

Memorandum



CITY OF DALLAS

Date July 27, 2007
To Honorable Mayor and Members of the City Council
Subject Homeless Assistance Center Update

Mike Rawlings, Homeless Czar, will be presenting an update on the Homeless Assistance Center at the August 1, 2007 council meeting.

Please contact me if you have any questions or need additional information.

A handwritten signature in cursive script that reads "Charles W. Daniels".

Charles W. Daniels
Assistant City Manager

Attachment

c: Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Thomas P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
Judge Jay E. Robinson
Ryan S. Evans, First Assistant City Manager
Ramon Miguez, P.E., Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
A. C. Gonzalez, Assistant City Manager
Dave Cook, Chief Financial Officer
Chandra Marshall-Henson, Assistant to the City Manager

Briefing City Council

August 1, 2007

Homeless Assistance Center Update

Background

Objective:

- To end chronic homelessness in Dallas by 2014
 - 1,000~ chronic homeless
 - 5,000~ homeless

Strategy:

- Implement major components of 10 year plan written 3 years ago (see appendix)
- Using best practices from U.S. cities e.g. Philadelphia, Miami, Atlanta, San Francisco, Orlando

My Role:

- Homeless Czar to lead implementation of plan
- Chairman of Dallas' Metro Dallas Homeless Alliance
- Appointed by Mayor

Four Part Strategy

1. Build and Run
Homeless
Assistance Center

2. Create Private/Public
Authority to Manage
Efforts

3. Build 1,200~
Permanent Supportive
Housing Units

4. Develop Mental
Health Service to Wrap
Around Housing

Accomplishments

1. Build and Run Homeless Assistance Center

- **\$23.5 million bond election passed**
- **Designed state of the art facility**
- **Building underway**

2. Create Private/Public Authority to Manage Efforts

- **Super charged Metro Dallas Homeless Authority**
- **Hired accomplished CEO**
- **City Council empowered MDHA as the authority on homeless issues**
- **Rec'd \$14M~ grants from HUD**

3. Build 1,200~ Permanent Supportive Housing Units

- **Brought 229 new units in last three years**
- **112 more in process (funding awarded)**

4. Develop Mental Health Service to Wrap Around Housing

- **Situation analysis**

To Be Done

1. Build and Run Homeless Assistance Center

- \$23.5 million bond election passed
- Designed state of the art facility
- Building underway

- **Opens Spring 2008**

- **Contract with MDHA**

2. Create Private/Public Authority to Manage Efforts

- Super charged Metro Dallas Homeless Authority
- Hired accomplished CEO
- City Council empowered MDHA as the authority on homeless issues
- Rec'd \$14M~ grants from HUD

- **Set goal of \$20M of non-City funding to be raised**

- **Create strategy and relationship with County**

3. Build 1,200~ Permanent Supportive Housing Units

- Brought 229 new units in last three years
- 112 more in process (funding awarded)

- **Write a master plan for entire City and budget**

- **Include Dallas Housing Authority in the plan**

4. Develop Mental Health Service to Wrap Around Housing

- Situation analysis

- **Create reform in local public mental health and substance abuse systems to serve homeless individuals.**

Homeless Assistance Center

- Capital costs: \$24.3M
- Annual Operation Costs: approximately \$6.4M (\$3.5M from the City)
- 24 hour access to rest rooms, expanded laundry services, storage, message center with phones, mailing address, showers, day shelter, Internet access, and hygiene needs.
- Provide a blend of onsite social services that are easily accessed
 - Mental health and Addiction Services
 - Basic Medical Services
 - Pharmacy
 - Vocational Services
- Provide transportation to offsite services
- Will contain a kitchen and a dining room
- Will serve approximately 600 homeless per day
- Will provide 3 meals a day, 400 per meal totaling 1,200 meals per day

Homeless Assistance Center

- Contract with Metro Dallas Homeless Alliance
- Year 1 budget – 70% City funded, 30% private funding
- MDHA has hired Center Director; 50% MDHA CEO will be allocated to HAC
- Subcontractors being sought for residential and for feeding
- First Presbyterian Church will be a key bidder for feeding contract
 - If chosen and zoning issues resolved Stewpot will move feeding to HAC from Park Street
- Seeking naming rights for center in fund raising effort

Proposed Term Sheet

- City's contribution to HAC operational costs from October 1, 2007 to September 30, 2008 shall not exceed \$2,673,214 (70%)
- MDHA's contribution in year 1 is \$957,092
 - Thereafter, City's contribution is lesser of \$3.5M or 70%
- Contract Term October 1, 2007 to September 30, 2015
 - with two additional 5 year renewal options
- City and MDHA shall cooperate in the acquisition of operating funds for the HAC
- MDHA will be paid quarterly based on projected monthly expenses
- MDHA will maintain a 3 month cash operating reserve
- MDHA will be responsible for securing insurance in accordance with Exhibit B of the term sheet
- Standard termination clause

Proposed Term Sheet (continued)

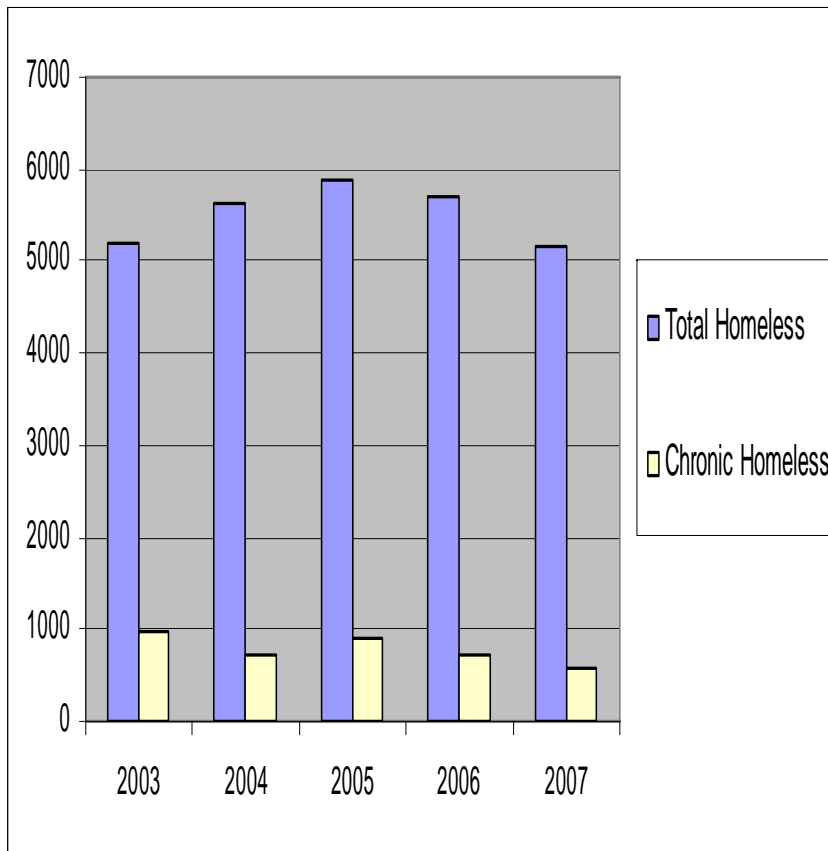
- MDHA will deliver a detailed food service plan, policies and procedures for operations, security plan, maintenance plan
- MDHA will provide social services including case management
- MDHA will develop engagement activities, education and employment training programs
- MDHA will provide physical and mental/behavioral health services
- MDHA will provide management of basic services such as laundry, showers, client storage, etc.
- Any request by MDHA to sell naming rights to the HAC must be approved by the City Council

What We Need From You

- Authorization of manager to negotiate contract in accordance with term sheet (see appendix) – 8/8/07
- Support of “Help the Homeless” week – 11/10/07
- Power to negotiate naming rights to raise the private funds

Appendix

Homeless Count 2003 - 2007



Year	Total Homeless	Chronic Homeless
2003	5188	988
2004	5636	732
2005	5898	885
2006	5704	733
2007	5163	568

Funding for Homeless Services

	FY 2006-07	Proposed FY 2007-08
Day Resource Center	1,204,745	1,053,314
Homeless Outreach	107,304	236,214
Homeless Housing	273,191	473,306
Homeless Administration	233,769	371,997
Homeless Assistance Center (NEW FACILITY)	0	2,752,830
TOTAL	1,819,009	4,887,661

Update of Ten Year Plan

Action	Responsible	Status
Homeless Assistance Center (HAC) – Design, secure land, finance, develop service plan	City of Dallas	Ground Breaking was February 2007. MDHA secured \$1 million in grants and is seeking other funds.
Capital Campaign to fund HAC	City of Dallas	\$23.8 million bond passed in lieu of raising construction dollars
Homeless Czar identified	Mayor Miller	Tom Dunning appointed Homeless Czar and Task Force on Homelessness named in September 2004. Mike Rawlings appointed Homeless Czar in September 2005.
Develop plan to expand supportive services	MDHA	Applied for grant to Center for Substance Abuse and Mental Health Services Administration – grant was denied. MDHA is currently working with mental health providers, state agencies, and foundations to secure more funds for mental health care. Special emphasis on working with the public mental health system to evaluate and develop a realistic support service level for persons who are chronically homeless.
Provide training & technical assistance and agency capacity building	MDHA	Accomplished and ongoing through Continuum of Care process, advising agencies of available trainings, and speakers. MDHA awarded 22 scholarships to local providers to attend the Texas Homeless Network's state professional conference. The conference, to be held September 5-7, 2007, will concentrate on housing development and best practices in programming.
Expand awareness of 211 Services	Community Council of Greater Dallas	Ongoing advertisements and networking.
Expand awareness of Veterans' Services	Dept. of Veterans Affairs	Accomplished and ongoing through Regional Interagency Council on Homelessness, networking with other agencies, and the outreach division at the Day Resource Center. The 2007 Stand Down will be a featured event of the Help the Homeless Week.
Organize task force on children, youth, & young adults at risk of chronic homelessness	MDHA	Youth Task Force established by MDHA meets on a regular basis in addition to family subcommittee created. . Continuum of Care awards include 24 beds for pregnant and parenting teens to Promise House in 2005, and 35 Permanent Supportive Housing beds for disabled aging-out foster care young adults to Dallas County/Central Dallas Ministries in 2007.
Formulate comprehensive discharge planning from public institutions	City of Dallas	Preliminary efforts completed – planning in progress by Crisis Intervention Team with Dallas County to be completed by December 2007.
Develop plan - senior citizens at risk of chronic homelessness	City of Dallas	City of Dallas Senior Affairs Commission developing plan and gathering updated information to be completed by February 2008.

Update of Ten Year Plan (cont'd)

Action	Responsible	Status
Develop plan for coordinated crisis response strategy	MDHA/ City of Dallas	Developed in April 2006. MDHA will be working with the North Texas Behavioral Healthcare Authority, ValueOptions, etc. to plan how new crisis intervention state funds will be utilized to assist persons who are homeless and augment HAC services. Planning is currently under development to integrate the HAC into the community's crisis response strategy. Key elements include City of Dallas Crisis Intervention Team.
Add 4 additional mobile outreach/intake teams for evenings and nights and assertive community treatment	MDHA/City of Dallas	Two teams added for days. Funding being sought to add teams for evenings and nights for adults. Existing youth/ young adult outreach teams provided by Promise House three nights per week.
Provide training to law enforcement officers that promotes sensitivity to homeless persons	City of Dallas	Accomplished and ongoing.
Implement campaign to alter public perceptions & understanding of homelessness	MDHA	Ongoing through public presentations and community partnerships. . Chief Marketing Officer added to MDHA Board to assist with community messages. MDHA awarded \$240,000 by Fannie Mae Foundation for the Help the Homeless Week designed to increase community understanding and provide education to break down myths regarding homelessness. City of Dallas providing staff support and resources.
Evaluate need for bilingual services	MDHA	Need has been examined and MDHA is working with agencies to ensure documents and services in Spanish are available.
Develop 70 new units of permanent supportive housing for the disabled	MDHA	Goal exceeded in 2005, 2006 , and 2007 by 62%. Three year goal = 210 beds, actual = 341 beds (229 active, 112 funded and finalizing HUD contract).
Develop a plan for expanding Single Room Occupancy Units	City of Dallas	Mayor's Task Force and City have done major work – funds allocated in bond, SRO Coordinator selected, council committee briefed, partnership w Fannie Mae, Corp for Supportive Housing hired to develop plan. Report under review.
Develop 30 new units of transitional housing yearly	MDHA	Goal exceeded in 2005, 2006 , and 2007 by 180%. Three year goal = 90 beds, actual = 252 beds (all active). Exceeded goal by 162
Complete a Safe Haven development plan	City of Dallas	Discussion meeting on 6/7/06 - preliminary recommendations made. Plan to be completed by February 2008. . Dallas' first Safe Haven was funded through the Continuum of Care to Dallas Metrocare Services (25 beds).

Update of Ten Year Plan (cont'd)

Action	Responsible	Status
Expand property foreclosure process	City of Dallas	Accomplished and ongoing through the Housing Department.
Continue the Cost Participation Program	City of Dallas	Accomplished and ongoing through the Housing Department.
Distribute affordable housing availability information	City of Dallas	Ongoing by Housing Department.
Continue the work of the Dallas Housing Finance Corporation	City of Dallas	Accomplished and ongoing through the Housing Department.

History

- On June 23, 2004, the City Council approved the Dallas Ten-Year Plan to End Chronic Homelessness (Ten-Year Plan). The Ten-Year Plan was developed through a collaborative effort between the City of Dallas, the United Way, and MDHA and community stakeholders. The Ten-Year Plan provides a comprehensive plan to address the root causes of chronic homelessness, such as disability, addiction, and mental illness.

History (Cont'd)

- In September 2004, the Mayor appointed the first homeless czar, Tom Dunning, and a task force to oversee the implementation of the Ten-Year Plan. In September 2005, the Mayor appointed Mike Rawlings as the new homeless czar.
- On September 20, 2006, the Homeless Task Force briefed City Council and recommended, upon consultation with other cities, that a single "authority on homelessness" be established to better coordinate matters affecting homelessness. It was recommended that MDHA be the lead "authority on homelessness" by merging MDHA with the Mayor's Homeless Task Force and appointing Mike Rawlings as the new chairperson.

Grant Funding Amounts

Type of grant	Funding amount
Transitional Housing	\$ 4,275,325
Permanent Supportive Housing	\$ 6,525,561
Safe Haven	\$ 406,062
Shelter Plus Care	\$ 2,045,472
Supportive Services	\$ 713,243
HMIS	\$ 183,648
TOTAL	\$ 14,149,311

Term Sheet

Term Sheet

DEVELOPMENT OF FACILITY

It shall be the responsibility of the CITY OF DALLAS ("City") to obtain the funds necessary to complete the construction; hire the architects, builders, engineers, and other professionals necessary to complete the Homeless Assistance Center (the "HAC" or the "Facility") and to deliver to METRO DALLAS HOMELESS ALLIANCE ("MDHA") the Facility in a condition conducive to the proposed operations of the Project.

CITY will obtain all permits required for construction of the Facility. MDHA is not obligated to commence operations until a certificate of occupancy has been obtained from the City. When operations commence, the Facility will be deemed accepted "as is" by MDHA. MDHA must obtain or ensure all required licenses and permits for operation of the HAC are obtained and kept current for themselves, subcontractors, vendors and co-located agencies.

MDHA will provide the deliverables as contracted for in the Phase I contract, subject to the approval of the EHS Director.

TIMELINE

Term sheet and City Council Resolution on August 8, 2007.

Contract term will be October 1, 2007 to September 30, 2015 with two additional 5-year renewal options at City's discretion.

The Contract for Phase II operations will go to City Council for consideration prior to October 1, 2007.

OPERATING FUNDS

1. City and MDHA shall cooperate in the acquisition of operating funds for the HAC. If the contract is terminated for any reason, all monies raised for the HAC shall revert to City.

2. City's contribution to HAC operational costs from October 1, 2007 to September 30, 2008 shall not exceed \$2,673,214, which amount shall not exceed 70% of the total approved budget for HAC operations for that year. Thereafter, City's contribution shall not exceed the lesser of \$3,500,000 or 70% of the total approved budget for HAC operations per year, depending on cost of living adjustments, future budget allocations, and City Council approval and appropriation of funding.

3. Start up transitional funding of \$440,000 shall be part of the \$2,673,214 and will include training for new employees and transition from the Day Resource Center to the HAC. These funds will be disbursed in accordance with the following schedule:

- a. Transitional activities in accordance with the deliverables schedule and the deliverables as are approved by the City of Dallas pursuant to the Phase I Contract.
- b. Training 60 - 90 days before the opening of the HAC.

4. MDHA shall raise and spend \$957,092 i.e. the remainder of the operational budget from October 1, 2007 to September 30, 2008.
5. MDHA will submit a comprehensive plan for operations and an annual operating budget for the ensuing fiscal year to the City that identifies both the funding sources and expenditures for HAC operations to City in February of each year for the City's approval process, comment period, and consideration by City Council committees.
6. MDHA will submit financial commitments to the City of no less than 30% of the approved operational budget by October 1 of each contract year beginning 2008. MDHA will give at least 30 days advance written notice to the City if MDHA will not or does not expect to have its pro rata share of the annual budget for the succeeding quarter available to it and on hand at the beginning of the quarter in which the City makes its quarterly advance to MDHA.
7. MDHA will maintain a 3 month cash operating reserve. The cash operating reserve must be fully funded and maintained throughout the term of the contract.
8. On October 1 of each year (beginning October 1, 2008) MDHA shall have 12 months of funding for its 30% share of that fiscal year's HAC operational budget and may show the following proofs of funding availability: Letters of Commitment, Bank Statements, and other acceptable proof. MDHA will provide proof of first year funding by December 31, 2007.
9. In-kind services from third parties will not count toward operational costs unless indicated as a line item in the budget.
10. The ratio of joint funding for the operational contract will be: City maximum contribution of 70% of the total operational budget and MDHA minimum contribution of 30% of the total operational budget, to be spent concurrently each month.
11. Once HAC operations commence, MDHA will be paid quarterly based on the projected monthly expenses from the annual budget with payment by the City on or about the first day of each quarter. MDHA must submit invoices supporting payment by the 15th day of each month with adjustments possible based on the invoices that are submitted. MDHA must secure payment and performance bonds for the first 18 months of operation and the payment bond is to ensure payment to MDHA's vendors and subcontractors.
12. Prior to the City funding any quarterly payment to MDHA beginning October 1, 2008, MDHA must show the City it has cash on hand for that quarter and its cash operating reserve.
13. In the event MDHA is unable to meet its monthly financial obligation of the pro rata amount under the Contract, City may, but shall not be required to, make up the shortfall by advancing Contract funds from the City's pro rata amount under the Contract. If City elects to do so, on the following month's invoices submitted to City by MDHA, City shall subtract the amount advanced by City from the invoices as an adjustment. Three such shortfalls in any Contract year could result in departmental review with recommendations to reduce expenditures, lower City's contribution, or terminate the Contract
14. MDHA will maintain HAC operational and reserve funds in separate bank accounts and not co-mingle accounts with MDHA's own accounts.

15. MDHA will secure an annual outside audit at its own expense and is subject to City audits.

16. MDHA shall have flexibility to make a maximum adjustment of 10% to the operational budget within budgeted categories. However, no decreases shall be allowed for items in the budget related to maintenance of the Facility. To make adjustments to the budget greater than 10% of the budgeted amounts, or to make adjustments to the budget to include items outside of budgeted categories, MDHA must seek and receive approval of City's Director of Environmental Health Services.

SERVICES OF MDHA

MDHA agrees to provide the following deliverables and the deliverables agreed to in Phase I of the Management Services Contract, as approved by the Dallas City Council on May 23, 2007 in Resolution No. 07-1556 and attached here as Exhibit A, Scope of Services and Schedule of Deliverables and Values:

1. A detailed food service plan for at least 1,200 meals per day including breakfast, lunch, and dinner.
2. Social services for at least 600 people per day including intake and assessment.
3. Overnight sleeping arrangements at the Pavilion.
4. Develop engagement activities for 300 people.
5. Social services for 100 residential clients including ongoing case management. Up to 16 residential units can be used as respite care.
6. All policies and procedures relating to the operations of the HAC.
7. Job descriptions for all non-City employees located at the HAC.
8. Bookkeeping and accounting systems sufficient to document operational income and expenses of the HAC.
9. Priors to city funding for any quarterly period MDHA must show its pro rata cash on hand for that quarter and its operating cash reserve and a detailed program activities report.
10. Plans for recruiting and training volunteers. MDHA shall indicate how volunteers will be recruited and what their duties shall be.
11. A 24 hour-a-day security plan that encompasses the search of persons/possessions for weapons and/or contraband and any electronic devices that will be used.
12. Adhere to a preventive maintenance schedule.
13. Adhere to a daily maintenance schedule for the general facilities and providers in the facility.
14. Plan to provide for maintenance responses within 8 hours of major malfunctions, such as plumbing and air conditioning and heating repairs.

15. General repair of the building and exterior upkeep.
16. Responsibility for all mechanical and electrical systems.
17. Complete operating responsibility for the drop-in center, the Pavilion, the Food Service Section, the Residential Section, and the exterior sections of the campus.
18. Make special provisions for women and children to provide safety from the general population.
19. Identify the expected number of staff expected to be employed and on site at the HAC, the number of vendors and volunteers and services each will provide.
20. Provide towels and other linen needs for the drop-in center, kitchen, and living areas.
21. Work-Live Program to provide training and employment placement assistance.
22. Mental/behavioral health services to be provided by Dallas Metro Care and other agencies such as ABC Behavioral Health.
23. Outreach to shelters and places where homeless people are known to congregate.
24. Case management by agencies on site, through a centralized system.
25. Physical health services that provide for emergencies when the Parkland clinics are closed.
26. Education and employment training programs to assist homeless with jobs.
27. Barber/beauty shop services, licensed, if necessary, and all other licenses and permits required.
28. Laundry services for the general population completed by paid or volunteer staff.
29. Residential housing to include case management and other essential services
30. Client storage rules and regulations to prevent thefts or infestation by insects/vermin.
31. Plans to maximize client involvement.
32. MDHA shall be responsible for "Preventive Maintenance." Preventive maintenance is the systematic, day-to-day maintenance or upkeep of the HAC to control deterioration of the facility and to keep it clean, sanitary and healthy (site maintenance, housekeeping, grounds maintenance.) It also includes activities such as changing filters and belts and checking fluid levels on equipment etc. (in compliance with manufacturers' suggested or required programs).
33. MDHA shall be responsible for "Routine Maintenance." Routine maintenance involves the day-to-day maintenance of all building systems including operating HVAC Equipment and repairing anything that breaks or stops functioning. Routine maintenance also includes handling hot and cold calls, plumbing problems etc.

34. City shall be responsible for "Major Maintenance." Major maintenance involves the repair or replacement of Major Building Systems including the Roof, HVAC Equipment, Electrical, Plumbing, and the repair of structural problems. All repairs/replacement shall be performed by certified or qualified technicians.

35. All utilities will be in the name of the City of Dallas and paid by the City of Dallas. The City will deduct the amount of the projected and/or actual utility expenses from the quarterly payments to MDHA. MDHA will operate the facility in accordance with the City of Dallas Energy Savings Policy.

OUTCOME MEASURES

MDHA shall develop, in coordination with provider agencies and City, outcome measures. MDHA shall monitor the programs of the provider agencies and MDHA against such outcome measures annually beginning after the first 6 months of operation.

INSURANCE

The City is not required to purchase any insurance for the building or operations, but MDHA will be responsible to secure the insurance shown in Exhibit "B" for general liability, professional liability, worker's compensation, and security. MDHA must ensure that its contractors, subcontractors and vendors have appropriate insurance that complies with the requirements in Exhibit "B".

MDHA PERSONNEL

MDHA shall hire, in its own name, the on-site Project Director who will be responsible and report directly to MDHA.

A. MDHA will hire, in MDHA's name or subcontract with agencies to provide, all on-site personnel necessary for the full and efficient performance of MDHA's responsibilities under this Contract. Such employees shall be physically present at the HAC.

B. MDHA shall develop a staffing plan that is based on resident occupancy and the level of services to be provided. The staffing plan shall be approved by City's Director of Environmental and Health Services.

C. MDHA will be responsible for developing and implementing orientation and training for all on-site employees including non-MDHA, tenant staff.

CITY PERSONNEL

City shall retain 19 offices at the HAC for City employees.

City programs to be housed at the HAC are: HUD Funded Housing, Homeless Outreach, and Library Services.

City employees shall report to City's Manager of Homeless Services and are not considered MDHA employees. City employees will follow the operational policies of the HAC.

NAMING RIGHTS

Any request by MDHA to sell naming rights to the HAC must be approved by the Dallas City Council, which approval is within the sole discretion of the Dallas City Council to grant or withhold, with the City Manager to have discretion to approve the name (with liquor and tobacco names among those prohibited), and any naming rights revenue to be used solely for those homeless assistance purposes as may be allowable under federal, state or local laws pertaining to the issuance and sale of the bonds.

STANDARD PROVISIONS

City's standard contract provisions regarding religious and political activities and indemnification will be included in the Phase II contract.

TERMINATION FOR DEFAULT BY MDHA

If MDHA shall fail or refuse to perform any term, covenant, or condition of this Contract and shall fail to cure such default within sixty (60) days after written notice from the CITY (or in the event such default cannot be cured within such sixty (60) day period, the failure of the MDHA to commence curative action within such sixty (60) day period and diligently pursue same to conclusion), then the CITY may terminate this Contract, for cause, by giving MDHA written notice of its election to terminate, which notice shall specify the date that all services being performed by MDHA hereunder shall cease.

TERMINATION FOR CONVENIENCE

Either party hereto may terminate this Contract, in whole or in part, for any reason upon three (3) months written notice to the other party. The written notice of termination shall specify the date that all services being performed by MDHA shall cease. The CITY shall compensate MDHA in accordance with the terms of this Contract for all services performed by MDHA and accepted by CITY prior to the termination date specified in the written notice of termination. All reports and other documents or data relating to MDHA's services hereunder shall become the property of the CITY upon termination. In no event shall MDHA be entitled to any lost or anticipated profits should the CITY exercise its option to terminate this Contract.

REPORTS AND AUDITS

MDHA shall maintain records sufficient to demonstrate proper expenditure of the amounts paid to it by the CITY in such form and containing such information as the CITY may approve or reasonably request for a minimum of three (3) years following completion of this Contract. Such records shall be subject to review, inspection and audit by the CITY or its authorized representatives. MDHA shall provide the City monthly reports of operational activities, invoices, and expenses. MDHA shall provide the City a copy monthly of the most current banking institution statements for all separate accounts related to the HAC.

As stated heretofore, MDHA shall promptly submit to the CITY unaudited quarterly statements (and upon request, monthly statements) of operations under this contract and audited annual statements of operations under this contract reflecting in each case receipts, disbursements, and such other information as may be required to accurately

disclose its operations during the preceding quarter, month or year, as the case may be, or as may be requested by the CITY, in such form and containing such information as the CITY may approve or reasonably request. MDHA shall annually submit to the CITY for its approval (in advance of its employment) the firm of certified public accountants proposed by MDHA to be employed to prepare audited financial statements from the previous year's activities with specific details relating to use of the Hotel Occupancy Tax. Such accountants, once approved by the CITY shall not require further approval unless the CITY shall thereafter object in writing not later than ninety (90) days prior to MDHA's fiscal year. MDHA's fiscal year shall coincide with the CITY's fiscal year and begin on the first day of October of each year and shall end on the 30th day of the following September.

Exhibit B Insurance Requirements

SECTION A. Prior to the approval of this contract by the CITY, FACILITY MANAGER shall procure, pay for and maintain the following insurance written by companies approved by the State of Texas and acceptable to CITY. The insurance shall be evidenced by delivery to the CITY, at the address shown in **REQUIRED PROVISIONS** b.(i), certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Upon request, the CITY shall be entitled to receive without expense, copies of the policies and all endorsements. CITY HAS NO DUTY TO PAY OR PERFORM UNDER THIS CONTRACT OR AGREEMENT UNTIL SUCH CERTIFICATE HAS BEEN DELIVERED TO THE CITY and no officer or employee shall have authority to waive this requirement.

SECTION B. The CITY reserves the right to review the insurance requirements of this section during the effective period of the contract and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Management Division of the Human Resources Department based upon economic conditions, recommendation of professional insurance advisors, changes in statutory law, court decisions or other relevant factors. The FACILITY MANAGER agrees to make any reasonable request for deletion, revision or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either party to the contract or upon the underwriter of any such policy provisions). Upon request by CITY, FACILITY MANAGER shall exercise reasonable efforts to accomplish such changes in policy coverages and shall pay the cost thereof.

INSURANCE COVERAGE REQUIRED

SECTION C. Subject to FACILITY MANAGER'S right to maintain reasonable deductibles, FACILITY MANAGER shall obtain and maintain in full force and effect at FACILITY MANAGER'S sole expense, insurance coverage in the following type(s) and amounts:

1. **Workers' Compensation** with statutory limits; **Employers Liability** with minimum limits for bodily injury: a) by accident, \$100,000 per each accident b) by disease, \$100,000 per employee with a per policy aggregate of \$500,000.
2. If vehicles will be used for the transportation of program participants for the services under the contract, then, **Business Automobile Liability Insurance** covering owned, hired, and non-owned vehicles, with a minimum combined bodily injury (including death) and property damage limit of \$500,000 per occurrence.

3. **Commercial General Liability Insurance** including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability with minimum combined bodily injury (including death) and property damage limits of \$5,000,000 per occurrence, \$5,000,000 general aggregate, \$250,000 Fire Legal Liability.
4. **Professional Liability Insurance** to provide coverage against any claim which the FACILITY MANAGER becomes legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$1,000,000 per claim, \$1,000,000 annual aggregate. If the FACILITY MANAGER has higher limits available to them, then the City shall inure to the higher limit.
5. **Security Guard Services Liability Insurance** for liability arising from providing or failure to provide security services with limit of \$1,000,000 each cause limit. The policy shall include coverage for the expected or intended bodily injury or property damage resulting from the use of force to protect persons or property; armed security guards not excluded (if guards are armed).

INSURANCE REQUIRED FROM CONTRACTORS PERFORMING REPAIR OF HEATING, AIR, PLUMBING, MECHANICAL, ELECTRICAL SYSTEMS, and/or PREVENTIVE MAINTENANCE, ETC.

Prior to the commencement of repair or preventive maintenance, etc. of existing buildings, FACILITY MANAGER shall require contractor performing such service to purchase and maintain, until final completion and acceptance of all work, insurance coverage written by companies approved by the State of Texas and acceptable to CITY in the following types and amounts:

1. **Workers' Compensation** with statutory limits; **Employers Liability** with minimum limits for bodily injury: a) by accident, \$100,000 per each accident b) by disease, \$100,000 per employee with a per policy aggregate of \$500,000.
2. **Business Automobile Liability Insurance** covering owned, hired, and non-owned vehicles, with a minimum combined bodily injury (including death) and property damage limit of \$500,000 per occurrence.
3. **Umbrella Liability Insurance** following form and applies in excess of the primary liability coverage required in #1, #2, and #4 with a minimum limit of \$1,000,000 per occurrence.

4. **Commercial General Liability Insurance** including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability with minimum combined bodily injury (including death) and property damage limits of \$500,000 per occurrence, \$500,000 products/completed operations aggregate, \$1,000,000 general aggregate. Policy shall include: Underground, Explosion & Collapse hazards (i.e., not excluded); Amendment of Aggregate Limit per Project Endorsement (i.e., CG2503). Completed Operations coverage must remain in force for one (1) year after completion of contract.

The City of Dallas shall be named as an additional insured by using endorsement CG2026 or broader.

Note: If the insurance described in #3 or #4 above is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than twenty-four (24) months following completion of the contract and acceptance by the City. Coverage, including any renewals, shall contain the same retroactive date as the original policy applicable to this contract.

INSURANCE REQUIRED FROM JANITORIAL, GROUND MAINTENANCE, FOOD SERVICE PROVIDERS

FACILITY MANAGER shall require contractors performing such service to purchase and maintain, insurance coverage written by companies approved by the State of Texas and acceptable to CITY in the following types and amounts:

1. **Workers' Compensation** with statutory limits; **Employers Liability** with minimum limits for bodily injury: a) by accident, \$100,000 per each accident b) by disease, \$100,000 per employee with a per policy aggregate of \$500,000.

If the CONTRACTOR obtains and uses laborers from a temporary help agency, an alternate employers endorsement, naming the CONTRACTOR as the alternate employer, will be required on the temporary help agency's Workers' Compensation policy. This requirement will be in addition to the CONTRACTOR'S Workers' Compensation policy.

2. **Business Automobile Liability Insurance** covering owned, hired, and non-owned vehicles, with a minimum combined bodily injury (including death) and property damage limit of \$500,000 per occurrence.
3. **Commercial General Liability Insurance** including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed

Operations, Independent Contractors and Contractual Liability with minimum combined bodily injury (including death) and property damage limits of \$1,000,000 per occurrence, \$2,000,000 general aggregate. Additional coverage required from Ground Maintenance contractor shall include: Pesticide or Herbicide Applicator Coverage (i.e., Endorsement CG 2264). If this insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than twelve (12) months following completion of the contract and acceptance by the City. Coverage, including any renewals, shall contain the same retroactive date as the original policy applicable to this contract.

REQUIRED PROVISIONS

FACILITY MANAGER agrees that with respect to the above required insurance, all insurance contracts and certificate(s) of insurance will contain and state, in writing, the following required provisions:

- a. Name the City of Dallas and its officers, employees and elected representatives as additional insureds to all applicable coverages.
- b. State that coverage shall not be canceled, nonrenewed or materially changed except after thirty (30) days written notice by certified mail to:
 - (i) Environmental and Health Services, Attention: Karen Boudreaux, 1500 Marilla, 7A-North, Dallas, Texas 75201 and
 - (ii) Assistant Director, Risk Management Division, Human Resources Department, 1500 Marilla, 6A-South, Dallas, Texas 75201.
- c. Waive subrogation against the City of Dallas, its officers and employees, for bodily injury (including death), property damage or any other loss.
- d. Provide that the FACILITY MANAGER'S insurance is primary insurance as respects the CITY, its officers, employees and elected representatives.
- e. Provide that all provisions of this contract concerning liability, duty and standard of care, together with the indemnification provision, shall be underwritten by contractual liability coverage sufficient to include such obligations within applicable policies.
- f. Ensure that all certificates of insurance identify the service or product being provided and name the City department shown in **REQUIRED PROVISIONS** b.(i) as the Certificate Holder.

SECTION D. (1) Without limiting any of the other obligations or liabilities of the FACILITY MANAGER, the FACILITY MANAGER shall require each Subcontractor performing work under the contract, at the Subcontractor's own expense, to maintain during the term of the contract, levels of insurance that are

necessary and appropriate for the services being performed, comply with all applicable laws and are consistent with industry standards. The Subcontractor's liability insurance shall name the FACILITY MANAGER as an additional insured. (2) The FACILITY MANAGER shall obtain and monitor the certificates of insurance from each Subcontractor. The FACILITY MANAGER must retain the certificates of insurance for the duration of the contract and shall have the responsibility of enforcing insurance requirements among its subcontractors. The CITY shall be entitled, upon request and without expense, to receive copies of these certificates.

SECTION E. Approval, disapproval or failure to act by the CITY regarding any insurance supplied by the FACILITY MANAGER or its subcontractors shall not relieve the FACILITY MANAGER of full responsibility or liability for damages and accidents as set forth in the contract documents. Neither shall the bankruptcy, insolvency nor denial of liability by the insurance company exonerate the FACILITY MANAGER from liability.