

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adopting Public Emergency Resolution No. 460 - Establishing a Program Funding and Implementation Plan for the City's CARES Act Relief Funds and Authorizing the City Manager to Enter into an Interagency Agreement with the Washington State Department of Commerce for Coronavirus Relief Funds
<b>DEPARTMENT:</b>	City Manager's Office Administrative Services Community Services
<b>PRESENTED BY:</b>	John Norris, Assistant City Manager Colleen Kelly, Community Services Manager Bethany Wolbrecht-Dunn, Grants Administrator
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

On April 27, 2020, Governor Inslee announced that the State would award almost \$300 million in Federal CARES Act Coronavirus Relief Funds (Relief Funds) to local governments not eligible to receive a direct allocation. Shoreline's award is \$1,691,100. These funds are to be used for Shoreline's response to the COVID-19 emergency.

Relief Funds are available for a broad usage of local response to the COVID-19 crisis through October 31, 2020, including small business support, human services support and City direct COVID-19 costs. In response to community feedback and needs, City staff is recommending the Relief Funds awarded to Shoreline be programmed in the following manner:

- \$981,100 for City direct COVID-19 Response,
- \$410,000 for a Small Business Support Program, and
- \$300,000 for a Human Services Support Program.

Tonight, Council is scheduled to take action on Public Emergency Resolution No. 460 (Attachment A), which would establish the funding and implementation plan as noted above for the City's CARES Act Relief Funds. As per Council Rules of Procedure 6.1.B, which states that for an Action Item that is before the City Council for the first time and is not part of the consent agenda, public comment for that item will follow the staff report but precede Council review. Council should therefore allow for Public Comment following the staff report, and the same rules for Public Comment provided as part of the Council's Regular Meeting Agenda shall apply.

**RESOURCE/FINANCIAL IMPACT:**

This resolution identifies program expenditures in the amount of \$1,691,100 for COVID-19 related expenditures through October 31, 2020 for reimbursement using federal CARES Act funding. The City is anticipating reimbursement of these fund by the State by the end of 2020.

**RECOMMENDATION**

Staff recommends that Council move to adopt Public Emergency Resolution No. 460 which establishes a program funding and implementation plan for the City's CARES Act Relief Funds and authorize the City Manager to enter into an Interagency Agreement with the Washington State Department of Commerce for \$1,691,100 in Coronavirus Relief Funds.

Approved By:           City Manager ***DT***   City Attorney ***JA-T***

## **BACKGROUND**

A federally declared disaster related to the COVID-19 health emergency was declared by President Trump on March 13, 2020. Since that time, Congress has taken three legislative actions in response to this emergency. The third action, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, was signed into law on March 27, 2020. The CARES Act funds approximately \$2 trillion in funding to assist individuals, businesses and governments respond to the health crisis.

The CARES Act established the Coronavirus Relief Fund through the US Treasury Department to provide payments to state, local and tribal governments. Payments are based on population; local governments with a population of over 500,000 receive direct payments and states receive payments reduced by the aggregate amount of the payments disbursed to eligible local governments within that state.

Under the CARES Act, the Coronavirus Relief Funds may be used to cover costs that:

1. Are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19); AND
2. Are not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or local government. The “most recently approved budget” refers to the enacted budget for the relevant fiscal period for the particular government. A cost meets this requirement if:
  - a. The cost cannot lawfully be funded using a line item, allotment, or allocation within that budget; OR
  - b. The cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.
3. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Further guidance from the US Treasury Department provides six categories of primary allowable cost categories:

- Medical expenses,
- Public health expenses,
- Payroll expenses,
- Expenses of actions to facilitate compliance with COVID-19-related public health measures,
- Expenses associated with the provision of economic support (including grants to small businesses to reimburse the cost of business interruption), and
- Any other COVID-19-related expenses reasonably necessary to the function of government.

Stated ineligible costs include:

- Damages covered by insurance,
- Expenses that have been or will be reimbursed under any federal program,
- Severance pay, and
- Legal settlements.

### **Washington State Award of Relief Funds**

On April 27, 2020, Governor Inslee announced that the State would award almost \$300 million in CARES Act Coronavirus Relief Funds (Relief Funds) to local governments not eligible to receive a direct allocation from Treasury. Shoreline's award is \$1,691,100. These funds are to be used for Shoreline's response to the COVID-19 emergency through the limited timeframe of March 1, 2020 to October 31, 2020.

To access these funds, Council must also authorize the City Manager to enter into an interagency agreement with the Washington State Department of Commerce for the \$1,691,100 in Relief Funds. The template Interagency Agreement with the Washington State Department of Commerce for Coronavirus Relief Funds is included with this staff report at Attachment B.

### **DISCUSSION**

In response to feedback and knowledge of community needs, staff is recommending the City's \$1,691,100 in Relief Funds be allocated in the following manner:

- \$981,100 for City direct COVID-19 Response Program,
- \$410,000 for a Small Business Support Program, and
- \$300,000 for a Human Services Support Program.

The City will look to maximize the Relief Funds to ensure full use of the funding, so final expenditures may vary. The following section of this report provides greater detail regarding these proposed expenditure areas.

#### **City Direct COVID-19 Response Program (\$981,100)**

In order to protect the health and safety of the Shoreline community and staff, the City has taken many actions as it relates to the COVID-19 emergency. Some costs may be reimbursable through the Federal Emergency Management Agency (FEMA) Public Assistance (PA) Program. The PA program has a narrow definition for payment of emergency protective measures, while Relief Funds have broader eligibility.

Within the City, staff expects to be reimbursed for the following categories of COVID-related expenditures:

- Payroll expenses incurred to respond to the COVID-19 emergency.
- Expenses to provide paid sick leave and paid family and medical leave to City Employees.
- Unemployment insurance costs.
- Expenses for additional disinfection of public areas and facilities.
- Modification to City buildings for employee and public safety purposes, such as adding plexiglass guards to certain work stations.
- Telework expenses.
- A portion of the COVID-19 Emergency Community Response Grant Program, which was established by Council on March 30, 2020.
- Business outreach and communication.
- Purchase of personal protective equipment (PPE) for City staff.

**Small Business Support Program (\$410,000)**

Many Shoreline businesses have been unable to access initial CARES Act or other funds before programs were closed due to high demand, while others have found the impact to their business from the COVID-19 emergency is much larger than the relief funding made available thus far. To help address this shortfall, staff developed a Small Business Support Program (SBSP) to support Shoreline small businesses.

Staff began by reviewing the efforts of other cities including Seattle, Tacoma, Everett, Kirkland, Lacey, Snoqualmie, and Sequim, among others, who have deployed or are in the process of setting up their own business support program. Based on this review, City of Shoreline priorities, and stakeholder outreach, staff is proposing that the SBSP be structured as follows:

- \$500,000 City-administered grant fund for small businesses (defined as businesses with fewer than 25 employees, counting business owners) using both Relief Funds (\$410,000) and \$90,000 in King County funding allocated by the King County Council for local business support.
- Grant awards would be up to \$20,000; partial grants could also be awarded to maximize the reach of available funds.
- Grant applications would be reviewed by staff with a recommendation to the City Manager; the City Manager would make award decisions.
- Grant recipients would be required to enter into a Grant Agreement with the City which will require the filing of a report on how the funds were spent. If a business does not utilize all the grant funds received, the business would be required to return the excess funds to the City. As well, if a business does not utilize the grant funds for eligible expenses as identified below, the business would be required to reimburse the City for those amounts of grant funds.

While staff did review the potential for developing a small business loan program as opposed to a grant program, Relief Funds do not allow the City to administer a loan program.

***Eligible Businesses and Evaluation Criteria***

Applications for the SBSP would be reviewed for eligibility based on the City’s requirements. Applications from eligible businesses would then be evaluated based on City priorities. Funding would be awarded according to those businesses that rate the highest compared to the City’s evaluation criteria. Eligibility requirements and evaluation criteria for the SBSP would be as follows:

<b><i>Eligibility Requirements</i></b>	<b><i>Evaluation Criteria</i></b>
<ul style="list-style-type: none"><li>• Fewer than 25 employees, counting business owners (not FTE employees)</li></ul>	<ul style="list-style-type: none"><li>• Quality of recovery plan outlined in application</li></ul>
<ul style="list-style-type: none"><li>• In business since July 1, 2019</li></ul>	<ul style="list-style-type: none"><li>• Focus on serving general consumer categories, such as dining, entertainment, beauty services, etc., which serve as a draw to an area for the benefit of other nearby businesses</li></ul>
<ul style="list-style-type: none"><li>• Physical location within Shoreline in a commercial zone</li></ul>	<ul style="list-style-type: none"><li>• Independent business (not franchise)</li></ul>

<ul style="list-style-type: none"> <li>• Experienced a loss of income due to COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>• Number of jobs at risk</li> </ul>
<ul style="list-style-type: none"> <li>• Business in good standing, including such factors as: <ul style="list-style-type: none"> <li>○ Current business licenses</li> <li>○ City taxes and fees paid</li> <li>○ Current on all State and regulatory requirements</li> <li>○ Not facing pending litigation or legal action; including Shoreline code enforcement</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Historically marginalized/underrepresented business, including minority-owned or 51% women-owned business</li> </ul>

While identifying City priorities and evaluation criteria to identify those priorities in SBSP applications was a challenging task, staff feel confident that these priorities will help guide good recommendations to the City Manager for business grants. Staff feel that it is important for businesses to tell their story through a recovery plan and how the businesses will best use these grant funds to support their reopening and ongoing sustainability. Staff also supports the City’s longstanding commitment to placemaking through this program as a tool to support retention of active commercial districts with independent small businesses and services which help draw activity to an area for the benefit of other nearby businesses and serve a general consumer clientele. While the program is limited to small businesses, staff would also evaluate applicants based on the number of jobs at risk as a result of COVID-19 to address the potential economic impact of layoffs.

Finally, staff would consider impacts to historically marginalized or underrepresented businesses, including businesses owned by communities of color and women-owned businesses. Minority-owned businesses have been historically impacted by institutional racism, which could compound the financial impacts of COVID-19. While three quarters of all small businesses in the US have requested relief through the CARES Act, with 38% reporting having received funding according to the US Census Bureau, a survey of black and Latino businesses indicates only 26% received funding, according to a New York Times article. Similarly, many women-owned businesses may have historical disadvantages. As the City has goals to seek opportunities to ensure equitable outcomes, prioritizing businesses that meet this criterion is recommended by staff.

***Eligible Business Expenses***

Eligible business expenses would be limited to the following types of expenditures:

- Payment of rent or required monthly loan payments.
- Payments of regular wages, taxes, and typical benefits to employees (e.g., health insurance, paid vacation / sick leave essential to maintain operations, but only to the extent those wages, taxes and benefits have not been reimbursed by other federal, state or regional grants or loans.
- Payment for personal protective equipment, sanitizer, disinfectant, or other supplies, equipment or physical changes (e.g., plexiglass barriers, or other furnishings to accommodate physical distancing) necessary for the protection of public health or the health of business or organization owners or employees in relation to the COVID-19 emergency.

- Typical operating costs and expenses, including those set forth on an income statement, as a regular, ongoing cost of operating the business.
- Typical draw or wages on a regular interval to owner, provided such draws or wages are consistent with those paid in previous intervals, quarters or years.

### ***Ineligible Businesses and Expenses***

Based upon an analysis of standards and precedent, staff is making a series of recommendations about ineligible businesses and expenses. The following are staff's recommendations based upon reviewing other cities' programs, business compliance with the Governor's "Stay Home, Stay Healthy" order, and funding source restrictions:

#### ***Ineligible Businesses***

- Businesses that have suffered financial loss but still have sufficient revenue to sustain minimum operations.
- Businesses owned, or partially owned, by managers, officers, directors or public officials associated with the City of Shoreline.

#### ***Ineligible Expenses***

- Expenses considered ineligible business expenses by IRS.
- Political contributions.
- Bonuses to owners or employees.
- Wages to any member of owner's family (not a bona fide employee).
- Charitable contributions.
- Gifts or parties.
- Draw or salary to the business owner that exceeds the amount that they were paid on a weekly or monthly basis for the same period in the prior year.
- Pay down or pay off of debt by more than required in underlying debt instrument.
- Any expenses related to activities prohibited under COVID-19 guidelines, state, federal, or local law.
- Payment of property taxes, B&O taxes, etc.
- Damages covered by insurance.
- Expenses that have been or will be reimbursed under any federal program.
- Severance pay.
- Legal settlements.

### ***Evaluation of Other Cities' Business Grant Programs***

There are five cities, in addition to the City of Seattle, that have established a small business grant fund as of the writing of this staff report: Everett, Lacey, Kirkland, Sequim, and Snoqualmie. Other cities, such as Auburn, Kent, SeaTac, and Tukwila, intend to establish a small business grant fund but have yet to do so. The grant program funding for each city varies between \$250,000 to \$500,000, with funding sources coming from the cities' existing resources (Sequim, Snoqualmie), CARES Act Relief Funding (Lacey), CDBG funding (Everett), and private donations (Kirkland). Individual maximum grant awards are between \$2,500 (Kirkland) and \$15,000 (Sequim), with the rest capping grants at \$10,000. Eligible use of funds for each city are generally broad, with Everett and Kirkland's programs being almost completely unrestricted.

Each city's program outlines eligibility criteria for small businesses to meet and funding priorities unique to their city. Eligibility criteria generally starts with any restrictions given the funding source (i.e. CARES Act Relief Funding, CDBG), ensures baseline business compliance (i.e. active business licenses, up to date with fees and B&O taxes), and then may reflect other city-specific eligibility. All cities but Everett put a cap on the number of employees in an eligible business (Sequim caps at 50, the other three cap at 25). Additionally, each city's priorities reflect their city's values, with a wide variety of priorities considered across the programs of the five cities. A comparative summary of the small business grant programs being administered by these five cities can be found in Attachment C to this staff report.

### **Human Services Support Program (\$300,000)**

On March 30, 2020, when the early impacts of the Coronavirus were already emerging, the City Council established a \$100,000 COVID-19 Emergency Community Response Grant Program. This program supported Shoreline community-based organizations in their efforts to provide new or ongoing critical services to Shoreline residents. The staff report for this Council action can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2020/staffreport033020-8b.pdf>. As the demand for that funding support was high and the dollars went quickly, the Council subsequently added \$50,000 to the program. As of May 20, 2020, all funds in that program have been exhausted.

In addition to this grant program, staff have been working closely with community partners to create a robust and comprehensive system for ensuring that everyone in Shoreline has access to food throughout this crisis. Current access includes:

- Hopelink Food Bank - available to anyone who can come during open hours on Tuesday, Wednesday and Thursdays.
- Shoreline School District Lunch and Breakfast Program - weekday hot lunch and cold breakfast provided to those able to collect from one of several distribution sites.
- Shoreline PTSA Council Partnership with Shoreline Schools Family Advocates - Grocery Store Gift Card program for about 300 School District families in need.
- Shoreline-Lake Forest Park Senior Center - weekday delivery of hot meals to about 60 seniors with additional food provided on Fridays for weekend support.
- Dale Turner YMCA – sack lunch distribution at its Shoreline location and at Ronald United Methodist Church, Mondays-Fridays.
- King County partnership with Hopelink and City of Shoreline - bi-weekly food box delivery to families at Ballinger Homes-weekend food delivery program; available on request for all Shoreline households.

As summer approaches, staff has been working to ensure that everyone in Shoreline will continue to be able to access needed food. To that end, staff have worked to understand what resources are needed to continue each of the critical activities noted above.



- Hopelink intends to continue its food bank operation and has indicated they have sufficient resources at this time.
- The Shoreline School District plans to provide summer sack lunch and breakfast at four sites but does not have funding for staff to distribute the food. They have requested \$10,000 to cover this expense. The Hunger Intervention Program will assist by providing summer sack lunches at three additional sites, and they do not require any additional funds.
- The Shoreline PTSA Council and school district staff are unable to continue the gift card program during the summer, but district staff have indicated that they believe it is very important to the 300 families that have been receiving this support to be able to continue that. They are in the process of reaching out to these families to confirm whether ongoing support is needed and if they will give permission to share their contact information with the City. Given what we know about the numbers of Shoreline residents who are now unemployed or underemployed, coupled with the ongoing public health crisis, staff also recommends making this opportunity available to other low-income Shoreline families with children. This is a very responsive approach to providing necessary support to Shoreline families, so staff is proposing up to \$150,000 to be used for this effort. That total will allow up to 468 families to access up to \$320 in additional support over the summer. Staff in the City’s Administrative Services Department are providing guidance related to appropriate management of this program.
- The Shoreline-Lake Forest Park Senior Center plans to continue its meal delivery program which is seeing an increase in demand. The Executive Director of the Senior Center projects a need for about \$25,000 to cover meal provision through the end of the year.
- The Dale Turner YMCA plans to continue providing walk up lunches at the Dale Turner Y location and will partner with the Center for Human Services to provide sack lunches for kids Monday through Friday at Ballinger Homes; no additional resources are needed.
- King County will continue food box delivery at Ballinger Homes over the summer and Hopelink has confirmed that they have sufficient resources in place to sustain this partnership. City staff will continue to provide support with the distribution process.
- United Way has started a weekend food delivery program that will serve Shoreline families, so staff is wrapping up the City’s program and advising families about how to request deliveries through United Way.

In total, staff recommends that \$185,000 of Relief Funds be allocated to support access to food for Shoreline families. This includes the following allocations noted above:

<b>Food Support Program</b>	<b>Funding Amount</b>
Shoreline School District Summer Sack Lunch and Breakfast Program	\$10,000
Food Gift Card Program	\$150,000
Senior Center Meal Deliver Program	\$25,000
<b>Total</b>	<b>\$185,000</b>

In addition, discussions with our agency partners have revealed that most, if not all, have incurred unplanned expenses related to PPE and COVID-19 related cleaning supplies and activities. Staff recommends that an additional \$115,000 be allocated to provide reimbursement to our agency partners for those unplanned expenses. Covering all or a portion of those costs for the agencies will provide them with needed flexibility to use other funds to cover additional direct service or other unexpected and unplanned expenses.

Staff proposes to set a date by which current agency partners can submit receipts itemizing expenditures since March 23 (the beginning of the Governor's Stay Home/Stay Healthy Order) for purchases of PPE, cleaning supplies and/or cleaning services. If eligible requests total less than \$115,000, they will be reimbursed in full. If they come in above that amount, each organization will be reimbursed at an equal percentage of their request up to the \$115,000 cap. If after reimbursing partner agencies there are still available funds, then those funds may be transferred to the CARES Act Funds Programs at the city manager's discretion.

In total, between the Food Support Program funding and the partner agency PPE and COVID-19 related funding, \$300,000 in Relief Funds are being proposed to be spent as part of the Human Service Support Program.

### **Tonight's Council Meeting**

Tonight, Council is scheduled to take action on Public Emergency Resolution No. 460, which would establish the funding and implementation plan as noted above for the City's CARES Act Relief Funds. As per Council Rules of Procedure 6.1.B, which states that for an Action Item that is before the City Council for the first time and is not part of the consent agenda, public comment for that item will follow the staff report but precede Council review. Council should therefore allow for Public Comment following the staff report, and the same rules for Public Comment provided as part of the Council's Regular Meeting Agenda shall apply.

### **STAKEHOLDER OUTREACH**

Staff has been in daily contact with businesses through various means since the Governor's COVID-19 emergency declaration. More than 30 Shoreline businesses have emailed the City to provide information on how they have been impacted by the COVID-19 crisis. Additionally, staff have received input from Shoreline businesses through regional business impact surveys conducted by Greater Seattle Partners, REACH King County, the Seattle Office of Economic Development and Community Attributes.

In addition to these outreach efforts, the City was asked to conduct a local review of applicants to the Working Washington Grant Program, which received more than 7,000 applications for this regional business grant. The City reviewed 78 applications for this grant program, indicating to staff that many businesses had not yet received business assistance, had been denied support through other means, or still faced potential closure due to the pandemic after receiving some funding. In direct conversations with businesses, staff continues to learn of looming potential decisions to close due to the inadequacy of available assistance given the need.

Staff also has engaged many of the City's human service partners, the Shoreline School District and the Shoreline PTSA Council to understand their needs with regarding to supporting the community.

### **RESOURCE/FINANCIAL IMPACT**

This resolution identifies program expenditures in the amount of \$1,691,100 for COVID-19 related expenditures through October 31, 2020 for reimbursement using federal CARES Act funding. The City is anticipating reimbursement of these fund by the State by the end of 2020.

### **RECOMMENDATION**

Staff recommends that Council move to adopt Public Emergency Resolution No. 460 which establishes a program funding and implementation plan for the City's CARES Act Relief Funds and authorize the City Manager to enter into an Interagency Agreement with the Washington State Department of Commerce for \$1,691,100 in Coronavirus Relief Funds.

### **ATTACHMENTS**

- Attachment A: Public Emergency Resolution No. 460
- Attachment B: Washington State Department of Commerce Template Interagency Agreement for Coronavirus Relief Fund for Local Governments
- Attachment C: Comparative Summary of Other Local Cities Small Business Grant Programs

**RESOLUTION NO. 460**

**A PUBLIC HEALTH EMERGENCY RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, ESTABLISHING A PROGRAM FUNDING AND IMPLEMENTATION PLAN FOR THE CITY OF SHORELINE’S CARES ACT RELIEF FUNDS.**

WHEREAS, due to the COVID-19 public health emergency, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Public Law 116-136, which provides funding to assist individuals, businesses, and governments in responding to COVID-19; these funds are administered by the U.S. Treasury Department; and

WHEREAS, the U.S. Treasury Department has provided six (6) categories of primary allowable expense categories for CARES Funds: medical; public health; payroll; COVID-19 public health compliance measures; small business economic support; and other expenses necessary to the function of government; and

WHEREAS, for Washington cities such as Shoreline, CARES funds are distributed via the State of Washington which, has awarded Shoreline \$1,691,100 in funding based on its population; and

WHEREAS, the City Council desires to establish a Program Funding and Implementation Plan that utilizes the City’s CARES Funds for City-direct expenses; a small business support program; and a human services support program;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES:

**Section 1. Establishment of the City of Shoreline’s CARES Act Relief Fund Program Funding and Implementation Plan.**

A. The City Manager is directed to establish the CARES Act Relief Fund Program in an amount equal to that distributed to the City of Shoreline by Washington State in CARES Act funding and denote as such in the accounting records of the City. These funds shall be utilized in the following manner:

1. City-Direct COVID-19 Response Program	\$981,100
2. Small Business Support Program	\$410,000
3. Human Services Support Program	\$300,000

**Section 2. Administration Procedures.**

A. CARES Act Relief Funds shall be utilized for expenditures allowed pursuant to the CARES Act and guidance issued by the U.S. Treasury Department through October 31, 2020, unless another date is established by the U.S. Treasury Department or State of Washington.

- B. The City Council authorizes the City Manager, or designee, to execute any and all agreements and related documentation necessary to receive full and complete reimbursement of the City's allowable CARES Funds expenditures distributed under its CARES Act Relief Fund Program, including but not limited to an agreement with the State of Washington.
- C. The City Council authorizes the City Manager, or designee, to execute any and all purchase orders or contracts with third-party vendors or organizations to distribute the City's CARES Act Relief Funds as provided for in this Resolution.
- D. The City Manager is directed to develop an application process for the Small Business Support Program. This program shall permit businesses in good standing which have been operating within Shoreline since at least July 1, 2019 and with fewer than 25 staff members to receive a maximum of \$20,000 in economic support for CARES Act eligible business expenses.
- E. The City Manager is directed to distribute CARES Act Relief Funds in the following amount as part of the Human Services Support Program:
  - 1. Food Support Program:
    - a. Shoreline School District No. 412
      - i. Summer Sack Lunch and Breakfast Program: \$10,000
    - b. Shoreline-Lake Forest Park Senior Center
      - i. Meal Delivery Program: \$25,000
    - c. Summer Food Voucher Program: \$150,000
      - i. The City Manager is directed to develop a food voucher program. Eligible recipients shall be Shoreline families with children or other families with children enrolled in the Shoreline School District. The program will allow for distribution of up to two (2) vouchers of \$160 each, for a maximum household distribution of \$320. Vouchers are to be distributed until August 31, 2020.
  - 2. Partner Agency COVID-19 Protection and Hygiene Supply Reimbursement Program: \$115,000
    - a. The City Manager is directed to develop a reimbursement process for the Partner Agency Program.
    - b. This program shall permit current partner agencies to seek full reimbursement for expenses incurred between March 23, 2020 and May 31, 2020 for personal protection equipment and cleaning supplies or services.
    - c. If reimbursable expenses exceed the funding amount, then each partner agency shall receive a proportional share of the total funding amount.
    - d. If reimbursable expenses do not exceed the funding amount, then the remaining balance shall be transferred for use by any other CARES Act Funding Program(s) established herein at the discretion of the City Manager.

**Section 3. Communication.** The City Manager shall implement a communications plan to broadly disseminate the availability of CARES Act Relief Funds to City of Shoreline businesses and human services providers.

**Section 4. Reporting.** The City Manager shall provide a monthly report at the first regularly scheduled meeting of the City Council each month regarding utilization of the CARES Act Relief

funds in the prior month and, shall include the businesses and human services providers that received funding.

**Section 5. Effective date.** This Resolution shall take effect and be in full force immediately upon passage by the City Council.

Passed by majority vote of the City Council in an open meeting this 8<sup>th</sup> day of June, 2020.

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Will Hall, Mayor

**ATTEST:**

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Jessica Simulcik Smith, City Clerk



**Interagency Agreement with**

«Organization»

through

the Coronavirus Relief Fund for Local Governments

**For**

Costs incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) during the period of March 1, 2020 thru October 31, 2020.

**Start date:** March 1, 2020

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**FACE SHEET**

**Attachment B**

**Contract Number:** «Contract\_Number»

**Washington State Department of Commerce  
Local Government Division  
Community Capital Facilities Unit  
Coronavirus Relief Fund for Local Governments**

<b>1. Contractor</b> «Organization» «Address» «City», Washington «Postal_Code»		<b>2. Contractor Doing Business As (optional)</b>	
<b>3. Contractor Representative</b> «First» «Last» «CDBG_ContractsTitle» «CDBG_ContractsPhone_Number» «Email»		<b>4. COMMERCE Representative</b> «Full_Name» P.O. Box 42525 Project Manager 1011 Plum Street SE «LU_Project_ManagerPhone_Number» Olympia, WA 98504-2525 Fax 360-586-5880 «Mgr_Email»	
<b>5. Contract Amount</b> «Amount»	<b>6. Funding Source</b> Federal: <input checked="" type="checkbox"/> State: <input type="checkbox"/> Other: <input type="checkbox"/> N/A: <input type="checkbox"/>	<b>7. Start Date</b> March 1, 2020	<b>8. End Date</b> October 31, 2020
<b>9. Federal Funds (as applicable)</b> «Amount»	<b>Federal Agency:</b> US Dept. of the Treasury	<b>CFDA Number:</b> 21.999	<b>Indirect Rate (if applicable):</b> «Indirect_Rate»
<b>10. Tax ID #</b> «TIN_Number»	<b>11. SWV #</b> «SWV_Number»	<b>12. UBI #</b> «UBI_Number»	<b>13. DUNS #</b> «DUNS_Number»
<b>14. Contract Purpose</b> To provide funds for costs incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) during the period of March 1, 2020 thru October 31, 2020. Final invoices must be received by November 15, 2020.			
<b>15. Signing Statement</b> COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents hereby incorporated by reference: Attachment “A” – Scope of Work, Attachment “B” – Budget & Invoicing, Attachment “C” – A-19 Certification, Attachment “D” – A-19 Activity Report			
<b>FOR CONTRACTOR</b>  _____ «Sig_Auth_Whole_Name», «Sig_Authority_Title»  _____ Date		<b>FOR COMMERCE</b>  _____ Mark K. Barkley, Assistant Director, Local Government Division  _____ Date  <b>APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL 05-01-2020. APPROVAL ON FILE.</b>	

**SPECIAL TERMS AND CONDITIONS  
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**1. AUTHORITY**

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by the Interlocal Cooperation Act, Chapter 39.34 RCW.

**2. ACKNOWLEDGMENT OF FEDERAL FUNDS**

Funds under the Contract are made available and are subject to Section 601(a) of the Social Security Act, as amended by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and Title V and VI of the CARES Act.

The Contractor agrees that any publications (written, visual, or sound) but excluding press releases, newsletters, and issue analyses, issued by the Contractor describing programs or projects funded in whole or in part with federal funds under this Contract, shall contain the following statements:

“This project was supported by a grant awarded by US Department of the Treasury. Points of view in this document are those of the author and do not necessarily represent the official position or policies of the US Department of the Treasury. Grant funds are administered by the Local Government Coronavirus Relief Fund thru the Washington State Department of Commerce.”

**3. CONTRACT MANAGEMENT**

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

**4. COMPENSATION**

COMMERCE shall pay an amount not to exceed the contract amount listed on the Face Sheet for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work (Attachment A).

**5. EXPENSES**

Contractor shall receive reimbursement for allowable expenses as identified in the Scope of Work (Attachment A) or as authorized in advance by COMMERCE as reimbursable.

Travel expenses may include airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. Contractor shall receive compensation for travel expenses at current state travel reimbursement rates.

**6. INDIRECT COSTS**

Contractor shall provide their indirect cost rate that has been negotiated between their entity and the federal government. If no such rate exists a *de minimis* indirect cost rate of 10% of modified total direct costs (MTDC) will be used.

**7. BILLING PROCEDURES AND PAYMENT**

COMMERCE shall reimburse the Contractor for eligible Project expenditures, up to the maximum payable under this Contract. When requesting reimbursement for expenditures made, Contractor shall submit all Invoice Vouchers and any required documentation electronically through COMMERCE's Contracts Management System (CMS), which is available through the Secure Access Washington (SAW) portal. If the Contractor has constraints preventing access to COMMERCE's online A-19 portal, a hard copy A-19 form may be provided by the COMMERCE Project Manager upon request.

**SPECIAL TERMS AND CONDITIONS  
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The voucher must be certified by an official of the Contractor with authority to bind the Contractor. The final voucher shall be submitted to COMMERCE no later than November 15, 2020.

COMMERCE will pay Contractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than monthly.

The invoices shall describe and document, to COMMERCE's satisfaction, reimbursable expenditures as set forth under the Scope of Work (Attachment A) and Budget & Invoicing (Attachment B). The invoice shall include the Contract Number as stated on the Face Sheet.

Each voucher must be accompanied by an A-19 Certification (Attachment C) and A-19 Activity Report (Attachment D). The A-19 Certification must be certified by an authorized party of the Contractor to certify and attest all expenditures submitted on the voucher are in compliance with the United States Treasury Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments:

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

The A-19 Activity Report must be submitted which describes, in Excel spreadsheet and narrative form, a detailed breakdown of the expenditures within each applicable budget sub-category identified in the voucher, as well as a report of expenditures to date. COMMERCE will not release payment for any reimbursement request received unless and until the A-19 Certification and A-19 Activity Report is received. After approving the Invoice Voucher, A-19 Certification and Activity Report, COMMERCE shall promptly remit a warrant to the Contractor.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

Should the Contractor be found to spent funds inconsistent with federal laws, rules, guidelines, or otherwise inappropriately, it is the responsibility of the Contractor to reimburse Commerce for any amount spent on disallowed costs.

**8. AUDIT**

Contractor shall maintain internal controls providing reasonable assurance it is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs; and prepare appropriate financial statements, including a schedule of expenditures of federal awards.

If the Contractor is a subrecipient and expends \$750,000 or more in federal awards from any and/or all sources in any fiscal year, the Contractor shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Contractor shall:

**SPECIAL TERMS AND CONDITIONS  
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- A. Submit to COMMERCE the reporting package specified in OMB Super Circular 2 CFR 200.501, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor.
- B. Submit to COMMERCE follow-up and developed corrective action plans for all audit findings.

If the Contractor is a subrecipient and expends less than \$750,000 in federal awards from any and/or all sources in any fiscal year, the Contractor shall notify COMMERCE they did not meet the single audit requirement.

The Contractor shall send all single audit documentation to [auditreview@commerce.wa.gov](mailto:auditreview@commerce.wa.gov).

**9. DEBARMENT**

- A. Contractor, defined as the primary participant and its principals, certifies by signing these General Terms and Conditions that to the best of its knowledge and belief that they:
  - i. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.
  - ii. Have not within a three-year period preceding this Contract, 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 or private agreement or transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
  - iii. 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 enumerated in paragraph (1)(b) of federal Executive Order 12549; and
  - iv. Have not within a three-year period preceding the signing of this Contract had one or more public transactions (Federal, State, or local) terminated for cause of default.
- B. Where the Contractor is unable to certify to any of the statements in this Contract, the Contractor shall attach an explanation to this Contract.
- C. The Contractor agrees by signing this Contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by COMMERCE.
- D. The Contractor further agrees by signing this Contract that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," as follows, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

**LOWER TIER COVERED TRANSACTIONS**

- i. The lower tier Contractor certifies, by signing this Contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
  - ii. Where the lower tier Contractor is unable to certify to any of the statements in this Contract, such contractor shall attach an explanation to this Contract.
- E. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded**, as used in this section, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact COMMERCE for assistance in obtaining a copy of these regulations.

**10. LAWS**

The Contractor shall comply with all applicable laws, ordinances, codes, regulations, and policies of local, state, and federal governments, as now or hereafter amended, including, but not limited to:

**SPECIAL TERMS AND CONDITIONS  
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**United States Laws, Regulations and Circulars (Federal)**

Contractor shall comply with Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Award, 2 CFR 200, Subpart F – Audit Requirements.

Contractor shall comply with the applicable requirements of 2 CFR Part 200, including any future amendments to 2 CFR Part 200, and any successor or replacement Office of Management and Budget (OMB) Circular or regulation.

Contractor shall comply with Omnibus Crime Control and Safe streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, The Age Discrimination Act of 1975, and The Department of Justice Non-Discrimination Regulations, 28 C.F.R. Part 42, Subparts C.D.E. and G, and 28 C.F.R. Part 35 and 39.

**11. ORDER OF PRECEDENCE**

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget & Invoicing
- Attachment C – A-19 Certification
- Attachment D – A-19 Activity Report

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**1. DEFINITIONS**

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Department of Commerce.
- C. "Contract" or "Agreement" means the entire written agreement between COMMERCE and the Contractor, including any attachments, documents, or materials incorporated by reference. E-mail or facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers.
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

**2. ALL WRITINGS CONTAINED HEREIN**

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

**3. AMENDMENTS**

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

**4. ASSIGNMENT**

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

**5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION**

- A. "Confidential Information" as used in this section includes:
  - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
  - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and
  - iii. All personal information in the possession of the Contractor that may not be disclosed under state or federal law.
- B. The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality.

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COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.

- C. Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

**6. COPYRIGHT**

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

**7. DISPUTES**

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

**8. GOVERNING LAW AND VENUE**

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and any applicable federal laws, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

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**9. INDEMNIFICATION**

Each party shall be solely responsible for the acts of its employees, officers, and agents.

**10. LICENSING, ACCREDITATION AND REGISTRATION**

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

**11. RECAPTURE**

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

**12. RECORDS MAINTENANCE**

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity.

The Contractor shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

**13. SAVINGS**

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

**14. SEVERABILITY**

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

**15. SUBCONTRACTING**

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they



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relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. Contractor shall incorporate 2 CFR Part 200, Subpart F audit requirements into all subcontracts. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

**16. SURVIVAL**

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

**17. TERMINATION FOR CAUSE**

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are in addition to any other rights and remedies provided by law.

**18. TERMINATION FOR CONVENIENCE**

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

**19. TERMINATION PROCEDURES**

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree

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with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which the Authorized Representative has or may acquire an interest.

**20. TREATMENT OF ASSETS**

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.
- B. The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- C. If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D. The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract

All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

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**21. WAIVER**

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

### Scope of Work

This funding is made available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and Section V and VI of the CARES Act, for costs incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19). Under the CARES Act, the Coronavirus Relief Fund may be used to cover costs that:

1. **Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); AND**
2. **Are not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government.**

These funds may be used to reimburse for expenditures incurred during the period of March 1, 2020 thru Oct. 31, 2020. Please note: In order to ensure all funds have been fully utilized prior to the US Treasury's December 30, 2020 end date, the State of Washington must closeout contracts by October 31, 2020. All final requests for reimbursement must be received no later than November 15, 2020.

Expenditures must be used for necessary actions taken to respond to the public health emergency. These may include expenditures incurred to allow the local government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

Payments may be used only to cover costs not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either:

1. The cost cannot lawfully be funded using a line item, allotment, or allocation within that budget; OR
2. The cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The "most recently approved" budget is the enacted budget for the relevant fiscal period for the particular government. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

#### **Allowable expenditures include, but are not limited to:**

1. Medical expenses such as:
  - a. COVID-19-related expenses of public hospitals, clinics, and similar facilities.
  - b. Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
  - c. Costs of providing COVID-19 testing, including serological testing.
  - d. Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
  - e. Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:

- a. Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
  - b. Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
  - c. Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
  - d. Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
  - e. Expenses for public safety measures undertaken in response to COVID-19.
  - f. Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
  4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
    - a. Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
    - b. Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
    - c. Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
    - d. Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
    - e. COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
    - f. Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
  5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - a. Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - b. Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - c. Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
  6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

### Budget & Invoicing

The Contractor shall determine the appropriate budget and use of funds within the following 6 budget categories and their sub-categories:

1. Medical
2. Public Health
3. Payroll
4. Actions to Comply with Public Health Measures
5. Economic Support
6. Other Covid-19 Expenses

The Contractor shall submit invoice reimbursement requests to the Commerce Representative using the Commerce Contract Management System's (CMS) Online A-19 Portal. Each reimbursement request must include:

1. A-19 Certification form – An authorized party of the local government will certify each invoice (A19) submitted for reimbursement and attest that all incurred expenditures meet the US Treasury Department's guidance: <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>
2. A-19 Activity Report
3. A detailed breakdown of the expenditures incurred within each applicable budget sub-category on the A-19 Activity Report.

The A-19 Certification and Activity Report templates will be provided with the executed contract. The documents are included in Attachment C and Attachment D for reference.

Receipts and proof of payment for costs incurred do not need to be submitted with A-19s. All contractors are required to maintain accounting records in accordance with state and federal laws. Records must be sufficient to demonstrate the funds have been used in accordance with section 601(d) of the Social Security Act. Commerce reserves the right to audit any costs submitted for reimbursement. The Contractor shall comply with Commerce A-19 audits and provide the appropriate records upon request.



## LOCAL GOVERNMENT CORONAVIRUS RELIEF FUNDS CERTIFICATION

I, **<FIRST, LAST NAME>**, am the **<TITLE>** of **<LOCAL GOVERNMENT>**, and I certify that:

1. I have the authority and approval from the governing body on behalf of the Local Government to request reimbursement from the Department of Commerce (Commerce) per contract number **<COMMERCE CONTRACT NUMBER>** from the allocation of the Coronavirus Relief Fund as created in section 5001 of H.R.748, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") for eligible expenditures included on the corresponding A-19 invoice voucher for report period **<REPORT PERIOD FROM A-19>**.
2. I understand that as additional federal guidance becomes available, a contract amendment to the agreement between Commerce and the Local Government may become necessary.
3. I understand Commerce will rely on this certification as a material representation in processing this reimbursement.
4. I certify the use of funds submitted for reimbursement from the Coronavirus Relief Funds under this contract were used only to cover those costs that:
  - a. Are *necessary expenditures* incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
  - b. Were not accounted for in the budget most recently approved as of March 27, 2020; and
  - c. Were incurred during the period that begins on March 1, 2020, and ends on October 31, 2020.
5. I understand the use of funds pursuant to this certification must adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure. We have reviewed the guidance established by U.S. Department of the Treasury<sup>1</sup> and certify costs meet the required guidance. Any funds expended by the Local Government or its subcontractor(s) in any manner that does not adhere to official federal guidance shall be returned to the State of Washington.


Footnote:


1 – Guidance available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf> (4/30/2020)

LOCAL GOVERNMENT CORONAVIRUS RELIEF FUNDS CERTIFICATION  
Page 2 of 2


- 6. I understand the Local Government receiving funds pursuant to this certification shall retain documentation of all uses of the funds, including but not limited to invoices and/or sales receipts in a manner consistent with §200.333 *Retention requirements for records* of 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Such documentation shall be produced to Commerce upon request and may be subject to audit by the State Auditor.
  
- 7. I understand any funds provided pursuant to this certification cannot be used as a revenue replacement for lower than expected tax or other revenue collections.
  
- 8. I understand funds received pursuant to this certification cannot be used for expenditures for which the Local Government has received any other emergency COVID-19 supplemental funding (whether state, federal or private in nature) for that same expense.

I certify that I have read the above certification and my statements contained herein are true and correct to the best of my knowledge.

  
\_\_\_\_\_  
Printed Name

  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Date:



CRF A-19 Activity Report  
INSTRUCTIONS

### INSTRUCTIONS:

A completed CRF A-19 Certification and Activity Report must be submitted with each A-19 reimbursement request. The A-19 Activity Report must be submitted as an Excel spreadsheet, not a PDF. You must also include a detailed breakdown of the individual expenditures reported in **Column F** for each applicable sub-category included on the A-19 Activity Report.

There are 6 primary budget categories;

1. Medical Expenses
2. Public Health Expenses
3. Payroll expenses for public employees dedicated to COVID-19
4. Expenses to facilitate compliance with COVID-19-measures
5. Economic Supports
6. Other COVID-19 Expenses

Each primary budget category includes sub-categories and provides an option to add "other" sub-categories not listed.

Follow the below instructions when completing the A-19 Activity Report:

- 1 REPORT PERIOD** - Enter the report period into **Cell D1** of the A-19 Activity Report.
  - a This should match the report period entered on the corresponding A-19.
  - b Report period should include MM/YY to MM/YYYY, i.e. 03/20, March 2020, 03/2020, etc.
- 2 COLUMN E** - Enter the total amount of all previous reimbursement requests submitted to Commerce for each applicable sub-category.
- 3 COLUMN F** - Enter the total amount being requested in the current reimbursement request for each applicable sub-category.
- 4 COLUMN H: USE OF FUNDS** - You must include a general description of the use of the funds being requested for each applicable sub-category. Keep descriptions as concise as possible, but include adequate context to demonstrate how these funds helped address the COVID-19 emergency. If applicable, please consider:
  - a Providing a brief description of the specific activities performed.
  - b Identifying specific populations served.
  - c Identifying specific programs created or utilized.
  - d Including any known or intended outcomes, results, or community impacts.
- 5 OTHER SUB-CATEGORIES** - Budget categories 1-5 include a placeholder to add an additional sub-category if necessary.
  - a Enter a **Title** for other expenses added within the appropriate budget category.
  - b Enter titles into **Cells: D10, D19, D27, D36, and D41**.
  - c There is only one "other" placeholder in each budget category section. Please combine multiple "other" sub-categories added to the same budget category.
- 6 OTHER BUDGET CATEGORIES** - Budget category 6 is where you should include any eligible expenditures that don't fall under budget categories 1-5.
  - a Enter a **Title** for these "other" expenses within budget category 6.
  - b Enter titles into **Cells D44 - D48**.
  - c There are only 5 entry fields available within Budget Category 6.

Coronavirus Relief Fund  
A-19 Activity Report

Report Period:

Eligible Expenditures	Previously Reported Expenditures	Current Expenditures this Invoice	Total Cumulative Expenditures	Brief Description of Use of Funds
<b>1 Medical Expenses</b>				
A. Public hospitals, clinics, and similar facilities	\$ -	\$ -	\$ -	
B. Temporary public medical facilities & increased capacity	\$ -	\$ -	\$ -	
C. COVID-19 testing, including serological testing	\$ -	\$ -	\$ -	
D. Emergency medical response expenses	\$ -	\$ -	\$ -	
E. Telemedicine capabilities	\$ -	\$ -	\$ -	
F. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
<b>2 Public Health Expenses</b>				
A. Communication and enforcement of public health measures	\$ -	\$ -	\$ -	
B. Medical and protective supplies, including sanitation and PPE	\$ -	\$ -	\$ -	
C. Disinfecting public areas and other facilities	\$ -	\$ -	\$ -	
D. Technical assistance on COVID-19 threat mitigation	\$ -	\$ -	\$ -	
E. Public safety measures undertaken	\$ -	\$ -	\$ -	
F. Quarantining individuals	\$ -	\$ -	\$ -	
G. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
<b>3 Payroll expenses for public employees dedicated to COVID-19</b>				
A. Public Safety	\$ -	\$ -	\$ -	
B. Public Health	\$ -	\$ -	\$ -	
C. Health Care	\$ -	\$ -	\$ -	
D. Human Services	\$ -	\$ -	\$ -	
E. Economic Development	\$ -	\$ -	\$ -	
F. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
<b>4 Expenses to facilitate compliance with COVID-19-measures</b>				
A. Food access and delivery to residents	\$ -	\$ -	\$ -	
B. Distance learning tied to school closings	\$ -	\$ -	\$ -	
C. Telework capabilities of public employees	\$ -	\$ -	\$ -	
D. Paid sick and paid family and medical leave to public employees	\$ -	\$ -	\$ -	
E. COVID-19-related expenses in county jails	\$ -	\$ -	\$ -	
F. Care and mitigation services for homeless populations	\$ -	\$ -	\$ -	
G. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
<b>5 Economic Supports</b>				
A. Small Business Grants for business interruptions	\$ -	\$ -	\$ -	
B. Payroll Support Programs	\$ -	\$ -	\$ -	
C. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
<b>6 Other COVID-19 Expenses</b>				
A. Other:	\$ -	\$ -	\$ -	
B. Other:	\$ -	\$ -	\$ -	
C. Other:	\$ -	\$ -	\$ -	
D. Other:	\$ -	\$ -	\$ -	
E. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
<b>TOTAL:</b>	\$ -	\$ -	\$ -	

**Attachment C**

**Comparative Summary of Other Local Cities Small Business Grant Programs (as of May 20, 2020)**

	<b>Program Total</b>	<b>Funding Source</b>	<b>Eligibility Highlights</b>	<b>Use of funds</b>	<b>Grant Max</b>	<b># of FTE</b>	<b>Priority Criteria</b>
<b>Everett</b>	\$500K	CDBG	HUD Guidelines; used to benefit low- to moderate-income individuals and communities	Prevent, prepare for, and respond to COVID-19 impacts	\$10,000	No limit	Minority-owned, Woman-owned, Veteran-owned, LGBT-owned, Section 3 business
<b>Kirkland</b>	\$250K	Donation from Google	Brick and mortar commercial business or small nonprofit open to general public; demonstrated negative impact from COVID-19	Unrestricted, intended as a stop-gap relief pending release of federal and state aid	\$2,500	25 FTE	Hardest hit small businesses and small nonprofits, and those suffering especially from social distancing and stay home, stay healthy directives
<b>Lacey</b>	\$500K	City's "Strategic Investment Fund"	Experienced a loss of income due to COVID-19	Rent or monthly loan payments; wages and benefits (not already been reimbursed); typical operating costs and expenses; typical draw or wages to owner	\$10,000	25 FTE	10 or less FTE; not eligible for federal or state programs
<b>Sequim</b>	\$250K	City's "Rainy Day Fund"	In business 1 year; experienced a loss of income due to COVID-19	Program operational needs, direct services, capital or equipment expenditures are all eligible for funding	\$15,000	50 FTE	Prohibited from operating during the Stay Home, Stay Healthy order, registered with the Small Business Development Council (SBDC), Center for Inclusive Entrepreneurship (CIE), SCORE, or other approved business

							advisor, and those who have an established business plan.
<b>Snoqualmie</b>	-	CARES Act Relief Funds	Consistent or growing business for 1+ years; expected more than 25% loss per month	Same as City of Lacey	\$10,000	25 FTE	Brick-and-mortar business over home businesses; locally owned; product or service important to local economy, culture and/or vitality of City; actively sponsored or participated in community events and services