

MEMORANDUM OF UNDERSTANDING
between
CITY OF SOUTH SAN FRANCISCO
and
SAN MATEO COUNTY
(SMALL BUSINESS AND ENTREPRENEURSHIP RESOURCE
CENTER)

This Memorandum of Understanding (“MOU”), is entered into this ____ day of _____, 2021 (the “Effective Date”) by and between the City of South San Francisco (the “City”), a municipal corporation of the State of California, and the County of San Mateo (the “County”), a political subdivision of the State of California (collectively, the “Parties”), and it sets forth the Parties’ understanding and expectations related to the pilot program that includes the establishment and operation of a North County Small Business and Entrepreneurship (“SBE”) Resource Center, to assist small business owners and entrepreneurs with support in the areas of legal matters, human resources-related matters, business planning, financial matters, technology, group purchasing and other needs.

RECITALS

- A. WHEREAS**, prior to the COVID-19 pandemic, the City and cities in northern San Mateo County, including the Cities of Colma, Daly City, Millbrae, Pacifica, San Bruno and Brisbane (collectively with the City and unincorporated areas in the vicinity of these cities, “North County”) were facing challenges along multiple fronts, including housing cost and supply, income inequality, transportation and environmental sustainability; and
- B. WHEREAS**, the effects of the COVID-19 pandemic have exacerbated these challenges, with many small businesses, including restaurants, hotels and motels, personal services operations, and “mom and pop” stores in the North County struggling to remain open or shutting down altogether; and
- C. WHEREAS**, the Renaissance Entrepreneurship Center in East Palo Alto has demonstrated the benefits of having a small business incubator and business training and support program embedded in the community during the COVID-19 pandemic; and
- D. WHEREAS**, to make small business training and support readily available to small business owners and budding entrepreneurs in North County, the City issued a Request for Qualifications for an SBE Resource Center (“RFQ”) on February 3, 2021 seeking to identify service providers with proven experience assisting small businesses and entrepreneurs with targeted technical assistance, accessing capital and overall support with post-COVID-19 business recovery and long-term sustainability; and
- E. WHEREAS**, the City received full submittals in response to its RFQ on or before March 3, 2021 and has since selected the Renaissance Center as the service provider to be awarded the

contract for the establishment and operation of the SBE Resource Center (“Service Provider”), subject to approval from City Council; and

- F. WHEREAS**, the Parties agree that, working together, they can deliver more readily available, effective and robust training and support to small business owners and budding entrepreneurs in North County and, therefore, the County has agreed to contribute funds in a total amount not to exceed TWO HUNDRED THOUSAND DOLLARS (\$200,000) for use towards the establishment and operation of a SBE Resource Center, including real property rental expenses, on a pilot basis for one year (“Pilot Period”), as set forth in Section 2 below; and
- G. WHEREAS**, while the SBE Resource Center is envisioned to serve all of North County, the SBE Resource Center will endeavor to serve all South San Francisco-based small businesses that come forward for assistance, as quickly and to the fullest extent that the Center’s staffing and resources can allow; and
- H. WHEREAS**, the Parties acknowledge the truth of the Recitals set forth above which are hereby incorporated into this MOU.

NOW THEREFORE, the Parties agree to be bound by the following terms in the MOU:

TERMS AND CONDITIONS

1. Term; Termination; Dispute Resolution.

- A.** This MOU will expire one (1) year from the Effective Date, unless earlier terminated by either Party as set forth herein, or extended by the Parties in accordance with Section 9.A., “Authorizations.”
- B.** This MOU may be terminated, without cause, by either Party upon 30 days written notice to the other Party. Notwithstanding the immediately preceding sentence, the Parties acknowledge and agree that this MOU anticipates that the City will enter into an agreement with the Service Provider and a lease for space for the SBE Resource Center in reliance upon the County contribution of funds described in Section 2 of this MOU. The Service Provider has stated that it must hire additional staff to perform the desired services and will do so only with at least a one-year commitment of funding. Additionally, the City anticipates that the lease for the SBE Resource Center space will be for a term of at least one year. In light of those facts, the County agrees that if it terminates this MOU prior to the end of the initial term, it will maintain its contribution of funds described in Section 2 of this MOU.
- C.** In the event that either Party has a concern about the performance of the

other Party or the Service Provider, or the Parties have a disagreement regarding the interpretation or implementation of this MOU, the Parties agree that a representative of each shall meet and confer informally to resolve the matter. If the Parties agree that an amendment of the MOU is necessary or desirable to address the issue, they shall do so pursuant to Section 9.A. If the issue cannot be resolved through the informal meet and confer process, the Parties may terminate this MOU after reaching agreement about their respective funding obligations relative to the contractual obligations of the City with respect to the Service Provider and the SBE Resource Center lease.

2. Contribution of Funds. The County will contribute a total of TWO HUNDRED THOUSAND DOLLARS (\$200,000) toward the operation and establishment of the SBE Resource Center, including real property rental expenses, during the Pilot Period. The City will contribute a total amount at least equal to the County's contribution toward the operation and establishment of the SBE Resource Center, including real property rental expenses, during the Pilot Period.

3. Contracting Agency. The City will serve as the contracting agency for the Service Provider selected through the RFQ process. The City will manage the contract with the Service Provider, handling official communications regarding the establishment and operation of the SBE Resource Center and will pay the Service Provider for work performed. The City will confer with the County regarding any material issues related to contract administration or with respect to any material concerns related to Service Provider performance. The City will also serve as the contracting agency for the lease of commercial property related to operation and establishment of the SBE Resource Center.

4. Target Businesses. The Parties agree that the SBE Resource Center will be established and operate for the benefit of community-based small businesses (collectively, "Target Businesses"), which are defined as businesses:

- With the equivalent of 50 or fewer full time employees or less than \$5 million in annual revenues, with the amount of County funding reserved to serve small businesses with the equivalent of 10 or fewer full time employees or less than \$2.5 million in annual revenues; and
- That have a primary office, storefront, or business space located in North County or are owned by a resident of North County.

The Parties will meet and confer regarding how to establish that a business qualifies as a Target Business. The Parties further agree that to the extent that businesses that have a current business license from a local jurisdiction within San Mateo County, or that are owned by a resident of San Mateo County seek to participate in SBE Resource Center programs, but they do not fall within the definition of Target Business, they will be referred to other programs in the County that may be able to provide similar assistance and support.

The Parties agree that the Service Provider will be required to track, and provide written reports regarding, all Target Businesses served to ensure that the County's contribution is properly applied as set forth above and the Parties further agree to meet and confer to accomplish that purpose. Nothing in this MOU prevents that the Parties from potentially expanding the definition of Target Businesses if SBE Resource Center programs are undersubscribed. The Parties may also agree to expand this definition to include all businesses that have a current business license from a local jurisdiction within San Mateo County, or that are owned by a resident of San Mateo County if SBE Resource Center programs are undersubscribed.

The Parties further agree that in addition to operating the SBE Resource Center for the benefit of Target Businesses, the Service Provider will design, offer, and promote programs attractive to “hard to reach” businesses, which include without limitation:

- Target Businesses owned by or offering products or services to people whose primary language is not English; and
- Target Businesses owned by people with limited access to technology and who are unlikely to be reached through standard online marketing.

Target Businesses located in or owned by a resident of the City shall be given an opportunity to pre-enroll for events, trainings, and/or resources provided at the SBE Resource Center. In the event that SBE Resource Center programs are oversubscribed, the Parties will meet and confer to determine how to ensure that Target Businesses located in or owned by a resident of the City are able to access those programs.

5. Multi-Phased Development of SBE Resource Center. The Parties acknowledge that the intent is that the SBE Resource Center be developed in the following three phases:

Phase 1: In Phase 1, the Service Provider, in addition to assisting with marketing and outreach to Target Businesses, will provide “rapid response” relief efforts to existing Target Businesses. This will include, at a minimum, assistance with identifying and applying for economic relief and recovery financing programs at the federal, state, regional and local levels; understanding, fluctuating real estate costs, and taking advantage of real estate opportunities; receiving targeted technical assistance to updates to business plans; and maintaining or expanding an online presence, and expanding to ecommerce. These Phase I services may be provided virtually or offsite, although when possible, the Service Provider shall utilize community spaces in the City for in-person support.

Phase 2: Concurrent with delivery of services in Phase 1, the Service Provider will work with City and County staff, over a period of three to nine months, to design a long-term program to facilitate economic sustainability for Target Businesses and which will include the maintenance of a central flex space to be used for offices, classes, walk-ins, and one-on-one counseling.

Phase 3: Phase 3 consists of the implementation of the long-term program designed in Phase 2 and will include pursuing financing identified in Phase 2. The initial implementation period may utilize the Service Provider from Phases 1 and 2, or a different Service Provider, depending on program needs.

6. Monthly Reports. The City will include in its agreement with the Service Provider appropriate provisions requiring the Service Provider to provide the City and the County with monthly reports in a format reasonably designated by the City and the County, setting forth information regarding clients served, the jurisdictions where clients reside and/or where clients' businesses are located and other information reasonably requested by the City or County.

7. Monthly Meetings. The City shall include in its agreement with the Service Provider provisions requiring the Service Provider to meet at least monthly with the City and the County to discuss the status of the Program and results achieved. The City or, at the City's direction, the Service Provider, will be responsible for calendaring, hosting and facilitating monthly meetings among the Service Provider, the City and the County to review the status of the establishment and operation of the SBE Center during the Pilot Period and to discuss matters of concern to any party.

8. Recordkeeping & Audit. As the monetary contributions to the SBE Resource Center under this MOU may consist of federal funds, the City agrees to include in any contract(s) between the City and Service Provider(s) the provisions of the County's Emergency Agreement Requirements (Attachment E), a copy of which is attached to this MOU.

9. General Provisions

A. Authorizations. The County Manager and the City Manager, or their respective designees, are authorized to amend the MOU and its terms, resolve conflicts, and/or otherwise grant approvals on behalf of their respective agencies, provided such approvals are not otherwise vested in the authority of the agency's governing board. All such requests and approvals shall be in writing and signed by both Parties.

B. Mutual Indemnification; Insurance. Pursuant to Government Code Section 895.4, each Party shall fully indemnify, defend, and hold the other Party (including its appointed and elected officials, officers, employees, and agents) harmless and free from any damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying Party, its appointed or elected officials, officers, employees, or agents, under or in connection with any responsibility, authority, or jurisdiction delegated to such Party under this MOU. Neither Party, nor any appointed or elected official, officer, employee, or agent thereof, shall be responsible for any damage or liability

occurring by reason of the negligent acts or omissions or willful misconduct of the other Party, its appointed or elected officials, officers, employees, or agents, under or in connection, with any authority, responsibility, or jurisdiction delegated to such other Party under this MOU. The City shall ensure that where the Service Provider is contractually required to maintain insurance and to name the City as an additional insured, the County is also named as an additional insured on all such insurance policies.

- C. Choice of Law; Venue.** The formation, interpretation and performance of this MOU shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this MOU shall be in San Mateo County Superior Court.
- D. Notices.** Any notice to be given to the Parties shall be in writing and shall be served, either personally or by mail, to the following:

In case of the County, to:

Name/Title: Michael Callagy, County Manager

Address: 400 County Center, 1st Floor, Redwood City, CA 94063

In the case of the City, to:

Name/Title: Mike Futrell, City Manager

Address: 400 Grand Avenue, South San Francisco, CA 94080

Such notices shall be served by depositing them addressed as set out above, postage prepaid, in the U.S. mail, reliable overnight courier, or by personal delivery. The date of mailing, or in the event of personal delivery, the date of delivery shall constitute the date of service.

- E. Construction.** All section headings are for reference only and shall not be considered in construing this MOU.
- F. Severability.** If any provision of this MOU shall be held to be invalid, void, or unenforceable, the validity, legality, or enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.
- G. Entirety of Agreement.** This MOU represents the entire and complete MOU between the Parties and supersedes any prior negotiations, representations and agreements, whether written or oral. This MOU may be modified only as provided in Section 9.A. "Authorizations."
- H. Cooperative Drafting.** This MOU has been drafted through a

cooperative effort of all the Parties, and all the Parties have had an opportunity to have the MOU reviewed and revised by legal counsel. No Party shall be considered the drafter of this MOU, and no presumption or rule that an ambiguity shall be construed against the Party drafting the clause shall apply to the interpretation or enforcement of this MOU.

- I. Representation re Authority of Parties/Signatories.** Each person signing this MOU represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this MOU. Each Party represents and warrants to the other that the execution and delivery of the MOU and the performance of such Party's obligations hereunder have been duly authorized and that the MOU is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.
- J. No Third Party Beneficiaries.** Except as expressly set forth herein, nothing contained in this MOU is intended to or shall be deemed to confer upon any person, other than the Parties, any rights or remedies hereunder.
- K. Debt Limitation.** The Parties are subject to laws or policies which limit their ability to incur debt in future years. Nothing in this MOU shall constitute an obligation of future legislative bodies of the County or City to appropriate funds for the purpose of this MOU.
- L. Conflict of Interest.** Each of the Parties shall avoid all conflicts of interest in the performance of this MOU and shall immediately notify the other Parties should a conflict of interest arise that would prohibit or impair its ability to perform under this MOU.
- M. Disputes.** The City and County agree that, regarding all disputes or disagreements arising under this MOU that are not resolved informally at the staff level after a good faith attempt by the Parties, the Parties may, at their sole and mutual discretion, agree to engage in mediation. The costs of the mediation shall be divided equally between the Parties, unless otherwise agreed.
- N. Non-Discrimination.** Neither the City nor County will discriminate, in any way, against any person on the basis of sex, pregnancy, childbirth or related medical conditions, race, veteran status, religion, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, gender (including gender identity and gender perception), sexual orientation, use of family medical leave, genetic testing, or any other basis protected by federal or state law in connection with or related to the

performance of the MOU.

- O. Counterparts.** This MOU may be executed in counterparts, each of which will be deemed an original and all of which together will constitute a complete agreement. Moreover, this MOU may be signed by electronic signature and copies of original signatures shall be treated the same as the originals.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the PARTIES hereto, by their duly authorized representatives, have executed this Memorandum of Understanding.

“City”

City of South San Francisco, a municipal corporation of the State of California

By: _____

Name: Mike Futrell

Title: City Manager

Date

“County”

County of San Mateo, a political subdivision of the State of California

By: _____

Name: Michael Callagy

Title: County Manager

Date