

ERIC GARCETTI
MAYOR

May 17, 2016

Honorable Members of the City Council
C/o City Clerk
Room 395, City Hall

Re: Notification of Submission of a Grant Application and Subsequent Notice of Award from Bloomberg Philanthropies to Support Inclusive Neighborhood Revitalization and the Implementation of Multi-Disciplinary, Community Activities and Notification of Mayor's Fund reimbursement to the City of Los Angeles for 2015 expenses related to grant.

Honorable Members:

In accordance with Section 14.6(c) of the Los Angeles Administrative Code, the Mayor's Office of Budget and Innovation (MOBI) hereby informs the City Council about the notice of a grant award in the amount of \$2,550,000 from Bloomberg Philanthropies. The period of the grant is January 1, 2015 – December 31, 2017. Annual disbursements are anticipated to be approximately \$850,000 each calendar year for each of the three program performance years, subject to approval by Bloomberg Philanthropies.

MOBI requests authority to accept grant funds from the Mayor's Fund for Los Angeles (Mayor's Fund) for the grant performance period of January 1, 2015 to December 31, 2017. The grant funds will be used to fund City staff required to operate the Mayor's Innovation Team in the Mayor's Office from May 2015 – December 2017.

A detailed overview of the grant, as well as progress to date, recommendations and next steps, are provided below.

OVERVIEW OF INNOVATION TEAM GRANT

Overview of Innovation Delivery Team Program

On October 6, 2014, the Mayor's Office of Budget and Innovation applied for a grant with Bloomberg Philanthropies for the Innovation Team Grant. Los Angeles was one of fourteen cities selected in December 2014 to participate in Bloomberg Philanthropies' Innovation Delivery Teams program. The program aims to improve the capacity of City Halls to effectively design new approaches that improve citizens' lives. The Bloomberg grant funds allow mayors to hire and fund Innovation Delivery Teams for up to three years. These teams function as in-house innovation consultants, moving from one mayoral priority issue to the next, using Bloomberg Philanthropies' Innovation Delivery approach which is rooted in data and will use data to understand problems and drive project delivery.

The Los Angeles Innovation Delivery Team's first issue area, as selected by Mayor Garcetti, was initiated in May of 2015 and has explored ways to incorporate inclusivity in city process and improve the lives of existing residents while minimizing displacement of long-time residents and local businesses. Once the first project concludes, the team will accept a new priority, as defined by Mayor Garcetti. The team will be based in City Hall and will collaborate with stakeholders within the City and engage key organizations within the City to inform the solutions they propose.

The team will work with Mayoral liaisons, Department leadership, City Council, community organizations and residents to define innovative, sustainable approaches and drive implementation. It is important to note that as the work progresses, multiple initiatives will be underway. These are anticipated to be complex and require the development, execution and management of many stakeholders Citywide. Each member of the team will have responsibility for projects. The team will build a system for regular communication and collaboration with all stakeholders, including City departments. The team is also focused on delivering to the robust timelines provided by Bloomberg Philanthropies and strengthening the relationship between the City and Bloomberg Philanthropies, through strong delivery and communication.

GRANT ADMINISTRATION

Fiscal Agent

The grant period is from January 1, 2015 to December 31, 2017. The total amount awarded is up to \$2,550,000 for the three year period. In program year one, the Mayor's Fund received a disbursement of \$850,000. The Mayor's Fund is anticipated to receive up to \$850,000 for Program Year Two (January 2016 – December 31 2016). The Mayor's Fund is anticipated to receive up to \$850,000 for Program Year Three (January 1, 2017 – December 31, 2017).

The Mayor's Fund has served as the fiscal agent for acceptance and administration of the grant. MOBI will request authorization for personnel and expenses prior to 2016. Moving forward, MOBI will request authorization for personnel only. The Mayor's Fund was selected by MOBI to act as the fiscal agent for the City of Los Angeles because the grant requires extensive and frequent administration and has a fundraising match requirement of \$850,000 which is required to be met during the lifetime of the grant and is detailed further below.

The Mayor's Fund will reimburse MOBI for any City expenditures related to the grant. It is anticipated that in calendar year 2015, the first year of the grant, the Mayor's Fund will reimburse the City for staff salaries as well as some minor expenses incurred by the Innovation Team while awaiting grant disbursement of grant funds from Bloomberg Philanthropies. In calendar year 2016 and 2017, it is anticipated that the Mayor's Fund will reimburse the City for staff salaries only. The Mayor's Fund will partner with the MOBI to provide accurate reimbursement numbers each year at the close of the Fiscal Year.

Fundraising Match

The grant requires that the City match the grant via a 1:3 match for a total of \$850,000 over the course of three years. Half of the required match, \$425,000, was required to be raised by February 1, 2016. The remainder of the match, \$425,000, is required to be raised by February 1, 2017. The Innovation Team Director has already met the match for year one and raised significant funds toward year two's match requirement. Matching funds are achieved through a combination of fundraising and the realignment of City resources as new initiatives are developed and implemented by the Innovation Team. The funds that are raised, and considered match dollars, are used to fund actual projects that are delivered by the Innovation Team.

Staffing

The grant enables the funding of six full time equivalency positions in the Mayor's Office, including an Innovation Delivery Team Director, Deputy Director, Data Scientist, two Project Managers and one Analyst. The Innovation Delivery Team will provide ongoing innovation capacity to the Mayoral Priority selected and support the delivery of innovative projects. The team will deliver projects in partnership with City Departments, City Council and other leaders throughout the Los Angeles community.

- a. The Director will lead the team and drive the work. The Director will also work to create a system of communication that is inclusive of key stakeholders within the City government as well as key stakeholders and community members. The Director will also work to build relationships in the community, with the work in mind and manage, on a day to day basis, the relationship with the funding entity, Bloomberg Philanthropies, and deliver a series of grant required deliverables. The Director will manage the budget and communications for the team and overall

infrastructure and be responsible for fundraising to achieve the match required by the grant.

- b. The Deputy Director will focus on managing the team to deliver the work and support additional relationship building at the neighborhood level. The Deputy Director will support execution and on time delivery of all deliverables and work products and manage vendor contracts as services are procured, as desired by the grant.
- c. The Project Managers will conduct research and drive analysts and their research as well as their management of the initiatives that are generated and rolled out, as the work progresses.
- d. The Data Scientist will support the team's research, and work across the City to collect and interpret data to drive data based decisions in the research and as the initiatives are shaped and rolled out. The Data Scientist will also be focused on developing and tracking metrics for all of the initiatives that are selected and conducting regular analysis to support successful delivery.
- e. The Analyst will be focused on conducting rigorous research as well as managing initiatives as they are rolled out.

INNOVATION TEAM PROGRESS TO DATE

The Los Angeles Innovation Delivery team was established in May of 2015 with the hiring of the Director. The full team was established by the end of July 2015. Since that time, the team has completed a rigorous set of activities, following the Bloomberg Philanthropies methodology. A sample of these activities include:

- Established robust research framework to better understand inclusive neighborhood revitalization in Los Angeles
- Conducted over 150 interviews with stakeholders, City leaders, residents related to inclusive neighborhood revitalization
- Conducted peer City research and data review focused on housing, small business, social cohesion
- Conducted robust idea collection sessions across the City (e.g., IDEO session with residents, interviews, meetings, charrettes etc.)
- Kicked off eight projects to be delivered in 2016 including:
 - Area 1: Small Business Retention*
 - Online Start Up in a Day Tool and Business Portal
 - Legacy Business Corridor Project
 - Area 2: Housing and Residential Displacement*
 - Secondary Units Prototyping Project
 - Rent Stabilization Awareness Campaign
 - Area 3: Neighborhood Cohesion*
 - Welcome to the Neighborhood Toolkit: How to Interact with Your City Government

- Special Events Activation
- Enhancing Youth in Neighborhood Councils
- Development of the Los Angeles Index of Neighborhood Change, a tool that enables the team to better understand change in Los Angeles and measure the outcomes of their initiatives

REIMBURSEMENT REQUIREMENTS

As the Fiscal Agent, the Mayor's Fund has received the funds from Bloomberg Philanthropies and will reimburse MOBI for funds expended. At the time of this transmittal, MOBI informs the City Council about the need for the Mayor's Fund to reimburse MOBI for salary and expenses spent in FY 2015 and FY 2016. Between January 1, 2015 and June 31, 2015, the City spent \$32,559.00 on salaries. MOBI further informs the City Council about the need for the Mayor's Fund to reimburse MOBI for expenses spent in FY 2016 including \$538,893.13 for salaries, \$25,813 on Contractual Services, \$7,228.08 on Travel, and \$4,033.18 on Office and Administration. Moving forward, the City will continue to pay salaries and benefits for the next two program years and will receive reimbursement from the Mayor's Fund for those expenses annually, at the appropriate time. The projected salary expenses for 2017 will be \$589,234.25 and for 2018 will be \$313,597.27.

Direct Costs broken down by Fiscal Year					
	Salaries	Travel	Contractual Services	Office and Admin	Total
FY 2015	32,559.00				32,559.00
FY 2016	538,893.13	7,228.08	25,813.14	4,033.18	575,967.53
FY 2017 (Projected)	589,234.25				589,234.25
FY 2018 (Projected)	313,597.27				313,597.27

RECOMMENDATIONS

It is therefore requested that the Council:

1. AUTHORIZE the Mayor, or designee, to retroactively accept a three-year Innovation Delivery Team Program Grant Award from the Bloomberg Philanthropies in the amount of \$2,164,171 effective January 1, 2015 to December 31, 2017;

2. Retroactively approve the designation of the Mayor's Fund for Los Angeles (Mayor's Fund) as the administrative and fiscal agent for the Innovation Delivery Team Program Grant to facilitate receipt and disbursement of grant funds, track and report matching funds as well as reimburse the City for any expenditures relative to the grant;
3. Retroactively approve the agreement between the Mayor's Fund and the Mayor's Office of Budget and Innovation (MOBI) to implement the Bloomberg Philanthropies Innovation Delivery Team Program Grant in accordance to the terms and conditions set forth in the grant agreement;
4. AUTHORIZE the Mayor, or designee, to accept from the Mayor's Fund \$32,559.00 for the period effective from January 1, 2015 - June 31, 2015.
5. AUTHORIZE the Mayor, or designee, to accept from the Mayor's Fund reimbursement to the City in the amount of \$575,967.53 for the period effective July 1, 2015 – June 31, 2016.
6. Authorize the Controller to establish a new interest bearing fund entitled Mayor's Fund-Bloomberg, Fund No. XXX/ 46; recognize a receivable in the amount of \$861,565; expend funds upon presentation and proper demand from the Mayor, or designee, and establish appropriation accounts as follows:

a.

Account	Title	Amount
46M046	Reimburse-Prior Year Expenditures	46,976
46M146	Mayor	575,967
46M299	Related Costs	238,622
	Total	861,565

b. INSTRUCT the Controller to transfer up to \$575,967 from Fund XXX/46, Account 46M146 to the Mayor's General Fund No. 100 /46, Account 001010 Salaries General, for reimbursement of current year salaries;

c. INSTRUCT the Controller to transfer up to \$238,622 from Fund XXX/46, Account 46M299 to the Mayor's General Fund No. 100, Department 46 Revenue Source Code (RSC) 5346 Related Cost Reimbursement from Grants for reimbursement of current year related costs;

d. INSTRUCT the Controller to reimburse the General Fund for prior year salaries and related costs and transfer \$46,976 from Fund XXX/46, Account 46M046 to the Mayor's Fund No. 100/46 as follows:

RSRC	Title	Amount
005168	Reimbursement of Prior Year Salary	\$32,559
005331	Reimbursement of Related Costs-Prior Year	\$14,417

7. AUTHORIZE the Mayor, or designee, to prepare any Controller instructions and/or make technical adjustments that may be required to implement the actions approved by the Mayor and Council on this matter, subject to the approval of the City Administrative Officer and authorize the Controller to implement these instructions;

FISCAL IMPACT STATEMENT

The Mayor's Office does not anticipate any fiscal impacts for the City.

Sincerely,

A handwritten signature in blue ink, appearing to read 'EG', followed by a horizontal line and a small flourish.

ERIC GARCETTI
Mayor

EG:ad

Attachment



MAYOR'S FUND
FOR
LOS ANGELES

**Program
Grant Agreement**

with

City of Los Angeles Mayor's Budget and Innovation

THIS GRANT AGREEMENT ("Agreement") is entered into and made effective as of the 10 day of December, 2015 ("Effective Date"), by and between THE CITY OF LOS ANGELES, a municipal corporation ("City" or "Grantee"), acting by and through its Mayor's Office of Budget and Innovation (MOBI), and THE MAYOR'S FUND FOR LOS ANGELES, a California nonprofit public benefit corporation (the "Fund").

RECITALS

WHEREAS, the Fund is a charitable organization dedicated to supporting projects and programs of its own or of departments of the City of Los Angeles or other not-for-profit institutions which benefit the City's residents and improve or enhance the quality of life of the City's residents or aid civic or other public improvements; promoting the development of commerce in the City and building a better quality of life for the City and its residents; seeking innovative solutions to the complex issues inhibiting the best quality of life for the City's residents; and, providing a platform to convene the public, private and nonprofit sectors to collaborate together;

WHEREAS, the Fund has provided financial assistance to the City in the amount of up to \$2,550,000 over three years ("Grant Funds" or the "Grant") to fund the Los Angeles i-team staffing and other items as outlined and approved by the grantor, The Bloomberg Family Foundation; such Grant Funds having been awarded by the Grantor to the City.

WHEREAS, the Grantee is a public agency and possesses knowledge and experience in matters that relate and pertain to the project funded under this Agreement;

WHEREAS, the Fund desires to grant funds to the Grantee and the Grantee desires to use such funds for purposes of supporting Los Angeles i-team Program, aims to improve the capacity of City Halls to effectively design new approaches that improve citizen's lives;

WHEREAS, the City has designated the Mayor's Office of Budget and Innovation (MOBI) to provide for the proper monitoring of the funding and administration of the Grant;

NOW, THEREFORE, in consideration of the recitals, covenants, conditions and promises herein contained, the parties hereto do hereby agree as follows:

1. Scope of Project. Grantee, in exchange for receiving the grant award from the Fund, shall perform the project set forth in Exhibit A, attached hereto and incorporated herein by this reference. The grant award is to be used only for the purposes set forth in Exhibit A. Grant funds may not be used to carry out propaganda, or otherwise attempt to influence legislation; to influence the outcome of any specific public election or to carry on directly or indirectly any voter registration drive; to undertake any activities not for a charitable or educational purpose; or for any illegal or other purpose that conflicts with the Fund's charitable mission. Operational implementation of the Grant is the sole responsibility of the Grantee. Other than payment of the grant award, it is expressly understood that the Fund has no obligation to provide other or additional support for this or any other project or purposes.

2. Grant Award Amount. Grantee shall be paid a grant award as set forth in Exhibit B. The payment set forth in Exhibit B is intended to cover a portion of the fees and expenses associated with the project and no payment other than that set forth in Exhibit B shall be made under this Agreement unless agreed to in advance in writing by the parties.

3. Expenditure of Funds and Reconciliation of Actual Expenditures. This grant is to be used in accordance with the Grantee's approved program and budget as set forth in Exhibit C. Permission to make any major changes in program objectives, implementation strategy, key personnel, or timetable must be requested in writing, and the Fund's approval obtained before such changes are implemented.

Grantees are encouraged to deposit grant funds in insured interest bearing accounts. Any interest earned on grant funds must be applied to the project purposes and must be reported to the Fund.

Any funds (including interest accrued) not expended or committed for the purposes of the grant within the grant period (or any authorized extension of the grant period) must be returned to the Fund within sixty (60) days of the close of the grant.

4. Additional Terms and Conditions. All additional terms and conditions of this Agreement are set forth in Exhibit D and incorporated herein by reference.

5. Granting of License: Grantee shall grant to the Fund and the Bloomberg Family Foundation, Inc. a non-exclusive, royalty-free, worldwide, perpetual license, to all of its rights, in all media now known or hereafter developed, to reproduce, distribute, publicly display, perform and create derivative works from all works developed by the grantee as part of the Grant.

6. Subcontractor Management: The grantee is responsible for ensuring that all subcontractors use the Grant Funds for the purposes of the Grant and Program.

7. Representations and Covenants. The Grantee represents, warrants and covenants to the Fund that (a) it has and shall maintain during the Grant Term the proper licenses and rights to perform the activities described herein; (b) it is in compliance with all applicable local, city, state, federal and international laws, rules and regulations including, but not limited to, all

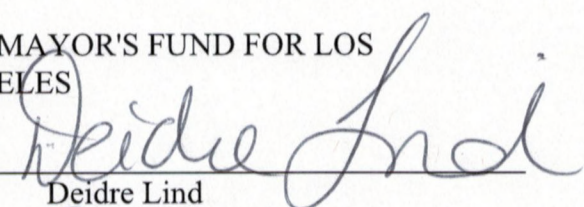
environmental, safety and health and labor and employment (including those addressing discrimination, harassment and retaliation) laws, rules and regulations, and it shall remain in compliance during the Grant Term; (c) it is in compliance with all applicable affirmative actions laws and regulations, including but not limited to Executive Order 11246, the Vietnam Era Veteran's Readjustment Act of 1974, the Jobs for Veterans Act of 2003, and Section 503 of the Rehabilitation Act of 1973; (d) it has established adequate safety standards and protocols and that its personnel shall follow such standards and protocols and be in compliance with the Occupational Safety and Health Administration Act ("OSHA"); (e) it shall instruct its personnel in any safety standards and protocols promulgated by The Bloomberg Family Foundation, or the management of a facility occupied by The Bloomberg Family Foundation, and that its personnel shall follow such standards and protocols; (f) the personnel shall have the necessary experience, qualifications, knowledge, competency and skill set necessary to perform the activities under this Agreement; (g) the personnel are approved and authorized to work in the United States under all rules and regulations of the Immigration and Naturalization Service of the United States, if applicable; and (h) it shall use reasonable efforts to avoid employing any persons or using any labor, or using or having any equipment, or permitting any condition to exist which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies which interfere or are likely to interfere with the activities under this Agreement. At any time, the Fund or The Bloomberg Family Foundation may request the Grantee to present copies of its programs, policies and/or documentation as to any training provided by it to its personnel including, but not limited to, OSHA-related training. In addition, the Grantee agrees that it will be responsible for any breach by it of the same representations, warranties and covenants contained in this Section 7.

IN WITNESS WHEREOF, the Fund and City have caused this Agreement to be executed by their duly authorized representatives.

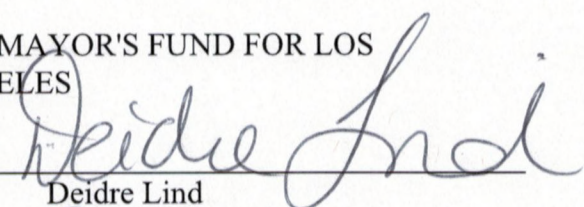
THE FUND:

THE MAYOR'S FUND FOR LOS ANGELES

By: _____


Deidre Lind
President

Date: _____


December 10, 2015

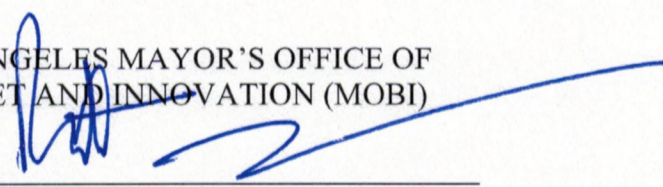
Address for Notices:

200 North Spring Street, Room 305
Los Angeles, CA 90012

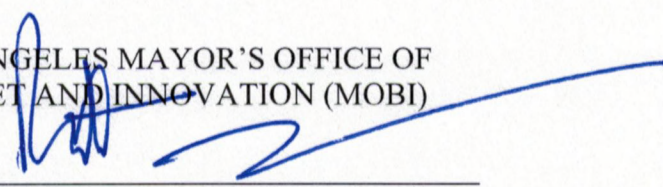
GRANTEE:

LOS ANGELES MAYOR'S OFFICE OF BUDGET AND INNOVATION (MOBI)

By: _____


Matt Szabo
Deputy Mayor

Date: _____


12 / 10 / 2015

Address for Notices:

200 North Spring Street, Room 303
Los Angeles, CA 90012

EXHIBIT A
Scope of Project and Reporting

1. Scope of Project

Los Angeles was one of fourteen cities selected in December 2014 to participate in Bloomberg Philanthropies i-team Program. The Program aims to improve the capacity of City Halls to effectively design new approaches that improve citizen's lives. The Bloomberg grant allows mayors to hire and fund i-teams for up to three years. I-teams unlock the creativity that already exists within City government and mobilizes and delivers upon great ideas.

These teams function as in-house innovation consultants, moving from one mayoral priority to the next, using Bloomberg Philanthropies approach which is rooted in outcomes and will use data to understand problems and drive solutions. The i-team will also focus on lessons learned and stakeholder engagement as they follow a structured approach to manage performance and delivery.

The Los Angeles i-team's first project, as selected by Mayor Garcetti, will kick-off in May of 2015 and will explore ways to spur neighborhood revitalization in low-income areas to improve the lives of existing residents and minimize displacement of long-time residents and local businesses. Once the first project concludes, the i-team will accept a new priority as defined by Mayor Garcetti. The i-team is based in City Hall and will collaborate with City stakeholders and Departments to inform ideas and solutions and drive toward implementation.

2. Sustainability

Prior to the end of the second year of the grant, the Grantee shall develop and execute a strategy to secure public funding to sustain the i-team beyond the Grant Term. The third year of funding is contingent on the City acquiring public funding for a portion of the i-team personnel services, specifically and at a minimum, the salary and benefits of the Director position.

3. Matching Requirement.

The purpose of the match requirement is to accelerate impact in the Initiative's priority areas by generating new resources. The Grantee represents that it shall be responsible for ensuring that the following "Matching Requirements", which shall consist of the following conditions and shall be satisfied if the following conditions are met, are satisfied: (a) Grantee shall match the Grant Funds received from The Bloomberg Family Foundation for the Program by raising a total amount equal to at least \$850,000 (the "Matching Funds"). One-half of the Matching Funds shall be secured by February 1, 2016 and the balance shall be secured by February 1, 2017. (b) By each of February 1, 2016 and February 1, 2017, the Grantee shall provide to The Bloomberg Family Foundation a certification of the amount that has been raised by the Grantee during the preceding year in compliance with this Section 3, including information about amounts paid, amounts pledged and amounts received in respect of prior pledges in fulfillment of the Matching Requirement. (c) Pledged amounts, outright grants or gifts, or amounts appropriated through Los Angeles' budget-setting process (but only to the extent that the annual appropriations during any matching

period exceed the annual appropriation that existed prior to the date of this Agreement), which are designated to be used to support the Initiative and/or the i-team and which are made in cash are eligible for Matching Requirement purposes, unless otherwise - 6- agreed to by the The Bloomberg Family Foundation. In addition, Matching Funds shall be used as specified in Exhibit A attached hereto. (d) If Grantee has not fulfilled the Matching Requirement during the required period, the Fund's obligation to disburse any unpaid portion of the Grant Funds received from The Bloomberg Family Foundation shall, in the Fund's sole discretion, terminate and, with respect to those Grant Funds already disbursed by the Fund but not matched by the Grantee, the Fund shall review the Grantee's position and determine if (i) the Grant Term and matching period should be extended, (ii) the unmatched portion of the Grant Funds should be returned to the Fund or (iii) other options should be pursued.

4. Media:

The Grantee shall work with The Bloomberg Family Foundation and its partners to maximize ongoing media opportunities for the i-team and its efforts. This shall include, but not be limited to: a. Regular (at least twice monthly) mention of the i-team and it's work in social media, using the i-teams hashtag (#iteams); b. Monthly submission of at least four high-resolution images related to the i-team's work for use in social and other Bloomberg Philanthropies' media; c. Mayoral announcements for the launch of initiatives developed by the i-team; and d. Regular (at least semi-annual) public updates on progress of initiatives developed by the i-team, and the i-team's impact on local government problem solving. Any press releases or other public materials should be shared with the The Bloomberg Family Foundation and the Fund in advance of publication for review and approval.

5. Reports/Report Schedule

Grantee shall report to the Fund in writing concerning the status of the grant project, as follows, in conjunction with the Bloomberg Philanthropies requirements, as noted below:

Report Type	Report Requirements	Report Due Date
Budget	Final Budget for 2015, including detailed OTPS spending projections for 2015	April 30, 2015
Financial / Narrative	Activity for the period from January 1, 2015 through June 30, 2015	August 3, 2015
Budget	Proposed Budget for the period from January 1, 2016 through December 31, 2016	October 30, 2015

Financial / Narrative / Match Certification	Financial Report – activity for the period from January 1, 2015 through December 31, 2015 Narrative Report – activity for the period from July 1, 2015 to December 31, 2015 Matching Requirement – certification required by Section 5.	February 1, 2016
Financial / Narrative	Activity for the period from January 1, 2016 through June 30, 2016	August 1, 2016
Budget	Proposed Budget for the period from January 1, 2017 through December 31, 2017	October 31, 2016
Financial / Narrative / Match Certification	Financial Report – activity for the period from January 1, 2016 through December 31, 2016 Narrative Report – activity for the period from July 1, 2016 to December 31, 2016 Matching Requirement – certification required by Section 5.	February 1, 2017
Financial /	Activity for the period from January 1,	August 1, 2017
Narrative	2017 through June 30, 2017	
Financial/Narrative Final Report	Activity for the period from January 1, 2015 through December 31, 2017.	February 2, 2018

A final expenditure report is required as a condition of the grant award. The final report shall be comprehensive and include: 1) a summary of the project objectives; 2) accomplishments toward achieving those objectives and any changes made during the course of the project in the strategy for accomplishing them; 3) problems that may have encountered and how they were resolved; and 4) a complete financial statement showing all grant funds received and expended. In the case of multi-year grants, the final financial report need only report on expenditures from the last reporting period through the end of the grant period.

The final report will be due to the Mayor's Fund on January 20, 2018, shortly before the final report is due to Bloomberg Philanthropies.

Narrative reports should include project progress to date and any related project activities. Financial reports should include a summary of expenditures for the period covered by the report, consistent with the approved project budgets. The Fund shall provide, in response to such reports, any project guidance that the Fund deems appropriate.

EXHIBIT B
Grant Award and Payment

Excluding any reduction for unused or uncommitted funds, the Grantee shall receive the following grant award of up to \$2,550,000 million over three years:

Based on The Bloomberg Family Foundation funding agreement with Grantor, grantee shall receive reimbursement of staffing and related expenses by i-team on a bi-annual basis.

Funds will be paid to the Mayor's Office of Budget and Innovation by as soon thereafter as is reasonably practicable.

EXHIBIT C
Budget

The grant award is up to \$2,550,000 million over three years. As outlined in Exhibit B, annual budgets will be approved by Bloomberg Philanthropies. The approved 2015 budget is outlined below and was approved by Bloomberg Philanthropies in July 2015.

Approved Budget for 2015				
	<i>Definition</i>	<i>Expected Grant Spending in 2015</i>	<i>Expected Grant Spending in 2016</i>	<i>Expected Grant Spending in 2017</i>
Contracts and Consulting	Contracts given to individuals or companies. (Examples include contracts with management consulting firms, training providers, evaluation firms, or other organizations.)	\$200,000		
Graphic Design and Printing	Production of reports and other materials.	\$30,000		
Equipment	Purchase or rental of furniture and fixtures, computer hardware and software, printers, photocopy machines, scanners, blackberries, phones, etc.	\$10,000		
Travel/Meetings/Workshops	Travel for meetings, seminars, workshops, etc. as well as incidentals related to travel, meetings and seminars. (Examples include airfare, hotel, per diem, train fare, taxi, rental of venue to hold a training session.) All rates for travel and incidentals should comply with the City's policies and procedures. Note that travel for Bloomberg Philanthropies convenings will be paid by Bloomberg Philanthropies or its partners and does not need to be drawn from grant funds.	\$20,000		
Direct Operating Costs	Team related, but not included in any other Budget Line Item above. (Examples include rent, supplies for the Team).	\$13,131		
Indirect Operating Costs	Not directly attributable to the Team, but still necessary for the overall operations. These are usually portions of general and administrative type expenses. (Examples include Accounting fees, insurance, telephone, utilities, bank fees)	\$25,000		
TOTAL PERSONNEL		\$443,671		
TOTAL OTHER THAN PERSONNEL		\$298,131		
GRAND TOTAL		\$741,802		

EXHIBIT D
Standard Terms

1. Monitoring and Financial Records. The Fund may monitor and conduct an evaluation of operations under this grant. This may include a visit from Fund staff and/or advisors to observe the Grantee's program discuss the program with the Grantee's personnel, and review financial and other records and materials connected with the activities financed by this grant. The Grantee is expected to maintain complete books and records of revenues and expenditures for the project, which should be made available for inspection at reasonable times if deemed necessary by the Fund. The Fund, at its expense, will periodically audit a selected number of its grants. Grantee is expected to provide all necessary assistance in connection with any such audit. Records must be kept for at least three (3) years after completion of the grant.

The Grantee shall submit audited financial statements if it has audited financial statements, its latest Form 990 if applicable, as well as annual agency budgets during the grant period as soon as they become available. The Grantee shall immediately notify the Fund in the event that any funding that would impact the Grantee's performance of the project is delayed or changed in any manner. The Grantee shall immediately notify the Fund in the event that there is any circumstance including, without limitation, the withdrawal, delay, or change of funding by any other source to Grantee that would adversely impact the Grantee's performance the project.

2. IRS Determination. The provisions of this Section 2 do not apply if the Grantee is a public agency. As a condition of this Agreement, Grantee must provide the Fund with a copy of the determination letter from the Internal Revenue Service proving its tax-exempt status. By entering into this Agreement, Grantee represents and warrants that Grantee is exempt from federal income tax under IRC Section 501(c)(3) and that it is not a private foundation as defined in IRC Section 509(a). Grantee further represents and warrants that (a) the facts supporting Grantee's tax-exempt and public charity status under IRC Sections 501(c)(3) and 509(a) have not changed since the issuance of the IRS determination letter which was provided to the Fund and which has not been revoked or amended, (b) it is not aware of any facts which could result in a change in its tax-exempt and public charity status under IRC Sections 501(c)(3) or 509(a) or relevant state law, or the imposition of excise taxes under IRC Section 4958 dealing with "intermediate sanctions," (c) the receipt of the grant funds will not change Grantee's public charity status under IRC Section 509(a) and (d) that it does not support or conduct, directly or indirectly, violence or terrorist activities of any kind. Such representations and warranties shall continue through the completion date of this grant.

3. Period of the Grant. The term of this Agreement is from July 1, 2015 to June 30, 2016. The parties acknowledge that the project commenced prior to the execution of this Agreement and that the grant award is intended in part to reimburse Grantee for its costs and services for the work already performed related to the project. To the extent that the work already performed on the project by Grantee was done in accordance with the terms and condition of this Agreement, that work is hereby ratified.

4. Grant Termination. If the Fund determines, in its sole discretion, that Grantee has substantially violated or failed to carry out any provision of this Agreement, including but not limited to failure to submit reports when due, the Fund may, in addition to any other legal remedies it may have, refuse to make any further grant payments to Grantee under this or any other grant agreement, and the Fund may demand the return of all or part of the unexpended grant funds, which Grantee shall immediately repay to the Fund. The Fund may also avail itself of any other remedies available by law.

5. Independent Contractor. Grantee is an independent contractor, and nothing herein shall be construed to create an employment, joint employment, partnership, joint venture, agency, or any other kind of relationship between Grantee and the Fund. In no event shall Grantee or its employees, independent contractors, or agents, if any, be considered employees of the Fund. Grantee shall not have, nor shall Grantee claim or imply that Grantee has, any authority to enter into any obligation on behalf of, or binding upon, the Fund. Grantee is an independent contractor and is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including, but not limited to, workers' compensation insurance. Grantee and its employees are not eligible for, and shall not participate in, any employee pension, health, welfare, or other fringe benefit plan, of the Fund.

6. Indemnification. Grantee irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless the Fund and all of the officers, directors, employees, and agents of such organizations, from and against any and all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission of Grantee, its employees, or agents, in applying for or accepting the Grant, or in expending or applying the Grant funds, except to the extent that such claims, liabilities, losses, or expenses arise from or in connection with any negligent act or omission of the Fund or its officers, directors, employees, or agents.

7. Acknowledgements and Publicity. The Fund will send publicity material to the Grantee for final review and approval and will also provide the Grantee copies of the final product. Grantee shall not use the Fund's name in any sales or marketing publication or advertisement, without the prior written consent of the Fund. In its discretion, the Fund may describe its support of the Grantee in the Fund's own printed or oral announcements and website.

Notwithstanding the foregoing, any publication produced as a result of this grant, including press releases, commissioned works and publications, must include an acknowledgment of the Fund that reads: "Supported by a grant from The Mayor's Fund for Los Angeles." If the Fund publishes material resulting from this project, either in print or electronically, appropriate acknowledgment of the Grantee will be included.

8. Grantee shall ensure that any employees, subcontractors or consultants approved to work on this Grant comply with the provisions of this paragraph including,

but not limited to, ensuring that the terms of this provision are included in any contract Grantee may have with any subcontractor or consultant approved to work on this Grant.

9. Notices. All notices, requests or consents required or permitted under this Agreement shall be in writing and shall be given to the other party by personal delivery, overnight delivery, or regular certified mail, sent to such party's address as is set forth below such party's signature hereto or to any other address as any party to whom notice is to be given may have previously furnished to the other as set forth in this provision. Each such notice, request or consent shall be deemed effective upon receipt.

10. General Provisions.

- a. Assignment. Neither party shall assign nor delegate all or any part of this Agreement to any person or entity without the prior written consent of the other party; except, however, the parties acknowledge and agree that the Fund may assign and/or delegate its rights and duties under this Agreement, in part or in whole, to any of its affiliated or subsidiary or other entities without the prior consent of Grantee. Notwithstanding the foregoing, this Agreement shall inure to the benefit of, and be binding upon, the respective successors and assigns of the respective parties hereto. The Fund hereby acknowledges and approves the use of subcontractor agencies by the City as set forth in Exhibit C of the Agreement.
- b. Survival. The obligations set forth in Sections 1, 6 and 7 of this Exhibit D shall survive the termination of this Agreement.
- c. Severability. In the event that any provision of this Agreement shall be determined to be illegal or unenforceable, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.
- d. Waiver. The failure of either party to enforce its rights under this Agreement at any time for any period shall not be construed as a waiver of such rights.
- e. Governing Law. This Agreement has been executed and delivered in, and shall be governed by and construed in accordance with the substantive laws of the State of California.
- f. Entire Agreement. This Agreement (including the exhibits and schedules hereto, each of which is incorporated herein and made a part of this Agreement) constitutes the entire agreement and understanding of the parties hereto and terminates and supersedes any and all prior agreements, arrangements and understandings, both oral and written,

express or implied, between the parties hereto concerning the subject matter of this Agreement.

- g. Amendment. No waiver, amendment, modification or change of any provision of this Agreement shall be effective unless and until made in writing and signed by all of the parties hereto.
- h. Headings. Headings herein are provided for reference only and shall in no way affect interpretation of the Agreement.
- i. Right to Contract. Each party hereto represents to the other that it is authorized to enter into this Agreement and that the exercise of the rights granted to the other party hereunder will not conflict with any commitments or agreements previously entered into between the party so representing and any other party. Grantee further represents that it has the corporate power and any regulatory approvals necessary to accept the grant and conduct the project.
- j. Signatures. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement. In the event that any signature is delivered by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such ".pdf" signature page were an original thereof.

GRANT AGREEMENT

GRANT AGREEMENT (hereinafter referred to as the "Agreement") made December __, 2015, and with respect to work beginning January 1, 2015, by and between The Bloomberg Family Foundation Inc. (the "Foundation") and the Mayor's Fund for Los Angeles (the "Grantee").

WHEREAS, the Foundation has created an initiative with the purpose of helping mayors and city leaders to develop and implement effective solutions to their highest-priority problems through the use of innovation teams or i-teams (as defined below), as more fully described in Schedule A attached hereto (the "Initiative");

WHEREAS, the Grantee desires to support implementation of the Initiative and agrees to the provisions herein; and

WHEREAS, the Foundation wishes to make a donation to the Grantee for the implementation of the Initiative whereby the City of Los Angeles ("Los Angeles") will create an innovation team, as described below.

NOW, THEREFORE, THE FOUNDATION AND THE GRANTEE AGREE AS FOLLOWS:

1. Grant. The Foundation pledges and agrees that it will make grants to support the Program, as defined below in an amount not to exceed \$2,550,000 in cash (hereinafter sometimes referred to as the "Grant" and the "Grant Funds"). Grant Funds shall be available during the period beginning on the date of this agreement and ending on December 31, 2017 (the "Grant Term"). Grant Funds shall be paid in U.S. Dollars. Grant Funds will be paid in three installments after receipt by the Foundation of the enclosed countersigned copy of this Agreement and according to the following payment schedule and instructions for payment:

<u>Payment Date</u>	<u>Payment Amount</u>	<u>Contingent Upon</u>
On or before March 27, 2015, unless otherwise agreed to by the Foundation in its sole discretion	Not to Exceed \$850,000	<ul style="list-style-type: none"> • Receipt of countersigned copy of this Agreement • Hiring of Innovation Team Director
On or before February 29, 2016	Approved 2016 Budget	<ul style="list-style-type: none"> • Satisfaction of matching requirements described in Section 5 • Satisfaction of benchmarks described in Schedule A • Timely reports and satisfactory progress with respect to the Program • Compliance with all other terms of this Agreement
On or before February 28, 2017	Approved 2017 Budget	<ul style="list-style-type: none"> • Satisfaction of matching requirements described in Section 5 • Satisfaction of benchmarks described in Schedule A • Satisfaction of the sustainability requirement described in Schedule A • Timely reports and satisfactory progress with respect to the Program • Compliance with all other terms of this Agreement

2. Purpose. The Grant shall be used by the Grantee to support the creation of an innovation team (or “i-team”) that will function as an in-house innovation consultancy for Los Angeles, moving from one city priority to the next. In particular, the innovation team shall use the “Innovation Delivery” approach, supporting agency leaders and staff through a data-driven process to assess problems, generate responsive new interventions, develop partnerships, and deliver measurable results in accordance with the requirements set forth on Schedule A attached hereto (the “Program”), and to engage in other activities as are consistent with the Program as outlined in this Agreement and the schedules attached hereto, including the Program budget as set forth on Schedule B attached hereto (the “Program Budget” or the “Budget”).

3. Use of Grant Funds.

(a) Scope and Budget. Under United States law, Grant Funds may be expended only for charitable, scientific, literary or educational purposes. This Grant is made only for the purposes stated in this Agreement and the schedules attached hereto, and it is

understood that Grant Funds shall be used for such purposes in accordance with the Program Budget described in Section 3(b). Any Grant Funds not expended or committed for the purposes of the Grant, or within the period stated above, must be returned to the Foundation, unless otherwise authorized in writing by the Foundation.

(b) Budget. The Program Budget has been developed to cover all costs related to the Program and the Foundation's funding of the Program. The Program Budget is currently allocated among budget lines based on the Grantee's and the Foundation's estimates of the appropriate allocation. On the date hereof, the Grantee shall provide to the Foundation as Schedule B hereto a draft Program Budget. The Grantee and the Foundation shall work together to make any further changes to such draft, and if the Grantee has not provided to the Foundation final annual Budgets (incorporating any agreed-upon changes) satisfactory to the Foundation by the dates provided in Section 4(c), the Grantee shall return any unexpended or uncommitted Grant Funds to the Foundation, and the Foundation shall have the right to discontinue funding the Program or cancel the Grant with respect to any then undistributed Grant Funds. Once approved by the Foundation, the final annual Budgets shall supersede and replace the Program Budget initially attached hereto as Schedule B. The Grantee must adhere to the Program Budget. Any budgetary changes for activities not included in the Program must receive prior Foundation approval. The Foundation reserves the right to withhold funding if said expenditures are not consistent with the Program or in accordance with the Program Budget. In addition, indirect costs can in no event represent more than 10% of the Program Budget. For the purposes of this Agreement, indirect costs shall mean those costs that have been incurred by the Grantee that cannot be identified specifically in reference to a particular program but relate to several programs, including the Program. The Grantee must deposit the Grant Funds in an interest-bearing account or other short-term investment vehicle and must apply any interest earned to the Program. Any additional income related to Grant Funds, including but not limited to dividends, interest or appreciation must be used for the Program. Interest earned must be reported to the Foundation in the Financial Report (as defined below).

(c) Key Persons. In order to ensure that the work of the innovation team is not jeopardized, it is critical that Los Angeles quickly fills vacancies, should they occur, with well-qualified candidates. The Grantee shall notify the Foundation promptly if it learns that a member of the innovation team (the "Key Persons") resigns or otherwise ceases to be employed by Los Angeles. The Foundation shall have the right to discontinue funding the Program or cancel the Grant with respect to any then undistributed Grant Funds if (a) any vacant position is not filled within 60 days after such notification with a person possessing similar skills and capabilities, as determined by the Foundation in its sole discretion, (b) the Foundation has not been provided with documentation demonstrating that the person hired to fill such vacancy is well-qualified to fill the position, or (c) such Key Person does not again begin devoting substantially all of his or her business time to the Program within a reasonable amount of time as determined by the Foundation.

(d) Restrictions on Distribution of Grant Funds. The Grantee acknowledges that it is familiar with the U.S. Executive Orders and laws that prohibit the provision of resources and support to organizations and individuals and/or organizations associated with terrorism and terrorist related lists promulgated by the U.S. Government, the United Nations, and the European Union. The Grantee will take all precautions necessary to

ensure that none of the Grant Funds will be used in support of or to promote violence, terrorist activity or related training, whether directly through its own activities and programs, or indirectly through its support of, or cooperation with, other persons and organizations known to support terrorism or that are involved in money laundering activities. In addition, the Grantee confirms that no Grant Funds will be paid to, or on behalf of, U.S. Government officials.

(e) Sub-Grants and Sub Contracts. The Grantee shall use the Grant Funds to make a sub-grant (the "Sub-Grant") to Los Angeles. In connection therewith, the Grantee shall enter into the agreement attached hereto in Schedule C (the "Sub-Grant Agreement") with Los Angeles. The Grantee represents that during the Grant Term, the Sub-Grant Agreement will remain in effect and that the Grantee will not modify the Sub-Grant Agreement without the prior written approval of the Foundation. The following terms must be included in the Sub-Grant Agreement:

i) Los Angeles shall be subject to the same reporting requirements as the Grantee as described in Section 4. Los Angeles shall deliver its reports to the Grantee which will attach to the Grantee's report to the Foundation the information provided by Los Angeles to the Grantee; provided that such Sub-Grantee must (a) deliver its report to the Grantee in advance of the applicable due date set forth in Section 4 and (b) the Grantee shall certify in writing to the Foundation that it has reviewed the reports received from Los Angeles. Each report delivered to the Foundation should contain an assurance that the activities under the Sub-Grant have been conducted in conformity with the terms of the Sub-Grant Agreement.

ii) Los Angeles shall grant to the Grantee and the Foundation a non-exclusive, royalty-free, worldwide, perpetual license, to all of Sub-Grantee's rights, in all media now known or hereafter developed, to reproduce, distribute, publicly display, perform and create derivative works from all works developed by Los Angeles as part of the Sub-Grant.

It is understood that the Grantee or the Sub-Grantee may make sub-contracts in connection with the Program. The Grantee or Sub-Grantee have the exclusive rights to select such sub-contractors for the Program. The Foundation has not earmarked the use of the Grant Funds for any specific sub-contractor. The Grantee is responsible for ensuring that all sub-contractors use the Grant Funds for the purposes of the Grant and the Program. The Grantee and Sub-Grantee shall not, and shall require that their sub-contractors funded with proceeds of the Grant Funds not, make any statement or otherwise imply to donors, investors, media or the general public that the Foundation directly funds the activities of any sub-contractor.

(f) Promotion of the Program. The Grantee shall request that the Los Angeles i-team (i) work with the Foundation to maximize ongoing media opportunities including but not limited to Mayoral events, press releases, social media promotion (ii) participate in, and provide leadership with respect to, creating communities of interest in the Program and (iii) work with the Foundation and consultants hired by Bloomberg Philanthropies to document the Program by facilitating and/or producing publications, audio or video programming, film or other media regarding the Program. Further requirements with respect to promotion of the Program are set forth in Schedule A attached hereto.

(g) Cooperation with Consultants. The Grantee and Sub-Grantee shall cooperate with and provide information to the consultants provided by the Foundation to serve as a learnings and technical assistance partner on the Program. Such cooperation shall include participating in routine calls, periodic meetings and site visits, and providing information about the Program when requested.

4. Reporting.

(a) Financial Reports. The Grantee shall provide financial reports reflecting expenditures according to the line-item categories of the Program Budget as of the end of the applicable reporting period as well as any interest earned, as described further in Section 3(b).

(b) Narrative Reports. The Grantee shall provide narrative accounts of what has been accomplished by the expenditure of Grant Funds (including an assurance that the activities under the Grant and the Program have been conducted in conformity with the terms of this Agreement). The narrative reports shall also include copies of any media coverage of the Program and two copies of any publication, audio or video program, film or other media project produced by the Grantee under this Grant for archival, research or presentation purposes. The Foundation shall have the right to make, or obtain from the Grantee, additional copies of any Grant product and to disseminate such products.

(c) Specific details and formats for all reports will be shared at a later date. All reports should be submitted electronically to the attention of reports@bloomberg.org and governmentinnovation@bloomberg.org on or by the following dates:

Report Type	Report Requirements	Report Due Date
Budget	Final Budget for 2015, including detailed OTPS spending projections for 2015	April 30, 2015
Financial / Narrative	Activity for the period from January 1, 2015 through June 30, 2015	August 3, 2015
Budget	Proposed Budget for the period from January 1, 2016 through December 31, 2016	October 30, 2015
Financial / Narrative / Match Certification	Financial Report – activity for the period from January 1, 2015 through December 31, 2015 Narrative Report – activity for the period from July 1, 2015 to December 31, 2015 Matching Requirement – certification	February 1, 2016

	required by Section 5.	
Financial / Narrative	Activity for the period from January 1, 2016 through June 30, 2016	August 1, 2016
Budget	Proposed Budget for the period from January 1, 2017 through December 31, 2017	October 31, 2016
Financial / Narrative / Match Certification	Financial Report – activity for the period from January 1, 2016 through December 31, 2016 Narrative Report – activity for the period from July 1, 2016 to December 31, 2016 Matching Requirement – certification required by Section 5.	February 1, 2017
Financial / Narrative	Activity for the period from January 1, 2017 through June 30, 2017	August 1, 2017
Financial/Narrative Final Report	Activity for the period from January 1, 2015 through December 31, 2017.	February 2, 2018

(d) The Grantee may be required to submit additional reports as requested by the Foundation (format to be specified by the Foundation) on Program progress.

(e) If any report is not submitted, further payments, if any, under this Grant or under any other Foundation grant to the Grantee may be withheld,

5. Matching Requirement. The purpose of the match requirement is to accelerate impact in the Initiative's priority areas by generating new resources. The Grantee represents that the "Matching Requirements", which shall consist of the following conditions and shall be satisfied if the following conditions are met, must be included in the Sub-Grant Agreement:

(a) Los Angeles shall match the Grant Funds received from the Grantee by raising a total amount equal to at least \$850,000 (the "Matching Funds"). One-half of the Matching Funds shall be secured by February 1, 2016 and the balance shall be secured by February 1, 2017.

(b) By each of February 1, 2016 and February 1, 2017, Los Angeles shall provide to the Grantee a certification of the amount that has been raised by Los Angeles during the preceding year in compliance with this Section 5, including information about amounts paid, amounts pledged and amounts received in respect of prior pledges in fulfillment of the Matching Requirement.

(c) Pledged amounts, outright grants or gifts, or amounts appropriated through Los Angeles' budget-setting process (but only to the extent that the annual appropriations during any

matching period exceed the annual appropriation that existed prior to the date of this Agreement), which are designated to be used to support the Initiative and/or the innovation team and which are made in cash are eligible for Matching Requirement purposes, unless otherwise agreed to by the Foundation. In addition, Matching Funds shall be used as specified in Schedule A attached hereto.

(d) If Los Angeles has not fulfilled the Matching Requirement during the required period, the Grantee's obligation to disburse any unpaid portion of the Grant Funds received from the Grantee shall, in the Foundation's sole discretion, terminate and, with respect to those Grant Funds already disbursed by the Grantee but not matched by Los Angeles, the Foundation shall review Los Angeles's position and determine if (i) the Grant Term and matching period should be extended, (ii) the unmatched portion of the Grant Funds should be returned to the Grantee or (iii) other options should be pursued.

6. Record Maintenance and Inspection. The Grantee shall make its books and records related to the Program available for inspection at reasonable times by the Foundation or its assignee. The Grantee shall maintain records of expenditures, as well as copies of the reports submitted to the Foundation, for at least four years after completion of the use of the Grant Funds. The Foundation may monitor and conduct evaluations of Grantee operations under the Grant. Such monitoring may include the Foundation's personnel or assignees: (i) visiting the Grantee to observe the Program, (ii) speaking with Grantee staff members regarding the Program and (iii) conducting a review of financial records related to the Program.

7. Prohibition on Lobbying and Other Compliance with Tax Laws. Grant Funds may not be used by the Grantee:

(a) to carry on propaganda, or otherwise attempt to influence any specific legislation through (i) an attempt to affect the opinion of the general public or any segment thereof or (ii) communication with any member or employee of a legislative body, or with any other governmental official or employee who may participate in the formulation of the legislation (except technical advice or assistance provided to a governmental body or to a committee or other subdivision thereof in response to a written request by such body, committee or subdivision), other than through making available the results of non-partisan analysis, study or research;

(b) to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive;

(c) to engage in activities that require any person actively involved in the Program to register as a lobbyist or be identified as a lobbyist in a registration or report filed with a public agency by any other person or entity; or

(d) to support the election or defeat of a candidate for public office, finance electioneering communications, register prospective voters or encourage the general public or any segment thereof to vote in a specific election.

8. Grantee Representation. The Grantee represents that conduct by the Grantee of the activities described in Schedules A, B, and C hereto in the manner described

therein shall not cause the Grantee to be in violation of any federal, state, local or municipal law, rule, regulation or ordinance. The person signing this Agreement on behalf of the Grantee represents and certifies that she or he has full, express power and authority to do so.

9. Compliance. If the Foundation is not satisfied with the progress of the Program or the content of any written report or the management of the Grantee, the Foundation shall have the right to suspend or discontinue the funding of the Program or to cancel the Grant with regard to any unused or undistributed Grant Funds.

10. Intellectual Property. The Grantee hereby grants to the Foundation a perpetual, worldwide, non-exclusive license to use, reproduce, distribute, display, perform, edit, adapt, create derivative works from and otherwise exploit and sublicense, in all languages and all media now known or hereafter developed, all written work or other materials of any nature created by it under this Agreement (the "Work"). The Grantee acknowledges and agrees that no royalties will be paid for such license or use, total consideration being the grant described in this agreement.

11. Warranty/Indemnity. The Grantee represents, warrants and covenants that the Work is original and that it is the sole creator of the Work, except for any material incorporated into the Work created or owned by third parties, from whom the Grantee has obtained or will obtain, at its expense, all licenses necessary to incorporate and use such third-party material in the Work, including the right to sublicense to the Foundation such material incorporated into the Work. The Grantee further represents, warrants and covenants that the Work does not and will not contain any matter that is obscene or libelous, in violation of any copyright, trademark, proprietary right, or personal right of any third party, or otherwise violate any law. The Grantee will indemnify and hold the Foundation, its licensees and assigns, harmless from any and all claims, liabilities, costs and expenses, including reasonable attorneys' fees, arising as a result of the breach or alleged breach of these representations, warranties and covenants.

12. Grant Announcements and Public Reports.

(a) Grantee's Acknowledgement. The Grantee agrees to acknowledge the Foundation's funding, as described below, in publications, advertising, speeches, lectures, interviews, press releases, internet web pages, and other similar activities related to the Program (together, "Media Releases"). Any Media Release that refers to the funding source of the Grant shall: (1) refer to "Bloomberg Philanthropies" rather than to the Foundation itself; and (2) shall link to Bloomberg Philanthropies' website (www.bloomberg.org). The Grantee shall provide copies of all Media Releases to the Foundation and obtain the Foundation's consent prior to publication or distribution in any format of any Media Release. To the extent that the Grantee provides Media Releases to the Foundation, the Grantee represents that it owns or otherwise has obtained all rights necessary to use, reproduce, publicly perform and distribute (including the right to sublicense) all works contained or used in the Media Releases.

(b) Foundation Acknowledgement. The Foundation agrees that all trademarked or copyrighted works owned by the Grantee (including but not limited to logos, written material, photos, and other similar works provided by the Grantee to the Foundation) and

provided to the Foundation, in any media, shall remain the property of the Grantee. To the extent that the Grantee provides any Media Release (and works contained therein) or trademarked or copyrighted works to the Foundation, the Grantee represents that it owns or otherwise has obtained all rights necessary to use, reproduce, publicly perform and distribute (including the right to sublicense) all such works. Furthermore, the Grantee provides to the Foundation a perpetual, non-exclusive, worldwide, royalty-free and fully paid-up, sub-licensable (to affiliates) license, or sub-license, as the case may be, to use, display, reproduce, publicly perform, and make derivative works of, all such works, regardless of whether such works were created with the Grant Funds. The Foundation has the right to publicly acknowledge and announce, at its sole discretion, any relationship between the Foundation and the Grantee. Bloomberg Philanthropies' web site may include a brief description of the Grant. On occasion, Bloomberg Philanthropies also posts grantees' publications and other related items on its website.

13. Initiative Coordination. The Grantee acknowledges that the success of the Program and of the Initiative is dependent upon the sharing of information, and cooperation generally, among partners in the Initiative. Accordingly, the Grantee shall submit updates, at the times and in the format requested by the Foundation, about Program status, contacts and other requested topics in order to keep the other partners in the Initiative apprised of developments concerning the Initiative and in order to prevent duplication of efforts and achieve maximum Program impact.

14. Representations and Covenants. The Grantee represents, warrants and covenants to the Foundation that (a) it has and shall maintain during the Grant Term the proper licenses and rights to perform the activities described herein; (b) it is in compliance with all applicable local, city, state, federal and international laws, rules and regulations including, but not limited to, all environmental, safety and health and labor and employment (including those addressing discrimination, harassment and retaliation) laws, rules and regulations, and it shall remain in compliance during the Grant Term; (c) it is in compliance with all applicable affirmative actions laws and regulations, including but not limited to Executive Order 11246, the Vietnam Era Veteran's Readjustment Act of 1974, the Jobs for Veterans Act of 2003, and Section 503 of the Rehabilitation Act of 1973; (d) it has established adequate safety standards and protocols and that its personnel shall follow such standards and protocols and be in compliance with the Occupational Safety and Health Administration Act ("OSHA"); (e) it shall instruct its personnel in any safety standards and protocols promulgated by the Foundation, or the management of a facility occupied by the Foundation, and that its personnel shall follow such standards and protocols; (f) the personnel shall have the necessary experience, qualifications, knowledge, competency and skill set necessary to perform the activities under this Agreement; (g) the personnel are approved and authorized to work in the United States under all rules and regulations of the Immigration and Naturalization Service of the United States, if applicable; and (h) it shall use reasonable efforts to avoid employing any persons or using any labor, or using or having any equipment, or permitting any condition to exist which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies which interfere or are likely to interfere with the activities under this Agreement. At any time, the Foundation may request the Grantee to present copies of its programs, policies and/or documentation as to any training provided by it to its personnel including, but not limited to, OSHA-related training. In addition, the Grantee agrees that it will require in the Sub-Grant Agreement that Los Angeles

make the same representations, warranties and covenants contained in this Section 14 to the Grantee.

15. Confidentiality. Each party recognizes that it will have access to information of a proprietary or confidential nature owned by the other party. The parties acknowledge that the information they share with each other is proprietary, private and confidential. As such, each party agrees to keep such information in strictest confidence and protect it from disclosure; provided that the parties may disclose such information as required by law. Each party hereby waives any and all right, title and interest in and to such proprietary information of the other and agrees to return all physical copies, and destroy all electronic copies, of such proprietary information, except as otherwise agreed, at their expense, upon the expiration or termination of this Agreement.

16. Governing Law. This Agreement shall be interpreted in accordance with the laws of the State of New York.

17. Miscellaneous. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which, when taken together shall constitute one and the same instrument. This Agreement shall be binding upon, inure to the benefit of, and may be enforced by, each of the parties to this Agreement and its successors and permitted assigns. Each provision of this Agreement shall be considered separable, and if, for any reason, any provision or provisions hereof are determined to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall attach only to such provision and shall not in any manner affect or render illegal, invalid or unenforceable any other provision of this Agreement, and this Agreement shall be carried out as if any such illegal, invalid or unenforceable provision were not contained herein. This Agreement shall not be assigned without the prior written consent of the Foundation. This Agreement, including any schedules, amendments, modifications, waivers, or notifications relating thereto may be executed and delivered by facsimile, electronic mail, or other electronic means. Any such facsimile, electronic mail transmission, or communication via such electronic means shall constitute the final agreement of the parties and conclusive proof of such agreement, and shall be deemed to be in writing and to have the same effect as if signed manually. Any consent required to be given in writing hereunder may be given by electronic mail.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties to this Agreement have affixed their signatures as of the date first written above:

By: _____

The Bloomberg Family Foundation Inc.

Name: Patricia Eltarn

Title: _____

one of two originals

By: Deidre Lind

Mayor's Fund for Los Angeles

Name: Deidre Lind

Title: President

IN WITNESS WHEREOF, the parties to this Agreement have affixed their signatures as of the date first written above:

By: Patrice Etta

The Bloomberg Family Foundation Inc.

Name: _____

Title: _____

two of two originals

By: Deidre Lind
~~Patrice Etta~~

Mayor's Fund for Los Angeles

Name: Deidre Lind

Title: President

Schedule A

Program Description

Overview

Cities are uniquely able to innovate and transform citizens' lives, but face many barriers to developing and implementing solutions to tough challenges. The Foundation's Innovation Teams Program was created to provide cities with a method to address these barriers and deliver change more effectively to citizens. Using the tested, successful Innovation Delivery approach, innovation teams (i-teams) greatly reduce the risks associated with innovation, and provide mayors and city leaders with assurance in their ability to develop and implement effective solutions to their highest-priority problems.

Innovation teams function as in-house innovation consultants, moving from one city priority to the next. Innovation teams support agency leaders and staff through a data-driven process to assess problems, generate responsive new interventions, develop partnerships, and deliver measurable results.

Innovation teams unlock the creativity that already exists within city governments. These teams take partners and stakeholders through the steps of the Innovation Delivery approach to tackle big, challenging urban issues. Innovation teams are not responsible for implementing the initiatives and solutions developed using the approach. Direct implementation responsibility lies with partners within city government that collaborate with the i-team throughout the innovation and solution-development process, and then assume responsibility for execution as the i-team's role shifts to performance management. This division of responsibility enables the i-team to be continually deployed to new challenges.

Grant Funds allow mayors to hire and fund dedicated i-teams for up to three years. In addition to the Grant Funds, cities receive:

- Training: instruction on the tested, successful Innovation Delivery approach and associated open innovation techniques
- 1:1 Coaching: technical assistance, connections to experts, and additional individualized support
- Practitioner Community: connections to peers and resources in other cities, both virtually and through dynamic in-person convenings
- Playbook and Tools: step-by-step guide and associated tools and templates.

Budget

Grant Funds may be used for the salaries and benefits of i-team members (Personnel Services or PS) and for expenses related to the i-team's work (Other Than Personnel Services or OTPS). Grant Funds cannot be used for the direct implementation of programmatic initiatives the i-team is project managing. Matching funds can be used for PS, OTPS, as well as for the direct implementation of programmatic initiatives. Specific spending of Grant Funds for each grant year will be reviewed and approved according to the schedule below. Any deviations of 10% or more from any approved line item will require additional approval prior to expenditure.

Period	Budget Submitted	Budget Approved
January 1, 2015 – December 31, 2015	<ul style="list-style-type: none"> - Overall budget submitted through grant solicitation process in 2014 - Specific OTPS spending projections due April 30, 2015 	May 22, 2015 (<i>Any OTPS expenditure of \$20,000 or more prior to the approval of the OTPS budget requires email approval prior to purchase</i>)
January 1, 2016 – December 31, 2016	October 30, 2015	November 30, 2015
January 1, 2017 – December 31, 2017	October 31, 2016	November 30, 2016

Personnel Services

Each i-team shall have a director who reports to the Mayor or other senior staff member as approved by the Foundation. Beyond a director, the composition of the i-team can be customized to align with both the existing capacity in the mayor's office and the specific needs of the city.

- a. Salaries of i-team members shall be commensurate with other city staff at similar levels.
- b. Fringe benefits for i-team members shall be provided commensurate with other city staff at similar levels.
- c. Work space and equipment provided for i-team members (computer, printer, phone, blackberry, etc) shall be commensurate with other city staff at similar levels.
- d. Innovation team members should allocate their time to Innovation Delivery activities as outlined in this Agreement according to the FTE percentages in the Grantee's approved budget.
- e. Grant Funds cannot be used to fund pre-existing staff positions.
- f. The Foundation must be notified within 3 business days when an i-team member resigns or is terminated for any reason. An appropriately qualified replacement must be hired within 60 days of a position becoming vacant during the term of the grant.

Other Than Personnel Services (OTPS)

Grant Funds may also be used for OTPS expenses directly associated with the i-team's work.

- a. Eligible OTPS expenditures include, but are not limited to: consultancy services, graphic design and printing, independent evaluation, travel, and training (including training of agency staff working on the priority projects).
- b. Grant Funds cannot be used to support the direct implementation of programmatic initiatives the i-team is project managing.

Matching Funds

The purpose of the Matching Requirement is to accelerate impact by generating *new* resources (public or private) for the i-team's efforts. Los Angeles will be expected to match the grant at a 1:3 ratio (1 matched dollar for every 3 grant dollars). Half of the required match must be raised by February 1, 2016. The balance must be raised by February 1, 2017. Moving a grant-funded i-team position onto the public budget would count towards the match. In-kind contributions of existing staff time would not count towards the match. Matched dollars are typically used for implementation costs associated with initiatives developed by the i-team.

Scope of Work: Innovation Delivery

Innovation teams use the Foundation's tested Innovation Delivery approach, support agency leaders and staff through a data-driven process to assess problems, generate responsive new interventions, develop partnerships, and deliver measurable results. As such, the core of the i-team's activities fall within the four Innovation Delivery steps, as articulated in the Innovation Delivery Playbook. These four steps are repeated each time the i-team takes on a new priority.

1. Investigate the Problem: the i-team will work with partners in city government to move through a broad and deep research process to investigate the identified problem(s). This includes moving from a broad priority area to specific challenges, learning deeply about the causes of these challenges, and determining how to measure progress. This work requires the i-team to:
 - a. Build relationships and collaborate with relevant agencies;
 - b. Create a list of preliminary challenges;
 - c. Work to understand the problem by assessing available data (current and historical), mapping the city's current and past efforts to address the problem, identifying the key contributing issues, and placing the problem in context by exploring how other cities are tackling it;
 - d. Finalize a list of challenges and contributing issues, surfacing those that are genuinely important to city leadership and where there is the greatest potential for impact; and
 - e. Select metrics for each challenge and set preliminary challenge targets.
2. Generate New Ideas: the i-team and its partners will engage in an extensive process to develop a set of potential innovative solutions for the identified challenges. This work requires the i-team to:
 - a. Identify solutions that have worked or are working in other cities, connecting (in person and virtually) with practitioners that have experience working to address the issue; and
 - b. Incorporate open innovation techniques, including, but not limited to engaging end-users and crowd-sourcing.
3. Prepare to Deliver: the i-team will winnow down the set of potential innovative solutions generated in step two to those with the strongest likelihood of achieving impact and ensure that there are clear and appropriate plans for delivery. This requires the i-team to work with relevant agencies and partners to:
 - a. Select a set of initiatives and develop logic models to ensure the initiatives are reasonably positioned to achieve intended impact;

- b. Confirm an “owner” and “sponsor” for each initiative;
 - c. Agree upon ambitious, but achievable targets; and
 - d. Develop a charter and detailed implementation plan for each initiative, including budgets and securing funding as required.
4. Deliver and Adapt: the i-team will pivot its efforts towards project and performance management. Specifically, the i-team will:
- a. Establish delivery routines to help the city implement initiatives with discipline, stay focused on progress toward targets, and coordinate efforts to quickly overcome obstacles;
 - b. Keep the Mayor (and other city leadership) informed and engaged in key decision-making;
 - c. Ensure effective coordination between agencies and relevant stakeholders where applicable;
 - d. Communicate work to relevant audiences; and
 - e. Transition initiatives out of the i-team’s active portfolio, as key benchmarks and targets are achieved, so that the i-team can be deployed to the next priority.

Scope of Work: Priorities

Innovation teams work on their city’s top priorities, moving from one priority to the next. The i-team will initially focus on neighborhood revitalization in targeted areas, creating activities such as job training and placement, business development, and service delivery to benefit existing residents and businesses. During this time, the i-team should not be given other assignments. The i-team is expected to begin work on additional priorities no later than June 30, 2016. Changes to the scope of the i-team’s work over time (*e.g.*, changing or adding priorities) must be presented to the Foundation for approval.

- a. Innovation Delivery provides a tested method for addressing the most pressing issues facing a city. Issues that are ripe for the i-team are often challenges where the solution spans multiple agencies or stakeholders, and where there is demand and appetite for bold, new thinking.
- b. Innovation teams use a structured approach for bringing innovation to tough challenges and delivering results. These teams are not meant to execute existing plans or solutions. With an i-team, cities can take a fresh and comprehensive look at an issue and challenge assumptions about the nature of the problem. Grounded in that data, the i-team seeks new and better ways to address the issue. If there is already clarity around the nature of the problem and the solutions to address it, it is not a fit for the i-team.

Scope of Work: Benchmarks

Los Angeles will be expected to achieve the following benchmarks in 2015. Similar benchmarks (tied to Innovation Delivery steps) will be established for subsequent years as the i-team moves on to new priorities.

Benchmark	Target for Completion
<i>Getting Started</i>	
- Determine and communicate priority areas	February 2, 2015
- Hire Innovation Team Director	February 27, 2015
- Hire full i-team	April 24, 2015
<i>Step 1: Investigate the Problem</i>	
- Finalize list of challenges	June 1, 2015
- Select metrics for each challenge	
- Establish preliminary impact targets	June 15, 2015
<i>Step 2: Generate New Ideas</i>	
- Develop idea generation work plan	June 15, 2015
- Preliminary list of initiative ideas	September 30, 2015
<i>Step 3: Prepare to Deliver</i>	
- Complete logic models for each challenge	October 15, 2015
- Prioritize initiatives and select based on feasibility and impact	October 30, 2015
- Finalize challenge and initiative targets	
- Draft charters for each initiative, including key work streams	November 30, 2015
- Map initiatives onto a single calendar	
- Complete initiative implementation plans	
<i>Step 4: Deliver and Adapt</i>	
- Set plan for routine delivery updates, including: <ul style="list-style-type: none"> 1. Weekly (or more) initiative check-ins between Project Managers and Owners 2. Weekly Updates within the Team 3. Twice-monthly memos, or other formalized updates, from the Team to the Mayor 4. Monthly "Stocktakes" with senior leadership and the Mayor 5. Semi-annual in-depth reviews 	November 30, 2015
- Public announcements on initiative launches (delivery begins)	January 29, 2016

Scope of Work: Spreading the Innovation Delivery Approach

In addition to their work applying the Innovation Delivery approach to specific and approved priorities, the i-team will work to spread Innovation Delivery tools and techniques throughout city government, regardless of the priority. Examples include, but are not limited to:

- a. Working with human resources staff to add an Innovation Delivery module to the training curriculum for new hires;
- b. Rotating junior staff members from other departments on and off the i-team to expose them to the i-teams practices;
- c. Hosting professional development sessions for staff interested in learning more about open innovation or other Innovation Delivery techniques; or

- d. Providing training support to another city team interested in applying Innovation Delivery to their priorities.

Technical Assistance, Training, and Network Activities

Bloomberg Philanthropies and its partners will regularly meet with i-teams, both virtually and in-person for required technical assistance, training, and networking activities. These required activities include, but are not limited to, phone calls, in-person convenings, and web dialogues. Travel expenses for any required in-person events will be covered by Bloomberg Philanthropies and its partners.

Media

The Grantee shall work with the Foundation and its partners to maximize ongoing media opportunities for the i-team and its efforts. This shall include, but not be limited to:

- a. Regular (at least twice monthly) mention of the i-team and it's work in social media, using the i-teams hashtag (#iteams);
- b. Monthly submission of at least four high-resolution images related to the i-team's work for use in social and other Bloomberg Philanthropies' media;
- c. Mayoral announcements for the launch of initiatives developed by the i-team; and
- d. Regular (at least semi-annual) public updates on progress of initiatives developed by the i-team, and the i-team's impact on local government problem solving.

Any press releases or other public materials should be shared with the Foundation in advance of publication for review and approval.

Sustainability

Prior to the end of the second year of the grant, Los Angeles shall develop and execute a strategy to secure public funding to sustain the i-team beyond the Grant Term. The third year of funding is contingent on the city acquiring public funding for a portion of the i-team personnel services expenses by the conclusion of the second year. Specifically, Los Angeles must minimally secure funding for the director's salary and benefits (or the most senior grant-funded position if not the director), by the conclusion of the second year.

Schedule B

Draft Final Budget (to be replaced with Final Budget pursuant to Section 3(b))

OTHER THAN PERSONNEL SERVICES (OTPS)					
	Definition	Expected Grant Spending in 2015	Expected Grant Spending in 2016	Expected Grant Spending in 2017	Total
Contracts and Consulting	Contracts given to individuals or companies. (Examples include contracts with management consulting firms, training providers, evaluation firms, or other organizations.)				\$0
Graphic Design and Printing	Production of reports and other materials.				\$0
Equipment	Purchase or rental of furniture and fixtures, computer hardware and software, printers, photocopy machines, scanners, blackberries, phones, etc.				\$0
Travel/Meetings/Workshops	Travel for meetings, seminars, workshops, etc. as well as incidentals related to travel, meetings and seminars. (Examples include airfare, hotel, per diem, train fare, taxi, rental of venue to hold a training session.) All rates for travel and incidentals should comply with the City's policies and procedures. Note that travel for Bloomberg Philanthropies convenings will be paid by Bloomberg Philanthropies or its partners and does not need to be drawn from grant funds.				\$0
Direct Operating Costs	Team related, but not included in any other Budget Line Item above. (Examples include rent, supplies for the Team).	\$850,000	\$850,000	\$850,000	\$2,550,000
Indirect Operating Costs	Not directly attributable to the Team, but still necessary for the overall operations. These are usually portions of general and administrative type expenses. (Examples include Accounting fees, insurance, telephone, utilities, bank fees)				\$0
TOTAL PERSONNEL		\$0	\$0	\$0	\$0
TOTAL OTHER THAN PERSONNEL		\$850,000	\$850,000	\$850,000	\$2,550,000
GRAND TOTAL		\$850,000	\$850,000	\$850,000	\$2,550,000

Schedule C

Sub-Grant Agreement