FF6243C... David Bolton, Risk Manager Date: 9/23/2025 | 9:39 AM PDT	

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DEVELOPMENT MANAGEMENT AGREEMENT

BETWEEN

COUNTY OF MONTEREY

AND

DIGNITYMOVES,
a California nonprofit corporation

~~Recurso de Fuerza Village~~Low Barrier Navigation Center
~~5 Cherry Court~~118 First Street
Watsonville, California 95076

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DEVELOPMENT MANAGEMENT AGREEMENT

THIS DEVELOPMENT MANAGEMENT AGREEMENT (the "**Agreement**") is entered into as of the last date opposite the respective signatures (the "Effective Date"), by and between the County of Monterey ("**County**") and DIGNITYMOVES, a California nonprofit corporation ("**DignityMoves**"), collectively referred to as "**the Parties**".

RECITALS

A. This Agreement is intended to provide for the development of modular housing for unhoused individuals in order to assist in addressing the homelessness crisis in the counties of Santa Cruz and Monterey.

B. Westview (Japanese) Presbyterian Church, a California nonprofit corporation (the "**Church**") owns the real property located at 118 First Street~~5 Cherry Court~~, Watsonville, California, which is located within the jurisdictional boundaries of the City of Watsonville (the "**City**") in the Santa Cruz County (APN 017-172-~~31~~32), as more particularly described in **Exhibit** "**A-1**" (the "**Property**"). Exhibit A-1 is attached to this Agreement and incorporated by this reference. The Parties understand and agree that a County selected nonprofit partner based in Santa Cruz County will lease the Property from the Church and that the Property will serve as the site for the development of modular housing for unhoused individuals.

C. DignityMoves, with the approval of the City and County, intends to develop the Property with an interim housing project for unhoused individuals proposed to contain 34 modular individual residential sleeping units (sometimes referred to as "modular housing units" or "units"), along with wet areas (including common restrooms and restrooms adjoining certain units), common areas (including but not limited to ancillary dining, green space, pet area, laundry and storage facilities for residents) and office and administration facilities for operation of the foregoing (together with all related facilities, the "**Project**"). For purposes of this Agreement, the term "Project" shall be deemed to include the final number of residential units developed with related improvements as ultimately approved by the agency or agencies or Governmental authority or authorities with jurisdiction.

D. The County will provide and administer funding, in the amount of approximately $~~5,034,591~~6,122,666, comprised of State of California Encampment Resolution Funding and a housing funding award from the Central California Alliance for Health ~~which will include funds administered by the County through the State of California Encampment Resolution Funding Program~~ (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "**Funding**"). The Parties understand and agree that no additional funds have been donated, or otherwise provided or allocated, to fund the construction of the Project as of the effective date of this Agreement.

E. DignityMoves is experienced in developing interim housing development projects similar to the Project and will provide development management services for this Project.

F. The County desires to engage DignityMoves, and DignityMoves desires, to

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manage, arrange, supervise, and coordinate the planning, design, entitlement, permitting, construction and completion of the Development Work (as such term is hereinafter defined) upon the terms, conditions and covenants herein described.

G. The Parties understand and agree that the County intends to assign and transfer the ownership of the modular housing units to the County of Santa Cruz by on or about June 30, 2026.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and the mutual promises and covenants contained in this Agreement, the County and DignityMoves agree as follows:

ARTICLE 1
DEFINITIONS

For the purposes of this Agreement, the following terms shall have the respective meanings set forth below:

"**Affiliate**" shall mean a person or entity controlled by, under common control with or controlling another person or entity. The term "control" means the ownership, directly or indirectly, of at least 50% of the voting ownership interests in an entity, or the management control of an entity.

"**Agreement**" shall mean this Development Management Agreement, as may be amended, modified or supplemented from time to time.

"**Architect**" shall mean the licensed project architect engaged by DignityMoves to serve as architect for the Project. DignityMoves has engaged Gensler Architects of San Francisco, California to act as the Architect for the Project.

"**Business Day**" shall mean any day other than a Saturday, Sunday or other than a holiday on which businesses in the State of California are generally closed for business.

"**City**" shall mean the City of Watsonville, California.

"**Claims**" shall mean any and all claims, liabilities, losses, damages, costs or expenses, including, without limitation, actual attorneys' fees and costs, court costs, demands, debts, causes of action, fines, judgments and penalties.

"**Construction Contract(s)**" shall mean any construction contracts entered into by DignityMoves and any Contractor providing for the performance of Development Work.

"**Consultants**" shall mean the architects, engineers, consultants or designers engaged by DignityMoves for the Project.

"**Contractor**" shall mean one or more licensed general contractors to be engaged by DignityMoves to construct all or a portion of the Improvements engaged by DignityMoves to act

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as the general contractor for the Project.

"**County**" shall mean County of Monterey, California.

"**Day**" shall mean a calendar day unless specifically referenced as a Business Day.

"**Development Budget**" shall mean the budget for the Development Work to be agreed to in writing by the County and DignityMoves in accordance with the terms of this Agreement, as it may be amended and/or updated from time to time as mutually agreed to in writing by the parties, setting forth the anticipated costs, expenses, and income and other relevant financial projections to perform and complete the Development Work.

"**Development Plan**" shall mean the general plan for development of the Project consisting of the product type and size, site plan and density of development and Project amenities, which shall be consistent with the Entitlements and shall be subject to County approval.

"**Development Schedule**" shall mean a schedule to be prepared by DignityMoves, the Architect and Contractor and approved by the County in its reasonable discretion showing the dates of commencement and completion of various components of the Development Work, which Development Schedule shall be updated by DignityMoves in consultation with the Architect and Contractor and reviewed by the County as provided in this Agreement.

"Development Work" shall mean any and all construction and other work necessary for the construction of the Improvements, all as covered by the Development Budget.

"**Entitlements**" shall mean the Permits and all other Governmental agreements, permits, approvals and entitlements required from time to time for the development of the Project.

"**Government**" or "**Governmental**" shall mean and include the City, County and any other governmental, quasi-governmental, or public utility authority.

"**Improvements**" shall mean the onsite and offsite grading, installation of sewer, water, storm drain, electrical, cable, and other utilities and connections to the Property and the Project, site preparation and, if required, installation of prefabricated and/or modular housing units to be incorporated into the Project, and vertical construction of any improvements constituting the Project, together with the installation of landscape areas, including entry areas, walkways, open space and any other improvements to be constructed in connection with the development of the Project as set forth in the Plans and Specifications, as the same may be amended, modified or supplemented from time to time pursuant to the terms hereof, and any other Work of Improvement as that term is defined in Section 8050 of the California Civil Code.

"**Line Items**" shall mean the cost accounting categories set forth in the Development Budget for each of the construction trades for the construction of the Improvements and for any separate material categories or other development costs, including costs to obtain the Entitlements.

"**Notice of Termination**" shall mean a written notice of termination of this Agreement

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delivered by the County to DignityMoves and/or by DignityMoves to the County.

"**Permits**" shall mean such grading and building permits, or any other public agency permits as may be necessary for the construction of the Improvements.

"**Plans and Specifications**" shall mean the grading plans and the architectural and engineering plans and specifications for the Improvements including the improvement plans that may be approved by the City, the plot plans showing the proposed location of the Improvements and appurtenances, and such other plans and specifications as may be necessary for the construction of the Improvements.

"**Project**" shall have the meaning set forth in Recital C.

"**Project Costs**" shall mean all costs incurred by DignityMoves in connection with the Project, in accordance with the Development Budget or otherwise approved by the County in writing.

"**Property**" shall have the meaning set forth in Recital B.

"**Services**" shall mean the development services contemplated to be performed by DignityMoves under this Agreement.

"**Subcontractor**" shall mean a person or organization who has a direct contract with DignityMoves and/or DignityMoves' Contractor/s to perform any work or to provide any materials, equipment or supplies for the Project.

"**Third Party or Parties**" shall mean individually or collectively, as applicable, any Consultant, Contractor, Subcontractor, vendor, supplier or any other person or entity providing services or materials to the Project, other than DignityMoves.

"**Third Party Contract**" shall mean a contract between DignityMoves and any Third Party with respect to the development of the Project, including any Construction Contract.

"**Unavoidable Delay**" shall mean any prevention, delay or stoppage in the Services required of DignityMoves and/or other Third Parties performing services pursuant to this Agreement, but not including any payment and/or performance obligations of DignityMoves, caused by war, insurrection, strikes, lockouts, riots, unusually adverse weather, unavailability of labor or construction materials, supplies and equipment or product shortages, floods, earthquakes, fires, casualties, acts of God, acts of a public enemy, epidemics, pandemics, quarantine restrictions, freight embargoes, lack of transportation, suits filed by unrelated third parties concerning or arising out of this Agreement or unseasonable weather conditions, unknown Property conditions discovered during the course of construction, newly enacted Governmental regulations or controls, the application to the Project of existing regulations or controls or similar events outside the performing party's control impacting the Project, its location or the region in which the Project is located, or other matters or causes beyond the reasonable control of DignityMoves, including delays arising from an action under the California Environmental

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Quality Act (CEQA), failure by City to expedite the plan check process, or unreasonable processing times for City or other public agency approvals, which shall extend the time within which this Agreement requires certain acts to be performed for a period equal to any such prevention, delay or stoppage. The time for performance of provisions of this Agreement by either Party shall be extended for a period equal to the period of any Unavoidable Delay affecting the Project or this Agreement will be deemed granted only if written notice by the Party claiming such extension is sent to the other Party within thirty (30) calendar days from the commencement of the cause.

ARTICLE 2
ENGAGEMENT; STANDARDS OF PERFORMANCE

2.1 Engagement. The County hereby engages DignityMoves as the development manager of the Project with respect to the Development Work, for the purpose of managing, supervising, and coordinating the planning, design, entitlement, permitting, construction and completion of the Development Work, all in accordance with the terms, conditions and limitations herein set forth. DignityMoves hereby accepts such engagement and DignityMoves hereby agrees to use reasonable efforts to perform the Services, including (i) obtaining and preserving all Entitlements required for Project occupancy (See Section 3.2.2), (ii) negotiating any Third Party Contracts necessary for the completion of the Project, (iii) overseeing and managing construction of the Improvements by Third Parties pursuant to approved Plans and Specifications, (iv) obtaining the acceptance of the applicable Improvements by the relevant Governmental agencies, (v) otherwise providing all Services necessary for completion of the Development Work, within the Development Budget and Project Schedule as the same may be modified from time to time, (vi) signing documents, purchase orders, change orders and other instruments and writings related to the Project, (vii) issuing payments in connection with the Development Work on checks drawn against the Project Account(s) (as such term is hereafter defined), and (viii) such other tasks as are necessary to perform or procure the Development Work or as requested by the County.

2.2 Standard of Performance. DignityMoves shall furnish its skill and judgment to perform the Development Work and shall cooperate with the City, the County and the Third Parties performing Development Work or otherwise providing services relating to the Project. DignityMoves shall perform its duties and obligations under this Agreement in a reasonably efficient, expeditious and economical manner, in accordance with the applicable Project Schedule (subject, however, to the provisions of Section 3.2) and within the amounts budgeted in the Development Budget (except as otherwise permitted pursuant to the terms of this Agreement) consistent with the professional care, skill, judgment, diligence and care ordinarily provided by development managers practicing in the same or similar locality under the same or similar circumstances, but in no event less than reasonable skill and care, and in compliance with all Applicable Laws. DignityMoves shall perform its services as expeditiously as is consistent with such skill and care and the orderly progress of the Project, consistent with the Development Schedule. DignityMoves shall devote sufficient time and attention to ensure the full, prompt, and professional discharge of its duties under this Agreement.

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2.3 DignityMoves' Personnel, Contractors and Consultants. DignityMoves may perform its duties and obligations hereunder with its own employees and/or by engaging Consultants or Contractors. DignityMoves shall be responsible for hiring, supervising, training, and terminating all of its employees and staff members performing Services relating to the Project. The persons designated by DignityMoves as its representatives ("**Representatives**") shall represent DignityMoves as its agents and all written communications given to or by those Representatives shall be as if given to or by DignityMoves. DignityMoves and its employees, agents, Third Party Consultants, and Contractors shall at all times perform DignityMoves' obligations hereunder in a good and workmanlike manner. Any employee, agent, Third Party Consultant or Contractor of DignityMoves performing Development Work who, in the reasonable opinion of the County, does not perform its work in a skillful manner or appears to be incompetent or to act in a disorderly or intemperate manner shall, at the written request of the County, be promptly removed from performing Development Work on the Project. DignityMoves shall fully comply with all applicable laws and regulations relating to Workers' Compensation Insurance (WCI), social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related laws, including the California Labor Code, as applicable to DignityMoves' employees, agents, Third Party Consultants and Contractors.

2.4 County's Representative. Roxanne V. Wilson, County Administrative Office Homeless Services Director shall represent the County, and all written communications given to or by such representative shall be deemed given to or by the County. The County's representative may be changed from time to time by the County by delivery of written notice thereof to DignityMoves.

2.5 Access to Work. The County, DignityMoves and their respective officers, managers, members, representatives, agents, and employees shall at all times have access to the Project and the Development Work wherever it is in preparation or progress. It is acknowledged by all Parties that the County does not own the Project premises.

2.6 Project Accounts; Funding. DignityMoves shall submit to the Contract Administrator monthly invoices on a form acceptable to County setting forth the amounts claimed by DignityMoves for the previous month, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the County may require. The Contract Administrator or his or her designee shall certify the invoice within seven (7) business days of receipt of the invoice; either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within forty-five (45) days of receiving the certified invoice. DignityMoves shall not receive reimbursement for travel expenses unless set forth in this Agreement.

2.6.1 Dignity Moves shall establish a bank account (the "Project Account") specifically for the Project. The County will wire an advance payment of two million dollars and zero cents ($2,000,000) into the Project Account upon execution of the Agreement prior

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to DignityMoves submitting the initial draw package. To offset the advance payment, DignityMoves shall deduct $500,000 over each of the first four (4) monthly invoices of the Agreement. The advanced payment shall be fully offset by the Project completion date. DignityMoves agrees that the advanced payment provided in this Agreement, is to be used solely for the purposes of this Project. All payments after the advance payment will be paid 45 days after receipt of a certified invoice to the Auditor-Controller's office. Dignity Moves shall be authorized to issue checks or make withdrawals for payment of contractors, vendors and consultants from such Project Account once the County has approved the draw package.

2.6.2 The Draw Process. On a monthly basis: (a) Consultants and the Contractor shall submit their invoices to DignityMoves no later than the 23rd day of each month for work completed as of the 23rd day of that month; (b) DignityMoves shall review all invoices received for work completed as of the 23rd day of that month and assemble a DRAW PACKAGE for submittal to the County for the County's approval on the 25th day of that month, which draw package shall include: (i) a SUMMARY listing all invoices (including an invoice for DignityMoves' development fee pursuant to ARTICLE 7) to be paid for that month and the total draw amount; (ii) copies of all invoices to be paid; (iii) General Contractor's Application for Payment including conditional releases for the current pay application and unconditional releases for the previous pay application; and (iv) an updated DEVELOPMENT BUDGET reflecting paid-to-date and balance-to-complete. DignityMoves recommends and is amenable to a monthly draw review meeting with the County.

2.7 Licensing. DignityMoves has advised the County, and the County acknowledges, that DignityMoves does not hold a State of California, Department of Consumer Affairs, Contractors State License Board (CSLB) license. DignityMoves will obtain a business license with the City of Watsonville.

2.8 Term. The term of this Agreement shall commence as of the Effective Date and shall terminate on June 30, 2026, or on the date a certificate of occupancy issues for the Project and the County of Santa Cruz receives possession of the Project, whichever date is earlier.

2.9 Termination. The County may cancel and terminate this Agreement upon fourteen (14) days' written notice to DignityMoves upon an Event of Default provided, however, that if such Event of Default is deemed curable by both parties following a meet and confer, DignityMoves shall have the ability to cure the Event of Default within such fourteen (14) day period. Notwithstanding this provision, County shall have the right to immediately terminate this agreement in the event DignityMoves becomes insolvent, files or has filed against it, a petition for voluntary or involuntary bankruptcy or pursuant to any other insolvency law, makes or seeks to make a general assignment for the benefit of its creditors or applies for, consents to, or is ordered to an appointment of a trustee, receiver, or custodian for a substantial part of its property or business; provided, however, if such petition for voluntary or involuntary bankruptcy or pursuant to any other insolvency law or appointment of a trustee, receiver, or custodian for a substantial part of its property or business was involuntary and not consented to by DignityMoves, County may only terminate this Agreement if such petition or appointment is not discharged, stayed or dismissed

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within sixty (60) days of the filing of said petition or appointment, whichever occurs earlier.

ARTICLE 3
PERFORMANCE OF THE DEVELOPMENT WORK

3.1 Development Budgets.

3.1.1 Approval of Development Budgets. The County has approved of the preliminary Development Budget attached hereto as Exhibit B-1 and incorporated by this reference. DignityMoves shall advise the County if DignityMoves determines that the amounts set forth in the applicable Development Budget will be exceeded. Any amendments and all material changes to the Development Budget shall be promptly delivered and subject to the County's prior written approval.

3.1.2 Conformity with Development Budget. DignityMoves shall use commercially reasonable and diligent efforts to enable the Development Work to be completed in conformity with the Development Budget making use of the Funding available the Project; provided, however, in no event shall DignityMoves (a) be required to extend credit or expend funds with respect to the Project or (b) be responsible for the payment of any amounts incurred in excess of the Development budget unless such amounts arise from DignityMoves' gross negligence, willful misconduct or willful failure to perform its material obligations under this Agreement (beyond any applicable notice and cure period). The County acknowledges that changes to the Project scope will impact the Development Budget.

3.2 Project Schedule and Development Plan.

3.2.1 Approved Project Schedule and Development Plan. DignityMoves and the County will jointly agree upon the Project Schedule and Development Plan. The Project Schedule and Development Plan shall be updated regularly by DignityMoves. DignityMoves shall provide the County with reports with respect to the progress of the Development Work and the status of the Development Budget and amounts of the Funding remaining in the Project Accounts. DignityMoves shall provide the County with concurrent copies of Contractors' monthly applications for payment.

3.2.2 Delay. DignityMoves shall proceed with diligence to perform the Development Work in accordance with the Development Plan, the Development Schedule and the Development Budget. If any delay in completion of the Development Work in accordance with the Project Schedule (or other applicable time period as specified herein) occurs due to an Unavoidable Delay, including any City or public agency processing delays, the Project Schedule shall be appropriately modified. In the event of an Unavoidable Delay, DignityMoves and the County shall meet and confer within seven (7) business days to discuss modifications to the Development Plan, Project Schedule and the Development Budget.

3.2.3 Notification by DignityMoves. Promptly after DignityMoves becomes aware that (i) any action or performance shown in the Project Schedule will be materially delayed

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beyond the start or completion date that is specified for such action or performance in the Project Schedule or (ii) any changes to the Development Plan are necessary or advisable, and at such other times as the County may reasonably request, DignityMoves shall furnish to the County proposed additional or revised schedules with variance explanations and/or revisions to the Development Plan and/or Project Schedule. DignityMoves shall submit a written remedial plan of action for recapturing such schedule slippage, together with supporting documentation therefor. The County shall review the proposal with DignityMoves and DignityMoves shall make any necessary revisions thereto as mutually agreed upon during the review.

3.3 Responsibilities of DignityMoves.

3.3.1 General Responsibility. DignityMoves' general responsibility hereunder as the County's development manager shall be to manage, arrange, supervise and coordinate the planning, design, entitlement, permitting, development, construction, and completion of the Development Work, and to take such actions as the County may reasonably request within the scope of DignityMoves' responsibilities in this Agreement. DignityMoves will be required to make continuous inspections of the work and shall be responsible for fully understanding and supervising the means, methods, and techniques of construction, regardless of whether or not the work is under its control or under the control of Third Parties including DignityMoves' Contractors and any Subcontractors. In furtherance of the foregoing, the Development Work is proposed to consist of the following: a 34-unit interim housing site constructed with individual modular housing units containing individual rooms for habitation, along with common bathrooms, administrative offices, dining facilities, laundry and storage.

3.3.2 Project Approvals. DignityMoves shall be solely responsible for procuring Entitlements. DignityMoves shall ensure that the Project shall be developed in accordance with the terms and conditions of this Agreement and all approvals, entitlements and permits that the City and County or any other governmental body or agency with jurisdiction over the Project or the Property has granted or issued as of the effective date of this Agreement or may hereafter grant or issue in connection with development of the Project. DignityMoves and the County acknowledge that construction of the Project is expected to commence on or about June 1, 2024.

3.3.3 Construction Plans. DignityMoves has engaged the Architect to prepare construction plans for the Project (the "**Construction Plans**"), and together with the Architect, and such Consultants as the Architect and DignityMoves deem necessary, shall cause to be prepared building, grading and landscaping permit applications for review and approval by the City within sixty days of the Effective Date of this Agreement. DignityMoves shall be responsible for securing prompt review and comments by the City on any submissions of Construction Plans. DignityMoves shall inform the County of the City's comments, and the Architect shall instruct any Contractor or Consultants to submit each subsequent revision within thirty days of receipt of the City's comments, to the extent reasonably practicable. As used herein "**Construction Plans**" means all construction documents upon which DignityMoves, the Architect, Contractor and any Subcontractors or Consultants shall rely upon in constructing the Project, and shall include, without limitation, the site development plan, final architectural

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drawings, landscaping, exterior lighting and signage plans and specifications, materials specifications, final elevations, and building plans and specifications. The Construction Plans and any modifications thereto shall be based upon the site plan and elevations approved by the City and County, and the approvals issued by the City and County for the Project and shall not materially deviate therefrom without the express written consent of County.

3.3.4 Construction Pursuant to Plans. DignityMoves shall oversee the development, design and construction of the Project as herein described, in accordance with the approved Construction Plans and all other permits and approvals granted by the City and County pertaining to the Project. DignityMoves shall require its Architect, Contractor(s), Subcontractor(s), employees and Consultants to comply with all directions, rules and regulations of any fire marshal, health officer, building official or other officer of every governmental agency having jurisdiction over the Property or the Project. All design and construction work on the Project shall be performed by licensed design professionals including licensed Contractors, engineers or architects, as applicable and in accordance with state and local laws and regulations.

3.3.5 Construction Schedule. DignityMoves shall cause construction of the Project to be commenced by starting utility extensions, site preparation and foundation preparation ("**Commence Construction**") within three business days of City's issuance of a grading permit for the Property consistent with the Construction Plans, and the City's written notice to proceed. DignityMoves and the Architect shall cause construction of the Project to be diligently prosecuted to completion.

3.3.6 Bonds, Mechanic's Liens and Stop Notices. DignityMoves shall instruct the Contractor to procure performance and labor and materials bonds from sureties acceptable to DignityMoves to ensure completion of the Improvements in the estimated amount of the costs. DignityMoves shall keep the Property free from liens arising out of any work performed, materials furnished, or obligations incurred by or on behalf of DignityMoves in the performance of its duties hereunder.

3.3.7 As-Built Plans. Upon completion of construction, DignityMoves shall request on behalf of the County following the completion of the Improvements, either a set of marked-up as-built plans for the Improvements prepared by the Contractor, or alternatively a record drawing reflecting construction prepared by the Project Architect.

3.3.8 Use of Plans. The contracts secured and executed by DignityMoves relating to design and construction of the Improvements shall provide, in form and substance reasonably satisfactory to DignityMoves and the County, for the purpose of development of the Project.

3.3.9 Cost of Construction. The costs of designing, developing and constructing the Improvements of the Project and compliance with the Project approvals shall be paid from the Funding, which shall be made available pursuant to this Agreement to DignityMoves for its disbursement and application to the Architect, Contractor(s), Subcontractor(s), Consultants and other professionals contributing to the construction of the Project. See Section 3.5.

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3.3.10 Equal Opportunity. There shall be no discrimination on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the hiring, firing, promoting or demoting of any person engaged in construction work on the Property, and DignityMoves and its agents, including its Architect, Contractors, Subcontractors, Consultants shall refrain from discrimination on such basis.

3.3.11 Compliance with Laws. DignityMoves and any Contractors, and Consultants engaged by DignityMoves pursuant to this Agreement to carry out the construction of the Project and all subsequent improvements, alterations and replacements, shall perform such construction in a first class and workmanlike fashion in accordance with the Construction Plans and in accordance with Applicable Laws. The parties understand and agree that if the modular housing units are transferred to the County of Santa Cruz during the Warranty period for said units, then any and all rights pursuant to said Warranty period, including any corresponding product defect or manufacturing claims, shall be transferred to the County of Santa Cruz.

3.4 Ownership of Plans and Materials. The County is the sole owner of all Plans and Specifications and all other materials, prepared in connection with the Project. Upon completion or any termination of this Agreement, the County shall retain sole custody of all such materials and DignityMoves shall return to the County any and all copies of such materials.

3.5 Sufficiency of Project Funds. The Parties have agreed, and secured the understanding and agreement of the County, that the amount of the Funding is anticipated to be sufficient to complete the Project, and the Parties will work cooperatively and in good faith to accomplish the same in accordance with the Development Budget and Project Schedule as the same may be modified from time to time. Should the amount of Funding be deemed insufficient, by DignityMoves in its reasonable discretion, to complete the Project in accordance with the Plans and Specifications and pursuant to the Project Schedule, DignityMoves and the County shall meet and confer and either (a) identify and obtain sources of additional funding or (b) agree upon changes to either the Plans and Specifications or the Project Schedule, or both, in order to accomplish cost savings and efficiencies so the Project can be completed with the available amount of Funding and any additional funding identified pursuant to clause (a) of this Section 3.5 above.

3.6 Approvals and Requests for Consent. If at any time DignityMoves requests the approval of the County with respect to any matter relating to the Project, the County shall provide such approval or disapproval within five (5) Business Days of receiving written notice of such request (as provided in Section 10.4) from DignityMoves along with any documentation to support DignityMoves' request for approval and/or consent by the County. In the event the County is not able to process approval or disapproval within five (5) business days, the parties shall meet and confer regarding the process and timeframe to respond to such request, but approval or disapproval shall in no event be provided later than ten (10) days of the County's receipt of the written request from DignityMoves.

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ARTICLE 4
AUTHORITY OF DEVELOPMENT MANAGER

4.1 General Authority. DignityMoves shall carry out and discharge the responsibilities and obligations of DignityMoves under this Agreement (including, without limitation, all of the responsibilities imposed upon DignityMoves under Article 3); provided, however, that DignityMoves shall have no right or authority, express or implied, to commit or otherwise obligate the County in any manner whatsoever except to the extent specifically provided herein or specifically authorized in writing by the County.

ARTICLE 5
PROGRESS MEETINGS; REPORTING REQUIREMENTS

5.1 Progress Meetings. At the County's request, DignityMoves shall schedule and attend meetings with the County to discuss the progress of the development and construction of the Project. At such meetings DignityMoves shall provide the County with any updated Project Schedule, Development Budget and Development Plan required to be delivered by DignityMoves.

5.2 Third Party Information. DignityMoves shall furnish to the County, from time to time, promptly after the County's request, a current list of all of Dignity Moves' Contractors, Subcontractors, Consultants and Third Parties employed in connection with the Development Work.

5.3 Books and Records. Electronic copies of DignityMoves correct and complete books of account and business records in which all transactions respecting the Development Work shall be timely entered in accordance with generally accepted accounting principles and practices. Such accounts and records shall be kept by DignityMoves on an accrual basis and in all respects in a manner consistent with generally accepted accounting principles and practices consistently applied. DignityMoves shall preserve all such records and upon the expiration or earlier termination of this Agreement, shall deliver copies of all such records to the County. Such books shall be open at all reasonable times for inspection or copying by the County and its agents, employees, and representatives. The books shall be audited as directed by the County.

ARTICLE 6
INSURANCE AND INDEMNIFICATION

6.1 Insurance General. At all times during the Term, without limiting DignityMoves' duty to indemnify County, DignityMoves shall comply with the following insurance requirements:

6.1.1.1 Except as otherwise approved by the County, all insurance described under this Article to be carried by DignityMoves will be maintained by DignityMoves as follows: it will maintain workers compensation, general commercial liability, automobile

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insurance and an umbrella policy as more fully described below. These insurance policies are understood to be provided in association with DignityMoves development management services. DignityMoves' Contractor and any Subcontractor will obtain and maintain their own separate insurance policies as required.

6.1.1.2 Premiums for all policies of insurance required to be maintained by DignityMoves under this Agreement shall be paid by DignityMoves unless otherwise provided in this Agreement or in the Development Budget.

6.2 Evidence of Insurance. As evidence of DignityMoves' specified insurance coverage, the County shall accept certificates issued by DignityMoves' insurance carrier acceptable to the County showing such policies in force for the specified period. Such evidence shall be delivered to the County prior to commencement of Services. DignityMoves shall also allow the County to inspect such evidence of insurance as DignityMoves obtains from its Subcontractor(s), but the County shall have no obligation to inspect such evidence of insurance.

6.3 Workers' Compensation Insurance. DignityMoves shall maintain Workers' Compensation Insurance (statutory limit) for all persons whom it employs in carrying out the Services under this Agreement.

6.4 Commercial General Liability Insurance. DignityMoves shall maintain Commercial General Liability Insurance on an "occurrence" basis, with reasonably acceptable deductibles, premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence and with a total limit of Two Million Dollars ($2,000,000.00) with coverage at least as broad as the current ISO forms.

6.5 Automobile Liability Insurance. DignityMoves shall maintain owned, hired, leased, and non-owned automobile liability insurance covering all use of all automobiles, trucks and other motor vehicles utilized by DignityMoves in connection with this Agreement, with a combined single limit for bodily injury and property damage of One Million Dollars ($1,000,000.00).

6.6 Umbrella/Excess Coverage. DignityMoves shall maintain umbrella/excess liability coverage on an "occurrence" basis, with a combined single limit for bodily injury and property damage of Two Million Dollars ($2,000,000.00) covering general liability and automobile liability.

6.7 Additional Insured. Additional Insured Status. The County of Monterey, its officers, officials, employees, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of DignityMoves including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to DignityMoves' insurance (at least as broad as ISO Form CG 20 10 11 85 or

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if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

6.8 Primary Non-Contributory Coverage. For any claims related to this contract, DignityMoves' insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the DignityMoves' insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

6.9 Waiver of Subrogation. DignityMoves hereby grants to County a waiver of any right to subrogation which any insurer of DignityMoves may acquire against the County by virtue of the payment of any loss under such insurance. DignityMoves agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

6.10 Other Insurance Requirements. All insurance required by this Agreement shall be with a company reasonably acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of two (2) years following the date DignityMoves completes its performance of services under this Agreement. Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended nonrenewal thereof. Each policy shall provide coverage for DignityMoves and additional insureds with respect to claims arising from each subcontractor performing work under this Agreement or be accompanied by a certificate of insurance from each showing each subcontractor has identical insurance coverage to the above requirements. Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of DignityMoves' work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of Additional Insureds shall not be called upon to contribute to a loss covered by DignityMoves' insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99. Prior to the execution of this Agreement by the County, DignityMoves shall file certificates of insurance with the County's Contract Administrator and County's Contracts/Purchasing Division, showing that DignityMoves has in effect the insurance required by this Agreement. DignityMoves shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. DignityMoves shall at all times during the term of this Agreement maintain in

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force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify DignityMoves and DignityMoves shall have five (5) calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by DignityMoves to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

6.11 County's Insurance. The County is self-insured for general liability up to $2.5 million. Above the self-insured retention, the County maintains a primary excess layer up to $10 million. The County may elect to maintain an OCIP insurance policy with respect to the Project in such form and amount and with such limits as reasonably agreed by DignityMoves and the County and an employee liability policy (EPL) covering all County employees working at the Project.

6.12 Indemnification. DignityMoves shall indemnify, defend and hold harmless the County, its officers, agents and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with any negligence or willful misconduct by DignityMoves, its officers, employees, Contractors, Subcontractors, and/or Consultants, such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "DignityMoves' performance" includes Dignity Moves' action or inaction and the action or inaction of DignityMoves' officers, employees, agents, Contractors, Subcontractors and Consultants.

6.14 Indemnification Agreement to be included in DignityMoves' Design Professional Agreements. DignityMoves shall require the following indemnification provisions to be included in their Professional Services Agreement and Construction Contracts for any design/construction work to be performed as a part of this Program, (Indemnification Agreement) "design professional" has the same meaning set forth in California Civil Code section 2782.8. If any term, provision or application of this Indemnification Agreement provision is found to be invalid, in violation of public policy or unenforceable to any extent, such finding shall not invalidate any other term or provision of this Indemnification Agreement provision, and such other terms and provisions shall continue in full force and effect. If there is any conflict between the terms, provisions or application of this Indemnification Agreement provision and the provisions of California Civil Code sections 2782 or 2782.8, the broadest indemnity protection for County under this Indemnification Agreement that is permitted by law shall be provided by DignityMoves' design professionals.

6.15 Indemnification for Design Professional Services Claims. Dignity Moves' design professionals shall indemnify, defend and hold harmless County, its governing board, directors, officers, employees, and agents against any claims that arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of DignityMoves' design

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professionals', its employees, Contractors, Subcontractors, Consultants and agents in the performance of design professional services under this Agreement, excepting only liability arising from the sole negligence, active negligence or willful misconduct of County, or defect in a design furnished by County, but in no event shall the amount of DignityMoves' design professional's liability exceed DignityMoves' design professional's proportionate percentage of fault as determined by a court, arbitrator or mediator, or as set out in a settlement agreement. In the event one (1) or more defendants to any action involving such claim or claims against County is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, such Contractor shall meet and confer with the other parties to such action regarding unpaid defense costs. DignityMoves' design professionals shall agree to reimburse our clients for their legal fees and costs in proportion to either our agreed (via settlement agreement) or adjudicated (via arbitration or litigation) percentage fault.

6.16 Indemnification for All Other Claims or Loss. For any claim, loss, injury, damage, expense or liability other than claims arising out of DignityMoves' design professionals' performance of design professional services under this Agreement, DignityMoves' design professionals' shall indemnify, defend and hold harmless County, its governing board, directors, officers, employees, and agents against any claim for loss, injury, damage, expense or liability resulting from or alleging injury to or death of any person or loss of use of or damage to property, arising from or related to the performance of services under this Agreement by DignityMoves' design professionals', its employees, Contractors, Subcontractors, Consultants or agents, excepting only liability arising from the sole negligence, active negligence or willful misconduct of County, or defect in a design furnished by County.

ARTICLE 7
COMPENSATION AND REIMBURSEMENT OF DEVELOPMENT MANAGER

DignityMoves shall be compensated by a development fee equal to Three Hundred Thousand Dollars ($300,000). DignityMoves shall be entitled to reimbursement of its actual expenses and costs in the amounts indicated for such purposes in the Project Budget. DignityMoves understands and agrees that such reimbursements are for actual costs which may be limited or reduced in the event of changes to the Project Budget. Any changes to the Project Budget shall be reviewed and approved by the County. The Parties understand and agree that as of the effective date of this Agreement, no additional funds have been donated, or otherwise provided or allocated to fund the construction of the Project as indicated above in Recital D which states,

The County will provide and administer funding, in the amount of approximately $~~5,034,591~~6,122,666, which will include funds administered by the County through the State of California Encampment Resolution Funding Program and the Central California Alliance for Health Housing Funding Award (together with any additional funds donated or otherwise provided, if any, to fund the construction of the Project, collectively, the "Funding"). ~~The Parties understand and agree that no additional funds have been donated, or otherwise provided or allocated, to fund the construction of the Project.~~

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ARTICLE 8
FUNDING FOR PROJECT

8.1 Costs to be Paid With Funding. Project Costs, which are to be sourced by the Funding and such additional funding sources as the Parties may identify and secure during the term of this Agreement, shall include the following general categories to the extent incurred by DignityMoves in accordance with the Development Budget (Exhibit B-1):

8.1.1 All costs for architectural, legal, accounting, engineering and other consultant services and for soils, geological, and toxic and hazardous waste studies, and any environmental studies;

8.1.2 All construction costs, including labor and material costs and equipment rental and repair, and the costs to maintain the Property as provided in this Agreement;

8.1.3 All Governmental licenses and fees relating to the Project, costs to process, obtain and maintain the Entitlements, all real and personal property taxes imposed against the Property and Project and all bonds or deposits required in connection with the development of the Project;

8.1.4 All financing costs, including interest payments, for loans from traditional lenders for actual costs incurred and directly related to DignityMoves' Development of the Project.

8.1.5 The premiums on any insurance required to be carried by DignityMoves pursuant to this Agreement to the extent properly allocable to the Project (but excluding Workers' Compensation Insurance); and

8.1.6 Subject to available Funding, all other actual costs incurred in connection with the Development Work.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of DignityMoves. DignityMoves hereby represents and warrants to the County as follows:

9.1.1 Formation; Qualification. DignityMoves is a nonprofit corporation, duly formed, validly existing and in good standing under the laws of the State of California.

9.1.2 Authorization; Binding Agreement. DignityMoves has taken all action required to allow DignityMoves to enter into this Agreement. This Agreement constitutes a legal, valid and binding obligation of DignityMoves, and neither its execution nor performance

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violates the requirements of any other agreement to which DignityMoves is a party or is otherwise bound.

9.1.3 Resources. DignityMoves has and shall maintain at all times during the Term sufficient facilities, expertise, staff, assets and other resources to perform its duties under this Agreement.

9.2 Representations and Warranties of County. The County hereby represents and warrants to DignityMoves as follows:

9.2.1 County. County is a political subdivision of the State of California.

9.2.2 Authorization; Binding Agreement. The County has taken all action required to allow the County to enter into this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the County.

ARTICLE 10
MISCELLANEOUS PROVISIONS

10.1 Remedies Cumulative. No remedy herein reserved is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other given in this Agreement or as now or hereafter existing or at law, equity or by statute.

10.2 Nonwaiver. The failure of either party to notify the other of any default under this Agreement shall not be deemed to be a waiver of any continuing default of any term, covenant or condition set forth in this Agreement, nor of such party's right to declare a default for any such continuing breach, and the failure of either party to insist upon strict performance of any of the terms, covenants or conditions of this Agreement, or to exercise any option in this Agreement in any one or more instances, shall not be construed as a waiver or relinquishment of any such terms, covenants, conditions or options, but the same shall be and remain in full force and effect,

10.3 Successors and Assigns. Neither party may assign this Agreement in whole or in part, or any interest herein, without the other party's prior written consent, which shall not be unreasonably withheld. Any assignment without such consent shall be void and of no effect. Notwithstanding the foregoing, DignityMoves acknowledges that the County intends to assign this Agreement to the County of Santa Cruz on or before June 30, 2026. The rights and obligations of the parties hereunder shall, subject to the limitations on assignment contained in this Section, be binding upon, and inure to the benefit of, the successors and assigns of the County and DignityMoves.

10.4 Written Notice. For purposes of this Agreement, notices will be deemed to have been given upon personal delivery thereof, three (3) Business Days after having been deposited in the United States mail, postage prepaid and properly addressed, one (1) Business Day after having been sent by Federal Express or other similar overnight delivery service or upon confirmation if sent by facsimile or email. Any party hereto may from time to time, by written notice to the other,

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designate a different address which shall be substituted for the one set forth below.

County:	County of Monterey County Administrative Office 168 West Alisal Street, Third Floor Salinas, California 93901 Attn: Roxanne V. Wilson, Homeless Services Director Email: wilsonr@co.monterey.ca.us
DignityMoves:	DignityMoves 2406 Bush Street San Francisco, California 94115 Attn: Elizabeth Funk, Chair/CEO Email: elizabeth@DignityMoves.org

10.5 Severability. Should any one or more provisions set forth in this Agreement for any reason be held invalid, illegal or unenforceable in any respect, any such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been incorporated therein provided that the deletion of such provision does not materially alter this Agreement.

10.6 No Third-Party Beneficiaries. This Agreement is not intended and shall not be deemed or construed to confer any rights, powers or privileges on any person, firm, partnership, corporation or other entity not a party hereto except as may be expressly provided herein to the contrary.

10.7 Exhibits and Headings; Construction. The Exhibits attached or to be attached hereto shall be construed with and as integral parts of this Agreement to the same extent as if the same had been set forth verbatim herein. The titles and headings of articles and sections of this Agreement are intended for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement. As used herein: (i) the singular shall include the plural (and vice versa) and the masculine or neuter gender shall include the feminine gender (and vice versa) where the context so requires; (ii) locative adverbs such as "herein," "hereto," and "hereunder" shall refer to this Agreement in its entirety and not to any specific Section or paragraph; (iii) the terms "include," "including," and similar terms shall be construed as though followed immediately by the phrase "but not limited to;" and (iv) "shall," "will" and "must" are mandatory and "may" is permissive.

10.8 Oral Agreements. No oral order, objection, claim or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by an express waiver or modification thereof in writing, and no evidence shall be introduced in any proceeding of any other waiver or modification.

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10.9 Counterparts. This Agreement may be executed in any number of counterparts, and each of such counterparts for all purposes shall be deemed to be an original, and all of such counterparts should constitute one and the same agreement.

10.10 Governing Law; Venue for Resolution of Legal Actions. This Agreement shall be governed by the laws of the State of California. Any litigation regarding the enforcement or the interpretation of the terms and conditions of this Agreement shall be filed in the Superior Court of the State of California, County of Monterey.

10.11 Merger. All prior understandings and agreements between the parties respecting this relationship, are merged into this Agreement, which Agreement fully and completely expresses the agreement of the parties, and there are no representations, warranties or agreements except as specifically and expressly set forth herein and in the Exhibits which are attached and incorporated by reference into this Agreement.

10.12 Time. Time is of the essence for this Agreement and each provision hereof of which time is an element.

10.13 Confidentiality. DignityMoves and its officers, employees, agents, and Contractors, Subcontractors and Consultants shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. DignityMoves shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits DignityMoves to disclose such records or information. DignityMoves shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. DignityMoves shall not use any confidential information gained by DignityMoves in the performance of this Agreement except for the sole purpose of carrying out DignityMoves' obligations under this Agreement.

10.14 County Records. When this Agreement expires or terminates, DignityMoves shall return to County any County records which DignityMoves used or received from County to perform services under this Agreement.

10.15 Maintenance of Records. DignityMoves shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. DignityMoves shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then DignityMoves shall retain said records until such action is resolved.

10.16 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of DignityMoves related to services provided under this Agreement. Pursuant to Government Code section 8546.7,

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if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.17 Non-Discrimination: During the performance of this Agreement. DignityMoves and its Contractors, Subcontractors and Consultants shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in DignityMoves' employment practices or in the furnishing of services to recipients. DignityMoves shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. DignityMoves and Contractors, Subcontractors and Consultants shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

10.18 Compliance With Terms of State or Federal Grants. If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, DignityMoves will comply with all the provisions of said contract, to the extent applicable to DignityMoves as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to DignityMoves, at no cost to DignityMoves.

10.19 Parties' Relationship. No provisions of this Agreement shall be intended to create an agency, partnership or joint venture or other similar relationship between the County and DignityMoves with respect to the Project, and neither party shall have the power to bind or obligate the other party, except as expressly set forth in this Agreement. Neither this Agreement nor any communication or other action between the parties relating to the Project, is intended shall be construed to create a joint venture, partnership or other similar relationship between DignityMoves and the County.

10.20 Advice of Counsel. Each party represents and warrants that it has received the advice of independent counsel of its own choosing with respect to the meaning and effect of this Agreement. No provision of this Agreement shall be construed in favor of or against any party on the ground that such party or its counsel drafted the provision.

10.21 DignityMoves' Default. The occurrence and continuance of any one or more of the following events, beyond the expiration of any applicable grace and/or cure period provided for herein, is an "**Event of Default**" hereunder by DignityMoves:

10.21.1 Uncured Breach. Any breach or default by DignityMoves of any

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covenant, duty, obligation, representation, or warranty under this Agreement; provided, however, that before such breach or default is deemed an Event of Default, DignityMoves shall have: (i) received notice from the County of such breach or default; and (ii)(A) failed to cure or remedy such breach or default within ten (10) business days following such notice, in the event of a monetary default, or thirty (30) days following the date of such notice in the event of any other breach or default; or (B) if such breach or default does not consist of the failure to pay money and is not curable within such thirty (30)-day period, failed to commence such cure within such thirty (30)-day period or failed to diligently and continuously pursue such a cure or remedy thereafter and in any event failed to fully cure or remedy such breach or default within sixty (60) days of such notice to DignityMoves.

10.21.2 Bankruptcy. There is a bankruptcy or dissolution with DignityMoves.

10.21.3 Improper Conduct. DignityMoves is grossly negligent or engages in fraud, bad faith, or willful misconduct in connection with the Services.

10.22 Contingency. This Agreement is contingent upon the County's successful receipt and retainment of grant funding from the State of California Encampment Resolution Funding grant.

10.23 Remedies on Default. Upon an Event of Default, the non-defaulting party shall have the authority to exercise any and all rights and remedies available at law or in equity, including, without limitation, the right to terminate this Agreement upon ten (10) days' written notice to the other.

[SIGNATURES ON FOLLOWING PAGES]

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IN WITNESS WHEREOF, County and DIGNITYMOVES have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY:	**DIGNITYMOVES, a non-profit Corporation:**
County Administrative Office (CAO), Sonia M. De La Rosa, CAO By: _____ Deborah Paolinelli, Assistant CAO Date: _____	**Elizabeth Funk, Chair** By:_____ Elizabeth Funk, Chair Date: _____
Debra R. Wilson, Contracts/Purchasing Officer By: _____ Debra R. Wilson, Contracts/Purchasing Officer Date: _____	**DIGNITYMOVES, a non-profit corporation:** By: _____ Freya Estreller, CFO Name: _____ Title: _____
APPROVED AS TO FORM: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: _____ Marina Pantchenko, Deputy County Counsel	
APPROVED AS TO FISCAL PROVISIONS: Rupa Shah, Auditor-Controller By: _____ Name: _____ Title: _____	
APPROVED AS TO INSURANCE AND INDEMNIFICATION PROVISIONS: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: _____ David Bolton, Risk Manager	

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EXHIBIT A-1

THE PROPERTY ~~("TEST FIT") OPTION 1 & OPTION 2~~

SITE PLAN DIAGRAM

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EXHIBIT B-1

DIGNITYMOVES DEVELOPMENT BUDGET

Dignity Moves
Development Management Services Budget
~~5 Cherry Court~~118 First Street in the City of Watsonville (APN 017-172-~~31~~32)

Hard Costs	
GC Contract	$ ~~1,796,906.00~~3,711,986
~~FEMA Floodplain Zone Improvements~~	~~$ 1,000,000.00~~
Modular Buildings	$ ~~969,855.00~~1,444,672.00
Owner Contingency	$ ~~380,000.00~~200,000.00
~~Accessory Buildings~~	~~$ 47,000.00~~
~~Accessories~~	~~$ 2,500.00~~
Hard Costs Subtotal	**$ ~~4,196,261.00~~5,356,658.00**
Soft Costs	
Design	
Initial Design	$ 5,000.00
Architectural Contract	$ ~~162,000.00~~66,147.00
~~Design Contingency~~	~~$ 10,000.00~~
Consultants	
MEP	$ ~~30,000.00~~5,000.00
~~Structural~~	~~$ 15,000.00~~
Civil Engineering	$ ~~15,000.00~~ 45,000.00
~~Site Survey~~	~~$ 25,000.00~~
Permit Fees	$ 264,407.00~~59,298.00~~
~~School Fees~~	~~$ 39,532.00~~
Utility Connection Fees	
Electrical Engineering Fees & Install Costs	$ 75,000.00
~~Water Connection & Capacity Fees~~	~~$ 25,000.00~~
~~Sewer Connection & Capacity Fees~~	~~$ 15,000.00~~
~~*FF&E*~~	
~~Personal Property~~	~~$ 25,000.00~~
~~*Low Voltage*~~	
~~Security System, Cameras~~	~~$ 30,000.00~~
Financing/Legal	
Legal	$ ~~7,500.00~~7,338.00

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Management Fee		
Dignity Moves	$	300,000.00
Soft Costs Subtotal	**$**	**~~838,330.00~~766,008.00**
Total Project Budget	**$**	**~~5,034,591.00~~6,122,666.00**

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COUNTY OF MONTEREY STANDARD AGREEMENT

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:

Kendel White dba K&D Landscaping Inc.,

(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1.0 GENERAL DESCRIPTION:

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

Provide: services to pour concrete slab and place dog tunnel.

2.0 PAYMENT PROVISIONS:

2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of: **$** 40,000.00

3.0 TERM OF AGREEMENT:

3.01 The term of this Agreement is from September 1, 2025 to June 30, 2026, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement**.

3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS:

The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions

Exhibit B Other:

See page 11(a) for a list of Exhibits

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5.0 PERFORMANCE STANDARDS:

5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.

5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6.0 PAYMENT CONDITIONS:

6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.

6.03 Invoice amounts shall be billed directly to the ordering department.

6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.05 CONTRACTOR shall not receive reimbursement for mileage or travel expenses unless set forth in this Agreement.

7.0 TERMINATION:

7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

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7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8.0 INDEMNIFICATION:

CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9.0 INSURANCE REQUIREMENTS:

9.01 **Evidence of Coverage:** Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 **Qualifying Insurers:** All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current A.M. Best's Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Agent.

9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to

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indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance: including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence, and $2,000,000 in the aggregate.
(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Auto Liability Coverage: must include motor vehicles, including scheduled, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.
(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance: if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.
(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.
(Note: Professional liability insurance coverage is required if the contractor is providing a professional service regulated by the state. Examples of service providers regulated by the state are insurance agents, professional architects and engineers, doctors, certified public accountants, lawyers, etc. However, other professional Contractors, such as computer or software designers, technology services, and services providers such as claims administrators, should also have professional liability. If in doubt, consult with your risk or contract manager.)

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor.

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9.04 **Other Requirements:**

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Additional Insured Status:

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the auto liability policy for liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor. Auto liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance.

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage:

For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Workers' Compensation Waiver of Subrogation:

The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against COUNTY, its officers, officials, employees, agents, or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by CONTRACTOR. Should CONTRACTOR be self-insured for workers' compensation, CONTRACTOR hereby agrees to waive its right of subrogation against COUNTY, its officers, officials,

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employees, agents, or volunteers.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance and endorsements with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10.0 RECORDS AND CONFIDENTIALITY:

10.01 **Confidentiality:** CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.02 **County Records:** When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.

10.03 **Maintenance of Records:** CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after reciept of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then CONTRACTOR shall retain said records until such action is resolved.

10.04 **Access to and Audit of Records:** The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining

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to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05 **Royalties and Inventions:** County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

10.06 **Format of Deliverables:** For this section, "Deliverables" shall mean all electronic documents CONTRACTOR provides to the County under this Agreement. CONTRACTOR shall ensure all Deliverables comply with the requirements of the Web Content Accessibility Guidelines ("WCAG") 2.1, pursuant to the Americans with Disabilities Act ("ADA"). CONTRACTOR bears the burden to deliver Deliverables, such as Adobe Acrobat Portable Document Format ("PDF") and Microsoft Office files, complying with WCAG 2.1. CONTRACTOR shall defend and indemnify the County against any breach of this Section. This Section shall survive the termination of this Agreement. Find more on Accessibility at this State website: https://webstandards.ca.gov/accessibility/.

11.0 NON-DISCRIMINATION:

11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS:

If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13.0 COMPLIANCE WITH APPLICABLE LAWS:

13.01 CONTRACTOR shall keep itself informed of and in compliance with all federal, state, and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT as well as any privacy laws including, if applicable, HIPAA. CONTRACTOR shall procure all permits and licenses,

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pay all charges and fees, and give all notices require by law in the performance of the Services.

13.02 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

13.03 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations, and guidelines that are in force at the time such documentation is prepared.

14.0 INDEPENDENT CONTRACTOR:

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is always acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

15.0 NOTICES:

Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	**FOR CONTRACTOR:**
Roderick W. Franks, Director	Brian Gates, Senior Project Manager
Name and Title	Name and Title
1000 S. Main St., Suite 301, Salinas, CA 93901	P.O. Box 2187, Freedom, CA 95019
Address	Address
831-755-4430	831-728-4018
Phone:	Phone:

16.0 MISCELLANEOUS PROVISIONS.

16.01 **Conflict of Interest:** CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance

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of the services required to be rendered under this Agreement.

16.02 **Amendment:** This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

16.03 **Waiver:** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

16.04 **Contractor:** The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

16.05 **Disputes:** CONTRACTOR shall continue to perform under this Agreement during any dispute.

16.06 **Assignment and Subcontracting:** The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

16.07 **Successors and Assigns:** This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

16.08 **Headings:** The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

16.09 **Time is of the Essence:** Time is of the essence in each and all of the provisions of this Agreement.

16.10 **Governing Law:** This Agreement shall be governed by and interpreted under the laws of the State of California; venue shall be Monterey County.

16.11 **Non-exclusive Agreement:** This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

16.12 **Construction of Agreement:** The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

16.13 **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

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16.14 **Authority:** Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

16.15 **Integration:** This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.

16.16 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

17.0 CONSENT TO USE OF ELECTRONIC SIGNATURES.

17.01 The parties to this Agreement consent to the use of electronic signatures via DocuSign to execute this Agreement. The parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 U.S.C. Section 7001 et seq.; California Government Code Section 16.5; and, California Civil Code Section 1633.1 *et. seq.* Pursuant to said state and federal law as may be amended from time to time, the parties to this Agreement hereby authenticate and execute this Agreement, and any and all Exhibits to this Agreement, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF).

17.02 **Counterparts.**

The parties to this Agreement understand and agree that this Agreement can be executed in two (2) or more counterparts and transmitted electronically via facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) via email transmittal.

17.03 **Form: Delivery by E-Mail or Facsimile.**

Executed counterparts of this Agreement may be delivered by facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) by e-mail transmittal, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart or counterparts had been delivered to the other party in person.

********** THIS SECTION INTENTIONALLY LEFT BLANK **********

18.0 SIGNATURE PAGE

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: _____

Contracts/Purchasing Officer

Date: _____

By: _____

Department Head (if applicable)

Date: _____

Approved as to Form
Office of the County Counsel[1]
Susan K. Blitch, County Counsel

By: DocuSigned by: Anne Brereton A46091E5DE63489...

County Counsel

Date: 9/22/2025 | 3:26 PM PDT

Approved as to Fiscal Provisions

By: DocuSigned by: Patricia Ruiz E79EF64E37454F6...

Auditor/Controller

Date: 9/23/2025 | 9:11 AM PDT

Reviewed as to Liability Provisions
Office of the County Counsel-Risk Management

By: _____

David Bolton, Risk Manager

Date: _____

CONTRACTOR

Kendel White dba K&D Landscaping Inc.

Contractor/Business Name *

By: DocuSigned by: Justin White 87E9FFD21634479...

(Signature of Chair, President, or Vice-President)

Justin White - CEO

Name and Title

Date: 9/19/2025 | 1:49 PM PDT

By: Signed by: Jessica Wendt 0993BB2020E841E...

(Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Jessica Wendt, Secretary

Name and Title

Date: 9/22/2025 | 3:10 PM PDT

County Board of Supervisors' Agreement No. _____ approved on _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers (California Corporations Code, §313). If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of either 1) any member, or 2) two (2) managers (Corporations Code, §17703.01, subds. (a) and (d)). If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute on behalf of the partnership (Corporations Code, §§16301 and 15904.02). If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign

[1]Approval by the Office of the County Counsel is required.

[2]Approval by Auditor-Controller is required.

[3]Review by Risk Management is necessary only if changes are made in the Indemnification or Insurance paragraphs.

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LIST OF EXHIBITS
Kendal White dba K&D Landscaping Inc

Exhibit A	Scope of Services
Exhibit B	DSS Additional Provisions
Exhibit C	Proposal
Exhibit D	Budget
Exhibit E	Sample Invoice

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SCOPE OF SERVICES/PAYMENT PROVISIONS

Kendal White dba K&D LANDSCAPING INC

A. TOTAL FUNDING: $40,000.00 HHAP-4

B. CONTRACT TERM: September 1, 2025 – June 30, 2026

C. CONTACT INFORMATION:

County Contract Monitor:
County of Monterey Department of Social Services
Sylvia Solis, Administrative Services Officer
1000 S. Main Street, Suite 304 Salinas, CA 93901
Phone: (831) 755-4483
Soliss@countyofmonterey.gov

Contractor Information:
K&D Landscaping Inc
Brian Gates, Senior Project Manager
P.O. Box 2187, Freedom, CA 95019
Phone: (831) 718-4018
Brian@kndlandscaping.com

Location of Services:
SHARE Center
845 E. Laurel Drive
Salinas, CA

D. CONTRACT AWARD INFORMATION

CONTRACTOR UEI Number: KDGWW1EDAYK1
Date County Awarded Funding: N/A
ALN and Dollar Amount: N/A
Federal Award Description: N/A
Research and Development: No
Indirect Cost Rate: N/A

E. DESCRIPTION OF SERVICES:

CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

E.1 Excavation, grade, pour and broom area for a concrete pad in the open area of the dog kennel area size 45’ x 12’ pad. The concrete shall be 3500 psi mix, 6” thick, with #3 rebar at 16” o.c. over machine compacted base rock.

E.2 Place and compact base rock for the dog tunnel installation, install dog tunnel, provided by COUNTY.

E.3 CONTRACTOR shall provide services and staff and otherwise do all things necessary for or incidental to the performance of work, as set forth below.

E.3.1 Spread surplus soil on site or haul away

F. COMPENSATION/PAYMENT PROVISIONS:

In accordance with the principles of this Agreement, the duties and responsibilities of COUNTY are outlined as follows. The COUNTY shall:

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SCOPE OF SERVICES/PAYMENT PROVISIONS

F.1 Prevailing wages: CONTRACTOR shall comply with provisions of the California Labor Code (sections 1720, et seq.) governing public works, including payment of prevailing wages, payroll records and employment of apprentices. Copies of the determination of the general prevailing rate of per diem wages are available to interested parties at: http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm.

F.2 DIR Registration: During the entire term of this Agreement CONTRACTOR shall be registered with the California Department of Industrial Relations as a Public Works Contractor pursuant to Division 2, Part 7, Chapter 1, commencing with section 1720 of the California Labor Code. CONTRACTOR shall also fully comply with all SB 854 requirements.

F.3 Posting of Prevailing Wages at Job Site: CONTRACTOR shall be responsible for posting a copy of the determination of the prevailing wage rate of per diem wages at each job site for which CONTRACTOR provides services under this agreement to remain compliant with California Labor Code 1773.2.

F.4 The COUNTY may, in its sole discretion, terminate this Agreement or withhold payments claimed by the CONTRACTOR for services rendered if the CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

F.5 Total cost of this program is ***forty thousand dollars*** **($40,000.00)**.

F.5.1 Details regarding payments toward this project shall be reported *monthly* on the *Monthly* Invoices in the form of **Exhibit E, Sample Invoice**.

F.6 Maximum amount payable by COUNTY to CONTRACTOR under this Agreement shall not exceed ***forty thousand dollars*** **($40,000.00),** per **Exhibits D, Budget.**

F.7 CONTRACTOR shall submit original signed monthly invoices with supportive documentation to COUNTY setting forth the amount claimed by the 10th day of the month in which services were performed on the form set in **Exhibit E**, **Sample Invoice**. The final fiscal year invoices will be due no later than *July 10, 2026*.

F.8 All original signed invoices shall be submitted to the County Contract Monitor as listed in Section C.

(End of Exhibit A)

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MONTEREY COUNTY
DEPARTMENT OF SOCIAL SERVICES

ADDITIONAL PROVISIONS

I. PAYMENT BY COUNTY:

1.01 Monthly claims/invoices by CONTRACTOR: Not later than the tenth (10th) day of each month, CONTRACTOR shall submit to COUNTY a signed invoice setting forth the amount claimed. All invoices (monthly and final) shall be submitted in the form set forth in **Exhibit E**.

1.02 Final Invoice; forfeiture for late invoice: CONTRACTOR's final month and end of fiscal year invoice is due, and must be received by COUNTY, no later than close of business on **July 10th. If the Final Invoice is not received by COUNTY by close of business on July 10th. CONTRACTOR understands and agrees that the reimbursement of CONTRACTOR's final expenses represented by that invoice may be forfeited, and COUNTY shall have no legal obligation regarding it, nor shall COUNTY be required to make any payment towards that untimely/late invoiced claim.**

1.03 Allowable Costs:
a) Allowable costs shall be the CONTRACTOR's actual costs of developing, supervising and delivering the services under this Agreement, as set forth in **Exhibit D**. Only the costs listed in **Exhibit D** as contract expenses may be claimed as allowable costs. Any dispute over whether costs are allowable shall be resolved in accordance with the provisions of 45 Code of Federal Regulations, Part 74, Sub-Part F and 48 Code of Federal Regulations (CFR), Chapter 1, Part 31.

b) Allowable costs for travel expenses incurred while providing services under this Agreement, as set forth in **Exhibit D**, must follow the Monterey County Auditor/Controller's Travel Policy https://www.countyofmonterey.gov/government/departments-a-h/auditor-controller/policies-and-procedures and should be invoiced the current per diem rates for lodging, meals, and mileage up to the rates listed online at https://www.irs.gov/tax-professionals/standard-mileage-rates.

1.04 Cost Control: CONTRACTOR shall not exceed by more than twenty (20) percent any contract expense line-item amount in the budget without the written approval of COUNTY, given by and through the Contract Administrator or Contract Administrator's designee. CONTRACTOR shall submit an amended budget with its request for such approval. Such approval shall not permit CONTRACTOR to receive more than the maximum total amount payable under this contract. Therefore, an increase in one-line item will require corresponding decreases in other line items.

1.05 Payment in Full:
a) If COUNTY certifies and pays the amount requested by CONTRACTOR, such payment shall be deemed payment in full for the month in question and may not thereafter be reviewed or modified, except to permit COUNTY's recovery of overpayments.

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b) If COUNTY certifies and pays a lesser amount than the amount requested, COUNTY shall, immediately upon certification of the lesser amount, notify CONTRACTOR in writing of such certification. If CONTRACTOR does not protest the lesser amount by delivering to COUNTY a written notice of protest within twenty (20) days after CONTRACTOR's receipt of the certification, then payment of the lesser amount shall be deemed payment in full for the month in question and may not thereafter be questioned by CONTRACTOR.

1.06 Disputed payment amount: If COUNTY pays a lesser amount than the amount requested, and if CONTRACTOR submits a written notice of protest to COUNTY within twenty (20) days after CONTRACTOR's receipt of the certification, then the parties shall promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such dispute until the parties have met and attempted to resolve the dispute in person.

II. PERFORMANCE STANDARDS & COMPLIANCE

2.01 Outcome objectives and performance standards: CONTRACTOR shall for the entire term of this Agreement provide the service outcomes set forth in **Exhibit A**. CONTRACTOR shall meet the contracted level of service and the specified performance standards described in **Exhibit A**, unless prevented from doing so by circumstances beyond CONTRACTOR's control, including but not limited to, natural disasters, fire, theft, and shortages of necessary supplies or materials due to labor disputes.

2.02 County monitoring of services: COUNTY shall monitor services provided under this Agreement in order to evaluate the effectiveness and quality of services provided.

2.03 Notice of defective performance: COUNTY shall notify CONTRACTOR in writing within thirty (30) days after discovering any defects in CONTRACTOR's performance. CONTRACTOR shall promptly take action to correct the problem and to prevent its recurrence. Such corrective action shall be completed and a written report made to the COUNTY concerning such action not later than thirty (30) days after the date of the COUNTY's written notice to CONTRACTOR.

2.04 Termination for cause: Notwithstanding Section 7.02 of the Agreement, if the corrective actions required above are not completed and the report to the COUNTY not made within thirty (30) days, the COUNTY may terminate this Agreement by giving five (5) days' written notice to CONTRACTOR.

2.05 Remedies for Inadequate Service Levels:

a) For each month that service falls below 80% of the contracted level, CONTRACTOR shall submit to the COUNTY an analysis of the causes of the problem and any necessary actions to be taken to correct the problem. If the problem continues for another month, the COUNTY shall meet with CONTRACTOR to explore the problem and develop an appropriate written corrective action plan with appropriate time frames.

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b) If CONTRACTOR does not carry out the required corrective action within the time frame specified, sanctions shall be applied in accordance with funding source regulations.

c) Notwithstanding Section 7.02 of the Agreement, if, after the COUNTY notifies CONTRACTOR of any sanctions to be imposed, CONTRACTOR continues in its failure to take corrective action, then COUNTY may terminate this contract by giving CONTRACTOR five (5) days' written notice.

d) If all appropriate corrective actions are taken but service still falls 80% or more below contracted level, COUNTY and CONTRACTOR may renegotiate the contracted level of service.

2.06 Training for Staff: CONTRACTOR shall insure that sufficient training is provided to its volunteer and paid staff to enable them to perform effectively on the project, and to increase their existing level of skills. Additionally, CONTRACTOR shall ensure that all staff completes Division 21 Civil Rights training.

2.07 Bi-lingual Services: CONTRACTOR shall ensure that qualified staff is available to accommodate non-English speaking, and limited English proficient, individuals.

2.08 Assurance of drug free-workplace: CONTRACTOR shall submit to the COUNTY evidence of compliance with the California Drug-Free Workplace Act of 1990, Government Code sections 8350 et seq., by doing the following:

- Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying the actions that will be taken against employees for violations of the prohibition;
- Establishing a drug-free awareness program to inform employees about all of the following:
  1) the dangers of drug abuse in the workplace;
  2) the organization's policy of maintaining a drug-free workplace;
  3) any available drug counseling, rehabilitation, and employee assistance programs;
  4) the penalties that may be imposed upon employees for drug abuse violations;
  5) requiring that each employee engaged in the performance of the contract or grant be given a copy of the company's drug-free policy statement and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.

III. CONFIDENTIALITY

CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with Welfare and Institutions (W & I) Code Sec. 10850, 45 CFR Sec. 205.50, and all other applicable provisions of law which provide for the confidentiality of records and prohibit their being opened for examination for any purpose not directly connected with the administration of public social services. Whether or not covered by W&I Code Sec. 10850 or by 45 CFR Sec. 205.50, confidential medical or personnel records and the identities of clients and complainants shall not be disclosed unless there is proper consent to such disclosure or a court order

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requiring disclosure. Confidential information gained by CONTRACTOR from access to any such records, and from contact with its clients and complainants, shall be used by CONTRACTOR only in connection with its conduct of the program under this Agreement. The COUNTY, through the Director of the Department of Social Services, and his/her representatives, shall have access to such confidential information and records to the extent allowed by law, and such information and records in the hands of the COUNTY shall remain confidential and may be disclosed only as permitted by law.

IV. NON-DISCRIMINATION

CONTRACTOR certifies that to the best of its ability and knowledge it will comply with the nondiscrimination program requirements set forth in this Section.

4.01 Discrimination Defined: The term "discrimination" as used in this contract, is the same term that is used in Monterey County Code, Chapter 2.80 "Procedures for Investigation and Resolution of Discrimination Complaints"; it means the illegal denial of equal employment opportunity, harassment (including sexual harassment and violent harassment), disparate treatment, favoritism, subjection to unfair or unequal working conditions, and/or other discriminatory practice by any Monterey County official, employee or agent, due to an individual's race, color, ethnic group, national origin, ancestry, religious creed, sex, sexual orientation, age, veteran's status, cancer-related medical condition, physical handicap (including AIDS) or disability. The term also includes any act of retaliation.

4.02 Application of Monterey COUNTY Code Chapter 2.80: The provisions of Monterey COUNTY Code Chapter 2.80 apply to activities conducted pursuant to this Agreement. Complaints of discrimination made by CONTRACTOR against the COUNTY, or by recipients of services against CONTRACTOR, may be pursued using the procedures established by Chapter 2.80. CONTRACTOR shall establish and follow its own written procedures for the prompt and fair resolution of discrimination complaints made against CONTRACTOR by its own employees and agents, and shall provide a copy of such procedures to COUNTY on demand by COUNTY.

4.03 Compliance with laws: During the performance of this Agreement, CONTRACTOR shall comply with all applicable federal, state and local laws and regulations which prohibit discrimination, including but not limited to the following:

- **California Fair Employment and Housing Act**, California Government Code Sec. 12900 et seq., see especially Section 12940 (c), (h), (1), (i), and (j); and the administrative regulations issued thereunder, 2 Calif. Code of Regulations Secs. 7285.0 et seq. (Division 4 - Fair Employment and Housing Commission);

- **California Government Code Secs. 11135 - 11139.5,** as amended (Title 2, Div. 3, Part 1, Chap. 1, Art. 9.5) and any applicable administrative rules and regulations issued under these sections; including **Title 22 California Code of Regulations 98000-98413**.

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- **Federal Civil Rights Acts of 1964 and 1991** (see especially Title VI, 42 USC Secs. 2000d et seq.), as amended, and all administrative rules and regulations issued thereunder (see especially 45 CFR Part 80);

- **The Rehabilitation Act of 1973**, Secs. 503 and 504 (29 USC Sec. 793 and 794), as amended; all requirements imposed by the applicable HHS regulations (45 CFR Parts 80, 84 and 91); and all guidelines and interpretations issued pursuant thereto;

- **7 Code of Federal Regulations (CFR),** Part 15 and **28 CFR** Part 42;

- **Title II of the Americans with Disabilities Act of 1990** (P.L. 101-336), 42 U.S.C. Secs. 12101 et seq. and 47 U.S.C. Secs. 225 and 611, and any federal regulations issued pursuant thereto (see 24 CFR Chapter 1; 28 CFR Parts 35 and 36; 29 CFR Parts 1602, 1627, and 1630; and 36 CFR Part 1191);

- **Unruh Civil Rights Act**, Calif. Civil Code Sec. 51 et seq., as amended;

- **Monterey COUNTY Code**, Chap. 2.80.;

- **Age Discrimination in Employment Act 1975,** as amended **(ADEA),** 29 U.S.C. Secs 621 et seq.;

- **Equal Pay Act of 1963**, 29 U.S.C. Sec. 206(d);

- **California Equal Pay Act**, Labor Code Sec.1197.5.

- **California Government Code** Section 4450**;**

- **The Dymally-Alatorre Bilingual Services Act; Calif. Government Code Sec. 7290 et seq.**

- **The Food Stamp Act of 1977, as amended and in particular Section 272.6.**

- **California Code of Regulations, Title 24, Section 3105A(e)**

- **Removal of Barriers to Inter-Ethnic Adoption Act of 1996, Section 1808**

4.04 Written assurances: Upon request by COUNTY, CONTRACTOR will give any written assurances of compliance with the Civil Rights Acts of 1964 and 1991, the Rehabilitation Act of 1973 and/or the Americans with Disabilities Act of 1990, as may be required by the federal government in connection with this Agreement, pursuant to 45 CFR Sec. 80.4 or 45 CFR Sec. 84.5, and 91; 7 CFR Part 15; and 28 CFR Part 35**,** or other applicable State or federal regulation.

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4.05 Written non-discrimination policy: Contractor shall maintain a written statement of its non-discrimination policies which shall be consistent with the terms of this Agreement. Such statement shall be available to employees, recipients of services, and members of the public, upon request.

4.06 Grievance Information: CONTRACTOR shall advise applicants who are denied CONTRACTOR's services, and recipients who do receive services, of their right to present grievances, and of their right to a State hearing concerning services received under this Agreement.

4.07 Notice to Labor Unions: CONTRACTOR shall give written notice of its obligations under paragraphs 4.01 - 4.08 to labor organizations with which it has a collective bargaining or other agreement.

4.08 Access to records by government agencies: CONTRACTOR shall permit access by COUNTY and by representatives of the State Department of Fair Employment and Housing, and any state agency providing funds for this Agreement, upon reasonable notice at any time during normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, facilities, and other sources of information as the inspecting party may deem appropriate to ascertain compliance with these non-discrimination provisions.

4.09 Binding on Subcontractors: The provisions of paragraphs 4.01 - 4.08 shall also apply to all of CONTRACTOR's subcontractors. CONTRACTOR shall include the non-discrimination and compliance provisions of these paragraphs in all subcontracts to perform work or provide services under this Agreement.

V. ADDITIONAL REQUIREMENTS

5.01 Covenant Against Contingent Fees: CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit this Agreement. There has been no agreement to make commission payments in order to obtain this Agreement. For breach or violation of this warranty, COUNTY shall have the right to terminate this Agreement without liability or, at its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingency fee.

5.02 Debarment, Suspension and Fraud, and Abuse: CONTRACTOR certifies to the best of its knowledge and belief, that it and any subcontractors:

a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or State department or agency.

b) Have not, within a three-year period preceding this Agreement, been convicted of, or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction or contract under a public transaction; violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

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c) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity (federal, State, or local) with commission of any of the offenses in 5.02(b).

d) Have not, within a three-year period preceding this Agreement, had one or more public transactions (federal, State, or local) terminated for cause or default.

CONTRACTOR shall report immediately to COUNTY in writing, any incidents of alleged fraud and/or abuse by either CONTRACTOR or its subcontractors.

CONTRACTOR shall maintain any records, documents, or other evidence of fraud and abuse until otherwise notified by COUNTY.

CONTRACTOR agrees to timely execute any and all amendments to this Agreement or other required documentation relating to the debarment/suspension status of any subcontractors.

VI. CONTRACT ADMINISTRATORS

6.01 Contract Administrator – CONTRACTOR: CONTRACTOR hereby designates **Brian Gates** as its Contract Administrator for this Agreement. All matters concerning this Agreement which are within the responsibility of CONTRACTOR shall be under the direction of, or shall be submitted to, the CONTRACTOR's Contract Administrator. CONTRACTOR may, in its sole discretion, change its designation of the Contract Administrator, and shall promptly give written notice to COUNTY of any such change.

6.02 Contract Administrator – COUNTY: COUNTY hereby designates the Director of the Monterey County Department of Social Services as its Contract Administrator for this Agreement. All matters concerning this Agreement which are within the responsibility of COUNTY shall be under the direction of, or shall be submitted to, the Director or such other COUNTY employee in the Department of Social Services as the Director may appoint. COUNTY may, in its sole discretion, change its designation of the Contract Administrator, and shall promptly give written notice to CONTRACTOR of any such change.

VII. CONTRACT DEPENDENT ON GOVERNMENT FUNDING

COUNTY's payments to CONTRACTOR under this Agreement are funded by the State and Federal governments. If funds from State and Federal sources are not obtained and continued at a level sufficient to allow for COUNTY's purchase of the indicated quantity of services, then COUNTY may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as COUNTY may specify in its notice, unless in the meanwhile the parties enter into a written Amendment modifying this Agreement.

VIII. APPEAL PROCESS

In the event of a dispute or grievance regarding the terms and conditions of this Agreement, both parties shall abide by the following procedures:

a) CONTRACTOR shall first discuss the problem informally with the designated DSS Contact/Program Analyst. If the problem is not resolved, CONTRACTOR must, within

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fifteen (15) working days of the failed attempt to resolve the dispute with DSS Contact/Program Analyst, submit a written complaint, together with any evidence, to the DSS Branch Deputy Director. The complaint must include a description of the disputed issues, the legal authority/basis for each issue which supports CONTRACTOR's position, and the remedy sought. The Branch Deputy Director shall, within fifteen (15) working days after receipt of CONTRACTOR's written complaint, make a determination on the dispute, and issue a written decision and reasons therefore. All written communication shall be pursuant to Section 14. NOTICES of this Agreement. Should CONTRACTOR disagree with the decision of the Division Deputy Director, CONTRACTOR may appeal the decision to the Director of the Department of Social Services.

b) CONTRACTOR's appeal of the Branch Deputy Director's decision must be submitted to the Department Director within ten (10) working days from the date of the decision; be in writing, state the reasons why the decision is unacceptable, and include the original complaint, the decision that is the subject of appeal, and all supporting documents. Within twenty (20) working days from the date of CONTRACTOR'S appeal, the Department Director, or his/her designee, shall meet with CONTRACTOR to review the issues raised on appeal. The Department Director shall issue a final written decision within fifteen (15) working days of such meeting.

c) CONTRACTOR may appeal the final decision of the Department Director in accordance with the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the regulations adopted thereunder. (Title 1, Subchapter 2.5 commencing with Section 251, or Subchapter 3 commencing with Section 300, whichever is applicable, of the California Code of Regulations).

d) CONTRACTOR shall continue to carry out the obligations under this Agreement during any dispute.

e) Costs incurred by CONTRACTOR for administrative/court review are not reimbursable by COUNTY.

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Date: 8/1/2025
Proposal # 13715

Share Center
845 E Laurel Dr
Salinas,, CA 93905

Dog Kennel Project

Dog Kennel Concrete Pad

Scope of Work:

- Excavate, grade, and prep area for concrete pad inside dog kennel area (45' x 12')
- Pour and broom finish natural grey concrete for the dog kennel's
- The concrete will be a 3500 psi mix, 6" thick, with #3 rebar @ 16" o.c. over machine-compacted base rock
- Adjust one utility box to the proposed concrete elevation

Qualifications:

- Spread surplus soil on site or haul away
- Includes prevailing wages

Exclusions:

- Removal, repairs, or relocation of unknown underground utilities
- Over-excavation of unsuitable soil
- Installation of the dog kennels
- Drainage work
- Compaction testing
- Permits, fees, or drawings

Dog Kennel Concrete Pad : $29,551.00

Dog Tunnel

Scope of Work:

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- Excavate as needed
- Place and compact base rock for the dog tunnel installation
- Install dog tunnel (provided by client)
- Spread surplus soil on site

Dog Tunnel: $2,736.00

Project Total $32,287.00

Professionalism - Teamwork - Humility - Respect - Hunger - Safety

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EXHIBIT C

Docusign Envelope ID: 0381A6D5-999A-4F4E-B6D6-E425032BDF0F

September 1, 2025 - June 30, 2026

Agency Name K&D Landscaping Inc

Expense Categories	Shelter Improvements $40,000.00	Total Budget $40,000.00
Dog Kennel Concrete Pad	$ 29,551.00	$ 29,551.00
Dog Tunnel	$ 2,736.00	$ 2,736.00
Other	$ 7,713.00	$ 7,713.00
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
Program Total	$ 40,000.00	$ 40,000.00

Funding Source: HHAP-4, Shelter Improvements (SIMP)

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LANDSCAPING, INC.
DESIGN · INSTALL · MAINTAIN

Invoice

Date	Invoice #
09/18/25	
Terms	
Net 10	

Bill To	Property Address
County of Monterey 845 E Laurel Dr Salinas, CA 93905	Share Center 845 E Laurel Dr Salinas,, CA 93905

Item	Invoice Amt
Sample Invoice	

A 3% convenience fee will be added for all credit card payments

Total

Credits/Payments ($)

Balance Due

Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due
	$0.00	$0.00	$0.00	$0.00

P 831-728-4018 | F 831-728-6544
P.O. Box 2187
Freedom, CA 95019

Docusign Envelope ID: 53C4E348-466C-4216-9504-CDA7DF3FDFEF

PRIVACY AND SECURITY AGREEMENT

BETWEEN

the California Department of Social Services and the

County of Monterey,

Department/Agency of
Social Services.

PREAMBLE

The California Department of Social Services (CDSS) and the

County of Monterey,

Department/Agency of Social Services
(County Department) enter into this Data Privacy and Security Agreement (Agreement) in order to ensure the privacy and security of Social Security Administration (SSA), Medi-Cal Eligibility Data System (MEDS) and Applicant Income and Eligibility Verification System (IEVS) Personally Identifiable Information (PII), covered by this Agreement and referred to hereinafter as PII, that the counties access through CDSS and the Department of Health Care Services (DHCS). This Agreement covers the following programs:

- CalFresh;
- California Food Assistance Program (CFAP);
- California Work Opportunity and Responsibility to Kids Program (CalWORKs);
- Cash Assistance Program for Immigrants (CAPI);
- Entrant Cash Assistance (ECA)/Refugee Cash Assistance (RCA);
- Foster Care (FC) (eligibility);
- Kinship Guardianship Assistance Program (Kin-GAP) (eligibility);
- Federal Guardianship Assistance Program (Fed-GAP) (eligibility);
- General Assistance/General Relief (GA/GR); and
- Trafficking and Crime Victims Assistance Program (TCVAP).

The CDSS has an Inter-Agency Agreement (IAA) with DHCS that allows CDSS and local county agencies to access SSA and MEDS data in order to assist in the Administration of the Program for the programs listed above. The IAA requires that CDSS may only share SSA and MEDS data if its contract with the entity with whom it intends to share the data reflects the entity's obligations under the IAA.

The County Department/Agency utilizes SSA and MEDS data in conjunction with other

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system data in order to Assist in the Administration of the Program for the programs listed above.

This Agreement covers the

County of Monterey,

Department/Agency of Social Services
and its staff (County Workers), who assist in the administration of programs; and access, use, or disclose PII.

DEFINITIONS

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

1. **"Assist in the administration of the program"** means performing administrative functions on behalf of programs, such as establishing eligibility, determining the amount of medical assistance, and collecting PII for such purposes, to the extent such activities are authorized by law.

2. **"Breach"** refers to actual loss, loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for other than authorized purposes have access or potential access to PII, whether electronic, paper, verbal, or recorded.

3. **"County Worker"** means those county employees, contractors, subcontractors, vendors and agents performing any functions for the County that require access to and/or use of PII and that are authorized by the County to access and use PII. An agent is a person or organization authorized to act on behalf of the County Department/Agency.

4. **"PII"** is personally identifiable information directly obtained in the course of performing an administrative function through the MEDS or IEVS systems on behalf of the programs, that can be used alone, or in conjunction with any other information, to identify a specific individual. Pll includes any information that can be used to search for or identify individuals, or can be used to access their files, including but not limited to name, social security number (SSN), date and place of birth (DOB), mother's maiden name, driver's license number, or identification number. PII may also include any information that is linkable to an individual, such as medical, educational, financial, and employment information. Pll may be electronic, paper, verbal, or recorded and includes statements made by, or attributed to, the individual.

5. **"Security Incident"** means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PII, or interference with system operations in an information system which processes PII that is under the control of the County or California Statewide Automated Welfare System (CalSAWS) Consortium, or a contractor, subcontractor or vendor of the County.

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6. **"Secure Areas"** means any area where:
   A. County Workers assist in the administration of their program;
   B. County Workers use or disclose PII; or
   C. PII is stored in paper or electronic format.

7. **"SSA-provided or verified data (SSA data)"** means:
   A. Any information under the control of the Social Security Administration (SSA) provided to CDSS under the terms of an information exchange agreement with SSA (e.g., SSA provided date of death, SSA Title II or Title XVI benefit and eligibility data, or SSA citizenship verification); or

   B. Any information provided to CDSS, including a source other than SSA, but in which CDSS attests that SSA verified it, or couples the information with data from SSA to certify the accuracy of it (e.g., SSN and associated SSA verification indicator displayed together on a screen, file, or report, or DOB and associated SSA verification indicator displayed together on a screen, file, or report).

AGREEMENTS

CDSS and County Department/Agency mutually agree as follows:

I. PRIVACY AND CONFIDENTIALITY

A. County Department/Agency County Workers may use or disclose PII only as permitted in this Agreement and only to assist in the administration of PII in accordance with Section 14100.2 of the Welfare and Institutions Code, Section 431.302 of Title 42 Code of Federal Regulations, as limited by this Agreement, and as otherwise required by law. Disclosures required by law or that are made with the explicit written authorization of the client, such as through an authorized release of information form, are allowable. Any other use or disclosure of PII requires the express approval in writing of CDSS. No County Worker shall duplicate, disseminate or disclose PII except as allowed in this Agreement.

B. Access to PII shall be restricted to County Workers who need to perform their official duties to assist in the administration of their respective programs.

C. County Workers who access, disclose or use PII in a manner or for a purpose not authorized by this Agreement may be subject to civil and criminal sanctions contained in applicable federal and state statutes.

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II. PERSONNEL CONTROLS

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

A. ***Employee Training.*** Train and use reasonable measures to ensure compliance with the requirements of this Agreement by County Workers, including, but not limited to:

1. Provide initial privacy and security awareness training to each new County Worker within 30 days of employment;

2. Thereafter, provide annual refresher training or reminders of the privacy and security safeguards in this Agreement to all County Workers. Three or more security reminders per year are recommended;

3. Maintain records indicating each County Worker's name and the date on which the privacy and security awareness training was completed; and

4. Retain training records for a period of five years after completion of the training.

B. ***Employee Discipline***.

1. Provide documented sanction policies and procedures for County Workers who fail to comply with privacy policies and procedures or any provisions of these requirements.

2. Sanction policies and procedures shall include termination of employment when appropriate.

C. ***Confidentiality Statement***. Ensure that all County Workers sign a confidentiality statement. The statement shall be signed by County Workers prior to accessing PII and annually thereafter. Signatures may be physical or electronic. The signed statement shall be retained for a period of five years.

The statement shall include, at a minimum, a description of the following:

1. General Use of PII;
2. Security and Privacy Safeguards for PII;
3. Unacceptable Use of PII; and
4. Enforcement Policies.

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D. ***Background Screening.***

1. Conduct a background screening of a County Worker before they may access PII.

2. The background screening should be commensurate with the risk and magnitude of harm the employee could cause. More thorough screening shall be done for those employees who are authorized to bypass significant technical and operational security controls.

3. The County Department/Agency shall retain each County Worker's background screening documentation for a period of three years following conclusion of employment relationship.

III. MANAGEMENT OVERSIGHT AND MONITORING

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

A. Conduct periodic privacy and security review of work activity by County Workers, including random sampling of work product. Examples include, but are not limited to, access to case files or other activities related to the handling of PII.

   The periodic privacy and security reviews shall be performed or overseen by management level personnel who are knowledgeable and experienced in the areas of privacy and information security in the administration of their program and the use or disclosure of PII.

IV. INFORMATION SECURITY AND PRIVACY STAFFING

The County Department/Agency agrees to:

A. Designate information security and privacy officials who are accountable for compliance with these and all other applicable requirements stated in this Agreement.

B. Provide the CDSS with applicable contact information for these designated individuals using the County PSA inbox listed in Section IX of this Agreement. Any changes to this information should be reported to DHCS within ten days.

C. Assign County Workers to be responsible for administration and monitoring of all security-related controls stated in this Agreement.

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V. TECHNICAL SECURITY CONTROLS

The State of California Office of Information Security (OIS) and SSA have adopted the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53, Security and Privacy controls for Information Systems and Organizations, and NIST SP 800-37, Risk Management Framework for Information Systems and Organizations.

OIS and SSA require organizations to comply and maintain the minimum standards outlined in NIST SP 800-53 when working with PII and SSA data. County Department/Agency shall, at a minimum, implement an information security program that effectively manages risk in accordance with the Systems Security Standards and Requirements outlined in this Section of this Agreement.

Guidance regarding implementation of NIST SP 800-53 is available in the Statewide Information Management Manual (SIMM), SIMM-5300-A, which is hereby incorporated into this Agreement (Exhibit C) and available upon request.

DHCS and CDSS will enter into a separate PSA with California Statewide Automated Welfare System (CalSAWS) Joint Powers Authority specific to the CalSAWS. Any requirements for data systems in this PSA would only apply to County Department/Agency's locally operated/administered systems that access, store, or process PII.

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A. Systems Security Standards and Requirements

1. **Access Control (AC)**

Control Number	AC-1
Title	Access Control Policy and Procedures
CDSS Requirement	The organization must: a. Develop, document, and disseminate to designated organization officials: 1. An access control policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; 2. Procedures to facilitate the implementation of the access control policy and associated access controls b. Review and update the current access control procedures with the organization-defined frequency.
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the AC family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.
Control Number	AC-2
Title	Account Management
CDSS Requirement	The organization must: a. Identify and select the accounts with access to PII to support organizational mission/business functions. b. Assign account managers for information system accounts. c. Establish conditions for group and role membership. d. Specify authorized users of the information system, group and role membership, and access authorizations (i.e., privileges) and other attributes (as required) for each account; e. Require approvals by designated access authority for requests to create information system accounts; f. Create, enable, modify, disable, and remove information system accounts in accordance with organization account management procedures; g. Monitors the use of information system accounts; h. Notifies account managers when accounts are no longer required, when users are terminated or transferred; and when individual information system usage or need-to-know changes. i. Authorizes access to the information systems that receive, process, store or transmit PII based on valid access authorization, need-to-know. j. Review accounts for compliance with account management requirements according to organization-based frequency; and k. Establishes a process for reissuing shared/group account credentials (if deployed) when individuals are removed from the group.
Supplemental Guidance (from NIST 800-53)	Information system account types include, for example, individual, shared, group, system, guest/anonymous, emergency, developer/manufacturer/vendor, temporary, and service. Some of the account management requirements listed above can be implemented by organizational information systems. The identification of authorized users of the information system and the specification of access privileges reflects the requirements in other security controls in the security plan. Users requiring administrative privileges on information system accounts receive additional scrutiny by appropriate organizational personnel (e.g., system owner, mission/business owner, or chief information security officer) responsible for approving such accounts and privileged access. Organizations may choose to define access privileges or other attributes by account, by type of account, or a combination of both. Other attributes required for authorizing access include, for example, restrictions on time-of-day, day-of-week, and point-of-origin. In defining other account attributes, organizations consider system-related requirements (e.g., scheduled maintenance, system upgrades) and mission/business requirements (e.g., time zone differences, customer requirements, remote access to support travel requirements). Failure to consider these factors could affect information system availability. Temporary and emergency accounts are accounts intended for short-term use. Organizations establish temporary accounts as a part of normal account activation procedures when there is a need for short-term accounts without the demand for immediacy in account activation. Organizations establish emergency accounts in response to crisis situations and with the need for rapid account activation. Therefore, emergency account activation may bypass normal account authorization processes. Emergency and temporary accounts are not to be confused with infrequently used accounts (e.g., local logon accounts used for special tasks defined by organizations or when network resources are unavailable). Such accounts remain available and are not subject to automatic disabling or removal dates. Conditions for disabling or deactivating accounts include, for example: (i) when shared/group, emergency, or temporary accounts are no longer required; or (ii) when individuals are transferred or terminated. Some types of information system accounts may require specialized training. Related controls: AC-3, AC-4, AC-5, AC-6, AC-10, AC-17, AC-19, AC-20, AU-9, IA-2, IA-4, IA-5, IA-8, CM-5, CM-6, CM-11, MA-3, MA-4, MA-5, PL-4, SC-13.

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Control Number	AC-3
Title	Access Enforcement
CDSS Requirement	The organization must: Enforces approved authorizations for logical access to information and system resources in accordance with applicable access control policies.
Supplemental Guidance	Access control policies (e.g., identity-based policies, role-based policies, control matrices, cryptography) control access between active entities or subjects (i.e., users or processes acting on behalf of users) and passive entities or objects (e.g., devices, files, records, domains) in information systems. In addition to enforcing authorized access at the information system level and recognizing that information systems can host many applications and services in support of organizational missions and business operations, access enforcement mechanisms can also be employed at the application and service level to provide increased information security. Related controls: AC-2, AC-4, AC-5, AC-6, AC-16, AC-17, AC-
Control Number	AC-3(7)
Title	Access Enforcement | Role-Based Access Control
CDSS Requirement	The organization information system must: enforce a role-based access control policy over defined subjects and objects and controls access based upon the need to utilize PII.
Supplemental Guidance (from NIST 800-53)	Role-based access control (RBAC) is an access control policy that restricts information system access to authorized users. Organizations can create specific roles based on job functions and the authorizations (i.e., privileges) to perform needed operations on organizational information systems associated with the organization-defined roles. When users are assigned to the organizational roles, they inherit the authorizations or privileges defined for those roles. RBAC
	simplifies privilege administration for organizations because privileges are not assigned directly to every user (which can be a significant number of individuals for mid- to large-size organizations) but are instead acquired through role assignments. RBAC can be implemented either as a mandatory or discretionary form of access control. For organizations implementing RBAC with mandatory access controls, the requirements in AC-3 (3) define the scope of the subjects and objects covered by the policy.
Control Number	AC-3(8)
Title	Access Enforcement | Revocation of Access Authorization
CDSS Requirement	The organization must: Enforce a role-based access control over users and information resources that have access to PII, and control access based upon organization defined roles and users authorized to assume such roles.
Supplemental Guidance (from NIST 800-53)	Revocation of access rules may differ based on the types of access revoked. For example, if a subject (i.e., user or process) is removed from a group, access may not be revoked until the next time the object (e.g., file) is opened or until the next time the subject attempts a new access to the object. Revocation based on changes to security labels may take effect immediately. Organizations can provide alternative approaches on how to make revocations immediate if information systems cannot provide such capability and immediate revocation is necessary.
Control Number	AC-4
Title	Information Flow Enforcement
CDSS Requirement	The organization information system must: enforce approved authorizations for controlling the flow of information within the system and between interconnected systems based on the need for interconnected systems to share PII to conduct business.
Supplemental Guidance (from NIST 800-53)	Information flow control regulates where information is allowed to travel within an information system and between information systems (as opposed to who is allowed to access the information) and without explicit regard to subsequent accesses to that information. Flow control restrictions include, for example, keeping export-controlled information from being transmitted in the clear to the Internet, blocking outside traffic that claims to be from within the organization, restricting web requests to the Internet that are not from the internal web proxy server, and limiting information transfers between organizations based on data structures and content. Transferring information between information systems representing different security domains with different security policies introduces risk that such transfers violate one or more domain security policies. In such situations, information owners/stewards provide guidance at designated policy enforcement points between interconnected systems. Organizations consider mandating specific architectural solutions when required to enforce specific security policies. Enforcement includes, for example: (i) prohibiting information transfers between interconnected systems (i.e., allowing access only); (ii) employing hardware mechanisms to enforce one-way information flows; and (iii) implementing trustworthy regrading mechanisms to reassign security attributes and security labels. Organizations commonly employ information flow control policies and enforcement mechanisms to control the flow of information between designated sources and destinations (e.g., networks, individuals, and devices) within information systems and between interconnected systems. Flow control is based on the characteristics of the information and/or the information path. Enforcement occurs, for example, in boundary protection devices (e.g., gateways, routers, guards, encrypted tunnels, firewalls) that employ rule sets or establish configuration settings that restrict information system services, provide a packet-filtering capability based on header information, or message- filtering capability based on message content (e.g., implementing key word searches or using document characteristics). Organizations also consider the trustworthiness of filtering/inspection mechanisms (i.e., hardware, firmware, and software components) that are critical to information flow enforcement. Control enhancements 3 through 22 primarily address cross-domain solution needs which focus on more advanced filtering techniques, in-depth analysis, and stronger flow enforcement mechanisms implemented in cross-domain products, for example, high-assurance guards. Such capabilities are generally not available in commercial off-the-shelf information technology products. Related controls: AC-3, AC-17, AC-19, AC-21, CM-6, CM-7, SA-8, SC-2, SC-5, SC-7, SC-18

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Control Number	AC-5
Title	Separation of Duties
CDSS Requirement	The organization must: a. Separate organization-defined duties of individuals; b. Document separation of duties of individuals; and c. Defines information system access authorizations to support separation of duties. *CDSS also requires that the state organization prohibit any functional component(s) or official(s) from issuing credentials or access authority to themselves or other individuals within their job-function or category of access.* *Federal requirements and CDSS policy exclude any employee who uses PII to process programmatic workloads to make benefit or entitlement determinations from participation in management or quality assurance functions.*
Supplemental Guidance (from NIST 800-53)	Separation of duties addresses the potential for abuse of authorized privileges and helps to reduce the risk of malevolent activity without collusion. Separation of duties includes, for example: (i) dividing mission functions and information system support functions among different individuals and/or roles; (ii) conducting information system support functions with different individuals (e.g., system management, programming, configuration management, quality assurance and testing, and network security); and (iii) ensuring security personnel administering access control functions do not also administer audit functions. Related controls: AC-3, AC-6, PE-3, PE-4, PS-2.
Control Number	AC-6
Title	Least Privilege
CDSS Requirement	The organization must: Employ the principle of least privilege, allowing only authorized accesses for users (or processes acting on behalf of users) which are necessary to accomplish assigned tasks in accordance with organizational missions and business functions.
Supplemental Guidance (from NIST 800-53)	Organizations employ least privilege for specific duties and information systems. The principle of least privilege is also applied to information system processes, ensuring that the processes operate at privilege levels no higher than necessary to accomplish required organizational missions/business functions. Organizations consider the creation of additional processes, roles, and information system accounts as necessary, to achieve least privilege. Organizations also apply least privilege to the development, implementation, and operation of organizational information systems. Related controls: AC-2, AC-3, AC-5, CM-6, CM-7, PL-2.
Control Number	AC-6(1)
Title	Least Privilege | Authorize Access to Security Functions
CDSS Requirement	The organization must explicitly authorize access to organization-defined security functions (deployed in hardware, software, and firmware) and security-relevant information.
Supplemental Guidance (from NIST 800-53)	Security functions include, for example, establishing system accounts, configuring access authorizations (i.e., permissions, privileges), setting events to be audited, and setting intrusion detection parameters. Security-relevant information includes, for example, filtering rules for routers/firewalls, cryptographic key management information, configuration parameters for security services, and access control lists. Explicitly authorized personnel include, for example, security administrators, system and network administrators, system security officers, system maintenance personnel, system programmers, and other privileged users.
Control Number	AC-6(7)
Title	Least Privilege | Review Of User Privileges
CDSS Requirement	The organization must: a. Review the privileges assigned to organization-defined roles or classes of users to validate the need for such privileges; and b. Reassign or removes privileges, if necessary, to correctly reflect organizational mission/business needs.
Supplemental Guidance (from NIST 800-53)	The need for certain assigned user privileges may change over time reflecting changes in organizational missions/business function, environments of operation, technologies, or threat. Periodic review of assigned user privileges is necessary to determine if the rationale for assigning such privileges remains valid. If the need cannot be revalidated, organizations take appropriate corrective actions. Related control: CA-7.
Control Number	AC-7
Title	Unsuccessful Logon Attempts
CDSS Requirement	The organization must: a. Enforce a limit of no fewer than three (3) and no greater than five (5) consecutive invalid logon attempts by a user during an organization-defined time period; and b. Automatically lock the account/node for: an organization-defined time period; or locks the account/node until released by an administrator; or delays next logon prompt according to organization-defined delay algorithm when the maximum number of unsuccessful attempts is exceeded.
Supplemental Guidance (from NIST 800-53)	This control applies regardless of whether the logon occurs via a local or network connection. Due to the potential for denial of service, automatic lockouts initiated by information systems are usually temporary and automatically release after a predetermined time period established by organizations. If a delay algorithm is selected, organizations may choose to employ different algorithms for different information system components based on the capabilities of those components. Responses to unsuccessful logon attempts may be implemented at both the operating system and the application levels. Related controls: AC-2, AC-9, AC-14, IA-5.

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Control Number	AC-8
Title	System Use Notification
CDSS Requirement	The organization must: a. Displays to users system use notification message or banner before granting access to the system that provides privacy and security notices consistent with applicable federal laws, Executive Orders, directives, policies, regulations, standards, and guidance and states that: 1. Users are accessing a U.S. Government information system; 2. Information system usage may be monitored, recorded, and subject to audit; 3. Unauthorized use of the information system is prohibited and subject to criminal and civil penalties; and 4. Use of the information system indicates consent to monitoring and recording; b. Retains the notification message or banner on the screen until users acknowledge the usage conditions and take explicit actions to log on to or further access the information system; and c. For publicly accessible systems: 1. Displays system use information organization-defined conditions, before granting further access; 2. Displays references, if any, to monitoring, recording, or auditing that are consistent with privacy accommodations for such systems that generally prohibit those activities; and 3. Includes a description of the authorized uses of the system. At a minimum, this can be done at initial logon and is not required for every logon.
Supplemental Guidance (from NIST 800-53)	System use notifications can be implemented using messages or warning banners displayed before individuals log in to information systems. System use notifications are used only for access via logon interfaces with human users and are not required when such human interfaces do not exist. Organizations consider system use notification messages/banners displayed in multiple languages based on specific organizational needs and the demographics of information system users. Organizations also consult with the Office of the General Counsel for legal review and approval of warning banner content.
Control Number	AC-11
Title	Session Lock
CDSS Requirement	The organization's information system: a. Prevents further access to the system by initiating a session lock after 15 minutes or upon receiving a request from a user; and b. Retains the session lock until the user reestablishes access using established identification and authentication procedures.
Supplemental Guidance (from NIST 800-53)	Session locks are temporary actions taken when users stop work and move away from the immediate vicinity of information systems but do not want to log out because of the temporary nature of their absences. Session locks are implemented where session activities can be determined. This is typically at the operating system level but can also be at the application level. Session locks are not an acceptable substitute for logging out of information systems, for example, if organizations require users to log out at the end of workdays. Related control: AC-7.
Control Number	AC-17
Title	Remote Access
CDSS Requirement	The organization must: a. Establish and document usage restrictions, configuration/connection requirements, and implementation guidance for each type of remote access allowed; and b. Authorize remote access to the information system prior to allowing such connections.
Supplemental Guidance (from NIST 800-53)	Remote access is access to organizational information systems by users (or processes acting on behalf of users) communicating through external networks (e.g., the Internet). Remote access methods include, for example, dial-up, broadband, and wireless. Organizations often employ encrypted virtual private networks (VPNs) to enhance confidentiality and integrity over remote connections. The use of encrypted VPNs does not make the access non-remote; however, the use of VPNs, when adequately provisioned with appropriate security controls (e.g., employing appropriate encryption techniques for confidentiality and integrity protection) may provide sufficient assurance to the organization that it can effectively treat such connections as internal networks. Still, VPN connections traverse external networks, and the encrypted VPN does not enhance the availability of remote connections. Also, VPNs with encrypted tunnels can affect the organizational capability to adequately monitor network communications traffic for malicious code. Remote access controls apply to information systems other than public web servers or systems designed for public access. This control addresses authorization prior to allowing remote access without specifying the formats for such authorization. While organizations may use interconnection security agreements to authorize remote access connections, such agreements are not required by this control. Enforcing access restrictions for remote connections is addressed in AC-3. Related controls: AC-2, AC-3, AC-18, AC-19, AC-20, CA-3, CA-7, CM-8, IA-2, IA-3, IA-8, MA-4, PE-17, PL-4, SC-10, SI-4.

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2. **Accountability, Audit, and Risk Management (AR)**

Control Number	AR-3
Title	Privacy Requirements for Contractors and Service Providers
CDSS Requirement	The organization must: a. Establish privacy roles, responsibilities, and access requirements for contractors and service providers; and b. Includes privacy requirements in contracts and other acquisition-related documents.
Supplemental Guidance (from NIST 800-53)	Contractors and service providers include, but are not limited to, information providers, information processors, and other organizations providing information system development, information technology services, and other outsourced applications. Organizations consult with legal counsel, the Senior Agency Official for Privacy (SAOP)/Chief Privacy Officer (CPO), and contracting officers about applicable laws, directives, policies, or regulations that may impact implementation of this control. Related control: AR-1, AR-5, SA-4.

3. **Audit and Accountability (AU)**

Control Number	AU-1
Title	Audit and Accountability Policy and Procedures
CDSS Requirement	The organization must: a. Develop, document, and disseminate to individuals and organizations that store, process, or transmit PII: 1. An audit and accountability policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and 2. Procedures to facilitate the implementation of the audit and accountability policy and associated audit and accountability controls; and b. Review and update the current: 1. Audit and accountability policy at least triennially; and 2. Audit and accountability procedures at least triennially.
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the AU family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.
Control Number	AU-2
Title	Audit Events
CDSS Requirement	The organization must: a. Audit the following events: 1) Viewing PII stored within the organization's system; 2) Viewing of screens that contain PII; 3) All system and data interactions concerning PII. b. Coordinate the security audit function with other organizational entities requiring audit-related information to enhance mutual support and to help guide the selection of auditable events; c. Determines that the following events are to be audited within the information system: 1) Viewing PII stored within the organization's system; 2) Viewing of screens that contain PII; 3) All system and data interactions concerning PII.
Supplemental Guidance (from NIST 800-53)	An event is any observable occurrence in an organizational information system. Organizations identify audit events as those events which are significant and relevant to the security of information systems and the environments in which those systems operate in order to meet specific and ongoing audit needs. Audit events can include, for example, password changes, failed logons, or failed accesses related to information systems, administrative privilege usage, PIV credential usage, or third-party credential usage. In determining the set of auditable events, organizations consider the auditing appropriate for each of the security controls to be implemented. To balance auditing requirements with other information system needs, this control also requires identifying that subset of auditable events that are audited at a given point in time. For example, organizations may determine that information systems must have the capability to log every file access both successful and unsuccessful, but not activate that capability except for specific circumstances due to the potential burden on system performance. Auditing requirements, including the need for auditable events, may be referenced in other security controls and control enhancements. Organizations also include auditable events that are required by applicable federal laws, Executive Orders, directives, policies, regulations, and standards. Audit records can be generated at various levels of abstraction, including at the packet level as information traverses the network. Selecting the appropriate level of abstraction is a critical aspect of an audit capability and can facilitate the identification of root causes to problems. Organizations consider in the definition of auditable events, the auditing necessary to cover related events such as the steps in distributed, transaction-based processes (e.g., processes that are distributed across multiple organizations) and actions that occur in service-oriented architectures. Related controls: AC-6, AC-17, AU-3, AU-12, MA-4, MP-2, MP-4, SI-4

Control Number	AU-11
Title	Audit Record Retention
CDSS Requirement	The organization must retain audit records for six (6) years to provide support for after-the-fact investigations of security incidents and to meet regulatory and organizational information retention requirements.
Supplemental Guidance (from NIST 800-53)	Organizations retain audit records until it is determined that they are no longer needed for administrative, legal, audit, or other operational purposes. This includes, for example, retention and availability of audit records relative to Freedom of Information Act (FOIA) requests, subpoenas, and law enforcement actions. Organizations develop standard categories of audit records relative to such types of actions and standard response processes for each type of action. The National Archives and Records Administration (NARA) General Records Schedules provide federal policy on record retention. Related controls: AU-4, AU-5, AU-9, MP-6.
Control Number	AU-12
Title	Audit Generation
CDSS Requirement	The organization information system must: a. Provide audit record generation capability for the auditable events defined in AU-2 a. at the audit reporting mechanism; b. Allow security personnel to select which auditable events are to be audited by specific components of the information system; and c. Generates audit records for the events defined in AU-2 d. with the content defined in AU-3
Supplemental Guidance (from NIST 800-53)	Audit records can be generated from many different information system components. The list of audited events is the set of events for which audits are to be generated. These events are typically a subset of all events for which the information system is capable of generating audit records. Related controls: AC-3, AU-2, AU-3, AU-6, AU-7.

4. **Awareness and Training (AT)**

Control Number	AT-1
Title	Security Awareness and Training Policy and Procedures
CDSS Requirement	The organization must: a. Develop, document, and disseminate to personnel and organizations with access to PII: 1. A security awareness and training policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and 2. Procedures to facilitate the implementation of the security awareness and training policy and associated security awareness and training controls; and b. Reviews and updates the current: 1. Security awareness and training policy and; 2. Security awareness and training procedures. The training and awareness programs must include: The sensitivity of PII, The rules of behavior concerning use and security in systems and/or applications processing PII, The Privacy Act and other Federal and state laws, including but not limited to Section 14100.2 of the Welfare and Institutions Code and Section 431.302 et. Seq. of Title 42 Code of Federal Regulations, governing collection, maintenance, use, and dissemination of information about individuals, The possible criminal and civil sanctions and penalties for misuse of PII, The responsibilities of employees, contractors, and agent's pertaining to the proper use and protection of PII, The restrictions on viewing and/or copying PII, The proper disposal of PII, The security breach and data loss incident reporting procedures, The basic understanding of procedures to protect the network from viruses, worms, Trojan horses, and other malicious code, Social engineering (phishing, vishing and pharming) and network fraud prevention.
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the AT family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.

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Control Number	AT-2
Title	Security Awareness Training
CDSS Requirement	The organization must provide basic security awareness training to information system users (including managers, senior executives, and contractors): a. As part of initial training for new users; b. When required by information system changes; and c. Annually thereafter.
Supplemental Guidance (from NIST 800-53)	Organizations determine the appropriate content of security awareness training and security awareness techniques based on the specific organizational requirements and the information systems to which personnel have authorized access. The content includes a basic understanding of the need for information security and user actions to maintain security and to respond to suspected security incidents. The content also addresses awareness of the need for operations security. Security awareness techniques can include, for example, displaying posters, offering supplies inscribed with security reminders, generating email advisories/notices from senior organizational officials, displaying logon screen messages, and conducting information security awareness events. Related controls: AT-3, AT-4, PL-4.
Control Number	AT-3
Title	Role-Based Security Training
CDSS Requirement	The organization must provide role-based security training to personnel with assigned security roles and responsibilities: a. Before authorizing access to the information system or performing assigned duties; b. When required by information system changes; and c. With organization-defined frequency thereafter.
Supplemental Guidance (from NIST 800-53)	Organizations determine the appropriate content of security training based on the assigned roles and responsibilities of individuals and the specific security requirements of organizations and the information systems to which personnel have authorized access. In addition, organizations
	provide enterprise architects, information system developers, software developers, acquisition/procurement officials, information system managers, system/network administrators, personnel conducting configuration management and auditing activities, personnel performing independent verification and validation activities, security control assessors, and other personnel having access to system-level software, adequate security-related technical training specifically tailored for their assigned duties. Comprehensive role-based training addresses management, operational, and technical roles and responsibilities covering physical, personnel, and technical safeguards and countermeasures. Such training can include for example, policies, procedures, tools, and artifacts for the organizational security roles defined. Organizations also provide the training necessary for individuals to carry out their responsibilities related to operations and supply chain security within the context of organizational information security programs. Role-based security training also applies to contractors providing services to federal agencies. Related controls: AT-2, AT-4, PL-4, PS-7, SA-3, SA-12, SA-16.
Control Number	AT-4
Title	Security Training Records
CDSS Requirement	The organization must: a. Document and monitor individual information system security training activities including basic security awareness training and specific information system security training; and b. Retain individual training records for 5 years. SSA also requires the organization to certify that each employee, contractor, and agent who views SSA data certify that they understand the potential criminal, civil, and administrative sanctions or penalties for unlawful assess and/or disclosure.
Supplemental Guidance (from NIST 800-53)	Documentation for specialized training may be maintained by individual supervisors at the option of the organization. Related controls: AT-2, AT-3, PM-14.

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5. **Contingency Planning (CP)**

Control Number	CP-2
Title	Contingency Plan
CDSS Requirement	The organization must: a. Develop a contingency plan for the information system that: 1. Identifies essential missions and business functions and associated contingency requirements; 2. Provides recovery objectives, restoration priorities, and metrics; 3. Addresses contingency roles, responsibilities, assigned individuals with contact information; 4. Addresses maintaining essential missions and business functions despite an information system disruption, compromise, or failure; 5. Addresses eventual, full information system restoration without deterioration of the security safeguards originally planned and implemented; and 6. Is reviewed and approved by a senior manager; b. Distribute copies of the contingency plan to personnel and organizations supporting the contingency plan actions; c. Coordinate contingency planning activities with incident handling activities; d. Review the contingency plan for the information system at least annually; e. Update the contingency plan to address changes to the organization, information system, or environment of operation and problems encountered during contingency plan implementation, execution, or testing; f. Communicate contingency plan changes to personnel and organizations supporting the contingency plan actions; g. Incorporate lessons learned from contingency plan testing, training, or actual contingency activities into contingency testing and training; and h. Protect the contingency plan from unauthorized disclosure and modification.
Supplemental Guidance (from NIST 800-53)	Contingency planning for information systems is part of an overall organizational program for achieving continuity of operations for mission/business functions. Contingency planning addresses both information system restoration and implementation of alternative mission/business processes when systems are compromised. The effectiveness of contingency planning is maximized by considering such planning throughout the phases of the system development life cycle. Performing contingency planning on hardware, software, and firmware development can be an effective means of achieving information system resiliency. Contingency plans reflect the degree of restoration required for organizational information systems since not all systems may need to fully recover to achieve the level of continuity of operations desired. Information system recovery objectives reflect applicable laws, Executive Orders, directives, policies, standards, regulations, and guidelines. In addition to information system availability, contingency plans also address other security-related events resulting in a reduction in mission and/or business effectiveness, such as malicious attacks compromising the confidentiality or integrity of information systems. Actions addressed in contingency plans include, for example, orderly/graceful degradation, information system shutdown, fallback to a manual mode, alternate information flows, and operating in modes reserved for when systems are under attack. By closely coordinating contingency planning with incident handling activities, organizations can ensure that the necessary contingency planning activities are in place and activated in the event of a security incident. Related controls: AC-14, CP-6, CP-7, CP-8, CP-9, CP-10, IR-4, IR-8, MP-2, MP-4, MP-5, PM-8, PM-11.

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6. **Data Minimization and Retention (DM)**

Control Number	DM-2
Title	Data Retention and Disposal
CDSS Requirement	The organization must: a. Retain each collection of PII no longer than required for the organization's business process or evidentiary purposes; b. Dispose of, destroys, erases, and/or anonymizes the PII, regardless of the method of storage, in accordance with a NARA-approved record retention schedule and in a manner that prevents loss, theft, misuse, or unauthorized access; and c. Use organization-defined techniques or methods to ensure secure deletion or destruction of PII (including originals, copies, and archived records). .
Supplemental Guidance (from NIST 800-53)	NARA provides retention schedules that govern the disposition of federal records. Program officials coordinate with records officers and with NARA to identify appropriate retention periods and disposal methods. NARA may require organizations to retain PII longer than is operationally needed. In those situations, organizations describe such requirements in the notice. Methods of storage include, for example, electronic, optical media, or paper. Examples of ways organizations may reduce holdings include reducing the types of PII held (e.g., delete Social Security numbers if their use is no longer needed) or shortening the retention period for PII that is maintained if it is no longer necessary to keep PII for long periods of time (this effort is undertaken in consultation with an organization's records officer to receive NARA approval). In both examples, organizations provide notice (e.g., an updated System of Records Notice) to inform the public of any changes in holdings of PII. Certain read-only archiving techniques, such as DVDs, CDs, microfilm, or microfiche, may not permit the removal of individual records without the destruction of the entire database contained on such media. Related controls: AR-4, AU-11, DM-1, MP-1, MP-2, MP-3, MP-4, MP-5, MP-6, MP-7, MP-8, SI-12, TR-1.

7. **Identification and Authentication (IA)**

Control Number	IA-2
Title	Identification and Authentication (Organizational Users)
CDSS Requirement	The organization's information system must uniquely identify and authenticate organizational users (or processes acting on behalf of organizational users).
Supplemental Guidance (from NIST 800-53)	Organizational users include employees or individuals that organizations deem to have equivalent status of employees (e.g., contractors, guest researchers). This control applies to all accesses other than: (i) accesses that are explicitly identified and documented in AC-14; and (ii) accesses that occur through authorized use of group authenticators without individual authentication. Organizations may require unique identification of individuals in group accounts (e.g., shared privilege accounts) or for detailed accountability of individual activity. Organizations employ passwords, tokens, or biometrics to authenticate user identities, or in the case multifactor authentication, or some combination thereof. Access to organizational information systems is defined as either local access or network access. Local access is any access to organizational information systems by users (or processes acting on behalf of users) where such access is obtained by direct connections without the use of networks. Network access is access to organizational information systems by users (or processes acting on behalf of users) where such access is obtained through network connections (i.e., nonlocal accesses). Remote access is a type of network access that involves communication through external networks (e.g., the Internet). Internal networks include local area networks and wide area networks. In addition, the use of encrypted virtual private networks (VPNs) for network connections between organization-controlled endpoints and non-organization controlled endpoints may be treated as internal networks from the perspective of protecting the confidentiality and integrity of information traversing the network. Organizations can satisfy the identification and authentication requirements in this control by complying with the requirements in Homeland Security Presidential Directive 12 consistent with the specific organizational implementation plans. Multifactor authentication requires the use of two or more different factors to achieve authentication. The factors are defined as: (i) something you know (e.g., password, personal identification number [PIN]); (ii) something you have (e.g., cryptographic identification device, token); or (iii) something you are (e.g., biometric). Multifactor solutions that require devices separate from information systems gaining access include, for example, hardware tokens providing time-based or challenge-response authenticators and smart cards such as the U.S. Government Personal Identity Verification card and the DoD common access card. In addition to identifying and authenticating users at the information system level (i.e., at logon), organizations also employ identification and authentication mechanisms at the application level, when necessary, to provide increased information security. Identification and authentication requirements for other than organizational users are described in IA-8. Related controls: AC-2, AC-3, AC-14, AC-17, AC-18, IA-4, IA-5, IA-8.

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Control Number	IA-5
Title	Authenticator Management
CDSS Requirement	The organization must manage information system authenticators by: a. Verifying, as part of the initial authenticator distribution, the identity of the individual, group, role, or device receiving the authenticator; b. Establishing initial authenticator content for authenticators defined by the organization; c. Ensuring that authenticators have sufficient strength of mechanism for their intended use; d. Establishing and implementing administrative procedures for initial authenticator distribution, for lost/compromised or damaged authenticators, and for revoking authenticators; e. Changing default content of authenticators prior to information system installation; f. Establishing minimum and maximum lifetime restrictions and reuse conditions for authenticators; g. Changing/refreshing authenticators within organization-defined time period; h. Protecting authenticator content from unauthorized disclosure and modification; i. Requiring individuals to take, and having devices implement, specific security safeguards to protect authenticators; and j. Changing authenticators for group/role accounts when membership to those accounts changes.
Supplemental Guidance (from NIST 800-53)	Individual authenticators include, for example, passwords, tokens, biometrics, PKI certificates, and key cards. Initial authenticator content is the actual content (e.g., the initial password) as opposed to requirements about authenticator content (e.g., minimum password length). In many cases, developers ship information system components with factory default authentication credentials to allow for initial installation and configuration. Default authentication credentials are often well known, easily discoverable, and present a significant security risk. The requirement to protect individual authenticators may be implemented via control PL-4 or PS-6 for authenticators in the possession of individuals and by controls AC-3, AC-6, and SC-28 for authenticators stored within organizational information systems (e.g., passwords stored in hashed or encrypted formats, files containing encrypted or hashed passwords accessible with administrator privileges). Information systems support individual authenticator management by organization-defined settings and restrictions for various authenticator characteristics including, for example, minimum password length, password composition, validation time window for time synchronous one-time tokens, and number of allowed rejections during the verification stage of biometric authentication. Specific actions that can be taken to safeguard authenticators include, for example, maintaining possession of individual authenticators, not loaning or sharing individual authenticators with others, and reporting lost, stolen, or compromised authenticators immediately. Authenticator management includes issuing and revoking, when no longer needed, authenticators for temporary access such as that required for remote maintenance. Device authenticators include, for example, certificates and passwords. Related controls: AC-2, AC-3, AC-6, CM-6, IA-2, IA-4, IA-8, PL-4, PS- 5, PS-6, SC-12, SC-13, SC-17, SC-28.
Control Number	**IA-5(1)**
Title	Authenticator Management | Password-Based Authentication
CDSS Requirement	The information system, for password-based authentication, must: a. Enforces minimum password complexity of requirements for: * case sensitivity (upper and lower case letters), * number of characters (equal to or greater than fifteen characters), * mix of upper-case letters, lower-case letters, numbers, and special characters (at least one of each type); c. Stores and transmits only cryptographically-protected passwords; d. Enforces password lifetime of at least 180 days; e. Prohibits prior 10 passwords for reuse ; and f. Allows the use of a temporary password for system logons with an immediate change to a permanent password.
Supplemental Guidance (from NIST 800-53)	This control enhancement applies to single-factor authentication of individuals using passwords as individual or group authenticators, and in a similar manner, when passwords are part of multifactor authenticators. This control enhancement does not apply when passwords are used to unlock hardware authenticators (e.g., Personal Identity Verification cards). The implementation of such password mechanisms may not meet all of the requirements in the enhancement. Cryptographically-protected passwords include, for example, encrypted versions of passwords and one-way cryptographic hashes of passwords. The number of changed characters refers to the number of changes required with respect to the total number of positions in the current password. Password lifetime restrictions do not apply to temporary passwords. To mitigate certain brute force attacks against passwords, organizations may also consider salting passwords. Related control: IA-6.

8. **Incident Response (IR)**

Control Number	IR-1
Title	Incident Response Policy and Procedures
CDSS Requirement	The organization must: a. Develops, documents, and disseminates to organization-defined personnel or roles: 1. An incident response policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and 2. Procedures to facilitate the implementation of the incident response policy and associated incident response controls; and b. Reviews and updates the current: 1. Incident response policy with organization-defined frequency; and 2. Incident response procedures with organization-defined frequency. *CDSS and NIST Guidelines encourage agencies to consider establishing incident response teams or identifying individuals specifically responsible for addressing PII and CDSS data breaches.*
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the IR family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.
Control Number	**IR-2**
Title	Incident Response Training
CDSS Requirement	The organization must provide incident response training to information system users consistent with assigned roles and responsibilities: a. Within organization-defined time period of assuming an incident response role or responsibility; b. When required by information system changes; and c. With organization-defined frequency thereafter.
Supplemental Guidance (from NIST 800-53)	Incident response training provided by organizations is linked to the assigned roles and responsibilities of organizational personnel to ensure the appropriate content and level of detail is included in such training. For example, regular users may only need to know who to call or how to recognize an incident on the information system; system administrators may require additional training on how to handle/remediate incidents; and incident responders may receive more specific training on forensics, reporting, system recovery, and restoration. Incident response training includes user training in the identification and reporting of suspicious activities, both from external and internal sources. Related controls: AT-3, CP-3, IR-8.
Control Number	**IR-4**
Title	Incident Handling
CDSS Requirement	The organization must: a. Implements an incident handling capability for security incidents that includes preparation, detection and analysis, containment, eradication, and recovery; b. Coordinates incident handling activities with contingency planning activities; and c. Incorporates lessons learned from ongoing incident handling activities into incident response procedures, training, and testing, and implements the resulting changes accordingly.
Supplemental Guidance (from NIST 800-53)	Organizations recognize that incident response capability is dependent on the capabilities of organizational information systems and the mission/business processes being supported by those systems. Therefore, organizations consider incident response as part of the definition, design, and development of mission/business processes and information systems. Incident-related information can be obtained from a variety of sources including, for example, audit monitoring, network monitoring, physical access monitoring, user/administrator reports, and reported supply chain events. Effective incident handling capability includes coordination among many organizational entities including, for example, mission/business owners, information system owners, authorizing officials, human resources offices, physical and personnel security offices, legal departments, operations personnel, procurement offices, and the risk executive (function). Related controls: AU-6, CM-6, CP-2, CP-4, IR-2, IR-3, IR-8, PE-6, SC-5, SC-7, SI-3, SI-4, SI-7.

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Control Number	IR-8
Title	Incident Response Plan
CDSS Requirement	The organization must: a. Develop an incident response plan that: 1. Provides the organization with a roadmap for implementing its incident response capability; 2. Describes the structure and organization of the incident response capability; 3. Provides a high-level approach for how the incident response capability fits into the overall organization; 4. Meets the unique requirements of te organization, which relate to mission, size, structure, and functions; 5. Defines reportable incidents; 6. Provides metrics for measuring the incident response capability within the organization; 7. Defines the resources and management support needed to effectively maintain and mature an incident response capability; and 8. Is reviewed and approved by organization-defined personnel or roles; b. Distribute copies of the incident response plan to organization-defined incident response personnel (identified by name and/or by role) and organizational elements; c. Review the incident response plan organization-defined frequency; d. Updates the incident response plan to address system/organizational changes or problems encountered during plan implementation, execution, or testing; e. Communicate incident response plan changes to organization-defined incident response personnel (identified by name and/or by role) and organizational elements]; and f. Protect the incident response plan from unauthorized disclosure and modification.
Supplemental Guidance (from NIST 800-53)	It is important that organizations develop and implement a coordinated approach to incident response. Organizational missions, business functions, strategies, goals, and objectives for incident response help to determine the structure of incident response capabilities. As part of a comprehensive incident response capability, organizations consider the coordination and sharing of information with external organizations, including, for example, external service providers and organizations involved in the supply chain for organizational information systems. Related controls: MP-2, MP-4, MP-5.

9. **Media Protection (MP)**

Control Number	MP-2
Title	Media Access
CDSS Requirement	The organization must: Restricts access to PII to County Workers who require access to PII for purposes of administering the program or as required for the administration of other public benefit programs.
Supplemental Guidance (from NIST 800-53)	Information system media includes both digital and non-digital media. Digital media includes, for example, diskettes, magnetic tapes, external/removable hard disk drives, flash drives, compact disks, and digital video disks. Non-digital media includes, for example, paper and microfilm. Restricting non-digital media access includes, for example, denying access to patient medical records in a community hospital unless the individuals seeking access to such records are authorized healthcare providers. Restricting access to digital media includes, for example, limiting access to design specifications stored on compact disks in the media library to the project leader and the individuals on the development team. Related controls: AC-3, IA-2, MP-4, PE-2, PE-3, PL-2.
Control Number	MP-6
Title	Media Sanitization
CDSS Requirement	The organization must: a. Sanitize media containing PII prior to disposal, release out of organizational control, or release for reuse in accordance with applicable federal and organizational standards and policies; and b. Employs sanitization mechanisms with the strength and integrity commensurate with the security category or classification of the information.
Supplemental Guidance (from NIST 800-53)	This control applies to all information system media, both digital and non-digital, subject to disposal or reuse, whether or not the media is considered removable. Examples include media found in scanners, copiers, printers, notebook computers, workstations, network components, and mobile devices. The sanitization process removes information from the media such that the information cannot be retrieved or reconstructed. Sanitization techniques, including clearing, purging, cryptographic erase, and destruction, prevent the disclosure of information to unauthorized individuals when such media is reused or released for disposal. Organizations determine the appropriate sanitization methods recognizing that destruction is sometimes necessary when other methods cannot be applied to media requiring sanitization. Organizations use discretion on the employment of approved sanitization techniques and procedures for media containing information deemed to be in the public domain or publicly releasable, or deemed to have no adverse impact on organizations or individuals if released for reuse or disposal. Sanitization of non-digital media includes, for example, removing a classified appendix from an otherwise unclassified document, or redacting selected sections or words from a document by obscuring the redacted sections/words in a manner equivalent in effectiveness to removing them from the document. NSA standards and policies control the sanitization process for media containing classified information. Related controls: MA-2, MA-4, RA-3, SC-4.

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10. **Personnel Security (PS)**

Control Number	PS-3
Title	Personnel Screening
CDSS Requirement	The organization must: a. Screen individuals (employees, contractors and agents) prior to authorizing access to the information system and PII.
Supplemental Guidance (from NIST 800-53)	Personnel screening and rescreening activities reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, guidance, and specific criteria established for the risk designations of assigned positions. Organizations may define different rescreening conditions and frequencies for personnel accessing information systems based on types of information processed, stored, or transmitted by the systems.
Control Number	PS-4
Title	Personnel Termination
CDSS Requirement	The organization, upon termination of individual employment, must: a. Disable information system access; b. Terminate/revoke any authenticators/credentials associated with the individual; c. Conduct exit interviews, as needed; d. Retrieve all security-related organizational information system-related property; e. Retain access to organizational information and information systems formerly controlled by terminated individual; and f. Notified organization-defined personnel upon termination.
Supplemental Guidance (from NIST 800-53)	Information system-related property includes, for example, hardware authentication tokens, system administration technical manuals, keys, identification cards, and building passes. Exit interviews ensure that terminated individuals understand the security constraints imposed by being former employees and that proper accountability is achieved for information system-related property. Security topics of interest at exit interviews can include, for example, reminding terminated individuals of nondisclosure agreements and potential limitations on future employment. Exit interviews may not be possible for some terminated individuals, for example, in cases related to job abandonment, illnesses, and non-availability of supervisors. Exit interviews are important for individuals with security clearances. Timely execution of termination actions is essential for individuals terminated for cause. In certain situations, organizations consider disabling the information system accounts of individuals that are being terminated prior to the individuals being notified. Related controls: AC-2, IA-4, PE-2, PS-5, PS-6.
Control Number	PS-6
Title	Access Agreements
CDSS Requirement	The organization must: a. Develop and document access agreements for organizational information systems; b. Reviews and updates the access agreements at organization-defined frequency; and c. Ensure that individuals requiring access to organizational information and information systems: 1. Sign appropriate access agreements prior to being granted access; and 2. Re-sign access agreements to maintain access to organizational information systems when access agreements have been updated or at an organization-defined frequency. CDSS requires that contracts for periodic disposal/destruction of case files or other print media contain a non-disclosure agreement signed by all personnel who will encounter products that contain PII.
Supplemental Guidance (from NIST 800-53)	Supplemental Guidance: Access agreements include, for example, nondisclosure agreements, acceptable use agreements, rules of behavior, and conflict-of-interest agreements. Signed access agreements include an acknowledgement that individuals have read, understand, and agree to abide by the constraints associated with organizational information systems to which access is authorized. Organizations can use electronic signatures to acknowledge access agreements unless specifically prohibited by organizational policy. Related control: PL-4, PS-2, PS-3, PS-4, PS-8.

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Control Number	PS-7
Title	Third-Party Personnel Security
CDSS Requirement	The organization must: a. Establishes personnel security requirements including security roles and responsibilities for county agents, subcontractors, and vendors; b. Requires third-party providers to comply with personnel security policies and procedures established by the organization; c. Documents personnel security requirements; d. Requires third-party providers to notify organization-defined personnel or roles of any personnel transfers or terminations of third-party personnel who possess organizational credentials and/or badges, or who have information system privileges within organization-defined time period; and e. Monitors provider compliance. *The service level agreements with the contractors and agents must contain non-disclosure language as it pertains to PII. The statement shall include, at a minimum, a description of the following:* *1. General Use of PII;* *2. Security and Privacy Safeguards for PII;* *3. Unacceptable Use of PII; and* *4. Enforcement Policies.* *The county department/agency must retain the non-disclosure agreements for at least five (5) to seven (7) years for all contractors and agents who processes, views, or encounters PII as part of their duties*
Supplemental Guidance (from NIST 800-53)	Third-party providers include, for example, service bureaus, contractors, and other organizations providing information system development, information technology services, outsourced applications, and network and security management. Organizations explicitly include personnel security requirements in acquisition-related documents. Third-party providers may have personnel working at organizational facilities with credentials, badges, or information system privileges issued by organizations. Notifications of third-party personnel changes ensure appropriate termination of privileges and credentials. Organizations define the transfers and terminations deemed reportable by security-related characteristics that include, for example, functions, roles, and nature of credentials/privileges associated with individuals transferred or terminated. Related controls: PS-2, PS-3, PS-4, PS-5, PS-6, SA-9, SA-21.
Control Number	PS-8
Title	Personnel Sanctions
CDSS Requirement	The organization must: a. Employ a formal sanctions process for individuals failing to comply with established information security policies and procedures; and b. Notify organization personnel within the organization-defined time period when a formal employee sanctions process is initiated, identifying the individual sanctioned and the reason for the sanction. *If a member of the county's workforce, as defined at 45 CFR 160.103 and inclusive of an employee, contractor, or agent is subject to an adverse action by the organization (e.g., reduction in pay, disciplinary action, termination of employment, termination of contract for services), CDSS recommends the organization remove his or her access to PII in advance of the adverse action to reduce the possibility that will the individual will perform unauthorized activities that involve PII, if applicable.*
Supplemental Guidance (from NIST 800-53)	Organizational sanctions processes reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Sanctions processes are described in access agreements and can be included as part of general personnel policies and procedures for organizations. Organizations consult with the Office of the General Counsel regarding matters of employee sanctions. Related controls: PL-4, PS-6.

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11. **Physical and Environmental Protection (PE)**

Control Number	PE-3
Title	Physical Access Control
CDSS Requirement	The organization must: a. Enforce physical access authorizations at entry and exit points to the facility where the information system resides by; 1. Verifying individual access authorizations before granting access to the facility; and 2. Controlling ingress/egress to the facility using physical access control systems/devices and/or guards; b. Maintain physical access audit logs for entry and exit points; c. Provide security safeguards to control access to areas within the facility officially designated as publicly accessible; d. Escort visitors and monitors visitor activity; e. Secure keys, combinations, and other physical access devices; f. Inventory physical access devices; and g. Changes combinations and keys at minimum when keys are lost, combinations are compromised, or individuals are transferred or terminated
Supplemental Guidance (from NIST 800-53)	This control applies to organizational employees and visitors. Individuals (e.g., employees, contractors, and others) with permanent physical access authorization credentials are not considered visitors. Organizations determine the types of facility guards needed including, for example, professional physical security staff or other personnel such as administrative staff or information system users. Physical access devices include, for example, keys, locks, combinations, and card readers. Safeguards for publicly accessible areas within organizational facilities include, for example, cameras, monitoring by guards, and isolating selected information systems and/or system components in secured areas. Physical access control systems comply with applicable federal laws, Executive Orders, directives, policies, regulations, standards, and guidance. The Federal Identity, Credential, and Access Management Program provides implementation guidance for identity, credential, and access management capabilities for physical access control systems. Organizations have flexibility in the types of audit logs employed. Audit logs can be procedural (e.g., a written log of individuals accessing the facility and when such access occurred), automated (e.g., capturing ID provided by a PIV card), or some combination thereof. Physical access points can include facility access points, interior access points to information systems and/or components requiring supplemental access controls, or both. Components of organizational information systems (e.g., workstations, terminals) may be located in areas designated as publicly accessible with organizations safeguarding access to such devices. Related controls: AU-2, AU-6, MP-2, MP-4, PE-2, PE-4, PE-5, PS-3, RA-3.
Control Number	PE-6
Title	Monitoring Physical Access
CDSS Requirement	The organization must: a. Monitors physical access to the facility where the information system resides to detect and respond to physical security incidents; b. Reviews physical access logs organization-defined frequency and upon occurrence of security incidents; and c. Coordinates results of reviews and investigations with the organizational incident response capability.
Supplemental Guidance (from NIST 800-53)	Organizational incident response capabilities include investigations of and responses to detected physical security incidents. Security incidents include, for example, apparent security violations or suspicious physical access activities. Suspicious physical access activities include, for example: (i) accesses outside of normal work hours; (ii) repeated accesses to areas not normally accessed; (iii) accesses for unusual lengths of time; and (iv) out-of-sequence accesses. Related controls: CA-7, IR-4, IR-8.

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12. **Planning (PL)**

Control Number	PL-1
Title	Security Planning Policy and Procedures
CDSS Requirement	The organization must: a. Develop, document, and disseminate to personnel and organizations with access to PII: 1. A security planning policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and 2. Procedures to facilitate the implementation of the security planning policy and associated security planning controls; and b. Reviews and updates the current: 1. Security planning policy; and 2. Security planning procedures.
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the PL family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies,
	standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.
Control Number	PL-2
Title	System Security Plan
CDSS Requirement	The organization must: a. Develop a security plan for the information system that: 1. Is consistent with the organization's enterprise architecture; 2. Explicitly defines the authorization boundary for the system; 3. Describes the operational context of the information system in terms of missions and business processes; 4. Provides the security categorization of the information system including supporting rationale; 5. Describes the operational environment for the information system and relationships with or connections to other information systems; 6. Provides an overview of the security requirements for the system; 7. Identifies any relevant overlays, if applicable; 8. Describes the security controls in place or planned for meeting those requirements including a rationale for the tailoring decisions; and 9. Is reviewed and approved by the authorizing official or designated representative prior to plan implementation; b. Distribute copies of the security plan and communicates subsequent changes to the plan to personnel and organizations with security responsibilities; c. Review the security plan for the information system; d. Update the plan to address changes to the information system/environment of operation or problems identified during plan implementation or security control assessments; and e. Protect the security plan from unauthorized disclosure and modification. *Organization's security plan should include detailed information specific to safeguarding Medi-Cal PII.*
Supplemental Guidance (from NIST 800-53)	Security plans relate security requirements to a set of security controls and control enhancements. Security plans also describe, at a high level, how the security controls and control enhancements meet those security requirements, but do not provide detailed, technical descriptions of the specific design or implementation of the controls/enhancements. Security plans contain sufficient information (including the specification of parameter values for assignment and selection statements either explicitly or by reference) to enable a design and implementation that is unambiguously compliant with the intent of the plans and subsequent determinations of risk to organizational operations and assets, individuals, other organizations, and the Nation if the plan is implemented as intended. Organizations can also apply tailoring guidance to the security control baselines in Appendix D and CNSS Instruction 1253 to develop overlays for community-wide use or to address specialized requirements, technologies, or missions/environments of operation (e.g., DoD-tactical, Federal Public Key Infrastructure, or Federal Identity, Credential, and Access Management, space operations). Appendix I provides guidance on developing overlays. Security plans need not be single documents; the plans can be a collection of various documents including documents that already exist. Effective security plans make extensive use of references to policies, procedures, and additional documents (e.g., design and implementation specifications) where more detailed information can be obtained. This reduces the documentation requirements associated with security programs and maintains security-related information in other established management/operational areas related to enterprise architecture, system development life cycle, systems engineering, and acquisition. For example, security plans do not contain detailed contingency plan or incident response plan information but instead provide explicitly or by reference, sufficient information to define what needs to be accomplished by those plans. Related controls: AC-2, AC-6, AC-14, AC-17, AC-20, CA-2, CA-3, CA-7, CM-9, CP-2, IR-8, MA-4, MA-5, MP-2, MP-4, MP-5, PL-7, PM-1, PM-7, PM-8, PM-9, PM-11, SA-5, SA-17.

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13. **Risk Assessment (RA)**

Control Number	RA-1
Title	Risk Assessment Policy and Procedures
CDSS Requirement	The organization must: a. Develop, document, and disseminate to system owners using PII: 1. A risk assessment policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and 2. Procedures to facilitate the implementation of the risk assessment policy and associated risk assessment controls.
Supplemental Guidance (from NIST 800-53)	This control addresses the establishment of policy and procedures for the effective implementation of selected security controls and control enhancements in the RA family. Policy and procedures reflect applicable federal laws, Executive Orders, directives, regulations, policies, standards, and guidance. Security program policies and procedures at the organization level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for organizations or conversely, can be represented by multiple policies reflecting the complex nature of certain organizations. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures. Related control: PM-9.
Control Number	RA-3
Title	Risk Assessment
CDSS Requirement	The organization must: a. Conduct an assessment of risk, including the likelihood and magnitude of harm, from the unauthorized access, use, disclosure, disruption, modification, or destruction of the information system and the information it processes, stores, or transmits; b. Documents risk assessment results in a risk assessment report or organization defined risk report document. c. Review risk assessment results annually; and e. Update the risk assessment whenever there are significant changes to the information system or environment of operation (including the identification of new threats and vulnerabilities), or other conditions that may impact the security state of the system.
Supplemental Guidance (from NIST 800-53)	Clearly defined authorization boundaries are a prerequisite for effective risk assessments. Risk assessments take into account threats, vulnerabilities, likelihood, and impact to organizational operations and assets, individuals, other organizations, and the Nation based on the operation and use of information systems. Risk assessments also take into account risk from external parties (e.g., service providers, contractors operating information systems on behalf of the organization, individuals accessing organizational information systems, outsourcing entities). In accordance with OMB policy and related E-authentication initiatives, authentication of public users accessing federal information systems may also be required to protect nonpublic or privacy-related information. As such, organizational assessments of risk also address public access to federal information systems. Risk assessments (either formal or informal) can be conducted at all three tiers in the risk management hierarchy (i.e., organization level, mission/business process level, or information system level) and at any phase in the system development life cycle. Risk assessments can also be conducted at various steps in the Risk Management Framework, including categorization, security control selection, security control implementation, security control assessment, information system authorization, and security control monitoring. RA-3 is noteworthy in that the control must be partially implemented prior to the implementation of other controls in order to complete the first two steps in the Risk Management Framework. Risk assessments can play an important role in security control selection processes, particularly during the application of tailoring guidance, which includes security control supplementation. Related controls: RA-2, PM- 9.

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Control Number	RA-5
Title	Vulnerability Scanning
CDSS Requirement	The organization must: a. Scan for vulnerabilities in the information system and hosted applications at a minimum of a monthly basis and when new vulnerabilities potentially affecting the system/applications are identified and reported; b. Employ vulnerability scanning tools and techniques that facilitate interoperability among tools and automate parts of the vulnerability management process by using standards for: 1. Enumerating platforms, software flaws, and improper configurations; a. Analyze vulnerability scan reports and results from security control assessments; b. Remediate legitimate vulnerabilities within organization defined time periods in accordance with an organizational assessment of risk; and c. Share information obtained from the vulnerability scanning process and security control assessments with all impacted system owners to help eliminate similar vulnerabilities in other information systems (i.e., systemic weaknesses or deficiencies).
Supplemental Guidance (from NIST 800-53)	Security categorization of information systems guides the frequency and comprehensiveness of vulnerability scans. Organizations determine the required vulnerability scanning for all information system components, ensuring that potential sources of vulnerabilities such as networked printers, scanners, and copiers are not overlooked. Vulnerability analyses for custom software applications may require additional approaches such as static analysis, dynamic analysis, binary analysis, or a hybrid of the three approaches. Organizations can employ these analysis approaches in a variety of tools (e.g., web-based application scanners, static analysis tools, binary analyzers) and in source code reviews. Vulnerability scanning includes, for example: (i) scanning for patch levels; (ii) scanning for functions, ports, protocols, and services that should not be accessible to users or devices; and (iii) scanning for improperly configured or incorrectly operating information flow control mechanisms. Organizations consider using tools that express vulnerabilities in the Common Vulnerabilities and Exposures (CVE) naming convention and that use the Open Vulnerability Assessment Language (OVAL) to determine/test for the presence of vulnerabilities. Suggested sources for vulnerability information include the Common Weakness Enumeration (CWE) listing and the National Vulnerability Database (NVD). In addition, security control assessments such as red team exercises provide other sources of potential vulnerabilities for which to scan. Organizations also consider using tools that express vulnerability impact by the Common Vulnerability Scoring System (CVSS). Related controls: CA-2, CA-7, CM-4, CM-6, RA-2, RA-3, SA-11, SI-2.

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14. **Security Assessment and Authorization (CA)**

Control Number	CA-2
Title	Security Assessments
CDSS Requirement	The organization must: a. Develops a security assessment plan that describes the scope of the assessment including: 1. Security controls and control enhancements under assessment; 2. Assessment procedures to be used to determine security control effectiveness; and 3. Assessment environment, assessment team, and assessment roles and responsibilities; b. Assesses the security controls in the information system and its environment of operation with organization-defined frequency to determine the extent to which the controls are implemented correctly, operating as intended, and producing the desired outcome with respect to meeting established security requirements; c. Produces a security assessment report that documents the results of the assessment; and d. Provides the results of the security control assessment to organization-defined individuals or roles.
Supplemental Guidance (from NIST 800-53)	Organizations assess security controls in organizational information systems and the environments in which those systems operate as part of: (i) initial and ongoing security authorizations; (ii) FISMA annual assessments; (iii) continuous monitoring; and (iv) system development life cycle activities. Security assessments: (i) ensure that information security is built into organizational information systems; (ii) identify weaknesses and deficiencies early in the development process; (iii) provide essential information needed to make risk-based decisions as part of security authorization processes; and (iv) ensure compliance to vulnerability mitigation procedures. Assessments are conducted on the implemented security controls from Appendix F (main catalog) and Appendix G (Program Management controls) as documented in System Security Plans and Information Security Program Plans. Organizations can use other types of assessment activities such as vulnerability scanning and system monitoring to maintain the security posture of information systems during the entire life cycle. Security assessment reports document assessment results in sufficient detail as deemed necessary by organizations, to determine the accuracy and completeness of the reports and whether the security controls are implemented correctly, operating as intended, and producing the desired outcome with respect to meeting security requirements. The FISMA requirement for assessing security controls at least annually does not require additional assessment activities to those activities already in place in organizational security authorization processes. Security assessment results are provided to the individuals or roles appropriate for the types of assessments being conducted. For example, assessments conducted in support of security authorization decisions are provided to authorizing officials or authorizing official designated representatives. To satisfy annual assessment requirements, organizations can use assessment results from the following sources: (i) initial or ongoing information system authorizations; (ii) continuous monitoring; or (iii) system development life cycle activities. Organizations ensure that security assessment results are current, relevant to the determination of security control effectiveness, and obtained with the appropriate level of assessor independence. Existing security control assessment results can be reused to the extent that the results are still valid and can also be supplemented with additional assessments as needed. Subsequent to initial authorizations and in accordance with OMB policy, organizations assess security controls during continuous monitoring. Organizations establish the frequency for ongoing security control assessments in accordance with organizational continuous monitoring strategies. Information Assurance Vulnerability Alerts provide useful examples of vulnerability mitigation procedures. External audits (e.g., audits by external entities such as regulatory agencies) are outside the scope of this control. Related controls: CA-5, CA-6, CA-7, PM-9, RA-5, SA-11, SA-12, SI-4.

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Control Number	CA-3
Title	System Interconnections
CDSS Requirement	The organization must: a. Authorizes connections from the information system to other information systems through the use of Interconnection Security Agreements; b. Documents, for each interconnection, the interface characteristics, security requirements, and the nature of the information communicated; and c. Reviews and updates Interconnection Security Agreements [Assignment: organization-defined frequency].
Supplemental Guidance (from NIST 800-53)	This control applies to dedicated connections between information systems (i.e., system interconnections) and does not apply to transitory, user-controlled connections such as email and website browsing. Organizations carefully consider the risks that may be introduced when information systems are connected to other systems with different security requirements and security controls, both within organizations and external to organizations. Authorizing officials determine the risk associated with information system connections and the appropriate controls employed. If interconnecting systems have the same authorizing official, organizations do not need to develop Interconnection Security Agreements. Instead, organizations can describe the interface characteristics between those interconnecting systems in their respective security plans. If interconnecting systems have different authorizing officials within the same organization, organizations can either develop Interconnection Security Agreements or describe the interface characteristics between systems in the security plans for the respective systems. Organizations may also incorporate Interconnection Security Agreement information into formal contracts, especially for interconnections established between federal agencies and nonfederal (i.e., private sector) organizations. Risk considerations also include information systems sharing the same networks. For certain technologies (e.g., space, unmanned aerial vehicles, and medical devices), there may be specialized connections in place during preoperational testing. Such connections may require Interconnection Security Agreements and be subject to additional security controls. Related controls: AC-3, AC-4, AC-20, AU-2, AU-12, AU-16, CA-7, IA-3, SA-9, SC-7, SI-4.
Control Number	CA-7
Title	Continuous Monitoring
CDSS Requirement	The organization must develop a continuous monitoring strategy and implement a continuous monitoring program that includes: a. Establishment of PII security controls to be monitored; c. Ongoing security control assessments in accordance with the organizational continuous monitoring strategy; d. Ongoing security status monitoring of PII security controls in accordance with the organizational continuous monitoring strategy; e. Correlation and analysis of security-related information generated by assessments and monitoring; f. Response actions to address results of the analysis of security-related information; and g. Reporting the security status of organization and the information system to organization-defined personnel or roles and to CDSS when requested.
Supplemental Guidance (from NIST 800-53)	Continuous monitoring programs facilitate ongoing awareness of threats, vulnerabilities, and information security to support organizational risk management decisions. The terms continuous and ongoing imply that organizations assess/analyze security controls and information security-related risks at a frequency sufficient to support organizational risk-based decisions. The results of continuous monitoring programs generate appropriate risk response actions by organizations. Continuous monitoring programs also allow organizations to maintain the security authorizations of information systems and common controls over time in highly dynamic environments of operation with changing mission/business needs, threats, vulnerabilities, and technologies. Having access to security-related information on a continuing basis through reports/dashboards gives organizational officials the capability to make more effective and timely risk management decisions, including ongoing security authorization decisions. Automation supports more frequent updates to security authorization packages, hardware/software/firmware inventories, and other system information. Effectiveness is further enhanced when continuous monitoring outputs are formatted to provide information that is specific, measurable, actionable, relevant, and timely. Continuous monitoring activities are scaled in accordance with the security categories of information systems. Related controls: CA-2, CA-5, CA-6, CM-3, CM-4, PM-6, PM-9, RA-5, SA-11, SA-12, SI-2, SI-4.

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Control Number	CA-8
Title	Penetration Testing
CDSS Requirement	The organization must conduct penetration testing annually on systems storing, processing, or transmitting PII.
Supplemental Guidance (from NIST 800-53)	Penetration testing is a specialized type of assessment conducted on information systems or individual system components to identify vulnerabilities that could be exploited by adversaries. Such testing can be used to either validate vulnerabilities or determine the degree of resistance organizational information systems have to adversaries within a set of specified constraints (e.g., time, resources, and/or skills). Penetration testing attempts to duplicate the actions of adversaries in carrying out hostile cyber-attacks against organizations and provides a more in-depth analysis of security-related weaknesses/deficiencies. Organizations can also use the results of vulnerability analyses to support penetration testing activities. Penetration testing can be conducted on the hardware, software, or firmware components of an information system and can exercise both physical and technical security controls. A standard method for penetration testing includes, for example: (i) pretest analysis based on full knowledge of the target system; (ii) pretest identification of potential vulnerabilities based on pretest analysis; and (iii) testing designed to determine exploitability of identified vulnerabilities. All parties agree to the rules of engagement before the commencement of penetration testing scenarios. Organizations correlate the penetration testing rules of engagement with the tools, techniques, and procedures that are anticipated to be employed by adversaries carrying out attacks. Organizational risk assessments guide decisions on the level of independence required for personnel conducting penetration testing. Related control: SA-12.

15. **System and Communications Protection (SC)**

Control Number	SC-7
Title	Boundary Protection
CDSS Requirement	The organization information system must: a. Monitor and control communications at the external boundary of the system and at key internal boundaries within the system; b. Implements subnetworks for publicly accessible system components that are physically and logically separated from internal organizational networks; and c. Connect to external networks or information systems only through managed interfaces consisting of boundary protection devices arranged in accordance with an organizational security architecture.
Supplemental Guidance (from NIST 800-53)	Managed interfaces include, for example, gateways, routers, firewalls, guards, network-based malicious code analysis and virtualization systems, or encrypted tunnels implemented within a security architecture (e.g., routers protecting firewalls or application gateways residing on protected subnetworks). Subnetworks that are physically or logically separated from internal networks are referred to as demilitarized zones or DMZs. Restricting or prohibiting interfaces within organizational information systems includes, for example, restricting external web traffic to designated web servers within managed interfaces and prohibiting external traffic that appears to be spoofing internal addresses. Organizations consider the shared nature of commercial telecommunications services in the implementation of security controls associated with the use of such services. Commercial telecommunications services are commonly based on network components and consolidated management systems shared by all attached commercial customers, and may also include third party-provided access lines and other service elements. Such transmission services may represent sources of increased risk despite contract security provisions. Related controls: AC-4, AC-17, CA-3, CM-7, CP-8, IR-4, RA-3, SC-5, SC-13.
Control Number	**SC-8**
Title	Transmission Confidentiality and Integrity
CDSS Requirement	The organization information system must: Protect the confidentiality of transmitted information.
Supplemental Guidance (from NIST 800-53)	This control applies to both internal and external networks and all types of information system components from which information can be transmitted (e.g., servers, mobile devices, notebook computers, printers, copiers, scanners, facsimile machines). Communication paths outside the physical protection of a controlled boundary are exposed to the possibility of interception and modification. Protecting the confidentiality and/or integrity of organizational information can be accomplished by physical means (e.g., by employing protected distribution systems) or by logical means (e.g., employing encryption techniques). Organizations relying on commercial providers offering transmission services as commodity services rather than as fully dedicated services (i.e., services which can be highly specialized to individual customer needs), may find it difficult to obtain the necessary assurances regarding the implementation of needed security controls for transmission confidentiality/integrity. In such situations, organizations determine what types of confidentiality/integrity services are available in standard, commercial telecommunication service packages. If it is infeasible or impractical to obtain the necessary security controls and assurances of control effectiveness through appropriate contracting vehicles, organizations implement appropriate compensating security controls or explicitly accept the additional risk. Related controls: AC-17, PE-4.

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Control Number	SC-8(1)
Title	Transmission Confidentiality and Integrity | Cryptographic or Alternate Physical Protection
CDSS Requirement	The organization information system must implement cryptographic mechanisms to prevent unauthorized disclosure of information during transmission.
Supplemental Guidance (from NIST 800-53)	Encrypting information for transmission protects information from unauthorized disclosure and modification. Cryptographic mechanisms implemented to protect information integrity include, for example, cryptographic hash functions which have common application in digital signatures, checksums, and message authentication codes. Alternative physical security safeguards include, for example, protected distribution systems. Related control: SC-13.
Control Number	SC-13
Title	Cryptographic Protection
CDSS Requirement	The organization information system must implement FIPS 140-3 compliant encryption modules in accordance with applicable federal laws, Executive Orders, directives, policies, regulations, and standards.
Supplemental Guidance (from NIST 800-53)	Cryptography can be employed to support a variety of security solutions including, for example, the protection of classified and Controlled Unclassified Information, the provision of digital signatures, and the enforcement of information separation when authorized individuals have the necessary clearances for such information but lack the necessary formal access approvals. Cryptography can also be used to support random number generation and hash generation. Generally applicable cryptographic standards include FIPS-validated cryptography and NSA-approved cryptography. This control does not impose any requirements on organizations to use cryptography. However, if cryptography is required based on the selection of other security controls, organizations define each type of cryptographic use and the type of cryptography required (e.g., protection of classified information: NSA-approved cryptography; provision of digital signatures: FIPS-validated cryptography). Related controls: AC-2, AC-3, AC-7, AC-17, AC-18, AU-9, AU-10, CM-11, CP-9, IA-3, IA-7, MA-4, MP-2, MP-4, MP-5, SA-4, SC-8, SC-12, SC-28, SI-7.
Control Number	SC-28
Title	Protection of Information at Rest
CDSS Requirement	The organization information system must: Protect the confidentiality of PII at rest.
Supplemental Guidance (from NIST 800-53)	This control addresses the confidentiality and integrity of information at rest and covers user information and system information. Information at rest refers to the state of information when it is located on storage devices as specific components of information systems. System-related information requiring protection includes, for example, configurations or rule sets for firewalls, gateways, intrusion detection/prevention systems, filtering routers, and authenticator content. Organizations may employ different mechanisms to achieve confidentiality and integrity protections, including the use of cryptographic mechanisms and file share scanning. Integrity protection can be achieved, for example, by implementing Write-Once-Read-Many (WORM) technologies. Organizations may also employ other security controls including, for example, secure off-line storage in lieu of online storage when adequate protection of information at rest cannot otherwise be achieved and/or continuous monitoring to identify malicious code at rest. Related controls: AC-3, AC-6, CA-7, CM-3, CM-5, CM-6, PE-3, SC-8, SC-13, SI-3, SI-7.

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16. **System and Information Integrity (SI)**

Control Number	SI-2
Title	Flaw Remediation
CDSS Requirement	The organization must: a. Identify, report, and correct information system flaws; b. Tests software and firmware updates related to flaw remediation for effectiveness and potential side effects before installation; c. Installs security-relevant software and firmware updates, within acceptable organization standards, of the release of the updates; and d. Incorporates flaw remediation into the organizational configuration management process.
Supplemental Guidance (from NIST 800-53)	Organizations identify information systems affected by announced software flaws including potential vulnerabilities resulting from those flaws, and report this information to designated organizational personnel with information security responsibilities. Security-relevant software updates include, for example, patches, service packs, hot fixes, and anti-virus signatures. Organizations also address flaws discovered during security assessments, continuous monitoring, incident response activities, and system error handling. Organizations take advantage of available resources such as the Common Weakness Enumeration (CWE) or Common Vulnerabilities and Exposures (CVE) databases in remediating flaws discovered in organizational information systems. By incorporating flaw remediation into ongoing configuration management processes, required/anticipated remediation actions can be tracked and verified. Flaw remediation actions that can be tracked and verified include, for example, determining whether organizations follow US-CERT guidance and Information Assurance Vulnerability Alerts. Organization-defined time periods for updating security-relevant software and firmware may vary based on a variety of factors including, for example, the security category of the information system or the criticality of the update (i.e., severity of the vulnerability related to the discovered flaw). Some types of flaw remediation may require more testing than other types. Organizations determine the degree and type of testing needed for the specific type of flaw remediation activity under consideration and also the types of changes that are to be configuration-managed. In some situations, organizations may determine that the testing of software and/or firmware updates is not necessary or practical, for example, when implementing simple anti-virus signature updates. Organizations may also consider in testing decisions, whether security-relevant software or firmware updates are obtained from authorized sources with appropriate digital signatures. Related controls: CA-2, CA-7, CM-3, CM-5, CM-8, MA-2, IR-4, RA-5, SA-10, SA-11, SI-11.
Control Number	SI-3
Title	Malicious Code Protection
CDSS Requirement	The organization must: a. Employ malicious code protection mechanisms at information system entry and exit points to detect and eradicate malicious code; b. Update malicious code protection mechanisms whenever new releases are available in accordance with organizational configuration management policy and procedures; c. Configure malicious code protection mechanisms to: 1. Perform periodic scans of the information system and real-time scans of files from external sources at the endpoint and network entry/exit points as the files are downloaded, opened, or executed in accordance with organizational security policy; and 2. Block malicious code or quarantine malicious code, and send alert to administrator for incident handling in response to malicious code detection; and d. Address the receipt of false positives during malicious code detection and eradication and the resulting potential impact on the availability of the information system
Supplemental Guidance (from NIST 800-53)	Information system entry and exit points include, for example, firewalls, electronic mail servers, web servers, proxy servers, remote-access servers, workstations, notebook computers, and mobile devices. Malicious code includes, for example, viruses, worms, Trojan horses, and spyware. Malicious code can also be encoded in various formats (e.g., UUENCODE, Unicode), contained within compressed or hidden files, or hidden in files using steganography. Malicious code can be transported by different means including, for example, web accesses, electronic mail, electronic mail attachments, and portable storage devices. Malicious code insertions occur through the exploitation of information system vulnerabilities. Malicious code protection mechanisms include, for example, anti-virus signature definitions and reputation-based technologies. A variety of technologies and methods exist to limit or eliminate the effects of malicious code. Pervasive configuration management and comprehensive software integrity controls may be effective in preventing execution of unauthorized code. In addition to commercial off-the-shelf software, malicious code may also be present in custom-built software. This could include, for example, logic bombs, back doors, and other types of cyber attacks that could affect organizational missions/business functions. Traditional malicious code protection mechanisms cannot always detect such code. In these situations, organizations rely instead on other safeguards including, for example, secure coding practices, configuration management and control, trusted procurement processes, and monitoring practices to help ensure that software does not perform functions other than the functions intended. Organizations may determine that in response to the detection of malicious code, different actions may be warranted. For example, organizations can define actions in response to malicious code detection during periodic scans, actions in response to detection of malicious downloads, and/or actions in response to detection of maliciousness when attempting to open or execute files. Related controls: CM-3, MP-2, SA-4, SA-8, SA-12, SA-13, SC-7, SC-26, SC-44, SI-2, SI-4, SI-7.

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Control Number	SI-4
Title	Information System Monitoring
CDSS Requirement	The organization must: a. Monitor the information system to detect: 1. Attacks and indicators of potential attacks in accordance with organization-defined monitoring objectives; and 2. Unauthorized local, network, and remote connections; b. Identify unauthorized use of the information system through organization-defined techniques and methods; c. Deploy monitoring devices: 1. Strategically within the information system to collect organization-determined essential information; and 2. At ad hoc locations within the system to track specific types of transactions of interest to the organization; d. Protect information obtained from intrusion-monitoring tools from unauthorized access, modification, and deletion; e. Heighten the level of information system monitoring activity whenever there is an indication of increased risk to organizational operations and assets, individuals, other organizations, or the Nation based on law enforcement information, intelligence information, or other credible sources of information; Relevant risk would apply to anything impacting the confidentiality integrity or availability of the information system. f. Obtain legal opinion with regard to information system monitoring activities in accordance with applicable federal laws, Executive Orders, directives, policies, or regulations; and g. Provides organization-defined information system monitoring information to organization-defined personnel and CDSS as needed.
Supplemental Guidance (from NIST 800-53)	Information system monitoring includes external and internal monitoring. External monitoring includes the observation of events occurring at the information system boundary (i.e., part of perimeter defense and boundary protection). Internal monitoring includes the observation of events occurring within the information system. Organizations can monitor information systems, for example, by observing audit activities in real time or by observing other system aspects such as access patterns, characteristics of access, and other actions. The monitoring objectives may guide determination of the events. Information system monitoring capability is achieved through a variety of tools and techniques (e.g., intrusion detection systems, intrusion prevention systems, malicious code protection software, scanning tools, audit record monitoring software, network monitoring software). Strategic locations for monitoring devices include, for example, selected perimeter locations and near server farms supporting critical applications, with such devices typically being employed at the managed interfaces associated with controls SC-7 and AC-17. Einstein network monitoring devices from the Department of Homeland Security can also be included as monitoring devices. The granularity of monitoring information collected is based on organizational monitoring objectives and the capability of information systems to support such objectives. Specific types of transactions of interest include, for example, Hyper Text Transfer Protocol (HTTP) traffic that bypasses HTTP proxies. Information system monitoring is an integral part of organizational continuous monitoring and incident response programs. Output from system monitoring serves as input to continuous monitoring and incident response programs. A network connection is any connection with a device that communicates through a network (e.g., local area network, Internet). A remote connection is any connection with a device communicating through an external network (e.g., the Internet). Local, network, and remote connections can be either wired or wireless. Related controls: AC-3, AC-4, AC-8, AC-17, AU-2, AU-6, AU-7, AU-9, AU-12, CA-7, IR-4, PE-3, RA-5, SC-7, SC-26, SC-35, SI-3, SI-7.

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Control Number	SI-4(5)
Title	Information System Monitoring | System Generated Alerts
CDSS Requirement	The information system alerts County Worker when the following indications of compromise or potential compromise occur 1. Protected system files or directories have been modified without notification from the appropriate change/configuration management channels. 2. System performance indicates resource consumption that is inconsistent with expected operating conditions. 3. Auditing functionality has been disabled or modified to reduce audit visibility. 4. Audit or log records have been deleted or modified without explanation. 5. The system is raising alerts or faults in a manner that indicates the presence of an abnormal condition. 6. Resource or service requests are initiated from clients that are outside of the expected client membership set. 7. The system reports failed logins or password changes for administrative or key service accounts. 8. Processes and services are running that are outside of the baseline system profile. 9. Utilities, tools, or scripts have been saved or installed on production systems without clear indication of their use or purpose.
Supplemental Guidance (from NIST 800-53)	Alerts may be generated from a variety of sources, including, for example, audit records or inputs from malicious code protection mechanisms, intrusion detection or prevention mechanisms, or boundary protection devices such as firewalls, gateways, and routers. Alerts can be transmitted, for example, telephonically, by electronic mail messages, or by text messaging. Organizational personnel on the notification list can include, for example, system administrators, mission/business owners, system owners, or information system security officers. Related controls: AU-5, PE-6.
Control Number	SI-4(13)
Title	Information System Monitoring | Analyze Traffic / Event Patterns
CDSS Requirement	The organization must: a. Analyzes communications traffic/event patterns for the information system; b. Develops profiles representing common traffic patterns and/or events; and c. Uses the traffic/event profiles in tuning system-monitoring devices to reduce the number of false positives and the number of false negatives.
Supplemental Guidance (from NIST 800-53)	None

17. **System and Services Acquisition (SA)**

Control Number	**SA-9**
Title	External Information System Services
CDSS Requirement	The organization must: a. Require that providers of external information system services comply with organizational information security requirements and employ organization-defined security controls in accordance with CDSS PSA, applicable federal laws, Executive Orders, directives, policies, regulations, standards, and guidance; b. Defines and documents government oversight and user roles and responsibilities with regard to external information system services; and c. Employs organization-defined processes, methods, and techniques to monitor security control compliance by external service providers on an ongoing basis. *The state organization will provide its contractors and agents with copies of the Agreement, related IEAs, and all related attachments before initial disclosure of PII to such contractors and agents. Prior to signing the Agreement, and thereafter at CDSS's request, the state organization will obtain from its contractors and agents a current list of the employees of such contractors and agents with access to PII and provide such lists to CDSS.*
Supplemental Guidance (from NIST 800-53)	External information system services are services that are implemented outside of the authorization boundaries of organizational information systems. This includes services that are used by, but not a part of, organizational information systems. FISMA and OMB policy require that organizations using external service providers that are processing, storing, or transmitting federal information or operating information systems on behalf of the federal government ensure that such providers meet the same security requirements that federal agencies are required to meet. Organizations establish relationships with external service providers in a variety of ways including, for example, through joint ventures, business partnerships, contracts, interagency agreements, lines of business arrangements, licensing agreements, and supply chain exchanges. The responsibility for managing risks from the use of external information system services remains with authorizing officials. For services external to organizations, a chain of trust requires that organizations establish and retain a level of confidence that each participating provider in the potentially complex consumer-provider relationship provides adequate protection for the services rendered. The extent and nature of this chain of trust varies based on the relationships between organizations and the external providers. Organizations document the basis for trust relationships so the relationships can be monitored over time. External information system services documentation includes government, service providers, end user security roles and responsibilities, and service-level agreements. Service-level agreements define expectations of performance for security controls, describe measurable outcomes, and identify remedies and response requirements for identified instances of noncompliance. Related controls: CA-3, IR-7, PS-7.

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Control Number	SA-11
Title	Developer Security Testing And Evaluation
CDSS Requirement	The organization must require the developer of the information system, system component, or information system service to: a. Create and implement a security assessment plan; b. Perform [Selection (one or more): unit; integration; system; regression] testing/evaluation at [Assignment: organization-defined depth and coverage]; c. Produce evidence of the execution of the security assessment plan and the results of the security testing/evaluation; d. Implement a verifiable flaw remediation process; and e. Correct flaws identified during security testing/evaluation
Supplemental Guidance (from NIST 800-53)	Supplemental Guidance: Developmental security testing/evaluation occurs at all post-design phases of the system development life cycle. Such testing/evaluation confirms that the required security controls are implemented correctly, operating as intended, enforcing the desired security policy, and meeting established security requirements. Security properties of information systems may be affected by the interconnection of system components or changes to those components. These interconnections or changes (e.g., upgrading or replacing applications and operating systems) may adversely affect previously implemented security controls. This control provides additional types of security testing/evaluation that developers can conduct to reduce or eliminate potential flaws. Testing custom software applications may require approaches such as static analysis, dynamic analysis, binary analysis, or a hybrid of the three approaches. Developers can employ these analysis approaches in a variety of tools (e.g., web-based application scanners, static analysis tools, binary analyzers) and in source code reviews. Security assessment plans provide the specific activities that developers plan to carry out including the types of analyses, testing, evaluation, and reviews of software and firmware components, the degree of rigor to be applied, and the types of artifacts produced during those processes. The depth of security testing/evaluation refers to the rigor and level of detail associated with the assessment process (e.g., black box, gray box, or white box testing). The coverage of security testing/evaluation refers to the scope (i.e., number and type) of the artifacts included in the assessment process. Contracts specify the acceptance criteria for security assessment plans, flaw remediation processes, and the evidence that the plans/processes have been diligently applied. Methods for reviewing and protecting assessment plans, evidence, and documentation are commensurate with the security category or classification level of the information system. Contracts may specify documentation protection requirements. Related controls: CA-2, CM-4, SA-3, SA-4, SA-5, SI-2.

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B. Minimum Cloud Security Requirements

County Department/Agency and any agents, subcontractors, and vendors storing PII in a cloud service must comply with the Cloud Computing Policy, State Administration Manual (SAM) Sections 4983-4983.1, and employ the capabilities in the Cloud Security Standard, SIMM 5315-B to protect information and systems in cloud services as outlined below.

1. Identify and classify assets to focus and prioritize efforts in aligning business needs and risk management.
2. Each information asset for which the County Department/Agency entity has ownership responsibility shall be inventoried and identified to include the following:
    a. Description and value of the information asset.
    b. Owner of the information asset.
    c. Custodians of the information asset.
    d. Users of the information asset.
    e. Classification of information.
    f. FIPS Publication 199 categorization and level of protection (Low, Moderate, or High).
    g. Importance of information assets to the execution of the Agency/state entity's mission and program function.
    h. Potential consequences and impacts if confidentiality, integrity, and availability of the information asset were compromised.

3. Security of cloud services stems from managing authentication and fine-grained authorization. To safeguard cloud systems, County Department/Agency shall establish processes and procedures to ensure:
    a. Maintenance of user identities, including both provisioning and de-provisioning;
    b. Enforcement of password policies or more advanced multifactor mechanisms to authenticate users and devices;
    c. Management of access control rules, limiting access to the minimum necessary to complete defined responsibilities;
    d. Separation of duties to avoid functional conflicts;
    e. Periodic recertification of access control rules to identify those that are no longer needed or provide overly broad clearance;
    f. Use of privileged accounts that can bypass security are restricted and audited;
    g. Systems to administer access based on roles are defined and installed; and
    h. Encryption keys and system security certificates are effectively generated, exchanged, stored and safeguarded.

4. Infrastructure protection controls limit the impact of unintended access or potential vulnerabilities. PaaS and SaaS resources may already have these controls implemented by the service provider. County Department/Agency must configure information assets to provide only

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essential capabilities.

5. County Department/Agency are entrusted with protecting the integrity and confidentiality of data processed by their information systems. Cloud technologies simplify data protection by providing managed data storage services with native protection and backup features, but these features must be configured and managed appropriately.
6. Detective controls identify potential security threats or incidents, supporting timely investigation and response. County Department/Agency must continuously identify and remediate vulnerabilities.
7. Response controls enable timely event and incident response which is essential to reducing the impact if an incident were to occur. Compliance with incident management requirements as outlined in VII. Notification and Investigation of Breaches and Security Incidents.
8. Recover controls facilitate long-term recovery activities following events or incidents. With cloud services, primarily SaaS solutions, the services provider hosts the data in its application, and unless properly planned and provisioned for in the contract with the service provider it may be difficult or impossible to obtain the data in a usable format at contract termination. County Department/Agency must ensure agreements with cloud service providers include recover controls.

C. ***Minimum Necessary.*** Only the minimum necessary amount of PII required to perform required business functions applicable to the terms of this Agreement may be used, disclosed, copied, downloaded, or exported.

D. ***Transmission and Storage of PII.*** All persons that will be working with PII shall employ FIPS 140-2 or greater approved security functions as described in section 6.2.2 of NIST SP 800-140Cr1 encryption of PII at rest and in motion unless County Department/Agency determines it is not reasonable and appropriate to do so based upon a risk assessment, and equivalent alternative measures are in place and documented as such. In addition, County Department/Agency shall maintain, at a minimum, the most current industry standards for transmission and storage of CDSS data and other confidential information.

E. ***DHCS Remote Work Policy.*** County Department/Agency, its County Workers and any agents, subcontractors, and vendors accessing PII pursuant to this PSA when working remotely, shall follow reasonable policies and procedures that are equivalent to or better than the DHCS Remote Work Policy, as published in Medi-Cal Eligibility Division Informational Letter (MEDIL) | 23-35E. Working remotely means working from a physical location not under the control of the person's employer.

If DHCS changes the terms of the DHCS Remote to Work Policy, DHCS will, as soon as reasonably possible, supply copies to CWDA and the County Department/Agency or its designee as well as DCHS' proposed target date for compliance. For a period of thirty (30) days, DHCS will accept input from

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CWDA and the County Department/Agency or its designee on the proposed changes. DHCS will issue a new policy in a future MEDIL. If the County Department/Agency is unable to comply with these standards, the CWD will be asked to develop a Plan of Action and Milestones (POA&M) detailing a concrete roadmap to becoming fully compliant with the policy's standard. The POA&M must be provided to CDSS for review and approval. Any CWDA who is under a POA&M will be required to provide quarterly updates to DHCS until the fully compliant.

VI. AUDIT CONTROLS

A. ***Audit Control Mechanisms.*** The County Department/Agency shall ensure audit control mechanisms are in place that are compliant with the Technical Security Controls within Section V of this Agreement.

B. ***Anomalies.*** When the County Department/Agency or CDSS suspects MEDS usage anomalies, the County Department/Agency shall work with CDSS to investigate the anomalies and report conclusions of such investigations and remediation to CDSS.

C. ***Notification to CDSS in event County Department/Agency is subject to other Audit.*** If County Department/Agency is the subject of an audit, compliance review, investigation, or any proceeding that is related to the performance of its obligations pursuant to this Agreement, or is the subject of any judicial or administrative proceeding alleging a violation of law related to the privacy and security of PII, including but not limited to PII, the County Department/Agency shall promptly notify CDSS unless it is legally prohibited from doing so.

VII. PAPER, RECORD, AND MEDIA CONTROLS

A. ***Supervision of Data.*** PII shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk, or office at the individual's place of employment or at home when working remotely. Unattended means that information may be observed by an individual not authorized to access the information.

B. ***Data in Vehicles.*** The County Department/Agency shall have policies that include, based on applicable risk factors, a description of the circumstances under which the County Workers can transport PII, as well as the physical security requirements during transport. A County Department/Agency that chooses to permit its County Workers to leave records unattended in vehicles, shall include provisions in its policies to provide that the PII is stored in a non-visible area such as a trunk, that the vehicle is locked, and that under no circumstances permit PII to be left unattended in a vehicle overnight or for other extended periods of time.

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C. ***Public Modes of Transportation.*** PII shall not be left unattended at any time in airplanes, buses, trains, etc., inclusive of baggage areas. This should be included in training due to the nature of the risk.

D. ***Escorting Visitors.*** Visitors to areas where PII is contained shall be escorted, and PII shall be kept out of sight while visitors are in the area.

E. ***Confidential Destruction.*** PII shall be disposed of through confidential means, such as cross cut shredding or pulverizing.

F. ***Removal of Data.*** PII shall not be removed from the premises of County Department/Agency except for justifiable business purposes.

G. ***Faxing.***

1. Faxes containing PII shall not be left unattended and fax machines shall be in secure areas.

2. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them and notify the sender.

3. Fax numbers shall be verified with the intended recipient before sending the fax.

H. ***Mailing.***

1. Mailings containing PII shall be sealed and secured from damage or inappropriate viewing of PII to the extent possible.

2. Mailings that include 500 or more individually identifiable records containing PII in a single package shall be sent using a tracked mailing method that includes verification of delivery and receipt.

VIII. NOTIFICATION AND INVESTIGATION OF BREACHES AND SECURITY INCIDENTS

During the term of this Agreement, the County Department/Agency agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:

A. ***Initial Notice to DHCS:***
The County Department/Agency shall notify DHCS using DHCS' online incident reporting portal of any suspected security incident, intrusion, or unauthorized access, use, or disclosure of PII or potential loss of PII. When making notification, the following applies:

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1. If a suspected security incident involves PII provided or verified by SSA, the County Department/Agency shall immediately notify DHCS upon discovery. For more information on SSA data, please see the Definition section of this Agreement.

2. If a suspected security incident does not involve PII provided or verified by SSA, the County Department/Agency shall notify DHCS promptly and in no event later than one working day of discovery of:

    a. Unsecured PII if the PII is reasonably believed to have been accessed or acquired by an unauthorized person;
    b. Any suspected security incident which risks unauthorized access to PII and/or;
    c. Any intrusion or unauthorized access, use, or disclosure of PII in violation of this Agreement; or
    d. Potential loss of PII affecting this Agreement.

Notice to DHCS shall include all information known at the time the incident is reported. The County Department/Agency can submit notice via the DHCS incident reporting portal which is available online at: https://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/default.aspx

If DHCS' online incident reporting portal is unavailable, notice to DHCS can instead be made via email using the DHCS Privacy Incident Report (PIR) form. The email address to submit a PIR can be found on the PIR and in subsection H of this section. The County Department/Agency shall use the most current version of the PIR, which is available online at: https://www.dhcs.ca.gov/formsandpubs/laws/priv/Documents/Privacy-Incident-Report-PIR.pdf.

If the County Department/Agency is unable to notify DHCS the via the Incident Reporting Portal or email, notification can be made by telephone using the contact information listed in subsection H.

A breach shall be treated as discovered by the County Department/Agency as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach), who is an employee, officer or other agent of the County Department.

Upon discovery of a breach, security incident, intrusion, or unauthorized access, use, or disclosure of PII, the County Department/Agency shall take:

1. Prompt corrective action to mitigate any risks or damages involved with the security incident or breach; and

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2. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

B. ***Investigation of Security Incident or Breach.*** The County Department/Agency shall immediately investigate such a security incident, breach, or unauthorized use of PII.

C. ***Complete Report.*** Within ten (10) working days of the discovery the County Department/Agency shall provide any additional information related to the incident requested by DHCS. The County Department/Agency shall make reasonable efforts to provide DHCS with such information.

The complete report must include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable federal and state laws. The report shall include a full, detailed corrective action plan (CAP) including mitigating measures that were taken to halt and/or contain the improper use or disclosure.

If DHCS requests additional information related to the incident, the County Department/Agency shall make reasonable efforts to provide DHCS with such information. If necessary, the County Department/Agency shall submit an updated report with revisions and/or additional information after the Completed Report has been provided. DHCS will review and determine whether a breach occurred and whether individual notification is required. DHCS will maintain the final decision making over a breach determination.

D. ***Notification of Individuals.*** If the cause of a breach is solely attributable to County Department/Agency or its agents, County Department/Agency shall notify individuals accordingly and shall pay all costs of such notifications as well as any costs associated with the breach. The notifications shall comply with applicable federal and state law. DHCS shall approve the time, manner, and content of any such notifications and their review and approval must be obtained before the notifications are made. DHCS and the County Department/Agency shall work together to ensure that notification of individuals is done in compliance with statutory deadlines within applicable federal and state law.

If the cause of a breach is solely attributable to CDSS, CDSS shall pay all costs of such notifications as well as any costs associated with the breach. If there is any question as to whether CDSS or the County Department/Agency is responsible for the breach or CDSS and the County Department/Agency acknowledge that both are responsible for the breach, CDSS and the County Department/Agency shall jointly determine responsibility for purposes of allocating the costs.

1. All notifications (regardless of breach status) regarding beneficiaries'

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PII shall comply with the requirements set forth in Section 1798.29 of the California Civil Code and Section 17932 of Title 42 of United States Code, inclusive of its implementing regulations, including but not limited to the requirement that the notifications be made without unreasonable delay and in no event later than **sixty (60) calendar days** from discovery.

E. ***Responsibility for Reporting of Breaches***

1. ***Breach Attributable to County Department/Agency.*** If the cause of a breach of PII is attributable to the County Department/Agency or its agents, subcontractors, or vendors, the County Department/Agency shall be responsible for all required reporting of the breach.

2. ***Breach Attributable to CDSS.*** If the cause of the breach is attributable to CDSS, CDSS shall be responsible for all required reporting of the breach.

F. ***Coordination of Reporting.*** When applicable law requires the breach be reported to a federal or state agency, or that notice be given to media outlets, DHCS (if the breach involves MEDS or SSA data), CDSS, and the County Department/Agency shall coordinate to ensure such reporting is compliant with applicable law and prevent duplicate reporting and to jointly determine responsibility for purposes of allocating the costs of such reports, if any.

G. ***Submission of Sample Notification to Attorney General:*** If the cause of the breach is attributable to the County Department/Agency or an agent, subcontractor, or vendor of the County Department/Agency and if notification to more than 500 individuals is required pursuant to California Civil Code section 1798.29, regardless of whether County Department/Agency is considered only a custodian and/or non-owner of the PII, County Department/Agency shall, at its sole expense and at the sole election of DHCS, either:

1. Electronically submit a single sample copy of the security breach notification, excluding any personally identifiable information, to the Attorney General pursuant to the format, content, and timeliness provisions of Section 1798.29, subdivision (e). County Department/Agency shall inform the DHCS Privacy Officer of the time, manner, and content of any such submissions prior to the transmission of such submissions to the Attorney General; or

2. Cooperate with and assist DHCS in its submission of a sample copy of the notification to the Attorney General.

H. ***CDSS and DHCS Contact Information.*** The County Department/Agency shall utilize the below contact information to direct all communication/notifications of

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breach and security incidents to CDSS and DHCS. CDSS reserves the right to make changes to the contact information by giving written notice to the County Department/Agency. Said changes shall not require an amendment to this Agreement or any other agreement into which it is incorporated.

CDSS Breach and Security Incident Reporting

California Department of Social Services
Information Security and Privacy Office
Department of Health Care Services

744 P Street, MS 9-10-59
Sacramento, CA 95814-6413

Email: GEN1370@dss.ca.gov Telephone: (916) 651-5558
The preferred method of communication is email, when available. Do not include any PII unless requested by CDSS.

DHCS Breach and Security Incident Reporting

Privacy Officer
c/o Data Privacy Unit
Department of Health Care Services

P.O. Box 997413, MS 0011
Sacramento, CA 95899-7413

Email: incidents@dhcs.ca.gov Telephone: (916) 445-4646
The preferred method of communication is email, when available. Do not include any PII unless requested by DHCS

IX. CDSS PSA CONTACTS

The County Department/Agency shall utilize the below contact information for any PSA-related inquiries or questions. CDSS reserves the right to make changes to the contact information by giving written notice to the County Department/Agency. Said changes shall not require an amendment to this Agreement or any other agreement into which it is incorporated. *Please use the contact information listed in Section VIII of this Agreement for any PII incident or breach reporting.*

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PSA Inquires and Questions
Department of Social Services
Information Security and Privacy Office - PSA
744 P Street, MS-10-59
Sacramento, CA 95814-6413

Email: iso@dss.ca.gov

X. COMPLIANCE WITH SSA AGREEMENT

The County Department/Agency agrees to comply with applicable privacy and security requirements in the Computer Matching and Privacy Protection Act Agreement (CMPPA) between SSA and the California Health and Human Services Agency (CalHHS), in the Information Exchange Agreement (IEA) between SSA and DHCS, and in the Electronic Information Exchange Security Requirements and Procedures for State and Local Agencies Exchanging Electronic Information with SSA (TSSR), which are incorporated into this Agreement within section V. Technical Security Controls and Exhibit A (available upon request).

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

If SSA changes the terms of its agreement(s) with CDSS, CDSS will, as soon as reasonably possible after receipt, supply copies to County Welfare Directors Association (CWDA) and the County Department/Agency or its designee as well as CDSS' proposed target date for compliance. For a period of thirty (30) days, CDSS will accept input from CWDA and the County Department/Agency or its designee on the proposed target date and make adjustments, if appropriate. After the thirty (30) day period, CDSS will submit the proposed target date to SSA, which will be subject to adjustment by SSA. Once a target date for compliance is determined by SSA, CDSS will supply copies of the changed agreement to CWDA and the County Department/Agency or its designee, along with the compliance date expected by SSA. If the County Department/Agency is not able to meet the SSA compliance date, the County Department/Agency will be asked to develop a Plan of Action and Milestones POAM detailing a concrete roadmap to becoming fully compliant with the policy's standard. The POAM must be provided to CDSS for review and approval. Any County Department/Agency who is under a POAM will be required to provide quarterly updates to CDSS until the fully compliant.

A copy of Exhibit A can be requested by authorized County Department/Agency individuals from CDSS using the contact information listed in Section IX of this Agreement.

XI. COMPLIANCE WITH DEPARTMENT OF HOMELAND SECURITY

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AGREEMENT

The County Department/Agency agrees to comply with substantive privacy and security requirements in the Computer Matching Agreement (CMA) between the Department of Homeland Security, United States Citizenship and Immigration Services (DHS-USCIS) and CDSS, which is hereby incorporated into this Agreement (Exhibit B) and available upon request. If there is any conflict between a privacy and security standard in the CMA and a standard in this Agreement, the most stringent standard shall apply. The most stringent standard means the standard which provides the greatest protection to PII.

If DHS-USCIS changes the terms of its agreement(s) with CDSS, CDSS will, as soon as reasonably possible after receipt, supply copies to the CWDA and the County Department/Agency or its designee as well as CDSS' proposed target date for compliance. For a period of thirty (30) days, CDSS will accept input from CWDA and the County Department/Agency or its designee on the proposed target date and make adjustments, if appropriate. After the 30-day period, CDSS will submit the proposed target date to DHS-USCIS, which will be subject to adjustment by DHS-USCIS. Once a target date for compliance is determined by DHS-USCIS, CDSS will supply copies of the changed agreement to CWDA and the County Department/Agency or its designee, along with the compliance date expected by DHS-USCIS. If the County Department/Agency is not able to meet the DHS-USCIS compliance date, the POA&M must be provided to CDSS for review and approval. Any County Department/Agency who is under a POA&M will be required to provide quarterly updates to CDSS until the fully compliant.

A copy of Exhibit B can be requested by authorized County Department/Agency individuals from CDSS using the contact information listed in Section IX of this Agreement.

XII. COUNTY DEPARTMENT'S/AGENCY'S AGENTS, SUBCONTRACTORS, AND VENDORS

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

County Departments/Agencies who would like assistance or guidance with this

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requirement are encouraged to contact CDSS via email at iso@dss.ca.gov.

XIII. ASSESSMENTS AND REVIEWS

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

XIV. ASSISTANCE IN LITIGATION OR ADMINISTRATIVE PROCEEDINGS

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

XV. AMENDMENT OF AGREEMENT

CDSS and the County Department/Agency acknowledge that federal and state laws relating to data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such changes. Upon request by CDSS, the County Department/Agency agrees to promptly enter into negotiations with CDSS concerning an amendment to this Agreement as may be needed by changes in federal and state laws and regulations or NIST 800-53. In addition to any other lawful remedy, CDSS may terminate this Agreement upon 30 days written notice if the County Department/Agency does not promptly agree to enter into negotiations to amend this Agreement when requested to do so or does not enter into an amendment that CDSS deems necessary.

XVI. TERMINATION

This Agreement shall terminate on September 1, 2028, regardless of the date the Agreement is executed by the parties. The parties can agree in writing to extend the term of the Agreement. County Department/Agency's requests for an extension shall

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be approved by CDSS and limited to no more than a six (6) month extension.

A. ***Survival:*** All provisions of this Agreement that provide restrictions on disclosures of PII and that provide administrative, technical, and physical safeguards for the PII in the County Department/Agency's possession shall continue in effect beyond the termination or expiration of this Agreement and shall continue until the PII is destroyed or returned to CDSS.

XVII. TERMINATION FOR CAUSE

Upon CDSS' knowledge of a material breach or violation of this Agreement by the County Department/Agency, CDSS may provide an opportunity for the County Department/Agency to cure the breach or end the violation and may terminate this Agreement if the County Department/Agency does not cure the breach or end the violation within the time specified by CDSS. This Agreement may be terminated immediately by CDSS if the County Department/Agency has breached a material term and CDSS determines, in its sole discretion, that cure is not possible or available under the circumstances. Upon termination of this Agreement, the County Department/Agency shall return or destroy all PII in accordance with Section VII, above. The provisions of this Agreement governing the privacy and security of the PII shall remain in effect until all PII is returned or destroyed and CDSS receives a certificate of destruction.

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XVIII. SIGNATORIES

The signatories below warrant and represent that they have the competent authority on behalf of their respective agencies to enter into the obligations set forth in this Agreement.

The authorized officials whose signatures appear below have committed their respective agencies to the terms of this Agreement. The contract is effective no later than ten calendar weeks after the date this ACL was issued.

For the County of Monterey,

Department/Agency of Social Services,

(Signature) (Date)

Roderick W. Franks — Director

(Name) (Title)

For the California Department of Social Services,

(Signature) (Date)

Chief, Contracts Bureau

(Name) (Title)

DocuSigned by:
Anne Brereton
A46091E5DE63489...
Deputy County Counsel

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EXHIBIT A

Exhibit A consists of the current versions of the following documents, copies of which can be requested by the County Department/Agency information security and privacy staff, or other authorized county official from CDSS by using the contact information listed in Section IX of this Agreement.

- Computer Matching and Privacy Protection Act Agreement between the SSA and California Health and Human Services Agency
- Information Exchange Agreement between SSA and DHCS
- Electronic Information Exchange Security Requirements and Procedures for State and Local Agencies Exchanging Electronic Information with the SSA (TSSR)

EXHIBIT B

Exhibit B consists of the current version of the following document, a copy of which can be requested by the County Department/Agency information security and privacy staff, or other authorized county official from CDSS by using the contact information listed in Section IX of this Agreement.

- Computer Matching Agreement between the Department of Homeland Security, United States Citizenship and Immigration Services (DHS-USCIS) and California Department of Social Services (CDSS)

EXHIBIT C

Exhibit C consists of the current version of the SIMM-5300-A, a copy of which can be requested by the County Department/Agency information security and privacy staff, or other authorized county official from CDSS by using the contact information listed in Section IX of this Agreement. The SIMM-5300-A can be used as guidance for implementing security controls found in NIST SP 800-53.

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Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Luis A. Alejo to:

Agreement No.: A-16746
a. Approve and authorize the County Administrative Officer, or designee, to execute a Memorandum of Understanding (MOU) for a Five Year Term with the County of Santa Cruz (COSC) to collaborate on the establishment and implementation of a housing first, low-barrier navigation center program that provides temporary living facilities to individuals experiencing homelessness in the Pajaro River area and to establish the conditions for the purchase and transfer of Units to COSC by June 30, 2026.
b. Approve and authorize the County Administrative Officer or designee, to sign up to three (3) future amendments to this MOU where amendments do not significantly alter the purposes and goals of the MOU subject to review as to form by the Office of the County Counsel.

PASSED AND ADOPTED on this 27th day of February 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez and Askew
NOES: None
ABSENT: Supervisor Adams

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting February 27, 2024.

Dated: March 1, 2024
File ID: 24-110
Agenda Item No.: 80

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Vicente Ramirez, Deputy

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MEMORANDUM OF UNDERSTANDING RE: COORDINATION OF RESPONSIBILITIES RELATED TO IMPLEMENTATION OF THE ENCAMPMENT RESOLUTION FUNDING PROGRAM AND DEVELOPMENT OF A NON-CONGREGATE LOW-BARRIER HOUSING NAVIGATION CENTER IN WATSONVILLE, CALIFORNIA

This Memorandum of Understanding ("MOU") is entered into as of the last date opposite the respective signatures (the "Effective Date"), by and between the County of Santa Cruz, a political subdivision of the State of California ("COSC"), and the County of Monterey, a political subdivision of the State of California ("COM"), collectively referred to as "Counties" or "Parties" and sometimes individually referred to as "Party".

RECITALS

A. WHEREAS, under the authority of Chapter 7 of Part 1 of Division 31 of the California Health and Safety Code (HSC) sections 50250 et seq., the Encampment Resolution Funding ("ERF") Program was established to increase collaboration between the California Interagency Council on Homelessness (Cal ICH), local jurisdictions, and Continuums of Care for the following purposes:

   i. Assist local jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments;
   ii. Provide grants to local jurisdictions and Continuums of Care to resolve critical encampment concerns and transition individuals into safe and stable housing; and,
   iii. Encourage a data-informed, coordinated approach to address encampment concerns.

B. WHEREAS, the ERF Program was initially authorized in 2021 through Assembly Bill (AB) 140 (Chapter 111, Statutes of 2021), which allocated $50 million for what would become the first round of funding, with SB 197 (Chapter 70, Statutes of 2022) amending the Program and AB 178 (Chapter 45, Statutes of 2022) allocating an additional $300 million for Round 2 of ERF Program funding in 2022.

C. WHEREAS, the Pajaro River runs along the border of COSC's and COM's jurisdictional boundaries, and an estimated 70 people experiencing homelessness stay in the area each night on both sides of the river within the jurisdictional boundaries of both Counties and the City of Watsonville.

D. WHEREAS, in August 2022, the Parties began discussions on submitting a collaborative application to the second round of ERF Program to jointly address the longstanding issue of individuals experiencing homelessness in and around the Pajaro River.

E. WHEREAS, on February 14, 2023, the Board of Supervisors of the COM ("BOS-COM") received a presentation by the County Administrative Office, Intergovernmental & Legislative Affairs Division on the proposed joint project and authorized[1] the submission of an application[2] for ERF Program funding for approximately Eight Million Dollars ($8,000,000) to:

   i. Construct and provide operational funding for a 34-unit, non-congregate low-barrier housing navigation center within the City of Watsonville's jurisdictional boundaries until June 30, 2026, and
   ii. Provide rapid re-housing and housing navigation services for 70 people from the encampment population.

[1] BOS-COM Board Order (23-143 Agenda Item No. 15 Board Order)
[2] BOS-COM (COM ERF Application)

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F. WHEREAS, the people living in the Pajaro River area recommended, and other collaborative partners adopted, the name "Recurso de Fuerza" (Resource of Strength) for the non-congregate low-barrier housing navigation center.

G. WHEREAS, on June 14, 2023, the COM was provided notice of an award in the amount of $7,986,354.26 in funding through round 2 of the ERF program by the Cal ICH for the placement of interim housing and operational funding until June 30, 2026, of a 34-bed non-congregate low-barrier housing navigation center in Watsonville, California to steward Pajaro River encampment occupants on a path toward housing.

H. WHEREAS, on June 24, 2023, the COM entered into a Standard Agreement with the State of California[3] ("CAL ICH Agreement") for the award with a contract term of August 7, 2023, to March 31, 2027.

I. WHEREAS, COM shall expend no less than 50 percent and obligate 100 percent of the ERF program funds by June 30, 2024 as defined in the grant terms of the CAL ICH Agreement.

J. WHEREAS, all ERF program funds shall be expended by June 30, 2026, and any funds not expended by this date shall revert to the fund of origin pursuant to HSC Section 50253(e)(5) as defined in the grant terms of the CAL ICH Agreement.

K. WHEREAS, on September 8, 2023, the COM received the ERF Program award from Cal ICH.

L. WHEREAS, the Parties desire to identify roles and responsibilities in the development of a 34-non-congregate, low-barrier interim shelter including separate rooms for showers, restrooms, a dining room, laundry, storage and office rooms ("Units") to provide housing navigation and supportive services ("Recurso de Fuerza Program" or "Program") to people living along the Pajaro River.

M. WHEREAS, the Parties have worked together to identify and select development and service provision partners with extensive histories and success in executing similar projects with similar timeline requirements and service models to carry out the vision of this program.

N. WHEREAS, the following Exhibits are incorporated into this MOU:
Exhibit A – INSURANCE REQUIREMENTS
Exhibit B – DISPUTES AND CORRECTIVE ACTION

NOW, THEREFORE, in consideration of the recitals and mutual consideration, representations, conditions, and obligations contained in this MOU, and incorporated herein, the Parties agree as follows:

ARTICLE 1.
ROLES AND RESPONSIBILITIES

Section 1.1 Purpose and Goals

This MOU serves to establish a mutual understanding for the implementation of ERF for a low-barrier navigation center program in Watsonville, California for the public purpose of providing interim housing to individuals experiencing homelessness in the Pajaro River area within the jurisdictional boundaries of both Counties and the City of Watsonville.

[3]CAL ICH Agreement

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More specifically, this MOU will:

a. Identify roles and responsibilities between the Parties for housing of individuals experiencing homelessness near the Pajaro River;

b. Develop a low-barrier navigation center Recurso de Fuerza Program at the Site; and,

c. Transfer all, some, or none of the Units with existing furnishings from the COM to the COSC no later than June 30, 2026.

Section 1.2 Roles and Responsibilities

a. The COM shall:

1. Devote sufficient personnel to serve as the collaborative applicant of the ERF Program and administer the funds including executing agreements with State and local partners, reporting, budget modifications, technical assistance, disbursement of funds, and monitoring from Effective Date to March 31, 2027.

2. Reporting Requirements: COM shall submit all required reports to Cal ICH with fiscal and programmatic data reflecting the progress of their ERF program in a format provided by Cal ICH.

3. At the end of the grant funding period on June 30, 2026, or upon request by Cal ICH, COM shall provide information and products developed with grant funds on service delivery models including any materials that may be necessary to study the program or replicate it for implementation across the state.

4. Provide funding to support the lease in Watsonville ("Site") to accommodate the Units and Program until all funds have been expended on or before June 30, 2026.

5. Enter into contracts that will terminate on June 30, 2026, with mutually agreed upon and selected nonprofit partners for the daily operation of the Program until the Units transfer to COSC.

6. In the event of a sale of some or all the Units to COSC, assist in the transfer of those Units to COSC.

b. The COSC shall:

1. Commit to identifying source(s) of funding to continue the operation of the Program after June 30, 2026. COSC shall report to COM on or before February 1, 2026, regarding (1) the source(s) and amount(s), if any, of funding COSC has identified and (2) whether COSC intends to continue to operate the Program after June 30, 2026.

2. Provide Homeless Management Information System (HMIS) Agency Administrator level access, training, technical assistance, and data exports specific to the ERF grant at least bi-annually to the COM's Homeless Services Director and support staff.

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3. Provide HMIS access, training, and technical assistance to the navigation center operator.

c. The Parties agree that:

1. Each Party shall each designate staff who shall meet monthly to coordinate the execution and implementation for the duration of the ERF grant period.

2. Property and environmental records, reports, studies, and other relevant information shall be shared between the Parties as they become available.

3. Short-term and long-term Project low-barrier navigation center Program goals will be jointly determined by the Parties.

4. COM and COSC staff will continue to work together in drafting contracts to support the operations of the Recurso de Fuerza low-barrier navigation center Program. However, COSC will not be a party to those contracts.

5. If there is a disagreement between the Parties or their representative(s), the Parties shall proceed with resolution as outlined in Exhibit B: DISPUTES AND CORRECTIVE ACTION which is incorporated by this reference.

Section 1.3 Purchase and Transfer of Modular Units

a. The COM and COSC have mutually agreed upon the use of the Units for interim housing to shelter unhoused individuals at the Site.

b. The COM shall identify a service provider and/or vendor for the delivery and construction of the Units, and COM will enter into all necessary agreements with said service provider and/or vendor with a contract term ending on June 30, 2026.

c. COM shall insure the Units until the effective date of the transfer of ownership to COSC, if such transfer of ownership occurs. Insurance or Self-Insurance requirements are set forth in Exhibit A – INSURANCE REQUIREMENTS which is attached and incorporated by this reference.

d. If the Units are sold to COSC, on the date of transfer, COSC will accept ownership of the Units and will ensure that the required insurance is obtained prior to acceptance. COSC will commence to be solely responsible for insuring the units from that point forward.

e. Within 30 days after receiving the report from COSC identified in Section 1.2.b.1, above, COM shall inform COSC of whether it will offer to sell all, some, or none of the Units to COSC on or before June 30, 2026. Upon receipt of an offer to purchase some or all of the Units from COM, if any, COSC County Administrative Officer, or their designee, shall have 30 days thereafter to accept or decline the offer.

f. If COSC accepts COM's offer to sell to offer to sell some or all of the Units to COSC, the purchase price of the Units will be $1.00 per Unit. The sale of the Units, if at all, shall be on an "as is" basis with any existing furnishings then located in the Units, for a total fee not to exceed $50.00. A condition of purchasing the Units will be that COSC make the Units available

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to eligible program participants in accordance with the five-year term of use defined below in subdivision (f). COM will work with COSC to identify funding sources to support COM eligible program participants.

g. Five (5) Year Term of Use. COSC understands and agrees that the term of use for the Units by unhoused individuals experiencing homelessness shall be for a five (5) year period from the Effective Date of this MOU. COM is responsible for ensuring the Units are offered to eligible program participants until the transfer of Units to COSC, if at all, on or before June 30, 2026.

Section 1.4 Property Site and Location

a. COM and COSC agree that the property site to be utilized for the Navigation Center and for placement of the Units shall be the Site.

b. The Units shall be installed in the parking lot areas of the Site.

c. If the Site becomes unavailable during the initial two-year period of the ERF grant implementation, COM agrees to locate and secure another site, with collaboration and approval of the COSC.

d. After the initial two-year grant period, the COSC shall be responsible for ensuring that an alternative site has been identified and secured before the transfer of Units on or before June 30, 2026.

e. Right of Entry. COM shall ensure that any leases and/or agreements contain a provision ensuring that COM and COSC officers, employees, agents, consultants, and contractors shall have the right to enter upon the Site during normal business hours to conduct work, inspections, and investigations in accordance with this MOU. In connection with such entry for the purpose of work, inspections and/or investigations, the Counties each agree to repair and restore any damage caused by its respective officers, employees, agents, consultants, Program participants, and contractors.

ARTICLE 2.
GENERAL CONDITIONS

Section 2.1 General Compliance

The Parties, through their respective officers, employees, consultants, and contractors as applicable, agree to comply with all applicable federal, State and local laws and regulations governing public agencies, including any necessary environmental review and/or CEQA/NEPA analysis as applicable to the implementation of the proposed Program and corresponding ERF grant award for the implementation of said Program. Documentation of such compliance shall be made available for review by a Party upon request by the other Party.

Section 2.2 Term of MOU

The term of this MOU (the "Term") shall start as of the Effective Date of this MOU and shall terminate upon the conclusion of the Five (5) Year Term of Use for the Units as set for above in Section 1.3.g.

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Section 2.3 Termination

This MOU may be terminated by either Party upon 30 days advance written notice. Prior to any said termination, COM and COSC shall meet and confer in good faith. In the event of termination of this MOU by either Party, if the date of termination is before the purchase and transfer of Units to COSC, COM will retain ownership of the Units and if the date of termination is after the purchase and transfer of Units to COSC from COM, then COSC will retain ownership of the Units, the provisions of ARTICLE 3. ADMINISTRATIVE REQUIREMENTS shall survive the termination of this MOU.

Section 2.4 Mutual Indemnification

a. The COSC shall indemnify, defend, and hold harmless the COM, its officers, agents, representatives, volunteers, and employees from any claim, liability, demand, loss, costs and expenses (including reasonable attorneys' fees and costs), injury or damage rising out of, or in connection with, performance, or attempted performance, directly or indirectly, of this MOU by the COSC and/or its agents, employees or volunteers, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the COM. It is the intent of the Parties to this MOU to provide the broadest possible coverage for the COM. The COSC shall reimburse the COM for all costs, attorneys' fees, expenses, and liabilities incurred with respect to any claim, judgment, or litigation in which the COSC is obligated to indemnify, defend and hold harmless the COM pursuant to this MOU. This provision shall survive expiration or termination of this MOU.

b. The COM shall indemnify, defend, and hold harmless the COSC, its officers, agents, representatives, volunteers, and employees from any claim, liability, demand, loss, costs and expenses (including reasonable attorneys' fees and costs), injury or damage rising out of, or in connection with, performance, or attempted performance, directly or indirectly, of this MOU by the COM and/or its agents, employees or volunteers, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the COSC. It is the intent of the Parties to this MOU to provide the broadest possible coverage for the COSC. The COM shall reimburse the COSC for all costs, attorneys' fees, expenses, and liabilities incurred with respect to any claim, judgment, or litigation in which the COM is obligated to indemnify, defend and hold harmless the COSC pursuant to this MOU. This provision shall survive expiration or termination of this MOU.

Section 2.5 Insurance

During the term of this MOU, the Counties shall each secure and maintain the insurance or self-insurance as described in Exhibit A.

ARTICLE 3.
ADMINISTRATIVE REQUIREMENTS

Section 3.1 Documentation and Record-Keeping

a. Records to be Maintained. The Counties shall maintain all records and such records shall

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include but not be limited to:

1. Records providing a full description of each activity undertaken.
2. Records required to document the solicitation and selection of a developer and operator.
3. Records required by funding agencies related to the implementation of the MOU.

b. Retention. The Counties shall retain all records pertinent to services performed and expenditures incurred pursuant to this MOU and as defined in Section 5 of Exhibit D of the CAL ICH Agreement with COM for a period of three (3) years after the final payment for any and all costs incurred for services performed and expenditures incurred pursuant to this MOU and corresponding grant funding for the implementation of the ERF and Recurso de Fuerza low-barrier navigation center Program MOU.

ARTICLE 4.
PERSONNEL AND PARTICIPANT CONDITIONS

Section 4.1 Conduct

a. Assignability. Neither Party shall assign or transfer any interest in this MOU without the prior written consent of the other Party, at its sole discretion.

b. Hatch Act. The Counties agree that under this MOU, no funds shall be provided, nor will any personnel be employed in any way or to any extent engaged in the conduct of political activities that would violate 5 U.S.C. Chapter 15, Section 1501 et seq.

c. Conflict of Interest. The Counties each agree to abide by the provisions of 24 CFR 570.611 with respect to conflicts of interest, as it may apply to their respective, agents' employees, consultants, officers, appointed or elected officials, as listed under this regulation.

ARTICLE 5.
ENVIRONMENTAL CONDITIONS

Section 5.1 Applicable Laws and Regulation

The Counties agree to comply with the following laws and regulations insofar as they apply to the performance of this MOU:

a. Clean Air Act, 42 U.S.C. 7401 through 7414.

b. Federal Water Pollution Control Act (Clean Water Act), as amended (33 U.S.C. 1318- Records and Reports) relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in Section 114 of the Clean Water Act (which authorizes the United States Environmental Protection Agency [EPA] to issue EPA Section 114 Information Requests to gather data necessary for enforcing environmental laws) and Section 308 of the Clean Water Act, and all regulations as applicable to the performance of this MOU.

c. Flood Disaster Protection Act of 1973 (P.L. 93-234) regarding the sale, lease or other transfer of land acquired, cleared, or improved under the terms of this MOU, as it may apply to the provisions of this MOU.

d. Environmental Protection Agency Lead-Based Paint Regulations.

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e. Historic Preservation requirements as set out in the National Historic Preservation Act, Pub. L. No. 89-665, as amended by Pub. L. No. 96-51) and the procedures set forth in 54 U.S.C. Section 300101, et seq. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty (50) years old or older or that are included on a federal, State, or local historic property list.

ARTICLE 6.
OTHER PROVISIONS

Section 6.1 Entire MOU

This MOU contains all the terms and conditions agreed upon by the Parties.

No other understandings, oral or otherwise, regarding the subject matter of this MOU shall be deemed to exist or to bind any of the Parties hereto.

Section 6.2 Notices

Formal notices, demands and communications (other than day to day routine communications) between the Counties shall be sufficiently given if, and shall not be deemed given unless: (i) dispatched by certified mail, postage prepaid, return receipt requested, (ii) sent by express delivery or overnight courier service with a delivery receipt, (iii) personally delivered with a delivery receipt, or (iv) sent by electronic mail with a copy delivered by one of the previous three methods, to the office of the Party upon which service is being made shown as follows, or such other address as the Parties may designate in writing from time to time:

COUNTY OF MONTEREY:
Attn: Deborah Paolinelli, Assistant County Administrative Officer
168 W. Alisal Street, 3rd Floor
Salinas, California 93901
Email: paolinellid@co.monterey.ca.us

COUNTY OF SANTA CRUZ:
Attn: Randy Morris, Director of Human Services Department
1000 Emeline Avenue
Santa Cruz, CA 95060
Email: Randy.Morris@santacruzcountyca.gov

Such written notices, demands and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused.

Section 6.3 Conformance with Federal and State Regulations

Should local, federal or State regulations touching upon this MOU be adopted, amended or revised during the term hereof, this MOU is subject to modification to assure conformance with such federal or State requirements.

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Section 6.4 Severability

If any term of this MOU is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect.

Section 6.5 Headings and Captions

Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this MOU or any provision thereof.

Section 6.6 No Third-Party Beneficiaries

There are no intended third-party beneficiaries to this MOU.

Section 6.7 Amendments

This MOU may not be modified, supplemented, or amended unless in writing by the Parties. Any modification, supplementation, amendment, or waiver must be signed by both Parties.

Section 6.8 Costs and Expenses

Each Party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with this MOU, and the performance of each Party's obligations under this MOU.

Section 6.9 No Commissions

Each Party represents to the other that is has not retained, and shall not retain, the services of any broker, agent or finder with respect to the Site or in connection with any matters relating to this MOU, and agrees to hold the other Party harmless from and against any claim for commission, fee, or other remuneration by any broker, agent, or finder under any claimed retainer for services with respect thereto.

Section 6.11 Governing Law; Venue

This MOU shall be governed by and construed in accordance with the laws of the State of California without reference to choice-of-law principles, and venue for any action under this MOU shall be in the Superior Court of the County of Monterey, subject to any motion for transfer of venue.

Section 6.12 Counterparts and Electronic Signatures

This MOU may be executed in counterparts with electronic signatures, each of which shall be deemed an original but all of which together shall constitute one (1) and the same MOU.

Section 6.13 Non-Recourse MOU

No member, official, employee, agent, or consultant of any Party to this MOU shall be personally liable to any other Party, or any successor in interest or person claiming by, through or under any Party, in the event of any default or breach, or for or on account of any amount which may be or become due, or in any claim, cause or obligation whatsoever under the terms of this MOU.

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Section 6.14. Recitals

The Parties understand and agree that the recitals to this MOU are incorporated into this MOU by this reference.

Section 6.15 Attachments

The following attachments are hereby included within and incorporated by reference:
Exhibit A: Insurance Requirements
Exhibit B: Disputes and Corrective Action

Section 6.16 Authority of Signatories

The individuals executing this MOU on behalf of the Parties represent and warrant that he or she has the requisite authority to enter into this MOU on behalf of said Party.

SIGNATURES ON FOLLOWING PAGE

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IN WITNESS WHEREOF, this MOU has been executed by the Parties as of the Effective Date.

COUNTY OF MONTEREY:	**COUNTY OF SANTA CRUZ:**
County Administrative Office, Sonia M. De La Rosa, County Administrative Officer By: DocuSigned by: Deborah Paolinelli DFCFE819B75E478... Deborah Paolinelli Assistant County Administrative Officer Date: 3/14/2024 | 4:37 PM PDT	Human Services Department Randy Morris, Director By: DocuSigned by: Randy Morris D1FBBB7500084B1... Randy Morris, Director Date: 2/14/2024
APPROVED AS TO FORM: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: DocuSigned by: Marina Pantchenko 2/14/2024 | 11:03 AM PST 65EE0F4502BD412... Marina Pantchenko Deputy County Counsel	**APPROVED AS TO FORM:** Office of the County Counsel Arthur Wille, County Counsel By: DocuSigned by: Arthur Wille 2/13/2024 FD318C222C094D0... Name: Arthur Wille Title: County of Santa Cruz
APPROVED AS TO FISCAL PROVISIONS: Rupa Shah, Auditor-Controller By: DocuSigned by: Ma Mor 2/14/2024 | 12:59 PM PST 2617DD077D65495... Name: _____ Title: _____	**APPROVED AS TO INSURANCE AND INDEMNIFICATION PROVISIONS:** Risk Management By: DocuSigned by: Gina Borasi 2/14/2024 E4EADC5BA53B4DB... Risk Management
APPROVED AS TO INSURANCE AND INDEMNIFICATION PROVISIONS: Office of the County Counsel-Risk Management Susan K. Blitch, Acting County Counsel By: DocuSigned by: David Bolton, Risk Manager 2/14/2024 | 11:44 AM PST 38F5C2C2B5F5249... David Bolton, Risk Manager	

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EXHIBIT A: INSURANCE REQUIREMENTS

The Counties each certify that they maintain a program of insurance and self-insurance that covers its activities in connection with this MOU as follows:

1. Professional Liability Insurance or self-insurance with financially owned and reputable companies with limits of one million dollars ($1,000,000) per claim and a general aggregate of three million dollars ($3,000,000). If such insurance is written on a claims- made form, it shall continue for three (3) years following termination of this MOU. The insurance shall have a retroactive date prior to coinciding with the effective date of this MOU. In the event that a claims-made policy is canceled or non-renewed, then the County shall obtain extended reporting (tail) coverage for the remainder of the three (3) year period.

2. Commercial General Liability Insurance or Self-Insurance. The County shall maintain insurance or self-insurance of five million dollars ($5,000,000) per occurrence and coverage of five million dollars ($5,000,000) in the aggregate.

3. Workers' Compensation Insurance (WCI) in a form and amount covering the County's full liability as required by law under the Workers' Compensation Insurance and Safety Act of the State of California as amended from time to time.

4. The Counties, upon execution of this MOU, shall each furnish each other with Certificates of Insurance or a Letter of Self-Insurance evidencing compliance with requirements. Certificates shall further provide for thirty (30) days advance written notice to the other County/Party of any modification, change or cancellation of any of the above insurance coverage.

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EXHIBIT B: DISPUTES AND CORRECTIVE ACTION

Any claim, controversy, breach, or dispute arising out of this MOU, including, without limitation, the interpretation of any term or provision of this MOU, or any disagreement, claim, controversy, breach, or dispute arising out of the obligations under this MOU (individually, referred to as a "Dispute", and collectively referred to as "Disputes"), whether seeking damages or equitable relief, shall be subject to the following process.

1. Disputes between Parties shall be settled as quickly as reasonably possible to ensure minimal impact to MOU activities.

2. Parties shall first utilize a corrective action administrative process and negotiation to attempt to resolve Disputes prior to resulting to any other allowable remedy. Parties shall continue performance of the MOU activities during such resolution.

    a. Upon receipt by COM of information regarding a perceived failure by COSC to comply with any provision of this MOU, COM has the right to forward COSC a notice of COM's intent to consider corrective action to enforce compliance with such provision. Such notice will indicate the nature of the issue, or issues, to be reviewed in determining the need for corrective action. COSC may have the opportunity to respond or participate in formulating the corrective action recommendation. COM has the right to require the presence of COSC's officer(s) or employee(s) at any hearing or meeting called for the purpose of considering a corrective action.

    b. Upon receipt by COSC of information regarding a perceived failure by COM to comply with any provision of this MOU, COSC has the right to forward COM a noticed of COSC's intent to consider corrective action to enforce compliance with such provision. Such notice will indicate the nature of the issue, or issues, to be reviewed in determining the need for corrective action. COM may have the opportunity to respond or participate in formulating the corrective action recommendation. COSC has the right to require the presence of COM's officer(s) or employee(s) at any hearing or meeting called for the purpose of considering a corrective action.

    c. All requests shall be made in good faith and be reasonable in light of the economics and time efficiencies intended by the corrective action process.

    d. Any resolution requiring amendment of this MOU shall be executed as soon as reasonably possible, time is of the essence.

3. No formal proceedings for the judicial resolution of any dispute may be commenced until sixty (60) calendar days following the initiation of negotiations under this Section. Either Party may then seek whatever remedy is available in law or in equity.

4. For all claims arising from or related to this MOU, nothing in this MOU establishes, waives, or modifies any claims presentation requirements or procedures provided by law, including the Government Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section 810), or any ordinance enacted by either Party governing the presentation or processing of such claims.

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