



county of Santa Cruz

HUMAN RESOURCES AGENCY

CECILIA ESPINOLA, ADMINISTRATOR

1000 EMELINE ST., SANTA CRUZ, CA 95080

(408) 454-4130 OR 454-4045 FAX: (408) 4544842

April 11, 2001

AGENDA: April 24, 2001

BOARD OF SUPERVISORS

County of Santa Cruz

701 Ocean Street

Santa Cruz, California

APPROVAL OF COLLABORATIVE YOUTH DEVELOPMENT CONTRACT

Dear Members of the Board:

As you may be aware, one of the goals of the Human Resources Agency (HRA) CareerWorks Division is to prepare low-income and at-risk youth to attain economic independence in adulthood. HRA has entered a partnership with the Regional Occupational Program (ROP), the Enterprise Community in Watsonville, and El Pajaro Community Development Corporation to develop a collaborative youth-run enterprise that will teach business skills, and provide work experience and computer literacy to youth before and after school and in the summer months. This collaborative project has been in the planning stages for over a year, and the purpose of this letter is to request approval of a contract to support it.

Background

Youth in downtown Watsonville need safe, structured environments after school to study and learn computer literacy skills. At the same time, they need work experience that will lead to economic independence in adulthood. The new initiative called the Cyber Cafe combines retail readiness, business courses, paid work experience running a small-scale restaurant, and computer skills for low-income and at-risk youth, as well as providing youth ages 14-21 with a before/after school and summer educational program.

Similar cyber cafes are located in sites across the United States, Europe, Canada and South America and may be visited on-line through links at www.cybercafe.com. The project will feature networked computers, after school activities, and a safe, structured environment for youth in downtown Watsonville. It is slated to open in June 2001. The cafe will be located on a courtyard at the back of a commercial building in downtown Watsonville, close to Watsonville High School, Cabrillo College and County offices. The project will be staffed by ROP and USDA-funded instructors and low-income, at-risk youth participants who are eligible for paid work experience positions through HRA CareerWorks.

Annually, the project anticipates serving:

- 70 older youth (16-21) who will gain valuable employment and computer skills through their work in the cafe and ROP business classes;
- 20 younger youth (14-15) who will gain valuable employment and computer skills by conducting outreach and organizing educational workshops and activities for teens;
- 160 youth who will attend educational workshops and activities; and
- 17,160 youth, students, and adults will use the cafe as customers during the first two years of operation, of whom 4,500 will learn basic computer skills.

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Program activities will include the following:

- Small business management courses for low-income and at-risk youth 16 and older
 - Up to 540 hours per person of paid work experience in cafe and computer operation
- Paid work experience jobs for low-income and at-risk younger youth ages 14-15
- Basic computer skills training for all youth involved
 - Basic desktop publishing and marketing skills for younger youth
- Development and implementation of marketing and promotional activities by and for youth
- Educational activities/workshops on teen pregnancy education, health issues and personal development
 - Outreach events and activities for youth
 - Computer availability at low cost for youth, students and others

The small business management courses for older youth (16+) will include 170 hours of instruction in career preparation, self-assessment, basic economic fundamentals of managing a small business, business plan development, accounting skill development, computer skill instruction, management skill training for successful business management/ownership, and up to 540 hours of on-site paid work experience at the Cyber Cafe for each older youth involved.

Younger youth (14-15) will participate in 40 hours of basic computer instruction to learn Internet skills, basic typing skills, and how to work in a Windows environment. Youth will plan, implement and promote 8 educational activities/workshops per year for the cafe to include teen pregnancy education, other health issues, and personal development. In addition, they will design and distribute promotional fliers, posters, newspaper ads, and public service announcements, and organize outreach events at the cafe to attract other youth.

Collaborative Partners

The Regional Occupational Program (ROP) has agreed to become the lessor and operator for the project, and will also provide funds for equipment, furniture, inventory and supplies, and teaching staff on an on-going basis. ROP has been the key stakeholder and successful operator of other collaborative youth employment projects, like Impressions of Pajaro Valley, a retail operation featuring the products from businesses located in the Watsonville area. At the Cyber Cafe, a Regional Occupational Program instructor will teach business skills to low-income high school students, who will gain practical experience by working in the cafe and with computers before and after school, and during the day in the summer.

El Pajaro Community Development Corporation (EPCDC) has agreed to be the fiscal agent for the project. EPCDC is a successful non-profit business incubator, assists low-income entrepreneurs, and operates Plaza Vigil. EPCDC will manage the start-up phase of the project, including the final business plan, and work with the landlord, architect and engineer to prepare for the opening of the facility.

It is anticipated that a Rural Business Development grant from the United State Department of Agriculture (USDA) will partially staff the project. USDA has funded similar projects in the Pajaro Valley. This grant will be leveraged by the County contributions to the project.

The City of Watsonville Enterprise Community will partially fund project staffing and underwrite the business license. During the third phase of the project, the City will work with the partners to identify additional state, federal and foundation funds that can be leveraged to support the project. In addition, the

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landlord (PacCom) has agreed to contribute toward improving the building in order for the cafe to open on schedule.

Throughout each phase, low-income and at-risk youth from HRA CareerWorks Youth Services will benefit from paid work experience in all aspects of the business. Older youth will come from the Enterprise Community and other neighborhoods, attend ROP business courses, and work at the cafe and with the computers. Younger youth will be involved in promotion and marketing for the project, supported by USDA funds.

Project Budget and Financing

The start-up of the Cyber Cafe Project will phase in over three years, beginning FY 00/01. The overall budget for the entire project for the first three years (fiscal years 00/01, 01/02 and 02/03) is \$879,221, including one-time start-up costs.

The first phase of the project will include pre-development, start-up costs for equipment, facility renovation and maintenance, purchase of inventory and supplies, marketing, salaries, operational costs and administrative support. The budget for the first phase is \$282,856.

During FY 01/02, the second phase of the project, budgeted at \$337,364, will include full implementation of the program, cafe and computer operations, and the business readiness classes and other youth activities outlined above. In this phase, the cafe will begin to generate revenue from computer rentals and food and beverage sales, and will continue to rely on ROP, USDA, and City of Watsonville funding for staffing, and HRA and cafe revenue for operational costs.

The third phase of the project, budgeted at \$259,001, will be largely supported by cafe revenue and on-going funding from ROP. As cafe revenue from the retail and computer rental operation increases, less support will be needed to operate the youth-run business. For the third year and beyond, the partnership is identifying opportunities to leverage additional state, federal and foundation funds to support the ongoing cafe operations.

Project funding is available from the United States Department of Agriculture grants for rural enterprise projects, Regional Occupational Program for instructors and equipment, the landlord (PacCom) for leasehold improvements, the City of Watsonville Enterprise Community, and federal TANF incentive funding through HRA, as shown below.

Source	Total Amounts <i>(FY 00/01, 01/02, and 02/03)</i>
ROP	\$254,515
USDA	\$ 91,975
City of Watsonville	\$ 24,730
PacCom	\$ 8,000
Projected Cafe Revenue	\$119,925
Federal TANF funds (I-IRA)	\$300,000
Additional Leveraged Funds	<u>\$ 80,076</u>
Total for 3 years:	\$879,221

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County Contribution

At this time, HRA is recommending a contract for \$150,000 with federal TANF incentive funds to support the first year start-up phase of the project. Start-up costs include computers and networking equipment, supplies, initial inventory, initial marketing and opening costs, partial operational costs, and facility renovation. The budget for the County's contribution to the project start-up is attached to the proposed contract, which is on file with the Clerk of the Board.

The contract will be funded at no cost to the County. All fixed assets purchased with contract funds will become property of the County. The term of the contract will be from April 24, 2001 through June 30, 2001. The proposed contract has been approved by County Counsel and Risk Management and signed by the contractor. An agreement for \$150,000 to support ROP's operation of the program in phase two will be included in the Continuing Agreements List for FY 01/02. It is anticipated that no further County support will be needed after that time.

IT IS THEREFORE RECOMMENDED that your Board approve a contract with El Pajaro Community Development Corporation for a youth development program in the amount of \$150,000 and authorize the Human Resources Agency Administrator to sign the contract on behalf of the County.

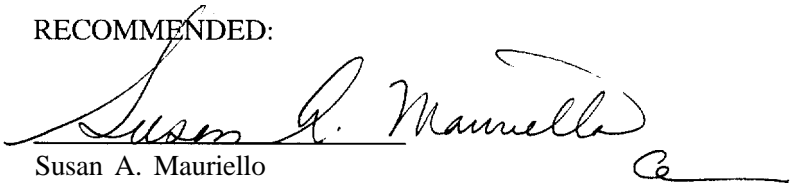
Very truly yours,



CECILIA ESPINOLA
Administrator

CE/JP/EL/GG:gg/cybercafebos.doc

RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

Attachment

cc: County Administrative Office
Auditor-Controller
County Counsel
Risk Management
Contractor

COUNTY OF SANTA CRUZ
REQUEST FOR APPROVAL OF AGREEMENT

0297

TO: Board of Supervisors
County Administrative Officer
County Counsel
Auditor-Controller

FROM: HUMAN RESOURCES AGENCY (Dept.)
Thomas Glina (Signature) 4/9/01 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

1. Said agreement is between the SANTA CRUZ CO. HUMAN RESOURCES AGENCY (Agency)
and EL PAJARO COMMUNITY DEV. CORP. (Name & Address)
2. The agreement will provide A COLLABRATIVE ENTERPRISE TO TEACH BUSINESS SKILLS AND COMPUTER LITERACY CLASSES TO PREPARE LOW INCOME AT RISK YOUTHS TO ATTAIN ECONOMIC INDEPENDENCE IN ADULthood.
3. The agreement is needed TO INITIATE PHASE 1 OF THIS YOUTH-RUN CYBER CAFE ENTERPRISE PROJECT.
4. Period of the agreement is from 4/27/01 to 6/30/01
5. Anticipated cost is \$ 150,000 (Fixed amount; Monthly rate; Not to exceed)
6. Remarks: W-9 ON FILE () : CONTACT: G GROVES X 4036
7. Appropriations are budgeted in 392100 (Index#) 5 2 8 3 (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and have been encumbered. a Contract No. 02392 e 4
are not will be
GARY A. KNUTSON, Auditor - Controller
By P. S. M. Auger Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the HUMAN RESOURCE ADMINISTRATOR to execute the same on behalf of the HUMAN RESOURCE AGENCY (Agency).

Remarks: ES (Analyst) By Ch. Sch County Administrative Officer Date 4/12/01

Agreement approved as to form. Date _____

Distribute on:
Bd. of Supv. - White
Auditor-Controller - Blue
County Counsel - GREEN
Co. Admin. Officer - Canary
Auditor-Controller - Pink
Originating Dept. - Goldenrod

*To Orig. Dept. if rejected.

ADM - 29 (6/95)

State of California)
County of Santa Cruz) ss

I _____ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,
State of California, do hereby certify that the foregoing request for approval of agreement was approved by
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered
in the minutes of said Board on _____ 19 _____ By _____ Deputy Clerk

CAREERWORKS INDEPENDENT CONTRACTOR AGREEMENT

THIS CONTRACT is entered into this 24th day of April, 2001, by and between the COUNTY OF SANTA CRUZ HUMAN RESOURCES AGENCY CAREERWORKS DIVISION, hereinafter called COUNTY, and EL PAJARO COMMUNITY DEVELOPMENT CORPORATION, hereinafter called CONTRACTOR.

1. DUTIES. CONTRACTOR agrees to exercise special skill to accomplish the following result:

Provide a youth development project called the Cyber Cafe, to provide business/retail readiness skills to low-income, at-risk youth, work experience, and a before/after school and summer activities program for 14-21 year old youth in computer literacy, and to encourage pregnancy prevention (TANF Goal 3, PIN code 9310),
as described in detail in Attachment B: Scope of Work.

2. TERM. The term of this contract shall be April 24, 2001 through June 30, 2001, with the option of renewal for one additional year.
3. COMPENSATION. In consideration for CONTRACTOR accomplishing said result, COUNTY agrees to pay CONTRACTOR as follows:

A. Reimbursement of program costs not to exceed \$150,000 on the basis of suitable monthly grant request/expenditure forms.

B. In accordance with attachment A: Budget, CONTRACTOR shall be permitted to make transfers within the category of Services and Supplies. Transfers within the category of Salaries and Benefits may also be made by the CONTRACTOR, unless they involve changing the number and/or salary of staff. Transfers between the categories of "Salaries and Benefits" and "Services and Supplies" and transfers within "Salaries and Benefits" involving the number and salary of positions, may be made only upon the prior written approval of the Human Resources Agency Administrator or his/her designee, providing the transfer is less than 10% of the total budget. Transfers between budget categories totaling more than 10% of the budget may be made only upon prior written approval of the Board of Supervisors and execution of a contract amendment.

C. CONTRACTOR shall submit monthly grant request/expenditure form for payment and documentation of service as defined by the Human Resources Agency within fifteen (15) working days after the month in which the service was provided to:

Human Resources, Agency
Attn: Barbara Coy-Bulicz
1000 Emeline Ave.
Santa Cruz, CA 95060.

At a minimum, documentation of service shall include the names and social security numbers of participants served each month, if applicable.

D. CONTRACTORS which are non-profit, community-based organizations granted tax-exempt status under Internal Revenue Code Section 501 may receive a one-time cash advance of up to one quarter of the total contract amount for expenses necessary under this Agreement. Prior to the COUNTY granting an advance,

CONTRACTOR must submit a written request detailing the need for an advance, including a grant request/expenditure report form as provided by the COUNTY and evidence that contract activities cannot be carried out without the advance. Such evidence shall consist of a current balance sheet, cash flow statement, or other documentation, which adequately supports the request. Advances must be approved in writing by the Human Resources Agency. Each subsequent payment will be based on actual services.

- E. CONTRACTOR may receive an advance only if it provides a satisfactory fidelity bond in the amount of the advance requested, naming the COUNTY as loss payee, an original certificate for which must be submitted to the COUNTY as part of the advance request.
 - F. CONTRACTOR shall not use cash advances to provide working capital for non-COUNTY programs, and when possible such advances shall be deposited in interest-bearing accounts, and the interest used to reduce program costs. Carry-over of any portion of an advance or interest from an advance into a subsequent fiscal year is not allowed.
 - G. A grant request/expenditure form for the final reporting period of the fiscal year shall be provided to the COUNTY no later than thirty (30) days after the contract ends. CONTRACTOR must account for all interest on an advance and expenditures of such interest as part of this final fiscal report. All unused funds, including the unused portions of any advance or interest on any advance, shall be returned to the COUNTY at that time.
 - H. The COUNTY may pay 1/12 of the prior year or current year total budget amount, whichever is lesser, in lieu of an advance, in the months of July and August if this contract is listed on the Continuing Contracts List, and a continuing agreement has not yet been finalized.
4. EARLY TERMINATION. Either party hereto may terminate this contract at any time by giving 30 days written notice to the other party. COUNTY shall have the right to terminate this contract in the event that State, Federal or other funding for this contract ceases prior to the ordinary term of the contract.
 5. DEOBLIGATION. The COUNTY may require an amendment to reduce the payment limits of this contract if it is determined by COUNTY that the CONTRACTOR need not or cannot expend the full amount of the contract, in order to fulfill its obligations hereunder. The decision to deobligate will be based upon review of programmatic achievement and the comparison of actual levels of expenditure with the expenditure projections included in Attachment B: Scope of Work. Amendments required under this provision are not subject to the conditions set forth in Paragraph 4, such that the amendment need not be signed by the CONTRACTOR. The COUNTY shall notify the CONTRACTOR of such amendments.
 6. COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND OMB CIRCULARS. CONTRACTOR agrees to comply with all applicable laws, regulations, and OMB circulars.
 7. EARNED INCOME TAX CREDIT. CONTRACTOR agrees to advise all participants served under this contract about the Earned Income Tax Credit, and to refer them to free tax services.

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8. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS. CONTRACTOR shall exonerate, indemnify, defend, and hold harmless COUNTY (which for the purpose of paragraphs 5 and 6 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

- A. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which COUNTY may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this Agreement, excepting any liability arising out of the sole negligence of the COUNTY. Such indemnification includes any damage to the person(s), or property (ies) of CONTRACTOR and third persons.
- B. Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR'S officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security and payroll tax withholding).

6. INSURANCE. CONTRACTOR, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects COUNTY and any insurance or self-insurance maintained by COUNTY shall be excess of CONTRACTOR'S insurance coverage and shall not contribute to it.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Agreement, CONTRACTOR shall obtain and maintain Independent Contractor's Insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of CONTRACTOR in this Agreement, unless CONTRACTOR and COUNTY both initial here ____ / ____.

A. Types of Insurance and Minimum Limits

- 1) Worker's Compensation in the minimum statutorily required coverage amounts. This insurance coverage shall not be required if the CONTRACTOR has no employees and certifies to this fact by initialing here _____
- 2) Automobile Liability Insurance for each of CONTRACTOR'S vehicles used in the performance of this Agreement, including owned, non-owned (e.g., owned by CONTRACTOR'S employees), leased or hired vehicles, shall each be covered with Automobile Liability Insurance in the minimum amount of \$500,000.00 combined single limit per occurrence for bodily injury and property damage. This insurance coverage shall not be required if vehicle use by CONTRACTOR is not a material part of performance of this Agreement and CONTRACTOR and COUNTY both certify to this fact by initialing here ____ / ____.
- 3) Comprehensive or Commercial Liability Insurance coverage in the minimum amount of \$1,000,000 combined single limit, including coverage for: (a) bodily injury, (b) personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.
- 4) Professional Liability Insurance in the minimum amount of \$1,000,000 combined single limit. This insurance coverage shall not be required if both the CONTRACTOR and COUNTY acknowledge to this fact by initialing here ____ / ____.

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B. Other Insurance Provisions

- 1) If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees to maintain the required coverage for a period of three years after the expiration of the Agreement (hereinafter "post agreement coverage") and any extensions thereof. CONTRACTOR may maintain the required post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed to be reasonable.

- 2) All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause:

"The County of Santa Cruz, its officials, employees, agents and volunteers are added as an additional insured as respects the operations and activities of, or on behalf of, the named insured performed under Agreement with the County of Santa Cruz."

- 3) All the insurance policies shall be endorsed to contain the following clause:

"This insurance shall not be cancelled until after thirty (30) days prior written notice has been given to:

Human Resources Agency/CareerWorks Division
1040 Emeline Ave.
Santa Cruz, CA 95060

- 4) CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide COUNTY on or before the effective date of this Agreement with Certificates of Insurance for all required coverage. All Certificates of Insurance shall be delivered or sent to:
Human Resources Agency/CareerWorks Division
1040 Emeline Ave.
Santa Cruz, CA 95060

7. EQUAL EMPLOYMENT OPPORTUNITY. During and in relation to the performance of this Agreement, CONTRACTOR agrees as follows:

- A. The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, ancestry, disability, medical condition (cancer related and genetic characteristics), marital status, sex, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to the following: recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

- B. No person or client shall, on the grounds of race, color, religion, national origin, ancestry, disability, medical condition (cancer related), marital status, sex, sexual

orientation, gender, pregnancy, age (over 180, or veteran status be excluded from participation in, be denied the benefits of, or be subjected to discrimination in any program conducted under this contract.

- C. CONTRACTOR shall implement written grievance/complaint procedures regarding the non-discrimination provisions of this contract within thirty (30) days of its effective date and shall post its non-discrimination policies and said grievance/complaint procedures in conspicuous place available to all clients, employees, and applicants for employment.
- D. If this Agreement provides compensation in excess of \$50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:
 - 1) The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, national origin, ancestry, disability, medical condition (cancer related and genetic characteristics), marital status, sex, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. In addition, the CONTRACTOR shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in CONTRACTOR's solicitation of goods and services. Definitions for Minority/Women/Disabled Business Enterprises are available from the COUNTY general Services Purchasing Division.
 - 2) For contracts of more than \$50,000 and employing more than fifteen (15) employees, the CONTRACTOR shall furnish COUNTY Equal Employment Opportunity Office information and reports in the prescribed reporting format (PER 4012) identifying the sex, race, physical or mental disability, and job classification of its employees and the names, dates and methods of advertisement and direct solicitation efforts made to subcontract with Minority-Women/Disabled Business Enterprises.
 - 3) In the event of the CONTRACTOR's non-compliance with the non-discrimination clauses of this Agreement or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further agreements with the COUNTY.
 - 4) The CONTRACTOR shall cause the foregoing provisions of this Subparagraph 7B to be inserted in all subcontracts for any work covered under this Agreement by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

- 8. INDEPENDENT CONTRACTOR STATUS. CONTRACTOR and COUNTY have reviewed and considered the principal test and secondary factors below and agree that CONTRACTOR is an independent contractor and not an employee of COUNTY. CONTRACTOR is responsible for all insurance (worker's compensation, unemployment, etc.) and all payroll related taxes. CONTRACTOR is not entitled to any employee benefits. COUNTY agrees that CONTRACTOR shall have the right to control the manner and means of accomplishing the result contracted for herein.

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PRINCIPAL TEST. The CONTRACTOR rather than COUNTY has the right to control the manner and means of accomplishing the result contracted for.

Initials: 

 CONTRACTOR/COUNTY

SECONDARY FACTORS. (a) The extent of control which, by agreement, COUNTY may exercise over the details of the work is slight rather than substantial; (b) CONTRACTOR is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONTRACTOR is usually done by a specialist without supervision, rather than under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONTRACTOR rather than the COUNTY supplies the instrumentalities, tools and workplace; (f) The length of time for which CONTRACTOR is engaged is of limited duration rather than indefinite; (g) The method of payment of CONTRACTOR is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of COUNTY; (i) CONTRACTOR and COUNTY believe they are creating an independent contractor relationship rather than an employer-employee relationship; and (j) The COUNTY conducts public business.

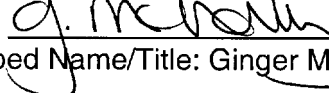
It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors which indicate that CONTRACTOR is an independent contractor.

By their signatures to this Agreement, each of the undersigned certifies that it is his or her considered judgment that the CONTRACTOR engaged under this Agreement is in fact an independent contractor.

9. NONASSIGNMENT. Contractor shall not assign this Agreement or any part thereof without the prior written consent of the COUNTY.
10. RETENTION AND AUDIT OF RECORDS. CONTRACTOR shall retain records pertinent to this Agreement for a period of not less than five (5) years after final payment under this Agreement or until a final audit report is accepted by COUNTY, whichever occurs first. CONTRACTOR hereby agrees to make all fiscal, administrative, programmatic and client records available to the Santa Cruz County Auditor-Controller, the State of California and/or the Federal Government if providing funding for this contract, the Human Resources Agency, or any authorized representative thereof, upon request, during the term of this contract and for a period of five (5) years after final payment under this contract for monitoring and audit purposes and to verify CONTRACTOR'S compliance with the terms of this contract.
11. CONFIDENTIALITY. The CONTRACTOR shall protect from unauthorized disclosure, except as authorized by the client in writing, names and other identifying information concerning persons referred for services provided under this contract.
12. FEES. CONTRACTOR assures and certifies that it will not charge an individual a fee for the placement or referral of such person in or to a training program under the Workforce Investment Action.
13. PARTISAN POLITICAL ACTIVITIES. No monies, property or services received by CONTRACTOR under this contract shall be used in the performance of any partisan political activity, to further the election or defeat of any candidate for public office, or to assist, promote, or deter union organizing.
14. RELIGIOUS WORSHIP. There shall be no religious worship, instruction or proselytization as part of or in connections with the CONTRACTOR'S performance of this contract. CONTRACTOR will not permit participants in programs funded under the terms of this contract to be employed on the construction, operation, or maintenance of so much of any facility which is used or to be used for religious instruction or as a place of religious worship.

15. **CONFLICT OF INTEREST.** CONTRACTOR and its employees, and members including officers of its governing Board shall avoid any actual, apparent or potential conflicts of interest pertaining to services under this contract.
16. **PUBLICATIONS & MEDIA PRESENTATIONS.** The CONTRACTOR agrees that whenever information related to the program funded under this contract is released to the media, whether in print or by interview, such publicity, whenever practical, will include the statement "funded by the County Board of Supervisors." If this contract is funded in full or in part by the Workforce Investment Board, the statement must include "and the Workforce investment Board."
17. **INTEGRATED DOCUMENT.** This contract and attachments hereto embody the total agreement between the COUNTY and CONTRACTOR for the provision of the services detailed herein. No verbal agreements or conversation with any officer, agent or employee of the COUNTY concerning the terms or conditions of this contract shall affect or modify any of the terms or obligations contained in any document that is part of this contract.
18. **PRESENTATION OF CLAIMS.** Presentation and processing of any or all claims arising out of or related to this Agreement shall be made in accordance with the provisions contained in Chapter 1.05 of the Santa Cruz County Code, which by this reference is incorporated herein.
19. **ATTACHMENTS.** This Agreement includes the following attachments, incorporated herein by reference:
- a. Budget
 - b. Scope of Work
 - c. Assurance of Compliance on Nondiscrimination
20. **SIGNATURES.** IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

A. CONTRACTOR

By: 
 Typed Name/Title: Ginger McNally, Exec. Dir.
9 April 2001

organization: El Paiaro Community Development Corporation

Address: 23 E. Beach St. #209

Telephone: (831) 722-1224

Tax ID#: 94-2656048

D. COUNTY OF SANTA CRUZ

By: _____
 Cecilia Espinola, HRA Administrator

DISTRIBUTION:

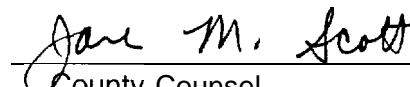
County Administrative Office
 Auditor-Controller
 County Counsel
 Risk Management
 Contractor

B. APPROVED AS TO INSURANCE:

By: 
 Risk Management

4-9-2001
 Date

C. APPROVED AS TO FORM:

By: 
 County Counsel

4-9-01
 Date

BUDGET COUNTY OF SANTA CRUZ**ATTACHMENT A, PAGE 1**Agency: El Paiaro Community Development CorporationProgram: Cyber Café ProjectA. Total Budget
Fiscal Year 00/01**SALARIES/BENEFITS**

Basic Account Codes:

7000 Salaries Total	7,000		
7100 Employee Health/Retirement			
7200 Payroll Taxes			
TOTAL SALARIES/BENEFITS:	7,000		

SERVICES/SUPPLIES

8000 Professional Fees: Audit			
8010 Indep. Prof. Consultants	27,000		
8100 Supplies	7,000		
8200 Telephone	1,040		
8300 Postage & Shipping	200		
8400 Occupancy Total	39,871		
8500 Purchase/Maintenance of Equip.	50,000		
8600 Marketing Printing & Publications	3,300		
8700 Travel & Transportation			
8800 Conferences/Meetings			
8900 Assistance to Individuals			
-9000 Membership Dues	1,500		
9100 Awards and Grants			
9200 Interest Expense			
9300 Insurance/Bond			
-9400 Miscellaneous	90		
9600 Dist. of Program Costs	12,999		
-9691 Payment/Affiliated Orgs.			
TOTAL SERVICES/SUPPLIES:	143,000		
-GRAND TOTAL EXPENSES:	150,000		

1) Please fill out this page for each program funded separately by the County. 2) For classification of basic account codes, refer to: Accounting & Financial Reporting: A Guide for United Way and Not-for-Profit Human Service Organizations, revised Second Edition, March 1989.

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 Initials: 
 COUNTY CLERK/COUNTY

POSITIONS/SALARIES COUNTY OF SANTA CRUZ

ATTACHMENT A. PAGE 2

Agency: El Paíaro Community Development Corporation
Program: Cyber Café Project

Please fill out this page for each separate program funded by the County. List ONLY positions paid by the County. Indicate with an "X" whether position is new or existing (already funded by County). Total Salaries here must match Total Salaries under Total Approved County Budget on Exhibit A, Page 1 (Expenses).

POSITION TITLES:	SALARY RATE X	HOURS/ WEEK X	WEEKS/ YEAR =	TOTAL AMOUNT PER YEAR	NEW	EXISTING
1. Executive Director	\$28.85	22	9 wks	\$5,700	X	
2. Technical Assistance Specialist	\$25.00	6	9 wks	\$1,300	X	
3.	\$			\$		
4.	\$			\$		
5.	\$			\$		
6.	\$			\$		
7.	\$			\$		
8.	\$			\$		
9.	\$			\$		
10.	\$			\$		
7000 TOTAL SALARIES REQUESTED:				\$7,000		

Initials: 
 CONTRACTOR/COUNTY

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Program: **Cyber Café Project**

Initials:
CONTRACTOR/COUNTY

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ATTACHMENT C - ASSURANCE OF COMPLIANCE WITH THE HUMAN RESOURCES AGENCY ON NONDISCRIMINATION IN STATE AND FEDERALLY ASSISTED PROGRAMS

EL PASO COMMUNITY DEVELOPMENT
(name of CONTRACTOR) CORPORATION

HEREBY AGREES THAT it will comply with Title VI and VII of the Civil Rights Acts of 1964 as amended; Section 504 of the Rehabilitation Acts of 1973, as amended; the Age Discrimination Act of 1975, as amended; the Food Stamp Act of 1977 as amended, and in particular Section 272.6; Title II of the Americans with Disabilities Act of 1990; California Civil Code, Section 51 et seq., as amended; California Government Code Section 11135-I 1139.5, as amended; California Government Code Section 12940(c), (h) (l), (i), and (j); California Government Code, Section 4450; Title 22, California Code of Regulations 98000 - 98413, and other applicable federal and state laws, as well as their implementing regulations (including 45 Code of Federal Regulations (CFR) Parts 80, 84, and 91, 7 CFR Part 15, and 28 CFR Part 42), by ensuring that employment practices and the administration of public assistance and social services programs are nondiscriminatory, to the effect that no person shall because of ethnic group identification, age, sex, color, disability, medical condition, national origin, race, ancestry, marital status, religion, religious creed or political belief be excluded from participation in or be denied the benefits of, or be otherwise subject to discrimination under any program or activity receiving federal or state financial assistance; and HEREBY GIVE ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all federal and state assistance; and THE VENDOR/RECIPIENT HEREBY GIVES ASSURANCE THAT administrative methods/procedures which have the effect of subjecting individuals to discrimination or defeating the objectives of the California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP) Chapter 21, will be prohibited.

BY ACCEPTING THIS ASSURANCE, the vendor/recipient agrees to compile data, maintain records and submit reports as required, to permit effective enforcement of the aforementioned laws, rules and regulations and permit authorized CDSS and/or federal government personnel, during normal working hours, to review such records, books and accounts as needed to ascertain compliance. If there are any violations of this assurance, CDSS shall have the right to invoke fiscal sanctions or other legal remedies in accordance with Welfare and Institutions Code Section 10605, or Government Code Section 11135-I 1139.5, or any other laws, or the issue may be referred to the appropriate federal agency for further compliance action and enforcement of this assurance.

THIS ASSURANCE is binding on the vendor/recipient directly or through contract, license, or other provider services, as long as it receives federal or state assistance.

9 April 2001
Date

[Signature]
Director's Signature