

CITY OF GROSSE POINTE WOODS

MEMORANDUM

Date: December 13, 2023

To: Mayor and City Council

Susan Como, Assistant City Administrator From:

- CC: Shawn Murphy, Deputy Treasurer/Comptroller Beth Miro, Municipal Court Clerk Honorable Judge Theodore Metry
- Subject: MIDC Grant Agreement FY 2023-2024 and the Grosse Pointe Woods Indigent Defense/Independent Contractor Agreement for the Managed Assigned Counsel Coordinator Serving the 32F Municipal Court Agreement between the City and Michael P. Kavanaugh

The Michigan Indigent Defense Council (MIDC) is the regulatory body in charge of funding the public defender system within Michigan. The city's authorized annual FY budget for the grant period is October 1, 2023 through September 30, 2024 is the following:

GRANT PERIOD

October 1, 2023 - September 30, 2024

TOTAL AUTHORIZED BUDGET

\$57,740.00 FY 2023-2024 State Grant Contribution \$ 54,564.51 FY 2023-2024 Local Share Contribution \$ 3,175.49

Attached is the signed Grant Between the State of Michigan - Michigan Indigent Defense Commission (MIDC) Department of Licensing and Regulatory Affairs (LARA) and City of Grosse Pointe Woods committing to the local share contribution listed above (\$3,175.49) for FY 2023-2024. Please note that unexpended FY 2022-2023 funds will be applied against the FY 2023-2024 grant amount.

Also attached is the City of Grosse Pointe Woods Indigent Defense/Independent Contractor Agreement for the Managed Assigned Counsel Coordinator Serving the 32F Municipal Court Agreement between the City and Michael P. Kavanaugh that has been reviewed and approved by City Attorney Tim Tomlinson for council's recommendation and approval authorizing the City Administrator to sign.

GRANT NO E20240029-00

GRANT BETWEEN THE STATE OF MICHIGAN

MICHIGAN INDIGENT DEFENSE COMMISSION (MIDC)

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS (LARA)

AND

City of Grosse Pointe Woods

GRANTEE/ADDRESS:

Name:	Frank Schulte
Title:	City Manager
Address:	20025 Mack, Grosse Pointe Woods, MI 48236
Phone:	(313) 343-2445 x 204

GRANTOR/ADDRESS:

Michigan Indigent Defense Commission

Department of Licensing and Regulatory Affairs

611 W. Ottawa St.

Lansing, MI 48933

(517) 657-3060

GRANT PERIOD:

From: 10/01/2023 to 09/30/2024

TOTAL AUTHORIZED BUDGET: \$57,740.00

ACCOUNTING DETAIL:	Accounting Template No.: 6411113T
Local Share Contribution:	\$3,175.49
State Grant Contribution:	\$54,564.51

Accounting Template No.: 6411113T032

SIGMA Vendor Code: CV0048381

GRANT

This is Grant # E20240029-00 between the Michigan Indigent Defense Commission (Grantor), and <u>City of Grosse Pointe Woods</u> (Grantee), subject to terms and conditions of this grant agreement (Agreement).

1.0 Statement of Purpose

The purpose of this Grant is to provide funding to assist the Grantee (also referred to as local funding unit) to comply with the Compliance Plan and Cost Analysis approved by the MIDC for the provision of indigent criminal defense services through the minimum standards approved by LARA and the process described in the Michigan Indigent Defense Commission Act (MIDC Act). The funding for this grant is contingent upon an appropriation by the Legislature that is signed by the Governor. Consistent with the MIDC Act, in the event that the funds appropriated apply to less than all of the minimum standards, the funding unit will not be required to fully comply with all of the minimum standards. In the event that an appropriation is insufficient to fully fund this grant, the amount of the grant will be reduced by the Grantor and the funding unit will not be required to fully comply with the minimum standards the original approved grant was designed to allow.

1.1 Definitions

- A. Budget means the detailed statement of estimated costs approved as the Grantee's Cost Analysis and required to implement the Compliance Plan.
- B. Budget Category means the aggregate of all funds in each of the high-level categories within the approved Cost Analysis.
- C. Compliance Plan or Plan is the plan submitted by the local funding unit and approved by the MIDC that specifically addresses how the Grantee shall meet the approved minimum standards established by the MIDC.
- D. Cost Analysis is a statement of the types of expenditures and funding necessary to bring Grantee's indigent defense system into compliance with the approved minimum standards established by the MIDC, including a statement of the funds in excess of the Grantee's local share as defined under the MIDC Act and as outlined in the Compliance Plan.
- E. MIDC Act means the Michigan Indigent Defense Commission Act, Public Act 93 of 2013, MCL 780.991 et seq., as amended, enacted for the purpose of creating the Michigan Indigent Defense Commission and creating minimum standards for the local delivery of indigent criminal defense services that meet the constitutional requirements for the effective assistance of counsel.
- F. Subgrantee means a governmental agency or other legal entity to which an MIDC subgrant is awarded by the Grantee. Attorneys representing indigent defendants, including both public defenders and attorneys contracted to represent indigent defendants, public defender office employees, judges, magistrates, court personnel, and professional service contract vendors shall not be considered subgrantees.
- G. "Substantial Change" to a Compliance Plan is a change to the Plan or Cost Analysis that alters the method of meeting the objectives of the standard(s) in the approved Plan.

1.2 Statement of Work

The Grantee agrees to undertake, perform, and complete the services described in its approved Compliance Plan and in accordance with the MIDC Act, specifically all approved MIDC Standards. The Parties to this Agreement enter into this Agreement to facilitate the process described in the MIDC Act, which controls or supersedes any terms of this Agreement. Consistent with the Act and when applicable, an indigent criminal defense system shall comply with the terms of this Agreement in bringing its system into compliance with the minimum standards established by the MIDC within 180 days after receiving funds from the MIDC. Grantee may exceed 180 days for compliance with a specific item needed to meet minimum standards as set forth in the Act. Grantee's Compliance Plan, as submitted and approved by the MIDC, addresses the prescribed methods Grantee has chosen to provide indigent criminal defense services pursuant to MCL 780.993(3). Any substantial changes to the work described in the Compliance Plan must be submitted to the MIDC for approval as set forth in this Agreement prior to any changes being implemented. All provisions and requirements of this Agreement shall apply to any agreements the Grantee may enter into in furtherance of its obligations under this Agreement and Grantee shall be responsible for the performance of any Subgrantee work, as defined in subsection1.1.

1.3 Detailed Budget

- A. This Agreement does not commit the State of Michigan (State) or the Department of Licensing and Regulatory Affairs (LARA) to approve requests for additional funds at any time.
- B. If applicable, travel expenses will not be reimbursed at rates greater than the State Travel Rates, without the prior written consent of the MIDC.
- C. The Grantee agrees that all funds are to be spent as detailed in the Budget, unless a budget adjustment request is approved. See section 1.3(E).
- D. Grantee will maintain a restricted fund within their Local Chart of Accounts for the sole purpose of accounting for the expenses and revenue sources for operation of this grant and the local adult indigent defense system.
- E. All requests for a budget adjustment or substantial changes to the Grantee's Compliance Plan will be submitted quarterly with the Grantee's quarterly report. MIDC staff shall respond to a request in writing within 30 days of receipt.
 - Budget adjustments less than or equal to 5% of the Budget Category total, including adjustments between Budget Categories, do not require approval by MIDC staff, but must be reported quarterly in the next financial status report.
 - 2) A Budget adjustment involving greater than 5% of the aggregate of all funding within a Budget Category requires prior written approval by MIDC Staff and must be reported to the MIDC as soon after the Grantee is aware of the necessity of the Budget adjustment and reported in the Grantee's quarterly report.
 - Any substantial change to a Compliance Plan requires prior approval by MIDC staff and MIDC Commission.

1.4 Payment Schedule

The maximum amount of grant assistance approved is \$54,564.51 (Fifty Four Thousand Five Hundred Sixty Four and 51/100)

Grantee must report and certify to Grantor by October 31st of each year the balance of any unexpended indigent defense grant funds from the prior fiscal year grant plus any interest earned on the advancement of the state grant funds in the previous fiscal year. Any funds from the previous fiscal year contained in an approved extension of the previous fiscal year's grant for projects that will be completed after September 30, 2023, will be carried over into the current fiscal year and shall not be considered unexpended funds, nor be included in the balance of unexpended funds. The current fiscal year indigent defense grant funds advanced will be reduced by the amount of unexpended funds from the prior fiscal year's grant by reducing the 2nd and 3rd disbursement equally. The maximum amount of grant assistance approved includes the unexpended funds reported from the previous fiscal year.

An initial advance of 25% of the State Grant shall be made to the Grantee upon receipt by the Grantor of a signed Agreement. The Grantor shall make subsequent disbursements of up to 25% of the total state grant amount in accordance with the following schedule:

Initial Advance of 25% of total grant – Within 15 days of receipt of executed agreement

25% disbursement – January 15, 2024

25% disbursement – April 15, 2024

25% disbursement - July 15, 2024 (final payment)

The above schedule of disbursement of funds is contingent upon receipt of quarterly reporting as addressed in this section and section 1.5 of this document. Any disputed matters shall not cause delay in remitting any disbursements or in issuing a grant contract and funds for the next fiscal year. Disputed matters shall be acted on independently from undisputed matters. The financial status report (FSR) report must be submitted on the form provided by the MIDC/LARA and indicate:

Grant funds received to date;

Expenditures for the reporting period by budget category; and;

Cumulative expenditures to date by budget category;

The quarterly FSR must be supported and accompanied by documentation of those grant funded expenditures incurred for the reporting period, including but not limited to:

 The general ledger for the restricted local indigent defense fund, including a detailed expenditure report with all expenditure detail within the budget categories, which must include documentation of payments to contract attorneys either by individual invoice or by report of payments made, by attorney;

- All invoices related to experts and investigators;
- All invoices related to construction; and
- Personnel detail including full-time equivalency of any grant funded positions, including total compensation for that position;

Invoices are to be provided by contract or non-employee Managed Assigned Counsel Administrators and for all contract attorneys providing direct service representation in the manner or rate in which the service is approved in the cost analysis for the indigent defense system, to track time in hourly increments where hourly rates are provided and provide specific details regarding the services performed for the billing period.

Upon request, Grantee shall provide the MIDC with additional documentation/verification of expenditures under the grant within 30 days of the making of the request. Any additional documentation/verification of expenditures shall not delay issuance of a grant contract or grant disbursements. Grantee's documentation of expenditures shall be maintained according to record retention policies for audit purposes in order to comply with this Agreement. Grantee will be held to the full contribution of the Local Share within the original one-year grant period.

The quarterly FSR and standards compliance report as addressed in Section 1.5, shall be provided in accordance with the following schedule:

Initial FSR and compliance report for 10/1/23 - 12/31/23 – January 31, 2024 2nd FSR and compliance report for 1/1/24 - 3/31/24 – April 30, 2024 3rd FSR and compliance report for 4/1/24 - 6/30/24 – July 31, 2024 Final FSR and compliance report for 7/1/24 - 9/30/24 – October 31,2024

1.5 Monitoring and Reporting Program Performance

- A. Monitoring. The Grantee shall monitor performance to assure that time schedules are being met and projected work is being accomplished.
- B. Quarterly Reports. The Grantee shall submit to the Grantor quarterly program reports on compliance with the minimum standards and participate in follow up and evaluation activities. Compliance reports include narrative responses containing a description of the Grantee's compliance with all approved MIDC Standards, identifying problems or delays, actual, real or anticipated and any significant deviation from the approved Compliance Plan. Grantee will use its best efforts to provide data relevant to assessing compliance as contained in the compliance reporting template requested by MIDC. If Grantee is unable to provide the information requested by the report, Grantee will demonstrate in writing the steps taken to assess what information is currently available and how to retrieve it. Grantee also agrees to work with MIDC research staff to seek additional options or ideas for the collection and retrieval of this information.

PART II - GENERAL PROVISIONS

2.1 Project Changes

Grantee must obtain prior written approval for substantial changes to the compliance plan from Grantor.

2.2 Delegation

Grantee must notify the MIDC at least 90 calendar days before any proposed delegation with reasonable detail about Subgrantee and the nature and scope of the activities delegated. If any obligations under this Grant are delegated, Grantee must: (a) be the sole point of contact regarding all contractual project matters, including payment and charges for all Grant activities; (b) make all payments to the Subgrantee; and (c) incorporate the terms and conditions contained in this Grant in any subgrant with Subgrantee. Grantee remains responsible for the completion of the Grant activities and compliance with the terms of this Grant.

2.3 Program Income

To the extent that it can be determined that interest was earned on advances of funds, such interest shall be recorded in the Grantee's restricted indigent defense fund and included in the quarterly FSRs. The grant award shall not be increased by the amount of interest earned. Any grant funds attributable to interest and not spent at the end of the grant period shall be returned to the State or included in future grant awards from the MIDC consistent with MCL 780.993(15).

2.4 Share-in-savings

Grantor expects to share in any cost savings realized by Grantee in proportion of the grant funds to the local share.

2.5 Purchase of Equipment

The purchase of equipment must be made pursuant to Grantee's established purchasing policy and if not specifically listed in the Budget, Grantee must have prior written approval of Grantor. Equipment is defined as non-expendable personal property having a useful life of more than one year. Such equipment shall be retained by Grantee unless otherwise specified at the time of approval.

2.6 Accounting

Grantee must establish and maintain a restricted indigent defense fund in its local chart of accounts to record all transactions related to the Grant. The restricted fund will not lapse to the local general fund at the close of Grantee's fiscal year. Grantee shall adhere to the Generally Accepted Accounting Principles and shall maintain records which will allow, at a minimum, for the comparison of actual outlays with budgeted amounts. Grantee's overall financial management system must ensure effective control over and accountability for all indigent defense funds received. Where the Grantee uses a nonprofit entity to provide indigent defense services as contemplated in its compliance plan and cost analysis, the Grantee shall ensure that the contract or agreement defining the nonprofit entities relationship allows for reasonable access, in its sole discretion, to financial records for monitoring by the Grantee and its representatives. Accounting records must be supported by source documentation of expenditures including, but not limited to, balance sheets, general

ledgers, payroll documents, time sheets and invoices. The expenditure of state funds shall be reported by line item and compared to the Budget.

2.7 Records Maintenance, Inspection, Examination, and Audit

Grantor or its designee may audit Grantee and the restricted indigent defense fund account to verify compliance with this Grant. Grantee must retain and provide to Grantor or its designee upon request, all financial and accounting records related to the Grant through the term of the Grant and for 7 years after the latter of termination, expiration, or final payment under this Grant or any extension ("Audit Period"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Grantee must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, Grantor and its authorized representatives or designees have the right to enter and inspect Grantee's premises or any other places where Grant activities are being performed, and examine, copy, and audit all records related to this Grant. Grantee must cooperate and provide reasonable assistance. If any financial errors have occurred, the amount in error must be reflected as a credit or debit on subsequent disbursements until the amount is paid or refunded. Any remaining balance must be reported by Grantee to Grantor by October 31 of each year as required under the MIDC Act.

This Section applies to Grantee, any parent, affiliate, or subsidiary organization of Grantee, and any subgrantee that performs Grant activities in connection with this Grant.

2.8 Competitive Bidding

Grantee agrees that all procurement transactions involving the use of state funds shall be conducted in a manner that provides maximum open and free competition, consistent with Grantee's purchasing policies. Sole source contracts should be negotiated to the extent that such negotiation is possible. Attorney contracts for representation of indigent or partially indigent defendants, and contracts for managed assigned counsel coordinators, are exempt from a competitive bid process but must meet standard internal procurement policies, as applicable.

3.0 Liability

The State is not liable for any costs incurred by Grantee before the start date or after the end date of this Agreement. Liability of the State is limited to the terms and conditions of this Agreement and the total grant amount.

3.1 Safety

Grantee and all subgrantees are responsible for ensuring that all precautions are exercised at all times for the protection of persons and property. Safety provisions of all Applicable Laws and building and construction codes shall be observed. Grantee and every subgrantee are responsible for compliance with all federal, state, and local laws and regulations in any manner affecting the work or performance of this Agreement and shall at all times carefully observe and comply with all rules, ordinances, and regulations. Grantee, and all subgrantees shall secure all necessary certificates and permits from municipal or other public authorities as may be required in connection with the performance of this Agreement.

3.2 Indemnification

Each party to the Grant must seek its own legal representation and bear its own legal costs; including judgments, in any litigation which may arise from the performance of this Grant and/or Agreement. It is specifically understood and agreed that neither party will indemnify the other party in any such litigation.

3.3 Failure to Comply and Termination

A. Failure to comply with duties and obligations under the grant program as set forth in Public Act 93 of 2013, as amended, is subject to the procedures contained in sections 15 and 17 of the Act.

B. Termination for Convenience

Grantor may immediately terminate this Grant in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. If Grantor terminates this Grant for convenience, Grantor will pay all reasonable costs for approved Grant responsibilities. If the parties cannot agree to the cost to be paid by the Grantor, the parties shall attempt to resolve the dispute by mediation pursuant to MCL 780.995. Grantee's duty to comply with MIDC standards is limited to funding covering the cost of compliance as set forth in the Act.

3.4 Conflicts and Ethics

Grantee will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Grant; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Grant; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Grantee, any consideration contingent upon the award of the Grant. Grantee must immediately notify Grantor of any violation or potential violation of this Section. This Section applies to Grantee, any parent, affiliate, or subsidiary organization of Grantee, and any subgrantee that performs Grant activities in connection with this Grant.

3.5 Non-Discrimination

Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101 to 37.2804, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., Grantee and its subgrantees agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Grant.

3.6 Unfair Labor Practices

Under MCL 423.324, the State may void any Grant with a grantee or subgrantee who appears on the Unfair Labor Practice register compiled under MCL 423.322.

3.7 Force Majeure

Neither party will be in breach of this Grant because of any failure arising from any disaster or act of God that are beyond its control and without its fault or negligence. Each party will use commercially reasonable efforts to resume performance. Grantee will not be relieved of a breach or delay caused by its subgrantees except where the MIDC determines that an unforeseeable condition prohibits timely compliance pursuant to MCL 780.993, Sec. 13(11).

4.0 Certification Regarding Debarment

Grantee certifies, by signature to this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal or state department or agency. If Grantee is unable to certify to any portion of this statement, Grantee shall attach an explanation to this Agreement.

4.1 Illegal Influence

Grantee certifies, to the best of its knowledge and belief that:

- A. No federal appropriated funds have been paid nor will be paid, by or on behalf of Grantee, 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 grant, the Grantee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. Grantee shall require that the language of this certification be included in the award documents for all grants or subcontracts and that all subrecipients shall certify and disclose accordingly.

The State has relied upon this certification as a material representation. Submission of this certification is a prerequisite for entering into this Agreement imposed by 31 USC 1352. 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.

Grantee certifies, to the best of its knowledge and belief that no state funds have been paid nor will be paid, by or on behalf of Grantee, to any person for influencing or attempting to influence an officer or employee of any state agency, a member of the Legislature, or an employee of a member of the Legislature in connection with the awarding of any state contract, the making of any state grant, the making of any state loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state contract, grant, loan or cooperative agreement.

4.2 Governing Law

This Grant is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles. All claims relating to, or arising out of, this Grant are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Grant must be resolved as outlined in Sec. 15 of PA93 of 2013, as amended.

4.3 Disclosure of Litigation, or Other Proceeding

Grantee must notify Grantor within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively Proceeding) that arises during the term of the Grant against a public defender office, an attorney employed by a public defender office, or an attorney contracted to perform indigent defense functions funded by the Grantee that involves: (a) a criminal Proceeding; (b) a civil Proceeding involving a claim that, after consideration of Grantee's insurance coverages, would adversely affect Grantee's viability; (c) a civil Proceeding involving a governmental or public entity's claim or written allegation of fraud related to performance of the Grant; or (d) a Proceeding challenging any license that an attorney practicing on behalf of a public defender office or an attorney practicing pursuant to a contract to perform indigent defense functions for Grantee is required to possess in order to perform under this Grant.

4.4 Assignment

Grantee may not assign this Grant to any other party without the prior approval of Grantor. Upon notice to Grantee, Grantor, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Grant to any other party. If Grantor determines that a novation of the Grant to a third party is necessary, Grantee will agree to the novation, provide all necessary documentation and signatures, and continue to perform its obligations under the Grant.

4.5 Entire Grant and Modification

This Grant is the entire agreement and replaces all previous agreements between the parties for the Grant activities. Pursuant to the MIDC Act, the MIDC shall promulgate policies necessary to carry out its powers and duties. The MIDC may also provide guides, instructions, informational pamphlets for the purpose of providing guidance and information with regard to the Grant and MIDC policies. This Agreement supersedes all terms of MIDC policies, guides, instructions, informational pamphlets and any other explanatory material that is in conflict with the Agreement. This Agreement may not be amended except by a signed written agreement between the parties.

4.6 Grantee Relationship

Grantee assumes all rights, obligations, and liabilities set forth in this Grant. Grantee, its employees, and its agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Grant. Grantee,

and not Grantor or the State of Michigan, is responsible for the payment of wages, benefits, and taxes of Grantee's employees. Prior performance does not modify Grantee's status as an independent grantee.

4.7 Dispute Resolution

The parties will endeavor to resolve any Grant dispute in accordance with section 15 of Public Act 93 of 2013. The dispute will be referred to the parties' respective representatives or program managers. Such referral must include a description of the issues and all supporting documentation. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance or performance would require Grantee to spend in excess of the Local Share as defined by MCL 780.983(h).

5.0 Severability

If any part of this Grant is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Grant and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Grant will continue in full force and effect.

5.1 Signatories

The signatories warrant that they are empowered to enter into this Agreement and agree to be bound by it.

Signature:

Date:

Bureau of Finance and Administrative Services Department of Licensing and Regulatory Affairs State of Michigan

Signature:

Date:

Michigan Indigent Defense Commission Department of Licensing and Regulatory Affairs State of Michigan

Signature:

Date:

Frank Schulte

Representative: Frank Schulte, City Manager 11/29/2023 Funding Unit: City of Grosse Pointe Woods

GRANT NO. E20240029-00

CITY OF GROSSE POINTE WOODS INDIGENT DEFENSE

INDEPENDENT CONTRACTOR AGREEMENT FOR THE MANAGED ASSIGNED COUNSEL COORDINATOR SERVING THE 32F MUNICIPAL COURT

This Agreement is made on the date as set forth by the undersigned and between the CITY OF GROSSE POINTE WOODS, whose address is 20025 Mack Plaza Drive, Grosse Pointe Woods, MI 48236, hereinafter referred to as the "City" and Michael P. Kavanaugh, the Managed Assigned Counsel Coordinator, whose address is 17200 E. 10 Mile Rd., Ste. 100, Eastpointe, MI 48021, hereinafter referred to as "Managed Assigned Counsel Coordinator," or "MACC."

- 1. <u>Services to be Performed</u> The Managed Assigned Counsel Coordinator agrees to administer the City's indigent criminal defense programs See Exhibit A for Managed Assigned Counsel Administrator Scope of Services. The MACC shall permit the City to have full access to records thereto during the progress of the services being performed. All questions which may arise concerning the quality and acceptability of work, manner of performance and rate of progress of the work shall be decided by the City.
- 2. <u>**Payment</u>** In consideration for the services to be performed by the MACC, the City agrees to payment terms at the hourly rate of \$120/hour, on a monthly basis and not to exceed \$15,000.00 annually, based on the State Fiscal Year beginning October 1st and ending September 30th, unless the instant contract is earlier terminated.</u>

The MACC shall be paid within thirty (30) days after he submits a monthly invoice to City of Grosse Pointe Woods. The invoice must include an invoice number, dates covered by the invoice, and a summary of the work performed including actual hours worked.

- 3. <u>Expenses</u> The MACC shall be responsible for all expenses incurred while performing services under this Agreement, including but not limited to, automobile, truck or other travel expenses; vehicle maintenance and repair costs; vehicle and other license fees and permits; insurance premiums; fuel; phone; and any other compensation paid to employees or subcontractors.
- 4. <u>Vehicle and Equipment</u> The MACC will furnish all vehicles, equipment, tools, and materials used to provide the services required by this Agreement. MACC will not require the City to rent or purchase any equipment, product, or service as a condition of entering into this Agreement.

- 5. <u>Independent Contractor Status</u> The MACC is an independent contractor and neither the MACC nor the MACC's employees or subcontractors, if any, shall be deemed City employees. In his capacity as independent contractor, the MACC agrees as follows:
 - a) This agreement with the City is not exclusive, and the MACC has the right to perform services for others during the term of this Agreement, provided such service does not impair or delay his ability to perform obligations to the City under this Agreement.
 - b) The MACC has the right to control and direct the means, manner and method by which the services required by this Agreement will be performed, provided such services under this Agreement are timely and compliant with all laws, Michigan Court Rules, and Michigan Indigent Defense Commission Standards.
 - c) The MACC, upon notice and approval by the City, has the right to have assistants as subcontractors or to use employees to provide the services required by this Agreement provided that such subcontractors and/or employees are properly licensed and/or qualified to perform the services outlined in this agreement (see paragraph 1).
 - d) Neither the MACC nor the MACC's employees or subcontractors shall be required to wear any uniforms provided by the City.
 - e) The services required by this Agreement shall be performed by the MACC, MACC's employees or subcontractors and the City shall not hire, supervise or pay any of the MACC's employees or subcontractors for services under this Agreement. (Subject to 5c above).
 - f) Neither the MACC nor the MACC's employees or subcontractors shall receive training from the City in the professional skills necessary to perform the services required by this Agreement.
 - g) Neither the MACC nor the MACC's employees or subcontractors shall be required by the City to devote full time to the performance of the services required by this Agreement. However, the MACC agrees that the services provided under this Agreement will be performed in a timely and professional manner.
 - h) This Agreement does not apply to any work or job performed by the MACC, the MACC's employees or subcontractors for any other governmental entity, corporation, partnership, business venture or self-employment opportunity and

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shall not be construed as any partnership or joint venture, but instead is merely a contract for services rendered to the City.

- 6. **Business Licenses, Permits, and Certificates** The MACC represents and warrants that he and his employees and subcontractors, if any, will comply with all federal, state, and local laws requiring driver's and other licenses, business permits, and certificates required to carry out the services to be performed under this Agreement. The MACC must maintain membership at all times with the State Bar of Michigan as an active attorney and shall solely be responsible for the payment of his dues as an active attorney. In the event that the MACC shall no longer be an active member of the State Bar of Michigan by becoming an inactive or emeritus member, or if the MACC's license to practice law is revoked or disbarred, this Agreement shall immediately terminate. In the event that the MACC's license to practice law becomes suspended, for any reason other than for the failure to pay membership dues on a timely basis, any sums due and owing to the MACC for services rendered shall be withheld until such time as confirmation of the reinstatement of the license to practice law is provided to the City Administrator.
- 7. <u>State and Federal Income Taxes</u> The City will not withhold FICA (Social Security and Medicare taxes) from the MACC's payments or make FICA payments on the MACC's behalf or on behalf of the MACC's employees or subcontractors, or make state or federal unemployment compensation contributions on the MACC's behalf or on behalf of the MACC's employees or subcontractors, or withhold state or federal income tax from the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's payments on the MACC's behalf or on behalf of the MACC's employees or subcontractors.
- 8. <u>Fringe Benefits</u> The MACC understands that neither the MACC's nor MACC's employees or subcontractors are eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of the City.
- 9. <u>Unemployment Compensation</u> The City shall make no state or federal unemployment compensation payments on behalf of MACC or MACC's employees or subcontractors, if any. Neither MACC, nor MACC's employees or subcontractors, if any, will be entitled to these benefits in connection with work performed under this Agreement.
- 10. <u>Workers' Compensation</u> The City shall not obtain workers' compensation insurance on behalf of the MACC or the MACC's employees or subcontractors, if any. If the MACC hires employees to perform any work under this Agreement pursuant to approval by the City, the MACC will be solely responsible for any workers' compensation insurance to the extent required by law and the MACC will provide the City of Grosse Pointe Woods with a certificate of workers' compensation insurance before the employees begin the work. Similarly, if the MACC hires

subcontractors to perform any work under this Agreement subject to approval by the City, the MACC will ensure the subcontractors have workers' compensation insurance to the extent required by law.

11. <u>Insurance</u> – The City shall not provide insurance coverage of any kind for MACC, MACC's employees or approved subcontractors. The MACC further agrees that it shall not commence work under this contract until it has obtained insurance required under this contract (Exhibit B) and the MACC agrees that such insurance shall remain in full force and effect during the entire life of this contract. All coverage shall be with insurance companies licensed and conducting business in the State of Michigan and acceptable to the City of Grosse Pointe Woods. The insurance requirements listed in attached Exhibit B should not be interpreted to limit the liability of the MACC. All deductibles are the responsibility of the MACC.

The policies and coverages as required in Exhibit B, excluding Workers' Compensation Insurance, if applicable, shall include an endorsement stating the following: Additional Insured: The City of Grosse Pointe Woods, all elected and appointed officers, all employees, volunteers and agents. It is understood and agreed by having the City and previously listed individuals as additional insured, coverage afforded is considered primary and any other insurance the City and previously listed individuals may have in effect shall be considered secondary and/or excess.

Before commencing any work, the MACC shall provide the City with proof of all insurance required in Exhibit B. Additionally, before any approved subcontractor commences work, the MACC shall provide the City with proof of the above referenced subcontractor's insurance.

12. Indemnification –

a) The MACC agrees to defend and hold harmless the City of Grosse Pointe Woods and its agents and employees against and from liabilities, obligations, claims, costs, and expenses (including without limitation, fees and expenses of attorneys and court costs) which may be imposed upon, incurred by or asserted against the City of Grosse Pointe Woods, its agents and/or employees, as a result of, and to the extent of, the MACC's and/or its employees', personnel's, or agents' negligent professional act, error or omission in the performance of the Services hereunder or breach of this Contract, or any claim for any infringement upon any patent, copyright, trade secret, or trademark resulting from the performance of the Services.

In the event that any action or proceeding arising out of such liabilities, obligations, and claims as set forth in 12a (above) shall be brought against the City of Grosse Pointe Woods, or its agents, officers or employees, by reason of any claim covered

hereunder, the MACC will, at its sole cost and expense, resist or defend the same.

- b) These indemnification provisions shall survive the expiration or termination of this Contract.
- 13. <u>Compliance with Laws</u> In the performance of this Contract, the MACC shall comply with all applicable laws, regulations, Michigan Indigent Defense Standards, ordinances, and codes whether or not such laws, regulations, ordinances and codes are specifically mentioned herein, and the MACC shall hold the City harmless with respect to any claim or liability arising from any violation of the same by the MACC, his subcontractors, and employees, if any.
- 14. <u>Modifying the Agreement</u> This Agreement may not be modified except by amendment reduced to writing and signed by the City and the MACC.
- 15. <u>**Term of Agreement**</u> This Agreement will become effective as of the date this Agreement is signed by both parties and shall end on September 30, 2024.
- 16. <u>Termination</u> The City shall be entitled to terminate the Agreement if the MACC is in default under this Agreement. The City shall issue to MACC a Notice of Default within a timely manner of such breach of this Agreement. Said default would occur if the MACC fails to comply with any provision of this Agreement or commits misfeasance, malfeasance, or nonfeasance in their performance of the duties under this Agreement. Upon receipt of the Notice of Default, the MACC shall have fifteen (15) days to cure the breach. If the breach is not cured within fifteen (15) days, the City shall be entitled to terminate this Agreement immediately thereafter. Should termination occur, the City shall be obligated to compensate the MACC for services already earned under this Agreement.

Other than as provided above, both parties shall be entitled to terminate this Agreement if either party gives the other party sixty (60) days written notice in the event they desire to terminate this Agreement.

- 17. <u>Termination Due to Lack of State of Michigan Appropriated Funding</u> The MACC agrees and understands that the termination of State of Michigan funding shall result in the termination and cancellation of the existing contract.
- 18. <u>Third Party Beneficiaries</u> There are no third party beneficiaries to this Agreement, and nothing expressed or referred to in this Agreement will be construed to give any person or entity other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole

and exclusive benefit of the parties named.

- 19. <u>**Binding Effect**</u> This agreement shall become effective when signed by all parties and shall be binding on the parties, their successors and assigns.
- 20. <u>Entire Agreement</u> This Agreement sets forth the entire understanding between the MACC and the City with respect to the subject matter of this Agreement, and supersedes any other undertakings and agreements, whether oral or in writing, previously entered into by them with respect to the MACC's duties. MACC represents that, in executing this Agreement, the MACC does not rely on and has not relied upon any representation or statement not set forth in this Agreement made by the City with regard to the subject matter or effect of this Agreement or otherwise.
- 21. <u>Waiver</u> The City's failure to exercise, or delay in exercising, any power or right under this Agreement, with the exception of the provisions set out in Section 15. Termination shall not operate as a waiver, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of remedies otherwise available in equity or at law.
- 22. <u>Severability of Provisions</u> Each provision in this Agreement is separate. If any provisions of this Agreement are ever held by a court to be unreasonable, the parties agree that this Agreement shall be enforced to the extent it is deemed to be reasonable with making this Agreement, as modified, legal and enforceable under applicable laws, and the balance of this Agreement shall not be affected, the balance being construed as severable and independent.
- 23. <u>No Assignment</u> Neither party may assign this Agreement without the prior written consent of the other party.
- 24. <u>Section Headings</u> Section headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.
- 25. <u>Governing Law</u> This Agreement shall be governed by the laws of the State of Michigan.
- 26. <u>Notice</u> All written notices pursuant to this Agreement shall be provided to the parties as follows:

The City: Treasurer/Controller 20025 Mack Plaza Drive Grosse Pointe Woods, MI 48236

Managed Assigned Counsel Coordinator: Michael P. Kavanaugh 17200 E. 10 Mile Rd. Ste. 100 Eastpointe, MI 48021

Approved for Signature

City of Grosse Pointe Woods:

Timothy D. Tomlinson City Attorney

Date:_____

By: Frank Schulte City Administrator

DATE

By: Michael P. Kavanaugh Mihelich & Kavanaugh, PLC DATE

EXHIBIT A

1. Purpose

The City of Grosse Pointe Woods is hiring for the role of Managed Assigned Counsel Coordinator for indigent defense cases at the 32F Municipal Court. Under direction of the City Administrator, the selected person will be responsible for all administrative tasks associated with continuing compliance requirements as promulgated by the Michigan Indigent Defense Commission.

The respondent will be expected to enter into a contract with and provide proof of insurance acceptable to the City of Grosse Pointe Woods. The contract will be for a one-year period with options to renew for up to 3 additional one-year periods dependent on funding from the MIDC.

2. Background Information

In 2013, the State of Michigan adopted the Michigan Indigent Defense Commission Act (PA 93 of 2013). Among other things, the Act established a commission (MIDC) to develop and adopt standards for the provision of defense services to indigent defendants. The funding units of the various district and circuit courts are charged with implementing the new standards. The City of Grosse Pointe Woods is the funding unit of the 32F Municipal Court.

In May 2017, the MIDC approved the first four standards related to the provision of indigent defense as follows:

- Standard 1 Education and Training for Defense Counsel
- Standard 2 Initial Interview
- Standard 3 Investigation and Experts
- Standard 4 Counsel at First Appearance and Other Critical Stages

Funding units were given 180 days after receiving funds from the MIDC to attain compliance with the minimum standards established by the MIDC.

In October 2020, LARA approved the fifth standard as follows:

• Standard 5 - Independence from the Judiciary

Funding units were given 180 days from the date of the signed order to submit compliance plans to the MIDC pursuant to MCL 780.993(3).

3. Scope of Work

To comply with the above standards, the City has proposed to utilize a managed assigned counsel coordinator (MACC) service model. This model utilizes a lead attorney to coordinate the provision of services. As provided in further detail below, the MACC's responsibilities would include:

Attorney Management

- Recruiting and maintaining a list of attorneys that meet the minimum qualifications, including training requirements, to provide indigent defense for the 32F Municipal Court.
- Ensure that court appointed attorneys meet MIDC minimum qualifications and adhere to training requirements.
- Schedule all attorneys to provide coverage for in-custody, scheduled and walk-in arraignments and all misdemeanor cases on the judges' dockets.
- On a weekly basis, the MACC shall provide to the 32F Municipal Court a schedule of all attorneys scheduled to be in attendance during that week.
- Ensure that attorneys represent defendants for arraignment dockets as needed and/or to fill in for absent attorneys.
- Track initial interviews between court appointed attorneys and in-custody and out-ofcustody defendants.
- Monitor assigned cases and evaluate performance of assigned attorneys.
- Prepare MIDC quarterly compliance reports utilizing existing templates and spreadsheets.
- Review and approve requests for expert witnesses and investigators for reasonableness and necessity.
- Review and approve payment vouchers from attorneys, expert witnesses and investigators.
- Perform other MIDC-related tasks as needed.

<u>Arraignments</u>- The 32F Municipal Court provides in-custody arraignments, as well as walk-in and scheduled arraignments on court days.

In-Custody Arraignments - Defendants participate in arraignments via Polycom; attorneys will be present in court to participate. Arraignment attorneys are required to meet with each defendant prior to proceedings. A mobile Polycom unit is provided at the court for this purpose.

Scheduled and Walk-in Arraignments - Attorneys will be present with defendants in court. Arraignment attorneys are required to meet with each defendant prior to proceedings.

<u>Indigent Defense Case Management</u>- The MACC will be responsible for assigning cases to attorneys, post-arraignment, and ensuring adequate representation for defendants.

Initial Interviews - The purpose of the initial interview is to: (1) establish the best possible relationship with the indigent client; (2) review charges; (3) determine whether a motion for pretrial release is appropriate; (4) determine the need to start-up any immediate investigations;

(5) determine any immediate mental or physical health needs or need for foreign language interpreter assistance; and (6) advise that clients should not discuss the circumstances of the arrest or allegations with cellmates, law enforcement, family or anybody else without counsel present.

In-Custody - Assigned attorneys are responsible for meeting with in-custody defendants within three business days of appointment.

Out-of Custody - The MIDC recognizes that counsel cannot ensure communication prior to court with an out of custody indigent client. For out of custody clients the standard instead requires the attorney to notify clients of the need for a prompt interview. Assigned attorneys must initiate contact with out-of- custody defendants within three business days of appointment.

Representation - Assigned attorneys are responsible for representing defendants at pre-trial proceedings, during plea negotiations, and at other critical stages, whether in court or out of court.

Experts and Investigators - Attorneys are responsible for submitting requests for experts and investigators to the MACC for review and approval.

The MACC shall be responsible for monitoring adherence to compliance standards and performance of assigned attorneys, making corrections as necessary.

<u>Administrative Duties</u> - The MACC will be responsible for completing administrative duties related to the ongoing operation of Indigent Defense.

Recruitment and Scheduling of Attorneys - The MACC is responsible for maintaining a list of selected attorneys to provide indigent defense and for ensuring those attorneys meet the minimum requirements for providing indigent defense. The MACC shall create and manage a schedule for arraignment attorneys and maintain records of each attorney's qualifications. The MACC shall track and assign attorneys to cases wherein there is a request for attorney in any proceeding following arraignment and shall assign an attorney to each case.

Reporting - The MACC shall be responsible for tracking, compiling, and reporting necessary compliance data in accordance with MIDC requirements on a quarterly basis. The content of the quarterly reports is subject to change based upon requirements from the MIDC, the State of Michigan, LARA and the City of Grosse Pointe Woods. Complete copies of each report shall be forwarded to the City Administrator of Grosse Pointe Woods within 3 business days of the submission of the report(s) to MIDC.

Other Administrative Duties - The MACC shall be responsible for reviewing and approving vouchers/invoices for payment to assigned attorneys, experts, and investigators. Approved vouchers shall be timely submitted to the City for processing. Other administrative duties as may be necessary to operate the indigent defense system.

4. <u>**Required Minimum Qualifications**</u>: The Managed Assigned Counsel Coordinator (MACC) must have the following qualifications:

- Juris Doctorate degree and license to practice law in the State of Michigan
- Member in good standing with the Michigan Bar Association
- Valid Michigan Vehicle Operator's License
- Completion of educational requirements as deemed mandatory by the Michigan Indigent Defense Commission.
- Demonstrable knowledge of laws, legal codes, court procedures, precedents, legal practices, and documents used and processed in the 32F Municipal Court.
- History of dealing calmly and effectively with high stress situations (for example, tight deadlines, hostile individuals, emergency situations).
- Hi-level ability in writing, reading, mathematical principles; proficient computer skills-Microsoft Office Suite, Outlook.

5. Preferred Qualifications:

The preferences listed below are representative of the knowledge, skills, abilities, and qualifications necessary to effectively perform the essential functions of the MACC:

- Thorough knowledge of the principles and practices of State of Michigan criminal law and public defense processes and procedures.
- Experience in the practice of criminal defense or the equivalent.
- Experience in the practice of indigent defense.
- Skill in assembling and analyzing data, preparing comprehensive and accurate reports, and formulating policy and service recommendations.

EXHIBIT B

Insurance Requirements - The Contractor, and any and all their subcontractors, shall not commence work under this contract until they have obtained the insurance required under this paragraph, and shall keep such insurance in force during the entire life of this contract. All coverage shall be with insurance companies licensed and permitted to conduct business in the State of Michigan and acceptable to City of Grosse Pointe Woods. The requirements below should not be interpreted to limit the liability of the Contractor. All deductibles and SIRs are the responsibility of the Contractor.

The Contractor shall procure and maintain the following insurance coverage:

- 1. Workers' Compensation Insurance, including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.
- Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$1,000,000 per occurrence and aggregate. Coverage shall include, but not limited to, the following: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent; (E) Explosion, Collapse, and Underground, if applicable.
- 3. Automobile Liability including Michigan No-Fault Coverages. Coverage shall include all vehicles used while performing services on behalf of the City of Grosse Pointe Woods and 32F Municipal Court.
- 4. Additional Insured: Policy(ies) and coverages as described above, excluding Workers' Compensation Insurance, shall include an endorsement stating the following shall be Additional Insureds: The City of Grosse Pointe Woods, the 32F Municipal Court, all elected and appointed officials, all employees and volunteers, agents, all boards, commissions, and/or authorities and board members, including employees and volunteers thereof. It is understood and agreed by naming the City of Grosse Pointe Woods as additional insured, coverage afforded is considered to be primary and any other insurance the City of Grosse Pointe Woods may have in effect shall be considered secondary and/or excess.
- 5. Professional Liability in an amount not less than \$500,000 per occurrence and aggregate. If this policy is claims made form, then the contractor shall be required to keep the policy in force, or purchase "tail" coverage, for a minimum of 3 years after the termination of this contract.
- 6. Cancellation Notice: Policy(ies), as described above, shall be endorsed to state the following: It is understood and agreed Thirty (30) days, Ten (10) days for non-payment of premium, Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or

Material Change shall be sent to: (City of Grosse Pointe Woods. Attention: Treasurer/Controller, 20025 Mack Plaza Drive, Grosse Pointe Woods, Michigan 48236).

7. Proof of Insurance Coverage: The Contractor shall provide the City of Grosse Pointe Woods, at the time the contracts are returned by him/her for execution, a Certificate of Insurance as well as the required endorsements. In lieu of required endorsements, a copy of the policy sections, where coverage is provided for additional insured and cancellation notice, may be acceptable. Copies of all policies mentioned above shall be furnished, if so requested.

Required liability limits may be obtained by using an Excess/Umbrella Liability policy in addition to the primary liability policy(ies). If coverage limits are satisfied by an Excess and/or Umbrella policy, coverage must follow form of the primary liability policy(ies), including but not limited to additional insured and primary/non-contributory coverage.

If any of the above coverages expire during the term of this contract, the Contractor shall deliver renewal certificates, endorsements, and/or policies to City of Grosse Pointe Woods at least ten (10) days prior to the expiration date.

1. INDEMNIFICATION CLAUSE

The Contractor shall indemnify and save harmless the City of Grosse Pointe Woods for and from all claims, demands, payments, suits, actions, recoveries, and judgments; of every name and description, brought or recovered against them or to property received or sustained by any person or persons whomsoever by reason of any action or omission of the said Contractor, his agents, servants, or his contractors in the performance of said Work, or by or in consequence of any negligence or carelessness in connection with the same or on account of the death of or injuries to persons who shall be engaged in or about the work to be performed under this Contract; and on account of liability or obligation imposed directly or indirectly upon the City of Grosse Pointe Woods by reasons of any law of the State or the United States, now existing or which shall hereafter be enacted, imposing any liability or obligation, or providing for compensation to any person or persons on account of or arising from the death of, or injuries to employees. Said Contractor shall pay, settle, compromise and procure the discharge of any and all such claims and all such losses, damages, expenses, liabilities, and obligations, and shall defend at his own cost and expense any and all claims, demands, suits and actions made or brought against the City of Grosse Pointe Woods, and all Additional Named Insured, for or upon any such claim. In case the said Contractor shall fail, neglect, or refuse to comply with any of the provisions of this paragraph, the City of Grosse Pointe Woods may, in order to protect itself, and all Additional Named Assureds, from liability, defend any such claim, demand, suits or action and pay, settle, compromise, and procure the discharge thereof, in which case the said Contractor shall repay the City of Grosse Pointe Woods any and all such loss, damage and expense, including attorney's fees paid, suffered or incurred by the City of Grosse Pointe Woods, and all Additional Named Insureds, in so doing. So much of the monies due, or to become due, to said Contractor under this agreement as shall be deemed necessary by the City of Grosse Pointe Woods, shall or may be retained by the City of Grosse Pointe Woods until every and all such claims, demands, suits,

actions, recoveries, judgments, liabilities and obligations have been settled and discharged and evidence to that effect furnished the City of Grosse Pointe Woods, or the City of Grosse Pointe Woods may collect the same, in whole or in part, in any lawful manner from said Contractor. The Contractor shall provide adequate insurance until his work is completed, with a reasonable insurance company which meets with the approval of the City of Grosse Pointe Woods, covering liability to the public for loss resulting from injury to persons or damage to property arising out of or caused by his operations, acts, or omissions, or those of his subcontractors, agents, or employees in procuring work for the City of Grosse Pointe Woods. Such insurance coverage shall be in such amounts as are provided in public liability and property damage section herein, provided, however, that such insurance coverage shall include an endorsement providing that the contractual exclusion shall be removed or in the alternative, contractual insurance shall be afforded. If the former, such endorsement shall contain specific language as follows:

"It is hereby agreed that the contractual exclusion does not apply to the contract entered into between the insured and the City of Grosse Pointe Woods, and each Additional Named Insured as their interest may appear for the project work. Such insurance coverage shall also contain an endorsement guaranteeing that thirty (30) days' notice to the City of Grosse Pointe Woods and each Additional Named Insured, shall be given in writing prior to the cancellation of, or change in any such insurance."