



# Resolution

No. 837

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA ALLOCATING UP TO \$35,000.00 IN CITY OF SAN LUIS FUNDS FOR THE CONTINUATION OF THE MICROENTERPRISE PROGRAM WITH PPEP, INC.**

**WHEREAS**, the FY 2008/2009 Microenterprise Program with PPEP, Inc. has assisted small businesses in San Luis, Arizona with start-up, finance, and training, and

**WHEREAS**, the City of San Luis funding for that effort has been expended, and

**WHEREAS**, the San Luis City Council wishes to continue the program to the benefit of eligible businesses and individuals and has allocated funds in its budget for that purpose;

**NOW, THEREFORE, BE IT RESOLVED THAT** the San Luis City Council extends its existing agreement with PPEP, Inc. and authorizes up to \$35,000.00 in City of San Luis funds to continue the program until June 30, 2010 or until the funding has been expended.

Passed and adopted by the City of San Luis this 23rd day of September 2009.

Juan Carlos Escamilla, Mayor

ATTEST:

Sonia Cuello, City Clerk

APPROVED AS TO FORM:

Glenn Gimbut, City Attorney

## FUNDING AGREEMENT

This AGREEMENT entered into as of this 23<sup>rd</sup> day of September, 2009, between the City of San Luis, Arizona, (hereinafter referred to as "City") and Portable Practical Education Preparation, Inc. (PPEP), (hereinafter referred to as "Contractor").

WITNESSETH THAT:

WHEREAS, City has allocated certain funds for a Microenterprise Program; and

WHEREAS, City wishes to engage the Contractor to utilize such funds in the Contractor's existing Microenterprise program; and

WHEREAS, such activities may also include costs associated with program administration, business advising, and business counseling by the Contractor:

### A. STATEMENT OF WORK

1. Name of Activity: Microenterprise Loan Program
2. Description: (see ATTACHMENT I)
3. Funding Agreement Total: \$35,000.00
4. Period of Coverage under this agreement: July 1, 2009 to June 30, 2010

### C. PERFORMANCE MONITORING

The City will monitor the performance of the Contractor against goals and performance standards herein. Substandard performance as determined by the City will constitute noncompliance with this AGREEMENT. If action to correct such substandard performance is not taken by the Contractor within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

### D. NOTICES

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

<u>CITY</u>	<u>CONTRACTOR</u>
Name: Dr. Michael Trend	Dr. John Arnold
Title: Director of Community Development	Chief Executive Officer
Address:	
P.O. Box 1170.	820 E. 47th St.
San Luis, AZ 85349	Tucson, AZ 87713

Telephone:

928-341-8584

520-591-5600

**E. SPECIAL CONDITIONS**

None

**F. CONTRACTOR RECOGNITION**

The Contractor shall insure recognition of the role of the City in providing services through this contract. All activities, facilities and items utilized pursuant to this contract shall be prominently labeled as to the funding source. In addition, the Contractor will include a reference to the support provided herein in all publications made possible with funds made available under this contract.

**G. INDEPENDENT CONTRACTOR**

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

**H. WORKERS COMPENSATION**

The Contractor shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this contract.

**I. GENERAL CONDITIONS**

1. Payment: It is expressly agreed and understood by the City that the total amount to be paid to the Contractor under this contract by the City shall not exceed \$35,000. 00.
2. Time of Performance: This AGREEMENT shall take effect on the 1<sup>st</sup> day of July, 2009 through and including the 30<sup>th</sup> day of June 2010.
3. Insurance and Bonding: The Contractor 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 City.
4. Subcontracting: None of the services covered by this AGREEMENT shall be subcontracted without prior written approval by the City.
5. Maintenance and Availability of Records: In connection with the AGREEMENT, the Contractor shall maintain all accounting, client records, papers, maps, photographs, other documentary materials, and any evidence pertaining to costs incurred.

- 6. Such records shall be furnished and available for inspection by City
- 7. Such records shall be available at the Contractor's offices at all reasonable times during the contract period. If it is a claim, investigation, or litigation that is pending after what is assumed to be final payment, that in effect cancels the final payment date. The retention period will not begin until final settlement of the claim, investigation, or litigation.
- 10. Contract Amendments/Revisions: Any changes to the Scope of Work or dollar amount of this AGREEMENT require prior written approval from City.
- 11. Suspension and Termination: With notification to Contractor, City may terminate this AGREEMENT and such additional supplemental agreements hereafter executed, in whole or in part, and may recover any funds at its discretion if the Contractor:
  - a. Violates any provision of this AGREEMENT; or
  - b. Fails to complete performance in a timely manner.

The City may also terminate this AGREEMENT and such additional supplemental agreements hereafter executed, in whole or in part, by giving the Contractor 30 days' written notice.

- 12. Audits: The Contractor shall comply with the audit requirements set forth in Office of Management and Budget (OMB) Circular A-133.

IN WITNESS WHEREOF, the City and the Contractor have executed this AGREEMENT, as of the last date written below.

CITY: \_\_\_\_\_ CONTRACTOR: \_\_\_\_\_  
 By: Juan Escamilla

Chief Elected Official Title: Mayor Title: \_\_\_\_\_  
 Date: 9/23/09 Date: \_\_\_\_\_

Attest: UMH [Signature] for Sonia Cuello Attest: \_\_\_\_\_

(City Clerk): Sonia Cuello Title: \_\_\_\_\_

Approved as to Form and Legal Sufficiency

[Signature]

Glenn Gimbut, Esq.  
 (City Attorney)

## ATTACHMENT I

### ACTIVITY DESCRIPTION - STATEMENT OF WORK

#### SECTION I

##### CONTRACTOR Responsibilities

PPEP, the Contractor, shall carry out all required actions to administer all activities funded under this AGREEMENT with the City, including requisite record keeping, reporting, and monitoring, and all other actions necessary to ensure compliance with City of San Luis regulations and policies, and all terms of this AGREEMENT.

Funds may be used to defray administrative expenses and to provide counseling to prospective or actual borrowers and/or to existing business that meet program eligibility requirements or are receiving or have received assistance from PPEP.

The Contractor shall use funds provided under this AGREEMENT to financially and technically assist with creating new and sustaining existing small businesses within the City of San Luis. This will be accomplished with the capitalization of a Revolving Loan Fund (RLF), that will operate as a micro-loan program offered to both existing qualified micro-enterprise business owners and qualified potential new micro-enterprise business owners. Qualified businesses must be located in and owned by residents of the City of San Luis.

One component of this program will be designated for farm workers who wish to start a new business but lack the necessary business skills and/or do not have access to start-up and/or working capital to become successful. Qualified applicants selected to participate in this program will attend classes three times per week for 8 weeks to develop the skills needed to run their own businesses. The costs of materials for these classes will be provided out of this programs funding. Costs for such materials, per participant, shall not exceed \$500.00 without the express permission of the City. Approved applicants may use loan funds acquired through this program to receive technical assistance to begin their new businesses. Loans under this component will be for no more than \$5,000.00 for a term of up to 60 months, at an interest rate based on the existing PPEP Micro-enterprise Loan Fund formula. PPEP will report to the City all loans made, with the amount of loan, term, and interest rate assessed, so that compliance with these provisions can be monitored by the City.

Another component of this program will be designated for very small businesses that have been operating for one year or more. Such applicants will be required to provide a business plan, which will have to be approved by both the City of San Luis and PPEP. Approved applicants may use loan funds provided under this component to receive technical assistance to sustain and/or approve their existing business. Loans under this component will be for \$1,000.00 to \$30,000.00 for a term up to 60 months. PPEP will set the interest rate based upon the policies of their existing micro-enterprise loan program, currently at 11%, for this type of loan. The average loan amount under this component is projected to be \$5,500.00. PPEP will report to the City of San Luis all loans made, with the amount of loan, term, and interest rate assessed, so that compliance with these provisions can be monitored by the City.

Income generated through loan repayments shall go back into the operation of the loan fund, to increase the capitalization and capacity of the loan fund.

This program shall be operated out of Contractor's San Luis offices, located at 963 East B Street, San Luis, AZ 85349 and 614 N. 4th Drive, San Luis, AZ 85349; and classes for program participants shall be held at one or both of these locations. Utilization of other locations for program operations and/or classes shall require the prior approval of the City.

PPEP shall operate this program in a manner consonant with its current "Guidelines & Procedures Manual," a copy of which shall be made available to the City.

## **SECTION II - SERVICE AREA (SA)**

The service area shall be the City of San Luis, Arizona. Residents of the City of San Luis, Arizona shall be eligible for the Micro-enterprise loans issued initiated under this AGREEMENT.

## **SECTION III - RECORDS AND REPORTS**

The Contractor must provide the City with the following reports on a quarterly basis. All reports shall be submitted to the City by the following schedule:

First Quarter (Oct-Dec) Reports: January 31  
Second Quarter (Jan-Mar) Reports: April 30  
Third Quarter (Apr-Jun) Reports: July 1 Fourth  
Quarter (Jul-Sep) Reports: October 15

Required Records and Reports:

Required Records:

A file shall be kept on each applicant for a Micro-enterprise loan.

This file shall contain:

A copy of the application All accompanying documents The following AA/EEO data: Age of Applicant Household Income Gender of Applicant Ethnicity of Applicant A written copy of the decision made on the loan application, and, if the applicant is rejected for a loan, the reason the applicant was rejected. If the applicant receives a Micro-enterprise loan, the file will include a copy of the loan agreement and terms, and a tracking of loan payments made and written documentation of any collection efforts made as necessary. The Contractor shall maintain a file which includes a copy of all brochures, flyers, and/or other materials and/or media used to inform the residents of San Luis about this program. The Contractor shall track all applicants by the following AA/EEO data: Age of Applicant, Household Income of Applicant, Gender of Applicant, and Ethnicity of Applicant.

The Contractor shall also maintain all records as specified in Attachment III.

Required Reports:

Required Quarterly Reports shall include:

- A. A report on the Number of Applications for Micro-enterprise loans received by the Contractor, broken down by Gender, Ethnicity, Age, Household Income, and Type of loan.
- B. A report on the Number of Micro-enterprise loans initiated by the Contractor; broken down by Gender, Ethnicity, age, Household Income, and Type of loan sought.
- C. A report on the amount of money committed for Micro-enterprise loans initiate Contractor; broken down by Gender, Ethnicity, Age, Household Income, and Type of Loan Sought.
- D. A report tracking loan payments due and made, and providing a cumulative accounting of the financial status of the City of San Luis Micro-enterprise Loan Fund, including initial capitalization, loans initiated, loan payments received, and current status of the loan fund.
- E. Upon request, other data that may be requested by City.

PPEP shall operate this program in a manner consonant with its "Guidelines & Procedures Manual: 2005", a copy of which has been provided to the City (City of San Luis) and ADOH.

Person in charge of the financial record keeping shall be: Barbara Coronado, Finance Director for PPEP & Affiliates (520) 622-3553.

Financial Records shall be kept at PPEP's offices at: 802 E. 46<sup>th</sup> St., Tucson, AZ 85713

**ATTACHMENT II**  
**CERTIFICATIONS**

**A. EQUAL OPPORTUNITY**

The Contractor agrees to comply with:

1. Title VI of the Civil Rights Act of 1964 (Pub. L. 88- 352), and the regulations issued pursuant thereto (24 CFR Part I).
2. Title VIM of the Civil Rights Act of 1968 (Pub. L. 90- 284), as amended.
3. Section 109 of the Housing and Community Development Act of 1974.
4. Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
5. Executive Order 11246, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60).
6. Section 3 of the Housing and Urban Development Act of 1968, as amended.
7. Federal Fair Housing Act of 1988, P.L 100-430.
8. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1973, 42. U.S.C. 6101-07, and the prohibitions against discrimination against persons with handicaps under Section 504 of the Rehabilitation Act of 1973, (P.L. 93-112), as amended, and the regulations at 24 CFR Part 8.
9. It will comply with the American Disabilities Act and Section 504 of the Rehabilitation Act, as amended.
10. The requirements of the Architectural Barriers Act of 1966 at 42 U.S.C. 4151-415.

**B. INTEREST OF OFFICIALS AND CONFLICT OF INTEREST**

No member of or delegate to the Congress of the United States shall be admitted to any share or part of this AGREEMENT or to any benefit to arise from the same. No member, officer, or employee of the Contractor or its designees or agents, no member of the governing body of the locality in which the program is situated during his tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this AGREEMENT. The Contractor will comply with applicable conflict of interest provisions, incorporate such in all contracts and establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family business, or other ties.

**C. LOBBYING**

The Contractor will ensure that, to the best of its knowledge and belief of the undersigned:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, 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 grants, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal or amendment of any Federal contract.
2. 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 a Federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and all shall certify and disclose accordingly.

"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. Code. 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."

**D. AVAILABILITY OF REFERENCED MATERIALS**

All materials, regulations, laws, manuals, and policies referenced within this AGREEMENT shall be provided to Contractor by the City, upon request from the Contractor. City assumes that since Contractor operates other programs utilizing the same funding source and other federal funding sources, Contractor is familiar with and is in possession of all referenced materials, etc. Contractor is responsible for being knowledgeable as to the text of all referenced materials.

**E. EMPLOYMENT ELIGIBILITY**

Contractor warrants, and shall require its subcontractors to warrant, that it is in compliance with all federal immigration laws and regulations that relate to its employees and with A.R.S. §23-214 relating to verification of employment eligibility. A breach of this warranty shall be deemed a material breach of the agreement and is subject to penalties up to and including termination of this agreement. The City of San Luis retains the legal right to inspect the papers of PPEP and any contractor or subcontractor of PPEP to ensure that it and any of its contractors or subcontractors are compliant with this warranty.

**F. SUDAN/IRAN INVESTEMENTS AND BUSUINESS OPERATIONS**

By entering into this agreement, Contractor certifies it does not have scrutinized business operations in Iran or Sudan as those terms are defined in A.R.S. §35-391 et seq. and §35-393 et seq.

**ATTACHMENT III**  
**RECORDS TO BE MAINTAINED**

Contractor shall establish and maintain sufficient records to enable the City to determine whether the Contractor has met the requirements of this AGREEMENT. At a minimum, the following records are needed, and should be maintained for five years after the date of close-out of this agreement.

All files shall be clearly labeled with the following information as applicable:

1. Application and Agreement with the City and any amendments.
2. General Correspondence regarding the Agreement.
3. Financial Management and Audits.
4. A file documenting the Contractor's actions to comply with Section 504.
5. Civil Rights/EEO. The Civil Rights Certification and documentation on the ethnicity, gender, disability status, single-head of household of all applicants for benefits and/or services.
6. Procurement and Contracting. A separate file for each professional service procured or for each major item of equipment or materials purchased, with smaller items aggregated.