

**CDBG PROGRAM YEAR
AGREEMENT BETWEEN WILL COUNTY, ILLINOIS AND
The City of Crest Hill FOR
PY 2024 PROGRAM OPERATIONS**

THIS AGREEMENT, entered into this _____ by and between Will County, Illinois (herein called the “COUNTY”) and The City of Crest Hill (herein called “SUBRECIPIENT”):

WHEREAS, Will County has applied for and received Community Development Block Grant (CDBG) funds from the United States Government under Title I of the Housing and Community Development Act of 1974, herein referred to as the “Act”; Public Law 93-383, distributed by the U.S. Department of Housing and Urban Development (herein referred to as HUD); and,

WHEREAS, the Will County Board approved the Consolidated Plan One Year Action Plan for Program Year 2024 for the CDBG/HOME Program with Resolution #24-189; and,

WHEREAS, HUD has approved the County’s Consolidated Plan One Year Action Plan for Program Year 2024 for the CDBG Program and the use of CDBG funds for the activities identified in the Plan; and,

WHEREAS, the SUBRECIPIENT(s) proposes to administer and operate a project to replace an existing aging watermain along Oakland Ave with a new 8” DIP watermain covering approximately 2,200 feet from Ludwig Avenue to Pasadena Avenue; and,

WHEREAS, this grant allocation is subject to the fifteen percent (15%) public service cap as set forth by the U.S. Dept. of HUD as stated in 24 CFR 570.201 (c). Should the COUNTY exceed that 15% cap during the term of this agreement, grant funds will be held until the following program year beginning **October 1, 2025** and will be released for contract completion. Will County will also extend the term of the Agreement for a period equaling the time funds were held in PY 2024. The agreement total funding amount will be \$347,391.60.

NOW THEREFORE, the parties agree to the following:

I. SCOPE OF SERVICE

A. Program Delivery

The purpose of the activities funded pursuant to this Agreement is to allow the SUBRECIPIENT to use CDBG funds to administer and operate a project to replace an existing aging watermain along Oakland Ave from Ludwig Avenue to Pasadena Avenue. These services will be provided free of charge and CDBG funds will only be utilized for low-moderate income individuals;

- A detailed description of the work to be performed under this agreement is contained in Exhibit A – Scope of Services;
- Reimbursement for the above activities from the Will County CDBG Program shall not exceed \$347,391.60.

B. National Objectives

The SUBRECIPIENT certifies that the activities carried out with funds provided under this Agreement shall meet one of the Community Development Block Grant Program’s National Objectives to benefit low/moderate income persons as defined in 24 CFR Part 570.208. This activity meets the Low Mod Area criteria in which the program has income-eligibility requirements for that area.

C. Level of Accomplishment

The SUBRECIPIENT will replace an existing aging watermain along Oakland Ave from Ludwig Avenue to Pasadena Avenue. The SUBRECIPIENT and program staff will perform their respective duties as described in Exhibit A- Scope of Services attached hereto and made part of this agreement. SUBRECIPIENT shall make all documentation required in the completion of this Project available for inspection by the COUNTY and representatives of the U.S. Department of Housing and Urban Development.

D. Performance Monitoring

The COUNTY’s Land Use Department, Community Development Division, will monitor the performance of the SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by the Community Development Division will constitute noncompliance with this Agreement. If a course of action to correct such substandard performance is not submitted by the SUBRECIPIENT within 30 days of being notified by the Community Development Division, Agreement suspension or termination procedures will be initiated.

E. Performance Measurements and Monitoring

In addition to the customary administrative services required as part of this Agreement, the SUBRECIPIENT shall submit monthly performance and outcome reports giving a status of the Project as outlined in Exhibit A- Scope of Services, which will then focus on establishing said objectives, performance measures, program outcomes as described in Sec. I. A Scope of Services, Program Delivery of this agreement.

The COUNTY uses the reports to track progress, provide feedback, and when necessary, provide technical assistance. Program performance is also considered in the decision-making process for fund allocation.

Substandard performance as determined by the Community Development Division will constitute noncompliance with this Agreement. If a course of action to correct such substandard performance is not taken by the SUBRECIPIENT within 30 days of being notified by the Community Development Division, Agreement suspension or termination procedures may be initiated.

In addition to the reporting requirements, the SUBRECIPIENT may be subject to at least one site visit by the COUNTY during the term of this Agreement, at which time all documentation, files, and other material related to this Agreement shall be made available for review and inspection by the COUNTY.

F. Status Reports

SUBRECIPIENT shall submit quarterly progress reports to the COUNTY in the form and content as required by the COUNTY. Said program status reports shall be submitted with the monthly request for payment no later than the 5th of each month.

II. TIME OF PERFORMANCE

This Agreement will be effective October 1, 2024 – September 30, 2025, and shall terminate on September 30, 2025, however, SUBRECIPIENT may receive payment for services provided under this Agreement up to 45 days following the end of the Agreement period. In accordance with the amendment procedures set forth in Paragraph VI, the term of this Agreement and the provisions herein may be extended to cover any additional term period during which SUBRECIPIENT remains in control of CDBG funds or other assets, including program income.

III. PAYMENT

Any indirect costs charged must be consistent with the conditions of 2 CFR Part 200, Subpart E & Appendix IV for Non-profit Organizations. The Program is to be administered within the approved budget as provided in **Exhibit A- Scope of Services**. Any amendments to the budget must be approved in writing by both the COUNTY and the SUBRECIPIENT.

In consideration for the service to be performed by SUBRECIPIENT hereunder, the COUNTY shall pay an amount to SUBRECIPIENT from CDBG program funds up to, but not to exceed \$347,391.60 from CDBG. Such payments shall be made as reimbursement for actual expenditures and in accordance with the approved

Budget contained in Exhibit A – Scope of Services. Such funds shall be used only for payment of expenses eligible for coverage under the CDBG program.

Payments may be contingent upon SUBRECIPIENT’s compliance with all applicable uniform administration requirements as set forth in 24 CFR 570.502 and upon certification of the SUBRECIPIENT’s financial management system in accordance with the standards specified 2 CFR Part 200. SUBRECIPIENT agrees to utilize funds available under this Agreement to supplement rather than replace funds otherwise available.

IV. NOTICES

Communication and details concerning this Agreement shall be directed to the following Agreement representatives:

Will County

Martha Sojka, Community Development Administrator
Will County Land Use Community Development Div.
58 E. Clinton Street, Suite 100
Joliet, IL 60432
Phone: (815)774-3364
msojka@willcountylanduse.com

Sub-recipient

Raymond Soliman
The City of Crest Hill
20600 City Center Blvd.
Crest Hill, IL 60403
Phone: (815)726-5846
rsoliman@cityofcresthill.com

V. GENERAL CONDITIONS

A. General Compliance with Federal Regulations

SUBRECIPIENT agrees to comply with all applicable requirements of Title 24 Code of Federal Regulations, Part 570 concerning CDBG funds, all applicable portions of 2 CFR Part 200, and all other federal requirements and policies issued pursuant to these regulations, including, but not limited to those set forth in this Agreement. SUBRECIPIENT shall be responsible for complying with all applicable changes or additions to the requirements currently set forth in said regulations. SUBRECIPIENT agrees to comply with all other applicable federal, state and local laws and regulations governing the funds provided under this Agreement.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or shall be construed in any manner, to create or establish the relationship of employer/employee between the parties. The SUBRECIPIENT shall at all times remain an independent entity with respect to the services to be performed under this Agreement. The COUNTY shall be exempt from payment of all Unemployment Compensation, FICA, retirement,

life and/or medical insurance and Workman's Compensation Insurance as the SUBRECIPIENT is an independent entity.

C. Hold Harmless

SUBRECIPIENT shall hold harmless, defend, and indemnify the COUNTY from any and all claims, actions, suits, charges and judgments whatsoever that arise out of SUBRECIPIENT's performance or nonperformance of the service of the subject matter called for in this Agreement.

D. Workers' Compensation

The SUBRECIPIENT shall provide Workman's Compensation Insurance coverage for all employees involved in the performance of this Agreement.

E. Insurance & Bonding

The SUBRECIPIENT shall carry sufficient insurance coverage to protect Contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the COUNTY.

The SUBRECIPIENT shall comply with the bonding and insurance requirements of 2 CFR Part 200, Bonding and Insurance.

F. Funding Disclosure

The SUBRECIPIENT shall include on all promotional materials and shall place a sign in a prominent place at the project crediting the COUNTY and the U.S. Department of Housing and Urban Development for funding of the project including the following statement:

"Funding for this project has been provided, (in whole or in part), by the COUNTY through the use of Community Development Block Grant funds made available by the U.S. Department of Housing and Urban Development."

VI. AMENDMENTS

The parties may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, are executed in writing, and are signed by a duly authorized representative of both parties and approved by either party's governing body to the extent required by state law, local charter or otherwise. In addition, the COUNTY may, in its sole discretion, amend this Agreement to conform with federal, state, or local governmental guidelines, policies and available funding amounts. However, if any such amendments result in a change in the funding, the scope of services, or the scheduling of

services to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both parties.

VII. SUSPENSION OR TERMINATION

Either party may terminate this Agreement at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least thirty (30) days before the effective date of such termination. However, any partial termination of the work to be performed as set forth in Section I.A. above may only occur with the prior approval of the COUNTY.

The COUNTY may also suspend or terminate this Agreement, in whole or in part, if SUBRECIPIENT materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; in such event, the COUNTY may declare SUBRECIPIENT ineligible for any further participation in the COUNTY Agreements, in addition to other remedies as provided by law. In the event there is probable cause to believe SUBRECIPIENT is in noncompliance with any applicable rules or regulations, the COUNTY may suspend payment of up to fifteen (15) percent of the Agreement funds until such time as SUBRECIPIENT is found to be in compliance by the COUNTY or is otherwise adjudicated to be in compliance.

In the event of any termination, all finished or unfinished documents, data, reports, maps, models, photographs or other materials prepared by SUBRECIPIENT under this Agreement shall, at the option of the COUNTY, become the property of the COUNTY. In the event of termination, SUBRECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed prior to the termination. The COUNTY shall be entitled to the repayment of any payments made to SUBRECIPIENT over and above that to which it is entitled as just and equitable compensation for satisfactory work completed.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The SUBRECIPIENT agrees to comply with 2 CFR Part 200 and agrees to adhere to the accounting principles and procedures required therein, to utilize adequate internal controls, and to maintain necessary source documentation for all costs incurred.

2. Cost Principles

The SUBRECIPIENT shall administer its program in conformance with 2 CFR Part 200 as applicable, for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The SUBRECIPIENT shall maintain all records required by federal regulations as specified in 24 CFR 570.506, as they are pertinent to the activities to be funded under this Agreement. Such records shall include but not limited to:

- a. Records providing a full description of the activity undertaken.
- b. Records demonstrating that each activity undertaken meets one of the national objectives of the CDBG program, as set forth in 24 CFR 570.208; namely, benefiting low/moderate income persons, aiding in the prevention or elimination of slums or blight, and meeting community development needs having a particular urgency.
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvements, use or disposition of any real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program to the extent applicable;
- f. Financial records as required by 24 CFR 570.502; and 2 CFR Part 200
- g. Other records necessary to document any required compliance with 24 CFR 570.600-570.612.

2. Retention

The SUBRECIPIENT shall retain all records pertinent to expenditures incurred under this Agreement for a period of three (3) years after the termination of all activities funded under the Agreement, or after the resolution of all federal audit findings, whichever occurs later. Records for non-expendable property acquired with funds under this Agreement shall be retained for three (3) years after the final disposition of such property. Records for any displaced person must be kept for three (3) years after he/she has received final payment. All requirements of the Local Records Commission must be met in regard to the disposal of any records. Contact the Community Development Department before disposing of any records related to this Agreement.

3. Client Data

The SUBRECIPIENT shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to the COUNTY monitors or their designees for review upon request.

4. Disclosure

The SUBRECIPIENT understands that client information collected under this Agreement is private and protected. Per 2 CFR Part 200.303, the use or disclosure of such information, when not directly in connection with the administration of the COUNTY's or SUBRECIPIENT's responsibilities with respect to services provided under this Agreement is prohibited without the written consent of the resident involved and, in the case of a minor, that of a responsible parent/guardian, except to the extent such use or disclosure is required by applicable federal, state or local law.

5. Property Records

The SUBRECIPIENT shall maintain real property inventory records which clearly identify any properties purchased, improved or sold with project funds. Properties retained shall continue to meet eligibility criteria and shall conform with the "changes in use" restriction specified in 24 CFR 570.503 (b)(8).

6. National Objectives

The SUBRECIPIENT agrees to maintain documentation that demonstrates that the activities carried out with funds provided under this Agreement meet one or more of the CDBG program's national objectives: 1) benefit low/moderate income persons; 2) aid in the prevention or elimination of slums or blight; 3) meet community development needs that have a particular urgency-as defined in 24 CFR Part 570.208.

7. Close-Outs

The SUBRECIPIENT's obligation to the COUNTY shall not end until all close-out requirements are completed, as set forth in 24 CFR 570.509. Activities during this close-out period shall include, but not limited to, making final payments, disposing of program assets (including the return of all unspent cash advances and program income balances to the COUNTY), and determining the custodianship of records.

8. Asset Reversion

- a. The SUBRECIPIENT shall transfer to the COUNTY any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation or termination.
- b. At the time of the project closeout, the County shall determine the appropriate disposition of equipment purchased with funds. The County shall permit SUBRECIPIENT to retain title to such equipment, if SUBRECIPIENT assures the County that it intends to continue the project for a period of not less than five years following closeout.
- c. If SUBRECIPIENT owns property that was acquired or improved with funds in excess of \$25,000 and SUBRECIPIENT subsequently disposes of or changes the use of such property within five years following project closeout, then SUBRECIPIENT shall reimburse the County in an amount that is equal to the fair market value of the real property which is current at such time of disposition or change in use, less that percentage of the value of the real property that is attributable to the investment of funds, other than grant funds, in its acquisition and/or improvement.

9. Audits

- a. SUBRECIPIENT shall obtain a financial audit(s) at SUBRECIPIENT's expense. Audits shall be performed by an independent auditor in accordance with generally accepted governmental auditing standards covering financial and compliance audits. Audits shall include, in addition to the financial statement(s) of SUBRECIPIENT, auditor's comments regarding SUBRECIPIENT's compliance and internal controls pertaining to the expenditure of grant funds.
- b. SUBRECIPIENT will be required to comply with 2 CFR Part 200.
- c. SUBRECIPIENT shall submit one certified copy of each required audit report to the County no later than six months following the close of SUBRECIPIENT's fiscal year for single audits; and not later than six months following project closeout for grant audits.

10. Records Inspections

All of SUBRECIPIENT's records with respect to any matters covered by this Agreement shall be made available to the County, or its designees, or the U.S. Department of Housing and Urban Development, or its designees, at any time during normal business hours, as often as deemed necessary, in order to audit, examine, or make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by SUBRECIPIENT within thirty (30) days after receipt by SUBRECIPIENT. Failure by SUBRECIPIENT to comply with the above requirements will constitute a violation of this Agreement and may result in the withholding of future payments. Specifically, all rights and remedies

regarding performance reviews as set forth in 24 CFR 570.900-570.913 shall be available to the County and to HUD or their designees.

C. Reporting and Payment Procedures

1. Budgets

SUBRECIPIENT has submitted a detailed Agreement budget form and content prescribed by the COUNTY for approval by the County (set forth in Exhibit A-Scope of Services). The County and SUBRECIPIENT may agree to review the budget from time to time in accordance with existing policies. Any indirect costs charged must be consistent with the conditions of 2 CFR Part 200, Subpart E & Appendix IV for Non-profit Organizations.

2. Program Income

SUBRECIPIENT shall report on a monthly basis any program income, as defined at 24 CFR 570.500 (a), generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by SUBRECIPIENT shall comply with the requirements set forth in 24 CFR 570.504. By way of further limitations, SUBRECIPIENT may use such income during the Agreement period for activities permitted under this Agreement and shall reduce requirements for additional funds by the amount of any such program income balances on hand. All unused program income shall be returned to the County at the end of the Agreement period.

3. Indirect Costs

If indirect administrative costs are charged, SUBRECIPIENT will develop an indirect cost allocation plan for determining the appropriate share of administrative costs and shall submit the plan to the County for approval prior to the County's payment of any such costs.

4. Payment Procedures

The County will reimburse to SUBRECIPIENT funds available under this Agreement based upon information submitted by SUBRECIPIENT and consistent with any approved budget and the County policy concerning such payments. With the exception of any funds that the County may, in its discretion, decide to advance, payments will be made for eligible expenses actually incurred by SUBRECIPIENT, not to exceed the Agreement amount as set forth in Section I.A. of this Agreement. Payments will be adjusted by the County in accordance with the advance of funds and program income balances available in SUBRECIPIENT's accounts. In addition, the County reserves the right to reduce funds available under this

Agreement for costs incurred by the COUNTY on behalf of SUBRECIPIENT in carrying out the project.

5. Progress Reports

SUBRECIPIENT shall submit for each calendar month during which work is performed hereunder progress reports to the County in the form and content as required by the County. Said progress reports shall be submitted no later than the fifth day of the month following the month covered by the report. See Exhibit A – Scope of Services

D. Procurement

1. Standards of Procurement

SUBRECIPIENT shall procure materials and services in accordance with the requirements of 2 CFR Part 200. All program assets (unexpended program income, property equipment, etc.) shall revert to the County upon termination of this Agreement in accordance with Section VIII.B.8.a., b., & c. of this Agreement.

2. Travel

SUBRECIPIENT shall obtain written approval from the COUNTY for any travel expenses charged to funds provided under this Agreement

IX. RELOCATION, ACQUISITION AND DISPLACEMENT

SUBRECIPIENT agrees to comply with (a) the Uniform Relocation and Real Property Acquisition Act of 1970, as amended (URA); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. SUBRECIPIENT further agrees to comply with any applicable County ordinance, resolutions and/or policies concerning displacement of individuals from their residences.

X. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

SUBRECIPIENT agrees to comply with all the requirements set forth in 24 CFR 570.600, including, but not limited to, compliance with the Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and

Community Development Act of 1974 as amended, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086. SUBRECIPIENT also agrees to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

2. Nondiscrimination

SUBRECIPIENT agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulations and executive orders referenced in 24 CFR 570.67, as revised by Executive Order 13279 and will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital status, or status with regard to public assistance.

3. Land Covenants

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570, Part I. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the SUBRECIPIENT shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the COUNTY and the United States are beneficiaries of and entitled to enforce such covenants. The SUBRECIPIENT, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The SUBRECIPIENT agrees to comply with any federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 706) which prohibits discrimination against the disabled in any federally assisted program. The COUNTY shall provide the SUBRECIPIENT with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The SUBRECIPIENT agrees that it shall be committed to carrying out, pursuant to the COUNTY's specifications, an Affirmative Marketing Action Plan in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965. The COUNTY shall provide guidelines to the SUBRECIPIENT to assist

in the formulation of such a Plan. The SUBRECIPIENT shall submit a Plan for approval prior to the award of funds.

The SUBRECIPIENT will use its best efforts to afford minority and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. Contracting opportunities shall be made available to Minority and Women Owned Businesses and Section 3 businesses in accordance with the Will County Affirmative Marketing and Minority Outreach Plan.

2. Access to Records

The SUBRECIPIENT shall furnish and cause each of its SUBRECIPIENTS to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the COUNTY, HUD or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated here.

3. EEO/AA Statement

The SUBRECIPIENT will, in all solicitations or advertisement for employees placed by or on behalf of the SUBRECIPIENT state that it is an Equal Opportunity or Affirmative Action employer.

4. Subcontract Provisions

The SUBRECIPIENT will include the provision of Section X.A., Civil Rights, and B., Affirmative Action, of this Agreement in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each SUBRECIPIENT or vendor.

C. Employment Restrictions

1. Prohibited Activity

SUBRECIPIENT is prohibited from using funds provided herein or personnel employed in the administration of the program for political activities, sectarian or religious activities, lobbying, political patronage and nepotism activities.

2. Anti-Lobbying

SUBRECIPIENT hereby certifies that:

- a. No federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering

into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.

- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Agreement, the SUBRECIPIENT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

It will require that the language of paragraph d of this certification be included in the award documents for all SUBRECIPIENT at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all SUBRECIPIENT's shall certify and disclose accordingly:

- d. **Lobbying Certification**

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

3. OSHA

Where employees are engaged in activities not covered under the Occupations Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to the participant's health or safety.

4. Labor Standards

The SUBRECIPIENT agrees to comply with the requirement of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provision of Contract Work House, the Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276, 327-333) and all other applicable Federal, State and Local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement; to include, but not limited to the Will County Purchasing Ordinance. The SUBRECIPIENT, and all contractors, are subject to either federal prevailing wage (Davis-Bacon Act) or Illinois Prevailing Wage rates; whichever the higher rate is at the time of the project. The federal law that applies federal prevailing wage rates (Davis-Bacon rates) to CDBG funding is Section 110

of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5310). Section 110 requires the payment of wages at rates "not less than" the local prevailing wages determined by the U.S. Secretary of Labor under the Davis-Bacon Act. The SUBRECIPIENT shall maintain documentation which demonstrates compliance with hour and wage requirements. Such documentation shall be made available to the COUNTY for review upon request.

The SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of residential property designed for residential use for less than eight (8) households, all contractors engaged under contracts in excess of \$2,000 for construction, renovation or repair of any building or work financed in whole or in part with assistance provided under this Agreement, shall comply with federal requirements adopted by the COUNTY pertaining to such agreements and with the applicable requirement of the regulations of the U.S. Department of Labor, under 29 CFR, Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentice and trainees to journeymen; provided, that if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the SUBRECIPIENT of its obligation, if any, to require payment of the higher wage. The SUBRECIPIENT shall cause or require to be inserted in full, in all such Contracts subject to such regulations, provision meeting the requirement of the paragraph, for such Contracts in excess of \$10,000.

5. Section 3 Clause

a. Brief Description of Section 3

Section 3 requires that, to the greatest extent feasible, opportunities for job training and employment be given to lower income residents of the Section 3 area and Contracts for work in connection with the Section 3 covered project be awarded to business concerns which are located in or owned in substantial part by persons residing in the Section 3 area. Section 3 requires that a recipient/contractor take affirmative steps to give preference to qualified Section 3 area residents and business concerns in providing training, employment, and contracting in connection with Section 3 covered projects. Affirmative steps are outlined in Will County's Affirmative Marketing and Minority Outreach Plan.

b. Section 3 Determination and Definitions

Dollar Thresholds: A project is determined to be covered by Section 3 requirements based on the amount of HUD assistance the developer and the project receive. If the amount of the assistance exceeds \$200,000 as a recipient, certain Section 3 obligations apply. However, for a developer, certain Section 3 obligations apply if the aggregate amount of assistance received by the developer from the COUNTY for all the developer's projects with the COUNTY exceeds \$200,000. If on the same project there

are contracts and subcontracts in excess of \$100,000, obligations will be passed on to the Contractor and subcontractor (s). If the developer or recipient also acts as the general Contractor for a project, the amount of assistance need only exceed \$100,000 for Section 3 requirements to apply. If the dollar threshold(s) for assistance is met, Section 3 requirements apply to the entire project or activity, regardless or whether the project or activity is fully or partially funded with HUD assistance.

Section 3 covered projects are those projects that involve construction, reconstruction, conversion or rehabilitation of housing, and other publicly-funded construction including other buildings or improvements, regardless of ownership.

Section 3 Business Concerns means a business concern (1) that is 51% or more owned by Section 3 residents; (2) whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 residents, or within three years of the date of the first employment with the business concern were Section 3 residents; or (3) that provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications in (1) and (2) above.

Section 3 Resident means: (1) a public housing resident; or (2) an individual who resides in the COUNTY in which the Section 3 covered assistance is expended, and who is: (a) a low-income person (income does not exceed 80% of median); or (ii) a very low income person (income does not exceed 50% of median).

c. Compliance

Compliance with the provisions of Section 3 of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701), the regulations set forth in 24 CFR 135, 24 CFR 570.607 (b), and all applicable rules and orders issued hereunder prior to the execution of this Agreement, is a condition of the federal financial assistance provided under this Agreement and binding upon the COUNTY, SUBRECIPIENT and any SUBRECIPIENTS. Failure to fulfill these requirements shall subject the COUNTY, SUBRECIPIENT and any SUBRECIPIENTS, their successors and assigns, to those sanctions specified by the agreement through which federal assistance is provided. The SUBRECIPIENT certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

SUBRECIPIENT further agrees to include the following language in all subcontracts executed under this Agreement.

“The work performed to be under this Contract is a project assisted under a program providing direct federal financial assistance from U.S. Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701). Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and Contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.”

SUBRECIPIENT certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

d. Subcontracts

SUBRECIPIENT will include this Section 3 clause in every subcontract and will take appropriate action pursuant to any subcontract upon a finding that the SUBRECIPIENT is in violation of these provisions. SUBRECIPIENT will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 12 U.S.C. 1701, 24 CFR 135 or 24 CFR 570.607 (b) and will not enter into any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these provisions.

e. Technical Assistance

The COUNTY will provide technical assistance to the SUBRECIPIENT and contractor(s) in implementing Section 3, as requested. Technical assistance will include an explanation of Section 3 objectives and requirements; assisting the SUBRECIPIENT and contractor(s) in identifying Section 3 covered activities, Section 3 residents and business concerns; providing the SUBRECIPIENT and contractor(s) with any necessary forms relating to Section 3 compliance; and providing and any other assistance as needed.

D. Conduct

1. Assignability

SUBRECIPIENT shall not assign or transfer any interest in this Agreement without the prior written consent of the COUNTY thereto, provided, however, that claims for money due or to become due to SUBRECIPIENT from the COUNTY under this Agreement may be assigned to bank, trust company or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the COUNTY.

2. Hatch Act

SUBRECIPIENT agrees that no funds provided, nor personnel employed, under this Agreement shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title VI of the United States Code.

3. Conflict of Interest

SUBRECIPIENT agrees to abide by the provisions of 24 CFR 570.611 with respect to conflict of interest.

- a. SUBRECIPIENT shall maintain a written code of standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by federal funds.
- b. No employee, officer or agent of the SUBRECIPIENT shall participate in the selection, or in the award or administration of a contract supported by Federal funds in a conflict of interest, real or apparent would be involved.
- c. SUBRECIPIENT further agrees that, in the performance of this Agreement, no person having such a financial interest shall be employed or retained by the SUBRECIPIENT. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of SUBRECIPIENT or the COUNTY, or any designated public agencies or SUBRECIPIENTs which are receiving funds under the CDBG program.

4. Subcontracts

a. Approvals

SUBRECIPIENT shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the COUNTY prior to the execution of such subcontract.

b. Monitoring

SUBRECIPIENT will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in SUBRECIPIENT's monthly written report to the COUNTY and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

SUBRECIPIENT shall cause all of the provisions of this Agreement in their entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

SUBRECIPIENT shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the COUNTY along with documentation concerning the selection process.

5. Copyright

If this Agreement results in any materials that may be copyrighted, the COUNTY and/or grantor agency reserves the right to royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work for government purposes.

6. Religious Organization

The SUBRECIPIENT agrees that funds provided under this Agreement will not be utilized for religious activities, to promote religious interest, or for the benefit of a religious organization in accordance with federal regulations specified in 24 CFR 570.200(j).

7. Drug-Free Workplace

The SUBRECIPIENT shall comply with the Illinois Drug Free Workplace Act (30 ILCS 580/1, et seq.), and, if applicable, with the Federal Drug Free Workplace Act (41 U.S.C. Section 701, et seq.).

XI. ENVIRONMENTAL CONDITIONS

SUBRECIPIENT shall cooperate with the COUNTY in its responsibilities pursuant to HUD's Environmental review procedures, 24 CFR 58, as amended, and shall permit the COUNTY or its designees or employees to conduct site inspections, conduct appropriate tests, examination of applicable documents, and such other activities as the COUNTY deems appropriate in order to fulfill its responsibilities in the implementation of the policies of the national Environmental Policy Act of 1969. The COUNTY shall not make any payments contemplated under this Agreement until the environmental review process has been completed by the COUNTY in accordance with the 24 CFR Part 58, nor may any costs be incurred by the SUBRECIPIENT until completion of the Environmental Review. The SUBRECIPIENT will be notified by the COUNTY when costs may begin to be incurred through the issuance of a written Notice to Proceed.

A. Air and Water

SUBRECIPIENT agrees to comply with the following regulations insofar as they apply to the performance of this Agreement:

- The Clean Air Act (42 U.S.C., 1857, et seq.).
- The Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.) as amended.
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR, Part 50, as amended.
- National Environmental Policy Act of 1969.
- HUD Environmental Review Procedures (24 CFR, Part 58).

B. Flood Disaster Protection

To the extent applicable, SUBRECIPIENT agrees to comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) in regard to the sale, lease or other transfer of land acquired, cleared or improved under the terms of this Agreement.

C. Lead-Based Paint

The SUBRECIPIENT agrees that any construction or rehabilitation of structures with assistance provided under this Agreement shall be subject to HUD lead-based paint regulations 24 CFR 570.608 and 24 CFR Part 35, and in particular Sub-Part B thereof. Such regulations pertain to all HUD-assisted housing and required that all owners, prospective owners, and tenants or properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notifications shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning.

D. Historic Protection

SUBRECIPIENT agrees to comply with the historic preservation requirements set forth in the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR 800 et seq., insofar as they apply to the performance of this Agreement.

XII. SURVIVAL OF PROVISIONS

The parties to this agreement specifically agree that all the paragraphs, terms, conditions and other provisions of this agreement that require some action to be taken by either or

both of the parties upon or after the expiration or termination hereof shall survive the expiration or termination of this agreement and shall be completed, taken or performed as provided herein or as may be required under the circumstances at that time.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

WILL COUNTY, ILLINOIS

SUBRECIPIENT

Jennifer Bertino-Tarrant
Will County Executive

Raymond Soliman
Mayor
City of Crest Hill

DATE

DATE

Attest: _____
Annette Parker
Will County Clerk

Attest: _____

Title _____

Date: _____

Date: _____

Notary Seal