

**PARTNERSHIP AGREEMENT  
BETWEEN**

**<Name of County, City or Town> AND THE <Name of Partner>**

This Agreement is made between <insert name of the local government CDBG recipient> (herein called the Local Government) and <insert name of Partner> (herein called Partner) for the <name of project>(herein called the Project).

As the Washington State Department of Commerce (Commerce) is authorized by the federal Department of Housing and Urban Development (HUD) to provide funds to units of local government selected to undertake and carry out projects under the Washington State Community Development Block Grant (CDBG) Program in compliance with all applicable local, state, and federal laws, regulations and policies; and

As the Local Government has applied for and received a CDBG award, contract number \_\_\_\_\_(CFDA 14.228), to fund the Project\_\_\_\_\_.

The real property upon which the improvements will take place is owned by the Partner and located at\_\_\_\_\_.

The parties agree that:

1. SCOPE OF SERVICES

A. Local Government Responsibilities

The Local Government is responsible for administration of the CDBG contract, and ensuring CDBG funds are used in accordance with all program requirements [(24 CFR 570.501(b))] and its CDBG contract with Commerce referenced above. The Local Government is responsible for project implementation as stated in the CDBG contract.

Principal Tasks

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B. Partner Responsibilities

The Partner responsibility for: \_\_\_\_\_

\_\_\_\_\_ (non-budgeted costs, management of the facility or providing \$\_\_\_\_\_ ) to contribute to the project. This agreement is to, and shall ensure that all relevant state/federal regulations are met.

2. TIME OF PERFORMANCE

The effective date of this Agreement will be the date the parties sign and complete execution of this agreement and will be in effect for the time period during which the Partner remains in control of CDBG assets.

3. AGREEMENT REPRESENTATIVES

Each party to this Agreement shall have a representative. Each party may change its representative upon providing written notice to the other party. The parties' representatives are as follows:

## A. Partner:

Name of Representative:

Mailing Address:

City, State and Zip Code:

Telephone Number:

Fax:

E-mail Address:

## B. Local Government :

Name of Representative:

Title:

Mailing Address:

City, State and Zip Code:

Telephone Number:

Fax Number:

E-mail Address:

4. *BUDGET- Optional*

*The Partner will pass through to the Local Government no more than \$\_\_\_\_\_ to contribute towards the project, for:\_\_\_\_\_.*

## 5. SPECIAL CONDITIONS

Any real property under Partner's control that was acquired or improved in whole or in part with CDBG funds is to be secured for the Local Government\_\_\_\_\_ by a Deed of Trust in an amount equivalent to the entire grant, which shall expire after a period of ten years following the closeout of the CDBG contract, unless (the Partner) fails to perform its responsibilities under the CDBG program and its National Objectives.

## 6. GENERAL CONDITIONS

A. General Compliance

The Partner agrees to comply with:

- The requirements of Title 24 of the Code of Federal regulations, Part 570 (HUD regulations concerning CDBG); and
- All other applicable Federal, state and local laws, regulations, and policies, governing the funds provided under this Agreement.

B. CDBG National Objective

The Partner certifies the activities carried out under this Agreement meet a CDBG Program National Objective defined in 24 CFR 570.208.

C. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Partner will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Local Government will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Partner is an independent contractor.

D. Hold Harmless

The Partner will hold harmless, defend and indemnify the Local Government from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Partner's performance or nonperformance of the services or subject matter called for in this Agreement.

E. Workers' Compensation

The Partner will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

F. Insurance and Bonding

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

*[The Local Government should insert the required insurance requirements needed from the Partner:]*

*The Partner shall furnish the Local Government with properly executed certificated of insurance or a signed policy endorsement which shall clearly evidence all insurance required in this section prior to commencement of services. The certificates will, at a minimum, list limits of liability and coverage. The certificate will provide that the underlying insurance contract will not be canceled or allowed to expire except on thirty (30) days prior written notice to the Local Government.]*

G. Funding Source Recognition

The Partner will insure recognition of the roles of Commerce, the WA State CDBG program, and the Local Government in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Partner will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

## 7. ADMINISTRATIVE REQUIREMENTS

### A. Financial Management

#### 1. Accounting Standards

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

#### 2. Cost Principles

The Partner will administer its program in conformance with 2 CFR 200. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

#### 3. Duplication of Costs

The Partner certifies that work to be performed under this Agreement does not duplicate any work to be charged against any other contract, subcontract or other source.

### B. Documentation and Record Keeping

#### 1. Records to Be Maintained

The Partner will maintain all records required by the Federal regulations in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement and those records described in the CDBG Management Handbook. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;

#### 2. Access to Records and Retention

All such records and all other records pertinent to this agreement and work undertaken under this Agreement will be retained by the Partner for a period of six years after final audit of the Local Government's CDBG project, unless a longer period is required to resolve audit findings or litigation. In such cases, the Local Government will request a longer period of record retention.

#### 3. Audits and Inspections

All Partner records with respect to any matters covered by this Agreement will be made available to the Local Government, Commerce, and duly authorized officials of the state

and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data.

C. Reporting

The Partner, at such times and in such forms as the Local Government may require, will furnish the Local Government such periodic reports as it may request pertaining to the work or services undertaken pursuant to this agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this agreement.

D. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 2 CFR 200.311 and 313, as applicable, which include but are not limited to the following:

1. Real property under the Partner's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Commerce and the Local Government is closed. If the Partner fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Partner will pay the Local Government an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the Local Government. The Partner may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
2. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income to the Local Government. Equipment not needed by the Partner for activities under this Agreement will be (a) transferred to the Local Government for CDBG-eligible activities as approved by the CDBG program or (b) retained after compensating the Local Government.

8. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

Title VI of the Civil Rights Act of 1964:

Under Title VI of the Civil Rights Act of 1964, no person will, on the grounds of race, color, creed, religion, sex or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Section 109 of the Housing and Community Development Act of 1974:

No person in the United States will on the grounds of race, color, creed, religion, sex or national origin be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

Age Discrimination Act of 1975, as Amended

No person will be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance. (42 U.S.C. 610 et. seq.)

Section 504 of the Rehabilitation Act of 1973, as Amended

No otherwise qualified individual will, solely by reason or his or her disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving Federal funds. (29 U.S.C. 794)

Public Law 101-336, Americans with Disabilities Act of 1990

Subject to the provisions of this title, no qualified individual with a disability will, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by any such entity.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given 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.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and Commerce issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.
3. The Partner will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Partner will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Partner will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and Commerce issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Partner will not assign or transfer any interest in this Agreement without the prior written consent of the Local Government thereto; provided, however, that claims for money due or to become due to the Partner from the Local Government under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the Local Government and Commerce.

2. Conflict of Interest

No member of the Local Government's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the project, will have any personal financial interest, direct or indirect, in this agreement; and the Partner will take appropriate steps to assure compliance.

The Partner agrees to abide by the provisions of 2 CFR 200.318 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Partner covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Partner further covenants that in the performance of this Agreement, no person having such interest will be employed.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the Local Government and/or Commerce reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Partner agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

9. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

10. PERFORMANCE WAIVER

The Local Government’s failure to act with respect to a breach by the Partner does not waive its right to act with respect to subsequent or similar breaches. The failure of the Local Government to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

11. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Local Government and the Partner for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the Local Government and the Partner with respect to this Agreement.

[OPTIONAL: The attachments to this Agreement are identified as follows:]

IN WITNESS WHEREOF, the Local Government and the Partner have executed this agreement as of the date and year last written below.

<name of County, City or Town>

<name of Partner>

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

Approved As To Form:

\_\_\_\_\_  
Attorney