

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: June 17, 2010

CAO File No. 0220-00540-0903

Council File No. 10-0799

Council District: All

To: The Mayor  
The Council

From: Miguel A. Santana, City Administrative Officer *MS*

Reference: Los Angeles Housing Department Transmittal dated May 10, 2010; Received by the City Administrative Officer on May 12, 2010; Additional information received through June 16, 2010

Subject: **REQUEST TO ACCEPT \$100,000,000 IN NEIGHBORHOOD STABILIZATION PROGRAM II GRANT FUNDS AND RELATED ACTIONS FOR IMPLEMENTATION OF PROGRAM ACTIVITIES**

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### SUMMARY

The Los Angeles Housing Department (LAHD) requests authority to accept an award of \$100,000,000 in Neighborhood Stabilization Program II (NSP II) funds issued through the American Recovery and Reinvestment Act of 2009 (ARRA) and to execute the necessary documents with the U.S. Department of Housing and Urban Development (HUD) for the disbursement of these funds to the City. In July 2009, the Council and Mayor authorized LAHD to submit an application requesting \$100 million in competitive NSP II grant funds and to report back upon notification of the grant award from HUD. The City received the full \$100 million amount requested. Of the total grant award, 50 percent of these funds (\$50 million) must be expended within two years of HUD's approval of the NSP II grant on February 11, 2010, or by February 11, 2012. The entire grant must be expended within three years by February 10, 2013. We recommend approval of this requested authority. The LAHD also requests authorities necessary to implement the NSP II program activities in 2010-11. Our Office recommends approval of these requests as summarized below. Additional information is provided in the Findings Section of this Report.

1. Authority to execute an amendment to the contract with Restore Neighborhoods Los Angeles (RNLA) (Contract No. C-115683) to reflect the increased funding allocation of \$92.2 million in NSP II funds. This amount, added to Neighborhood Stabilization Program I (NSP I) funds, revises RNLA's total contract amount to \$122.5 million. The RNLA is a nonprofit holding and development corporation that was created for the specific purposes of acquiring, rehabilitating and selling foreclosed and abandoned single family and multi-unit properties through the Neighborhood Stabilization Program for resale to qualified owners.
2. Authority for employment authorities for 24 new exempt positions for the purpose of providing administrative and operational support. The annual cost of these positions is \$2.5 million (\$1,764,853 for direct salaries plus \$741,503 for related costs). A summary of the staffing plan is discussed in Pages 13 through 18 of the LAHD Transmittal and position descriptions are included in Attachments 5A through 5Q.

3. Approval to execute four amendments to existing contracts to increase funding and extend performance terms for the provision of various services for the entire NSP grant. Approval is also requested to execute two new contracts for the provision of internal auditor and real estate broker services. The total compensation for these requests is \$770,000 and will be funded with a combination of NSP I (\$250,000) and NSP II (\$520,000) funds.
4. Authority to appropriate and expend a total of \$2,504,549 to cover anticipated LAHD administrative expenditures in 2010-11 for staff costs and administrative expenses. The original LAHD request was revised to reflect current needs. Included in this revised request is the addition of a reserved amount of \$270,069 to be used to pay for a portion of Controller and City Administrative Officer (CAO) expenditures pertaining to ARRA grant oversight activities. It is recommended that this request be approved.

This Office also recommends that the Department be instructed to report back to the Mayor and Council on an annual basis with an implementation and expenditure status report, including a summary by Council District of NSP II program activities. Also to be included is information relative to any identified administrative or other program savings that could be allocated for the purpose of paying any remaining Controller or CAO costs for grant oversight of the NSP II grant.

The recommendations contained in this report are in compliance with the City's Financial Policies in that the continuation of the NSP II grant activities will be contingent on the continuation of federal funding.

## Background

Similar in scope to NSP I, NSP II funds will be leveraged with NSP I to provide additional funding for the acquisition, restoration, rehabilitation, and sale of foreclosed properties through the Acquisition and Disposition of Foreclosed Properties Program and the Multi-Family Rental Units Program. Also, LAHD will incorporate an additional allowable activity which involves redevelopment activities. However the geographic boundaries for NSP II services are narrower, encompassing the communities of South Los Angeles, San Fernando Valley and the Eastside of Los Angeles. These target areas, identified in Attachment 2A through 2P of the LAHD Transmittal, were selected because they are geographic areas with: 1) the highest percentage of home foreclosures; 2) the greatest levels of homes financed with high costing or highly leveraged mortgages; 3) declining home values; and, 4) high rates of unemployment. The source data for these determinations is based on HUD's Foreclosure Risk Score. The Department explained the selection methodology on Page 8 of the Transmittal. The NSP II budget, as revised by LAHD on June 16, 2010, includes a total of \$7.8 million to cover City staff and administrative costs over the four-year life of the grant and \$92.2 million allocated for program delivery activities by RNLA.

<b>Four-Year Expenditure Category</b>	<b>Amount</b>	<b>Percent</b>
Admin Reserve LAHD	\$ 7,782,960	8%
Program Operation - RNLA	90,000,000	90%
Program Administration - RNLA	2,217,040	2%
<b>Total</b>	<b>\$100,000,000</b>	<b>100%</b>

The grantor allows up to 10 percent of the grant (\$10 million) for program administration and \$25 million must be used for the purchase and redevelopment of abandoned or foreclosed homes or

residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of the Area Median Income (AMI) as established by ARRA. The table below summarizes the current AMI levels.

2010 Maximum Household Income Limits based on Area Median Income (AMI)

Household Size	1	2	3	4	5	6	7	8
Very Low (50%) Income Limits	\$29,000	\$33,150	\$37,300	\$41,400	\$44,750	\$48,050	\$51,350	\$54,650
Low (80%) Income Limits	\$46,400	\$53,000	\$59,650	\$66,250	\$71,550	\$76,850	\$82,150	\$87,450

Source: LA Housing Department

It is noteworthy that the HUD Los Angeles Office of Community Planning and Development (HUD-LA) recently completed a capacity review of the NSP I and anticipated NSP II program. The objective of this review was to determine whether the City had sufficient capacity and the necessary controls to manage and administer the NSP I funds and NSP II. On March 17, 2010, HUD-LA issued a letter with the determination that the City possessed the capacity to adequately administer its NSP I and NSP II funding. No evidence was found to the contrary.

## RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager, Los Angeles Housing Department (LAHD), or designee, to:
  - A. Execute the required documents between the U.S. Department of Housing and Urban Development (HUD) and the City of Los Angeles for the receipt and disbursement of the Neighborhood Stabilization Program (NSP II) grant funds in the amount of \$100,000,000 issued through the American Recovery and Reinvestment Act of 2009, in conformance with Funding Approval and Grant Agreement included as Attachment 6 of LAHD transmittal dated May 10, 2010 (Transmittal) and as detailed in the Transmittal (C.F. 10-0799);
  - B. Amend the Professional Services and Rehabilitation Agreement (Contract No. C-115683) with Restore Neighborhoods Los Angeles to provide NSP II funds in the amount of \$92,217,040 (\$2,217,040 for program administration and \$90,000,000 for program operations), revising the total compensation to \$122,509,754, and include provisions to increase the contract amount, by 90 percent for Program Operation and 10 percent for Administration, in accordance with receipts of future program income for May 1, 2010 through June 20, 2011, in substantial conformance with the description included in Attachment A of this report; subject to the review and approval of the City Attorney as to form and legality and compliance with all applicable federal, state and City contracting requirements;
  - C. Execute a contract with ICF International in the amount of \$100,000 for a term from May 1, 2010 through June 30, 2011 for internal auditor services, in substantial conformance with the description included in Attachment B and the agreement included as Attachment C of this report; subject to the review and approval of the City Attorney as to

form and legality and compliance with all applicable federal, state and City contracting requirements;

- D. Amend the contract with Commercial Programming Systems, Inc. (Contract No. C-115244) to increase compensation by \$115,000 and extend the term from May 1, 2010 through June 30, 2011 for computer programming services, in substantial conformance with the description included in Attachment D and the agreement included as Attachment E of this report; subject to the review and approval of the City Attorney as to form and legality and compliance with all applicable federal, state and City contracting requirements;
- E. Amend the contract with 3Di (Contract No. C-115246) for computer programming services to increase compensation by \$85,000, in substantial conformance with the description included in Attachment F and the agreement included as Attachment G of this report; subject to the review and approval of the City Attorney as to form and legality and compliance with all applicable federal, state and City contracting requirements;
- F. Amend the contract with Ann Bauman, Inc. (Contract No. C-116214) to increase compensation by \$200,000 for consultant services and extend the term from May 1, 2010 through June 30, 2011, in substantial conformance with the description included in Attachment H and the agreement included as Attachment I of this report; subject to the review and approval of the City Attorney as to form and legality and compliance with all applicable federal, state and City contracting requirements;
- G. Amend the contract with Veloce Partners (Contract No. C-116763) to increase compensation by \$120,000 for consultant services and extend the term from May 1, 2010 through June 30, 2011, in substantial conformance with the description included in Attachment J and the agreement included as Attachment K of this report; subject to the review and approval of the City Attorney as to form and legality and compliance with all applicable federal, state and City contracting requirements;
- H. Negotiate and execute professional services agreements with approved Real Estate broker service providers as per C.F. 09-0374 (Marcus & Millichap and Altera Real Estate Group) to represent the Department in the location and negotiation for the purchase and sale of real estate property, which may include apartment buildings, single-family dwellings, commercial lots, industrial properties and unimproved lots, effective from December 1, 2009 through September 30, 2010, with two one-year renewal options, in substantial conformance with the description included in Attachment L and the agreement included as Attachment M of this report; and subject to the following: 1) contractor performance; 2) review of the City Attorney as to form and legality; and, 3) review and approval of the Department of Public Works, Bureau of Contract Administration, as to compliance with all applicable federal, state and City requirements. The real estate broker contractors will be entitled to receive a commission not to exceed three percent of the sales price upon completion of the sale at the close of escrow; and,
- I. Report back to the Mayor and Council on an annual basis to provide an implementation and expenditure status report, including a summary by Council District of NSP II program activities. Also to be included is information relative to any identified administrative or other program savings that could be allocated for the purpose of paying for remaining Controller

or City Administrative Officer costs for grant oversight of the NSP II grant in conformance with Council action on this matter (C.F. 09-0367).

2. Authorize the City Controller to:
  - A. Establish a new interest-generating Fund XXX for LAHD Department 43 entitled "Neighborhood Stabilization Program 2 – ARRA (NSP II/ARRA)", for the receipt and disbursement of NSP II grant funds.
  - B. Establish a grant receivable account from the Federal government for \$100,000,000.00 within the new ARRA Fund/Department XXX/43 as follows:

<u>Title</u>	<u>Amount</u>
Neighborhood Stabilization Program 2 (NSP II)	\$100,000,000.00

- C. Establish new accounts and appropriate funds to be administered by LAHD for the NSP II grant as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
F304	NSP 2 / ARRA - Admin Reserve LAHD	7,782,960.00
F818	NSP 2 / ARRA Program Operation	90,000,000.00
F820	NSP 2 / ARRA Program Administration-RNLA	2,217,040.00

- D. Expend fund from the accounts noted in 2 C from Fund/Department xxx/43 upon the proper written demand by the General Manager, LAHD, or his designee.

3. Authorize Resolution employment authority in LAHD for the 24 exempt positions listed below for the NSP II grant from July 1, 2010 through June 30, 2011, to perform the duties as described in the position descriptions included in Attachments 5A through 5Q of the LAHD transmittal dated May 10, 2010 (C.F. 10-0799, subject to the review and approval by the Civil Service Commission as to Civil Service classification and exemption in accordance with Charter Section 1001 (d) (4), based on the temporary grant funded nature of the program:

<u>No. of Positions</u>	<u>Class Code</u>	<u>Classification Title</u>
1	1223-2	Accounting Clerk II
2	1368	Sr. Clerk Typist
2	1513-2	Accountant II
1	1523-1	Sr. Accountant I
7	1539	Management Assistant
3	1569-1	Rehabilitation Construction Specialist I
2	1569-2	Rehabilitation Construction Specialist II
1	1569-3	Rehabilitation Construction Specialist III
1	1571	Finance Development Officer
1	9171-1	Sr. Management Analyst I
1	9184-1	Management Analyst I
1	9184-2	Management Analyst II
<u>1</u>	8500	Community Housing Programs Manager
<b>24</b>		

4. Exempt the positions listed in No. 3 above from the City's Managed Hiring Process due to the short time frame in which the NSP II grant program must be implemented and funds expended;

***Instruct the City Clerk to place on the agenda for the first Council meeting in Fiscal Year 2010-11 or shortly thereafter, the following items for Council action:***

5. Authorize the City Controller to:
- A. Establish new accounts to be administered by LAHD for Fiscal Year 2010-11 as follows:
- | <u>Account no.</u> | <u>Account Name</u>                      |
|--------------------|--|
| G245               | NSP II / Professional Services Contracts |
| G143               | LAHD Admin.                              |
| G299               | Related Costs                            |
- B. Authorize the City Controller to transfer appropriations within Fund/Department XXX/43 for budget fiscal year 2010-11 as follows:

From:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
F304	NSP II / ARRA - Admin Reserve	\$4,136,121.00

To:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
G143	LAHD Admin.	\$2,504,549.00
G245	NSP II / Professional Services Contracts	620,000.00
G299	Related Cost	741,503.00
GXXX	CAO/Controller	270,069.00
<b>Total</b>		<b>\$4,136,121.00</b>

- C. Expend funds in the accounts mentioned in 5 B above from Fund/Department xxx/43 upon the proper written demand by the General Manager, LAHD, or his designee.
- D. Appropriate funds in General Fund 100, Department 43 for budget fiscal year 2010-2011 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1010	Salaries	\$1,764,853.00
2020	Printing and Binding	100,000.00
2130	Travel	15,000.00
3310	Transportation	7,200.00
6010	Office and Admin.	571,608.00
6030	Leasing	45,888.00
<b>Total</b>		<b>\$2,504,549.00</b>

- E. Expend funds in the accounts mentioned in 5 D from the General Fund 100 Department 43 upon the proper written demand by the General Manager, LAHD, or his designee.

- F. Proportionately appropriate by 90 percent for Program Operation and 10 percent for Administration, and expend additional funds periodically as program income is received in Program Operation Account F818 and to LAHD Admin Reserve X304; and,
6. Authorize the General Manager, LAHD, or designee to prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with these actions, subject to the approval of the City Administrative Officer, and instruct the Controller to implement these instructions.

### **FISCAL IMPACT STATEMENT**

There is no General Fund impact. The recommendations contained in this report authorize the Los Angeles Housing Department (LAHD) to accept and execute a grant agreement with the U.S. Department of Housing and Urban Development (HUD) for \$100,000,000 in Neighborhood Stabilization Program (NSP II) grant funds awarded to the City through the American Recovery and Reinvestment Act of 2009. Approval of these recommendations will also authorize LAHD to negotiate and execute a contract amendment to authorize Restore Neighborhoods Los Angeles (RNLA), a nonprofit corporation, to operate NSP II programs utilizing \$92.2 million and to execute four amendments and two new contracts totaling \$750,000 utilizing \$250,000 in NSP I funds and \$520,000 in NSP II funds for implementation assistance. In addition, 24 new exempt employment authorities will be approved for 2010-11 and may be continued for the duration of the NSP II grant. These recommendations are in compliance with the City's Financial Policies in that the continuation of the NSP II grant activities are contingent on the continuation of federal funding.

Attachments

## **FINDINGS**

### **1. Background**

The Los Angeles Housing Department (LAHD) submitted a transmittal dated May 10, 2010 (Transmittal) to the Mayor and Council to request authority to accept an award of \$100,000,000 in Neighborhood Stabilization Program II (NSP II) funds issued through the American Recovery and Reinvestment Act of 2009 (ARRA) and to execute the necessary documents with the U.S. Department of Housing and Urban Development (HUD) for the disbursement of these funds to the City. The LAHD also requests authorities necessary to implement the NSP II program activities in 2010-11. The City Administrative Officer (CAO) was instructed to review the requests and to make recommendations on these items.

### **2. General Program Overview**

The LAHD reports that the NSP II program will be integrated with NSP I so that the two programs can be leveraged. With the NSP II funds, LAHD's partner, Restore Neighborhoods Los Angeles (RNLA) will operate the Acquisition and Disposition of Foreclosed Properties Program and the Multi-Family Rental Units Program. The RNLA has worked with the National Community Stabilization Trust (NCST), whose mission is to facilitate the transfer of foreclosed and abandoned properties from financial institutions to local housing organizations to promote productive property reuse and neighborhood stability. The program descriptions are provided in Pages 10 through 12 of the Transmittal. Pursuant to HUD regulations, RNLA must acquire properties at a maximum value of 99 percent of the appraised market value of the property, rehabilitate these properties, if needed, and sell them directly to eligible homebuyers. Once rehabilitation work is completed, homes are sold to qualified homebuyers at a price no greater than the total cost of acquisition, maintenance and rehabilitation and other costs allowed by the NSP II regulations. The City's role with respect to the RNLA programs is that the City will be the stated beneficiary on promissory notes and deeds of trust in all financing agreements executed between RNLA and developers.

The RNLA will also acquire and rehabilitate foreclosed multi-family residential properties for affordable rental housing opportunities. The RNLA purchases foreclosed multi-family properties "in bulk" at an average discount of 15 percent. The RNLA will identify qualified developers, through a competitive selection process, to rehabilitate and maintain these properties as affordable rental housing. In consideration of the City's Rent Stabilization Ordinance (RSO), which protects tenants from eviction due to foreclosures, RNLA plans to take precautions to ensure that the RSO is observed. In the event that an RNLA-purchased property has tenants living in the units, RNLA will work with existing tenants to minimize disruption during the rehabilitation period and will provide temporary relocation if needed.

The NSP II eligibility requirements are available on RNLA's website at [www.restoreneighborhoodsla.org](http://www.restoreneighborhoodsla.org).

### **3. New Staffing Requests**

The LAHD request approval of 24 new exempt positions for the purpose of providing administrative and operational support. The annual cost of these positions is \$2,506,356



(\$1,764,853 for direct salaries plus \$741,503 for related costs). These positions will be assigned to the following divisions: Accounting, Policy and Planning, Homeownership and Preservation Program, Major Projects Division and Housing Services. Of these positions, eight are for specialized classifications (six Rehabilitation Construction Specialists, one Finance Development Officer and one Community Housing Programs Manager), that may require recruitment from outside of the City. One existing Public Relations Specialist will be partially compensated (at 50 percent) with NSP II funds. The balance of the salary for this position will be provided with a combination of Rent Stabilization Trust Funds and Code Enforcement Trust Funds.

Pursuant to Charter Section (d) (4), grant-funded positions may be approved for a term of no more than two years and may be extended for one additional year for a maximum exemption of three years. The Department plans to fill these positions as soon as the employment authorities and exemptions are granted. Since these employment authorities are exempt and will only be authorized for the life of the NSP II grant, it is recommended that these new employment authorities and exemptions be approved. In addition, we also recommend that they be exempted from the Managed Hiring Process for the purpose of expediting the filling of these positions.

#### **4. Administrative Adjustments**

On June 1, 2010, subsequent to the release of the Department Transmittal, the Council directed each ARRA prime recipient department to set aside 0.5 percent of all ARRA grant funds awarded for ARRA oversight, coordination and reporting activities by the this Office and the Controller and to reimburse the General Fund upon receipt of invoices from these two offices (C.F. 09-0367). For NSP II, this amount totals \$500,000. In consideration of this action, the Department was asked to address this direction. In response, LAHD has proposed setting aside \$270,069, or 0.27 percent of the total NSP II grant award for this purpose. Attachment N of this report includes the revised staffing budget, which was updated by LAHD to include the CAO/Controller set-aside and also to make other adjustments including deleting 2009-10 expenditures. It is recommended that the Department be instructed to include in its annual report back, a summary of all unexpended funds that were anticipated to be expended in 2010-11 as a possible source to provide the balance of the allowable reimbursement amount of \$229,931.

#### **5. Contract Amendments**

The LAHD requests authority to execute four amendments to existing contracts for purposes of increasing compensation and extending the performance terms for the provision of various technical services. In addition, LAHD also requests authority to execute two new contracts for the provision of internal auditor and real estate broker services. All of these contractors were competitively selected through Request for Qualifications processes. Their services are considered critical to the successful implementation of NSP I and II. The total compensation for these requests is \$770,000 and will be funded with a combination of NSP I (\$250,000) and NSP II (\$520,000) funds. The scopes of work for both grants NSP I and NSP II are substantially similar and the Department requests that both fund sources be approved at this time. The requests are summarized in the table below. While we recommend approval of these amendment requests, we also recommend that the executed amendments and contract

documents include notations identifying the two separate fund sources for purposes of clarity and ease of tracking. The actual amendment documents were inadvertently omitted from the LAHD Transmittal. These agreements (or pro forma documents) are included as Attachments B through M of this report. These attachments also include procurement information for each request and the contract history, as provided by LAHD.

	Contractor Name	New or Amendment	Type of Service	NSP I	NSP II	Total Amendment Request
1	ICF Incorporated	New	Internal auditor; evaluation of policies, procedures, and systems.	\$0	\$100,000	\$100,000
2	Commercial Programming Systems, Inc.	Amendment	Systems related: applications development; data management, among other duties.	0	115,000	115,000
3	3Di Systems	Amendment	Systems related management work.	150,000	85,000	235,000
4	Ann Bauman, Inc.	Amendment	Program design, implementation and compliance support.	100,000	100,000	200,000
5	Veloce Partners, Inc.	Amendment	Real estate loan underwriting.	0	120,000	120,000
6	Marcus and Millichap Altera Real Estate Group	New	Real estate broker services.	0	Three percent of sales price at close of escrow	n/a
			<b>Totals</b>	<b>\$250,000</b>	<b>\$520,000</b>	<b>\$770,000</b>

In consideration of the Council directive to reduce contract compensation by 10 percent, LAHD reports that the requested compensation for the systems contractors reflects a 10 percent reduction. Also, the Ann Bauman compensation rate is reported at \$150 per hour, which is 14 percent less than what is charged to other cities at \$175 per hour.


## 6. Program Administration

Due to the significant size of the NSP II award and in light of the fact that NSP I and NSP I will be implemented concurrently, this Office asked the Department to provide additional information relative to the safeguards that are in place to properly track the expenditures of both NSP I and II. In response, LAHD provided information that is included in this report for informational purposes only. No action is recommended at this time.

The LAHD indicated that RNLA segregates costs between Program Administration and Program Operations for NSP I. They divide all NSP eligible expenses between accounts 820 (Program Administration) and 821 (Program Operations). All personnel complete timesheets that allocates their time based upon Program Administration and Program Operations. Each cost is categorized based upon the use of funds and budgets approved by LAHD. RNLA has an NSP I bank account from which they issue checks. The same procedures will be used for NSP II. RNLA will open an NSP II bank account from which they will write checks for all NSP II expenses. RNLA staff will complete timesheets that identifies whether their time was on NSP I

or NSP II. Each cost will be categorized based upon the use of funds and budgets approved by LAHD.

RNLA utilizes the Timberline Accounting System, which is a double entry accounting system that allocates all costs to appropriate funding sources and provides reports (income statements, balance sheets, and statement of changes) on a monthly basis for NSP I and will provide the same for NSP II. RNLA submitted to LAHD budgets for NSP I and NSP II that cover the entire NSP grant period. LAHD reviews and approves these budgets along with subsequent modifications. When invoices are submitted, LAHD reviews the approved budget, source documents for all costs and check registers. Just as LAHD currently ensures that funds are appropriately spent in either the Program Administration or Program Operations line items, LAHD is committed to ensuring that funds are appropriately accounted to NSP I and NSP II.

  
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Angelica H. Samayoa  
Senior Administrative Analyst II



**Los Angeles Housing Department**  
 Contract Amendment associated with the Neighborhood Stabilization Program (NSP)

Contractor Name	Contract No.	Amendment No.	Requested Term of Performance	On the Original contract, what is the approved Term of Performance?
Restore Neighborhoods LA, Inc.	C-115683	Second	<b>Additional three years and six months to expire on March 31, 2014</b>	<b>March 1, 2009 – September 30, 2010, 18 months plus two one-year renewal options</b>
Brief Summary of type of Services to be Provided			Original Amount And 1 <sup>st</sup> Amendment	Proposed Second Amendment Amount
The Contractor will acquire properties in bulk volume from lenders, brokers or loan servicers in order to restore foreclosed and/or abandoned residential properties to affordable homeownership and rental housing opportunities. Properties will be rehabilitated and sold in accordance with HUD Neighborhood Stabilization Program (NSP) regulations, City criteria, and City's Substantial Amendment to the 34 <sup>th</sup> Year Action Plan. As such, all services performed by the Contractor must be provided only in, or adjacent to, the census tracts and block groups that are identified as NSP I or NSP II Risk Factor Areas.			NSP 1 – \$21,828,963 Non-NSP – \$250,000	NSP I - \$8,213,751 NSP II - \$92,217,040
			Council File Reference and Date of Original Council Approval	Total Amended Contract
			C.F. 07-2438-S8 February 25, 2009	NSP 1– \$30,042,714 Non-NSP– \$250,000 NSP II– \$92,217,040 TOTAL All - \$122,509,754

**Los Angeles Housing Department**  
Contract associated with the Neighborhood Stabilization Program (NSP)

Contractor Name	Contract No.	Amendment No.	Requested Term of Performance	On the Original contract, what is the approved Term of Performance?
ICF Incorporated, LLC	C-117373	First	Additional 10 months to expire on June 30, 2011	June 1, 2010 – August 31, 2010 10 months plus two one-year renewal options
Brief Summary of type of Services to be Provided			Original Amount	REQUESTED Amendment Amount
<p>The Contractor will evaluate the policies, procedures, and systems which are in place to ensure: reliability and integrity of information; compliance with policies, plans, laws, and regulations; appropriate use of construction techniques, methods, and materials and the safeguarding of assets; and, the economical and efficient use of resources.</p>			Non-NSP1/2 - \$50,000	NSP II - \$100,000
<p>A. To perform the NSP II evaluation, the Contractor will:</p> <ul style="list-style-type: none"> <li>• Assess program areas to determine areas of greatest risk;</li> <li>• Monitor, assess, and analyze program risk and controls for the NSP II programs;</li> <li>• Review and confirm program activities and compliance with policies, procedures, and laws;</li> <li>• Select subjects and determine the scope of program evaluations;</li> <li>• Provide feedback to management and make recommendations for enhancing processes, policies, and procedures;</li> <li>• Have unrestricted access to all functions, records, information, property, and personnel that are part of LAHD's and RNLA's NSP II activities, including consultants and contractors.</li> <li>• Will have continual remote access to the HIMS and other NSP-related databases to review project transactions as activities take place and have access to all reports.</li> <li>• Have a full and free access to senior management; and,</li> <li>• Obtain the necessary assistance of personnel within LAHD in the conduct of planned audits.</li> </ul>			Council File Reference and Date of Original Council Approval	Total Amended Contract
<p>B. In addition, during the term of the contract, the Contractor will review, but not be limited to, the following:</p> <ul style="list-style-type: none"> <li>• <u>Financial</u>: program income, timeliness, frequency or need for budget adjustments, size of grant amount, timely submissions of financial information, and expenditures;</li> <li>• <u>Physical</u>: Physical conditions of REO properties at purchase and after rehabilitation and the acquisition, construction and rehabilitation of assets;</li> <li>• <u>Management</u>: Program complexity, compliance issues, staff capacity and oversight, results of prior OIG and CPD audits of the grantee, program design;</li> <li>• <u>Satisfaction</u>: Citizen complaints and grantee responsiveness; and</li> <li>• <u>Services</u>: Meeting program objectives, relocation, environmental, and program progress.</li> </ul>			C.F. 08-2742 August 14, 2009	NSP II - \$100,000 Non-NSP1/2 - \$50,000 TOTAL - \$150,000

**FIRST AMENDMENT  
TO AGREEMENT NUMBER C-117373 OF CITY CONTRACTS  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
ICF Incorporated, LLC**

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THIS FIRST AMENDMENT to Agreement Number C-117373 of City Contracts is made and entered into by and between the City of Los Angeles, a municipal corporation, hereinafter referred to as the “City”, and ICF Incorporated, LLC, hereinafter referred to as the “Contractor”.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor agreed to provide certain consulting services to the Los Angeles Housing Department, said Agreement effective June 1, 2010, which together with all amendments thereto shall hereinafter be referred to as the “Agreement”; and

WHEREAS, Section 506 of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the City Council and Mayor (refer to Council File No. 07-2438-S8), approved by the **City Council on DATE and authorized by the Mayor on DATE**), for the purpose of extending the term of performance by ten (10) months for a total term of thirteen (13) months and increasing compensation by One Hundred Thousand Dollars (\$100,000) from Neighborhood Stabilization Program 2 funds, for a total contract amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000), adding Internal Audit Function services related to the Neighborhood Stabilization Program 2; and making other changes as necessary; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement;

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended effective upon execution, as follows:

## FIRST AMENDMENT

1. Amend Section 101, Representatives of the Parties and Service of Notices, to state that:

The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

1. The representative of the City shall be, unless otherwise stated in the Agreement:

Douglas Guthrie, General Manager  
Los Angeles Housing Department  
1200 West 7th Street, 9th Floor  
Los Angeles, CA 90017

With copies for the Neighborhood Stabilization Program 2 (NSP2), Internal Audit Function to:

Rushmore Cervantes, Executive Office  
Los Angeles Housing Department  
1200 West 7th Street, 9th Floor  
Los Angeles, CA 90017

And copies for the Housing Studies and Services Occupancy Monitoring Consulting to:

Brittanya Murillo, Sr. Housing Planning & Economic Analyst  
Occupancy Monitoring/Compliance Unit  
1200 West 7th Street, 9th Floor  
Los Angeles, CA 90017

2. Amend Section 201, Time of Performance, by deleting the current end date of August 31, 2010, and replacing it with the new ending date of June 30, 2011. This Amendment adds an additional ten (10) months for a total term of thirteen (13) months. The contract may be renewed for an additional one year term and an additional 11 month term, not to exceed thirty-six (36) months.
3. Amend Section 202, Services to be Provided by Contractor, by adding the following:

### **Neighborhood Stabilization Program 2 (NSP2) Internal Audit Function**

#### Overview

The NSP2 NOFA required all NSP2 recipients to have an internal program audit function that will continually examine potentially risky areas of program operations and management and provide regular and valuable feedback to program managers and to those who hold them accountable. This feedback will include identification of risky management practices and missing or ineffective internal controls, areas that are not in compliance with program requirements, and ineffective implementation of established policies. By definition, the Internal Auditor (IA) must be an entity outside of the LAHD system that reports directly to top management on the quarterly evaluation of



the program. The IA is required to have expertise in HUD programs, program evaluation and, specifically, NSP. The Contractor, which meets these qualifications, will be performing the services as the IA for LAHD's NSP2 program.

#### Internal Audit Tasks

The Contractor will evaluate the policies, procedures, and systems which are in place to ensure: reliability and integrity of information; compliance with policies, plans, laws, and regulations; appropriate use of construction techniques, methods, and materials and the safeguarding of assets; and, the economical and efficient use of resources.

#### **A. To perform the NSP2 evaluation, the Contractor will:**

- Assess program areas to determine areas of greatest risk;
- Monitor, assess, and analyze program risk and controls for the NSP2 programs;
- Review and confirm program activities and compliance with policies, procedures, and laws;
- Select subjects and determine the scope of program evaluations;
- Provide feedback to management and make recommendations for enhancing processes, policies, and procedures;
- Have unrestricted access to all functions, records, information, property, and personnel that are part of LAHD's and RNLA's NSP2 activities, including consultants and contractors.
- Will have continual remote access to the HIMS and other NSP-related databases to review project transactions as activities take place and have access to all reports.
- Have a full and free access to senior management; and
- Obtain the necessary assistance of personnel within LAHD in the conduct of planned audits.

#### **B. In addition, during the term of the contract, the Contractor will review, but not be limited to, the following:**

- Financial: program income, timeliness, frequency or need for budget adjustments, size of grant amount, timely submissions of financial information, and expenditures;
- Physical: Physical conditions of REO properties at purchase and after rehabilitation and the acquisition, construction and rehabilitation of assets;
- Management: Program complexity, compliance issues, staff capacity and oversight, results of prior OIG and CPD audits of the grantee, program design

- Satisfaction: Citizen complaints and grantee responsiveness; and
- Services: Meeting program objectives, relocation, environmental, and program progress.

**C. On a quarterly basis, the Contractor will:**

- Conduct on-site program reviews and desk audits on a schedule it designs and based on its assessment of program risks. The schedule shall be submitted to LAHD for review and approval.
- Report to the LAHD Executive Officer and respond to questions as needed. In addition, the Contractor will brief program operations staff on its findings and recommendations each quarter. However, if the Contractor has concerns about any program activity or transaction, it is required to inform LAHD immediately so that the issue can be resolved.

The Executive Officer and contractor will determine the reporting format and content. LAHD may request more frequent reports, if needed.

The Contractor will use its own staff with expertise in HUD program requirements and compliance, accounting, and rehabilitation construction. The Contractor will have continual remote access to the HIMS and other NSP-related databases to review project transactions as activities take place and have access to all reports.

Reporting to the Executive Officer places the Contractor outside of the daily NSP operations hierarchy with a direct communications channel to top management to ensure that top management is apprised of the efficiency, effectiveness, issues and concerns regarding implementation of NSP2 activities.

4. Amend Section 301, Compensation and Method of Payment, by deleting the total dollar amount and replacing with One Hundred Fifty Thousand Dollars (\$150,000).

This amendment adds an additional One Hundred Thousand Dollars (\$100,000) of Neighborhood Stabilization Program 2 funds for a new total of One Hundred Fifty Thousand Dollars (\$150,000).

The additional \$100,000 added through this First Amendment is to be expended solely on the NSP2 services listed above in Number 3, which may be modified in future amendments.

Contractor shall submit separate monthly invoices for the Housing Studies and Services (Occupancy Monitoring Consulting services) and the NSP II Internal Audit Function services.

5. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
6. This Amendment is executed in four (4) duplicate originals, each of which is deemed to be original. This Amendment includes five (5) pages, which constitutes the entire understanding between parties.

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

APPROVED AS TO FORM:  
 CARMEN A. TRUTANICH  
 City Attorney \_\_\_\_\_, 2010

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2010  
 For THE CITY OF LOS ANGELES

By: \_\_\_\_\_  
 Deputy / Assistant City Attorney

DOUGLAS GUTHRIE  
 General Manager  
 Los Angeles Housing Department

Date: \_\_\_\_\_, 2010

By: \_\_\_\_\_  
 Title: \_\_\_\_\_

ATTEST:  
 JUNE LAGMAY, City Clerk

By: \_\_\_\_\_  
 Deputy City Clerk

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2010

Date: \_\_\_\_\_, 2010

For: ICF Incorporated, LLC  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

(Contractor's Corporate Seal of Notary)

ATTEST:  
 By: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_,

City Business License Number: 506733-0001-1  
 IRS ID Number: 52-0893615

Council File Number	Contract/Amendments	Approval Dates
Council File No. 07-2438-S8	1 <sup>st</sup> Amendment	
Council File No. 08-2742	Original Contract	08/31/2009 with Mayor's concurrence 08/25/2009

Said Agreement is Number C- 117373 of City Contracts, Amendment 1

Draft 1st Amendment  
 ICF Incorporated

**Los Angeles Housing Department**  
Contract Amendment associated with the Neighborhood Stabilization Program (NSP)

Contractor Name	Contract No.	Amendment No.	Requested Term of Performance	On the Original contract, what is the approved Term of Performance?
Commercial Programming Systems, Inc.	C-115244	Fourth	Additional one year to expire on June 30, 2011	January 1, 2009 – June 30, 2009; Six months plus two one-year renewal options
Brief Summary of type of Services to be Provided			Original Amount	REQUESTED Amendment Amount
<p>The Contractor agrees to provide employees possessing technical expertise in specialized software, hardware, network or applications areas to meet the City's objective. The Contractor 's employees shall provide temporary assistance on applications projects, utilizing specialized software, or in transferring/disseminating detailed implementation knowledge to City staff in the use of specialized software. These technical areas could include, among others, the use of application development tools, expert software, data administration, document writing skills, project management skills, quality assurance skills, server development methodologies, LAN and network security.</p> <p>A. Applications Developer: Designs, develops, installs, and maintains computer applications to enhance the efficiency and effectiveness of department and Citywide operations and public service delivery; ensures effectiveness of overall systems performance; and works with client managers to understand and assist them in solving business problems as they pertain to computer applications and systems performance.</p> <p>B. Data Manager: Designs, develops, installs, and maintains workgroup and enterprise databases and data administration and management processes which ensure the availability, integrity and efficient integration of data in applications supporting department and Citywide operations and public service delivery.</p> <p>C. Information Technology Business Process Analysts: Performs business and systems analyses to facilitate and coordinate the development of technology solutions to departmental business and operational requirements; evaluates technology alternatives; and coordinates technical specialists to develop detailed, integrated technology applications/installations.</p> <p>D. Systems &amp; Network Developer: Designs, develops, installs, administers, and maintains stability and efficiency of more complex control software and network systems; and manages and optimizes control and network system performance and interoperability to enable departmental customers to accomplish their business requirements through effective operations and sharing of information and applications.</p>			Non-NSP - \$133,500	NSP II - \$115,000
			Council File Reference and Date of Original Council Approval	Total Amended Contract
			Executive Directive Three CAO File No. 0220-00540-0857	NSP II - \$115,000 Non-NSP original and three amendments – 457,780 TOTAL All - \$572,780

FOURTH AMENDMENT  
TO AGREEMENT NUMBER C-115244 OF CITY OF LOS ANGELES CONTRACT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
Commercial Programming Systems, Inc.

This FOURTH AMENDMENT to Agreement Number C-115244 of City of Los Angeles Contract is made and entered into between the City of Los Angeles, hereinafter referred to as the City, and Commercial Programming Systems, Inc., hereinafter referred to as the Contractor.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor shall provide certain services, said Agreement effective January 1, 2009 and subsequently amended, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, Section 505 of the Agreement provides for amendments to the Agreement; and

WHEREAS, the Agreement contemplated that modifications and closeout activities may be required after the time set forth in "§201. Time of Performance" of the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the Mayor which authorize the General Manager of the Los Angeles Housing Department to prepare and execute an amendment to the Agreement for the purpose of: (a) adding additional funds in the amount of One Hundred Fifteen Thousand Dollars (\$115,000) for a new total of Five Hundred Seventy-Two Thousand Seven Hundred Eighty Dollars (\$572,780). The source of funds is the Neighborhood Stabilization Program 2 (NSP 2); (b) adding an additional one (1) year for a new ending date of June 30, 2011; and (c) making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended effective as follows:

AMENDMENT

- §1. Amend Section 201 Time of Performance by deleting the current ending date of June 30, 2010 and replacing with the new ending date of June 30, 2011.

This amendment adds an additional twelve (12) months for a total term of thirty (30) months.

- §2. Amend Section 301 Compensation and Method of Payment C Total Contract Expenditure by deleting the total dollar amount of Four Hundred Fifty-Seven Thousand Seven Hundred Eighty Dollars (\$457,780) and replacing with the new total dollar amount of Five Hundred Seventy-Two Thousand Seven Hundred Eighty Dollars (\$572,780).

This amendment adds an additional One Hundred Fifteen Thousand Dollars (\$115,000) for a new total of Five Hundred Seventy-Two Thousand Seven Hundred Eighty Dollars (\$572,780).

- §3. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
- §4. This Amendment is executed in two (2) duplicate originals, each of which is deemed to be an original. This Amendment includes three (3) pages that constitute the entire understanding and agreement of the parties.

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

APPROVED AS TO FORM AND LEGALITY: Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2010  
CARMEN TRUTANICH, City Attorney

By \_\_\_\_\_  
Deputy/Assistant City Attorney

Date \_\_\_\_\_

For: THE CITY OF LOS ANGELES

DOUGLAS GUTHRIE  
General Manager  
Los Angeles Housing Department

ATTEST:

JUNE LAGMAY, City Clerk

By \_\_\_\_\_

By \_\_\_\_\_  
Deputy City Clerk

Date \_\_\_\_\_

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2010

For: \_\_Commercial Programming Systems, Inc.

(Contractor's Corporate Seal)

By \_\_\_\_\_  
Print Name \_\_\_\_\_  
Title: \_\_\_\_\_

By \_\_\_\_\_  
Print Name \_\_\_\_\_  
Title: \_\_\_\_\_

City Business License Number: 182264-0001-6  
Internal Revenue Service Number: 95-328-7527  
Said Agreement is Number C-115244 of City Contracts Amendment 4

**Los Angeles Housing Department**  
Contract Amendment associated with the Neighborhood Stabilization Program (NSP)

Contractor Name	Contract No.	Amendment No.	Requested Term of Performance	On the Original contract, what is the approved Term of Performance?
3Di Systems, Inc	C-115246	Second	Additional two years and six months to expire on June 30, 2011	January 1, 2009 – June 30, 2009; Six months plus two one-year renewal options
Brief Summary of type of Services to be Provided			Original Amount	REQUESTED Amendment Amount
<ol style="list-style-type: none"> <li>1) Develop and maintain a web-based project and funding management system to allow LAHD and RNLA staff to track and communicate project progress.</li> <li>2) Develop and maintain a reporting system based on data collected from (1) above to meet HUD reporting requirement.</li> <li>3) Develop and maintain mobile device integration with (1) and (2) above for field inspection and for work write-up report.</li> <li>4) Develop and maintain a web portal for public to verify property eligibility.</li> </ol>			NSP1 - \$100,000 Non-NSP 1/2 - \$100,000	NSP1 - \$150,000 NSP II - \$85,000
			Council File Reference and Date of Original Council Approval	Total Amended Contract
			Executive Directive Three CAO File No. 0220-00540-0857	NSP1 - \$250,000 NSP II - \$85,000 Non-NSP 1/2 - \$100,000 TOTAL - \$435,000



SECOND AMENDMENT  
TO AGREEMENT NUMBER C-115246 OF CITY OF LOS ANGELES CONTRACT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
3DI SYSTEMS, INC.

This SECOND AMENDMENT to Agreement Number C-115246 of City of Los Angeles Contract is made and entered into between the City of Los Angeles, hereinafter referred to as the City, and 3Di, Inc., hereinafter referred to as the Contractor.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor shall provide certain services, said Agreement effective January 1, 2009 and subsequently amended, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, Section 505 of the Agreement provides for amendments to the Agreement; and

WHEREAS, the Agreement contemplated that modifications and closeout activities may be required after the time set forth in "§201. Time of Performance" of the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the Mayor (refer to Council File No.: \_\_\_\_\_ dated \_\_\_\_\_) which authorizes the General Manager of the Los Angeles Housing Department to prepare and execute an amendment to the Agreement for the purpose of: (a) adding additional funds in the amount of Two Hundred Thirty-five Thousand Dollars (\$235,000) for a new total of Four Hundred Thirty-five Thousand Dollars (\$435,000). The funding sources are One Hundred Fifty Thousand Dollars (\$150,000) from Neighborhood Stabilization Program 1 (NSP 1) and Eighty-five Thousand Dollars (\$85,000) from Neighborhood Stabilization Program 2 (NSP 2); (b) adding an additional twelve (12) months for a new ending date of June 30, 2011 with option to renew for two (2) additional one-year periods and changing the total maximum contract term of two (2) years and six (6) months to four (4) years and six (6) months; and (c) making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be

amended as follows:

SECOND AMENDMENT

- §1. Amend Section 201 Time of Performance by deleting the current ending date of June 30, 2010 and replacing with the new ending date of June 30, 2011 with an additional two one-year renewal option replacing the current maximum contract term of two years and six months with the new maximum contract term of four years and six months. This amendment adds an additional two (2) years to the original contract term for a total maximum term of four (4) years and six (6) months.
- §2. Amend Section 301 Compensation and Method of Payment C Total Contract Expenditure by deleting the total dollar amount of Two Hundred Thousand Dollars (\$200,000) and replacing with the new total dollar amount of Four Hundred Thirty-five Thousand Dollars (\$435,000).
- This amendment adds an additional Two Hundred Thirty-five Thousand Dollars (\$235,000) for a new total of Four Hundred Thirty-five Thousand Dollars (\$435,000).
- §3. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
- §4. This Amendment is executed in two (2) duplicate originals, each of which is deemed to be an original. This Amendment includes three (3) pages that constitute the entire understanding and agreement of the parties.

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

APPROVED AS TO FORM AND LEGALITY: Executed this \_\_\_\_ day of \_\_\_\_\_, 2010

CARMEN TRUTANICH, City Attorney

By \_\_\_\_\_  
Deputy/Assistant City Attorney

Date \_\_\_\_\_

For: THE CITY OF LOS ANGELES

DOUGLAS GUTHRIE  
General Manager  
Los Angeles Housing Department

ATTEST:

JUNE LAGMAY, City Clerk

By \_\_\_\_\_

By \_\_\_\_\_  
Deputy City Clerk

Date \_\_\_\_\_

DRAFT

Executed this \_\_\_\_ day of \_\_\_\_\_, 2010

For: 3Di, Inc.

(Contractor's Corporate Seal)

By \_\_\_\_\_  
Print Name \_\_\_\_\_  
Title: \_\_\_\_\_

By \_\_\_\_\_  
Print Name \_\_\_\_\_  
Title: \_\_\_\_\_

City Business License Number: 0000495437-0002-8  
Internal Revenue Service Number: 33-0647719  
CAO report Number 0220-00540-0857 Date of Approval: January 30, 2009  
Said Agreement is Number C-115246 of City Contracts Amendment 2

**Los Angeles Housing Department**  
Contract Amendment associated with the Neighborhood Stabilization Program (NSP)

Contractor Name	Contract No.	Amendment No.	Requested Term of Performance	On the Original contract, what is the approved Term of Performance?
Ann Bauman, Inc.	C-116214	Second	Additional one year to expire on June 30, 2011	<i>July 1, 2009 – March 31, 2010 Nine months</i>
Brief Summary of type of Services to be Provided			Original Amount	Amendment Amount
<p>Provide professional consulting services with respect to program design, program implementation and HUD compliance for the Neighborhood Stabilization Program I (NSP I) and the Neighborhood Stabilization Program II (NSP II), which will include the following:</p> <ol style="list-style-type: none"> <li>1. Develop policies and procedures to ensure compliance with HUD requirements for the NSP I and NSP II programs; and</li> <li>2. Create reporting systems and procedures for NSP I and NSP II program requirements; and</li> <li>3. Provide technical assistance to NSP property holding company to ensure compliance with NSP procedures; and</li> <li>4. Review program activities to ensure compliance with HUD NSP requirements.</li> </ol> <p>C. Assist in evaluating and improving existing affordable housing development, preservation and occupancy monitoring programs. Specific areas that may be addressed are:</p> <ol style="list-style-type: none"> <li>1. <u>Occupancy Monitoring:</u> <ol style="list-style-type: none"> <li>a. Provide technical support on administrative policies and procedures regarding affordable housing covenants and regulatory agreements; and</li> <li>b. Assist in the development of policies and procedures for calculating affordable rents and home sales prices, and for preserving affordability; and</li> <li>c. Assist in the development of administrative policies and procedures regarding LAHD's responsibilities for preserving affordable housing.</li> </ol> </li> <li>2. <u>Major Projects:</u> <ol style="list-style-type: none"> <li>a. Assist in the development of HOME policies and procedures; and b. Assist in the development of relocation policies and procedures.</li> </ol> </li> <li>3. <u>Homeownership and Preservation Division:</u> Assist in the development of effective program delivery strategies and procedures consistent with HUD regulations.</li> <li>4. Provide any training needed related to the implementation of new or updated policies and procedures, standards, guidelines, or other documents as needed.</li> </ol> <p>D. Provide assistance with HUD and OIG program audits and review programs for compliance with HUD regulations;</p> <p>E. Other tasks as agreed upon by the LAHD and Contractor.</p>			<p align="center">NSP 1 - \$130,000 Non-NSP 1/2 - \$70,000</p>	<p align="center">NSP1 - \$100,000 NSP II - \$100,000</p>
			Council File Reference and Date of Original Council Approval	Total Amended Contract
			<p align="center">C.F. 08-2742 August 14, 2009</p>	<p align="center">NSP1 - \$130,000 NSP II - \$100,000 Non-NSP1/2-\$70,000 TOTAL All - \$400,000</p>



SECOND AMENDMENT  
TO AGREEMENT NUMBER C-116214 OF CITY OF LOS ANGELES CONTRACT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
ANN R. BAUMAN, A.I.C.P.

THIS SECOND AMENDMENT to Agreement Number C-116214 of City of Los Angeles Contract is made and entered into by and between the City of Los Angeles, hereinafter referred to as the City, and Ann R. Bauman, A.I.C.P., hereinafter referred to as the Contractor.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor shall provide certain services, said Agreement effective July 1, 2009 and subsequently amended, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, Section §506 of the Agreement provides for amendments to the Agreement; and

WHEREAS, the Agreement contemplated that modifications and closeout activities may be required after the time set forth in "§201. Time of Performance" of the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the City Council and the Mayor (refer to Council File Number XXXXX dated XXXXXXXX, XXXX, Mayor concurred on XXXXXXX), which authorizes the General Manager of the Los Angeles Housing Department to prepare and execute an amendment to the Agreement for the purpose of: (a) extending the time of performance with an additional twelve (12) months for a new ending date of June 30, 2011; (b) adding additional funds in the amount of Two Hundred Thousand Dollars (\$200,000) for a new total contract amount of Four Hundred Thousand Dollars (\$400,000). The funding sources are One Hundred Thousand Dollars (\$100,000) from Neighborhood Stabilization Program 1 (NSP 1) funds and One Hundred Thousand Dollars (\$100,000) from Neighborhood Stabilization Program 2 (NSP 2) funds; and, (c) making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended effective July 1, 2010 as follows:

## AMENDMENT

- §1. Amend Section 201 Time of Performance by deleting the current ending date of June 30, 2010 and replacing it with the new ending date of June 30, 2011. This amendment adds an additional twelve (12) months for a total term of twenty-four (24) months.
- §2. Amend Section §301A Compensation and Method of Payment by deleting the total dollar amount of Two Hundred Thousand Dollars (\$200,000) and substituting with the total dollar amount of Four Hundred Thousand Dollars (\$400,000)
- This Amendment adds an additional Two Hundred Thousand Dollars (\$200,000) to the contract, consisting of: One Hundred Thousand Dollars (\$100,000) from Neighborhood Stabilization Program 1 (NSP 1) funds and One Hundred Thousand Dollars (\$100,000) from Neighborhood Stabilization Program 2 (NSP 2) funds, for a new total of Four Hundred Thousand Dollars (\$400,000).
- §3. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
- §4. This Amendment is executed in three (3) duplicate originals, each of which is deemed to be an original. This Amendment includes three (3) pages which constitute the entire understanding and agreement of the parties.

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

APPROVED AS TO FORM:  
CARMEN A. TRUTANICH, City Attorney

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2010

By: \_\_\_\_\_  
Deputy/Assistant City Attorney

For: THE CITY OF LOS ANGELES

Date: \_\_\_\_\_

DOUGLAS GUTHRIE  
General Manager  
Los Angeles Housing Department

ATTEST:

JUNE LAGMAY, City Clerk

By: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy City Clerk

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2010

Date: \_\_\_\_\_

For: ANN R. BAUMAN, A.I.C.P.

(Contractor's Corporate Seal)

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

City Business License Number: 0002053723  
Internal Revenue Service Number: 578-58-7911

Council File Number	Contract/Amendments	Dates
	2 <sup>nd</sup> Amendment	
08-2742	Original Contract / 1 <sup>st</sup> Amendment	08/25/2009

Said Agreement is Number C-116214 of City Contracts Amendment 2

**Los Angeles Housing Department**  
Contract Amendment associated with the Neighborhood Stabilization Program (NSP)

Contractor Name	Contract No.	Amendment No.	Requested Term of Performance	On the Original contract, what is the approved Term of Performance?
Veloce Partners, Inc.	C-116763	Second	Additional one year and three months to expire on December 31, 2011	January 1, 2010 - September 30, 2010; Nine months plus one renewal option for period of one year
Brief Summary of type of Services to be Provided			Original Amount	Amendment Amount
<p><b>Real Estate Loan Underwriting services will be provided at a rate of \$235 per hour. LAHD and Contractor will negotiate a cost for the assignment before work begins, consistent with LAHD's analysis of reasonable fees. Contractor will bear the cost of office, phone, insurance, and general operating overhead. LAHD and Contractor will negotiate reasonable costs for any unusual out-of-pocket expenses.</b></p> <p>The loan underwriters shall render the services on an as-needed basis to the LAHD, which may include, but not limited to, the tasks stated below:</p> <ol style="list-style-type: none"> <li>1. Perform pro forma analysis of sources of funds, development costs, cash flow, rent schedules, operating costs, including direct construction costs, etc,</li> <li>2. Evaluate financial stability of the developer, including the review and evaluation of financial statements, staffing, current projects and capacity to carry out the project as proposed.</li> <li>3. Evaluate the pre-development, construction, bridge, other interim and permanent financing structure for the proposed developments and make funding recommendations.</li> <li>4. Evaluate the project tax credit basis projections and tax credit syndication assumptions and their impact on the financing package.</li> <li>5. Evaluate the use of private debt, equity or other sources that will be used to maximize the leveraging of public funds.</li> <li>6. Assist in identifying and structuring alternative funding sources and analyze the impact of multiple-funding sources on the project.</li> <li>7. Analyze the potential of using tax exempt bonds and 4 percent tax credits as alternative project financing.</li> <li>8. Evaluate property appraisals for accuracy and projected future values.</li> <li>9. Perform risk analysis in order to balance the City's financial interest with housing development policies and goals,</li> <li>10. Coordinate the development of affordable housing projects through the use of public/private financing and applicable HUD programs.</li> <li>11. Evaluate and monitor all project consultant contracts,</li> <li>12. Evaluate property management plans and management contracts.</li> <li>13. Assist in the evaluation of new sources of funding, such as New Market Tax Credits, etc.</li> <li>14. Assist in the evaluation of mixed-use development and Permanent Supportive Housing Program Projects.</li> </ol>			Non-NSP 1/2 - \$40,000	NSP II - \$120,000
			Council File Reference and Date of Original Council Approval	Amendment Total
			C.F. 09-0374 December 08, 2009	NSP II - \$120,000 Non-NSP1/2 - \$40,000 TOTAL - \$160,000



- |  |  |  |
|--|--|--|
| <p><b>15. Assist in identifying issues that may affect the Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA) and provide assistance in drafting the NOFA. Provide assistance to developers and City staff in the area of land use and entitlement process.</b></p> <p><b>16. Assist in the development and implementation of affordable housing financing policies and procedures, including the development of standardized loan applications, pro formas, report formats and procedure manuals.</b></p> <p><b>17. Assist in the development of new and innovative financing programs and techniques to maximize the production of affordable housing at minimum cost to the City.</b></p> <p><b>18. Provide assistance to developers and city staff in the areas of land use and the entitlement process.</b></p> <p><b>19. Provide training to city staff on specific issues affecting the funding of City projects.</b></p> |  |  |
|--|--|--|

SECOND AMENDMENT  
TO AGREEMENT NUMBER C-116763 OF CITY OF LOS ANGELES CONTRACT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
VELOCE PARTNERS, INC.  
Loan Underwriting Services

THIS SECOND AMENDMENT to Agreement Number C-116763 of City of Los Angeles Contract is made and entered into by and between the City of Los Angeles, hereinafter referred to as the City, and VELOCE PARTNERS, INC., hereinafter referred to as the Contractor.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor shall provide certain services, said Agreement effective January 1, 2010 and subsequently amended, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, Section **§506** of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the City Council and the Mayor (Council File Number 09-0374, adopted by City Council on December 8, 2009, and concurred by the Mayor on December 11, 2009) which authorizes the General Manager of the Los Angeles Housing Department to prepare and execute an amendment to the Agreement for the purpose of: (a) adding One-Hundred Twenty-thousand dollars (\$120,000) from the Neighborhood Stabilization Program II (NSPII) funds for a new total contract amount of One-Hundred Sixty-thousand dollars (\$160,000); (b) extending the time of performance with an additional Fifteen (15) months for a new ending date of December 31, 2011; and making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended effective October 1, 2010, as follows:

## SECOND AMENDMENT

- §1. Amend Section §301 Compensation and Method of Payment, by deleting the total dollar amount of Forty Thousand Dollars (\$40,000) and substituting with the new total dollar amount of One-Hundred Sixty Thousand Dollars (\$160,000).

This Amendment adds an additional One-Hundred Twenty Thousand Dollars (\$120,000) from the Neighborhood Stabilization Program II (NSPII) funds to the contract total amount.

- §2. Amend Section §201 Time of Performance, by deleting the current ending date of September 30, 2010, and substituting with the new ending date of December 31, 2011. This amendment adds an additional fifteen (15) months for a total term of twenty-four (24) months.
- §3. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
- §4. This Amendment is executed in three (3) duplicate originals, each of which is deemed to be an original. This Amendment includes three (3) pages which constitute the entire understanding and agreement of the parties.

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

APPROVED AS TO FORM:

Executed this \_\_\_\_ day of \_\_\_\_\_, 2010

CARMEN A. TRUTANICH, City Attorney

For: THE CITY OF LOS ANGELES

DOUGLAS GUTHRIE  
General Manager  
Los Angeles Housing Department

BY: \_\_\_\_\_  
Deputy / Assistant City Attorney

By \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

Executed this \_\_\_\_ day of \_\_\_\_\_, 2010

JUNE LAGMAY, City Clerk

For: VELOCE PARTNERS, INC.  
A CALIFORNIA CORPORATION

By: \_\_\_\_\_  
Deputy City Clerk

BY \_\_\_\_\_  
David C. Nahas  
President

Date: \_\_\_\_\_

DRAFT

(Contractor's Corporate Seal or Notary)

City Business License Number: 776528-0001-0  
Internal Revenue Service Number: 010639757

Council File Number	Contract/Amendments	Dates
Council File No	2 <sup>nd</sup> Amendment	
Council File No. 09-2665	1 <sup>st</sup> Amendment	3/5/2010 and 3/18/2010
Council File No. 09-0374	Original Contract	12/9/09

Said Agreement is Number C- 116763 of City Contracts, Amendment 2

**Los Angeles Housing Department**  
 Contract Amendment associated with the Neighborhood Stabilization Program (NSP)

Contractor Name(s)	Contract No.	Amendment No.	Requested Term of Performance	On the Original contract, what is the approved Term of Performance?
Marcus & Millichap Altera Real Estate Group	Original is pending negotiation and execution	N/A	From January 1, 2010 to September 30, 2010	Original is pending negotiation and execution
Brief Summary of type of Services to be Provided			Original Amount	Amendment Amount
<p><b>The Contractor (real estate broker) shall be responsible for the following services:</b></p> <ol style="list-style-type: none"> <li><b>1. Negotiations for the purchase and sale of government-owned and/or privately owned real estate property, which may include single family dwellings (1 to 4 units) and unimproved lots with the intent for the development or rehabilitation of affordable single-family residential units.</b></li> <li><b>2. Perform typical marketing activities associated with the sales of real property such as preparing property brochures, flyers; advertising through local newspapers, on-line, and mailings; listing properties in the local Multiple Listing Services (the MLS, Loop.Net, GoStar, etc); posting of for-sale signs; conducting broker opens and open houses; showing properties to potential clients; and other activities that may be appropriate in the marketing and selling of real estate.</b></li> <li><b>3. Process escrows. Draft real property documents, such as sales agreements, escrow instructions and long term leases.</b></li> <li><b>4. Provide LAHD with property profiles, title reports and other information from public records and advise LAHD as to the legal and pragmatic implication of a purchase or sale.</b></li> <li><b>5. Perform simple summary appraisal and/or estimate of value with supporting documents.</b></li> <li><b>6. Represent LAHD in the negotiation for the acquisition and sale of real property.</b></li> <li><b>7. Draft written offers for LAHD's purchase of real property.</b></li> </ol>			N/A	<p align="center"><b>NSP II –</b>                  Three percent of the sales price upon completion of the sale at the close of escrow</p>
			Council File Reference and Date of Original Council Approval	Amendment Total
			C.F. 09-0374 December 8, 2009	NSP 2 – 3 percent of sales price

PROFESSIONAL SERVICES AGREEMENT

Contractor:

Title: Real Estate Broker

Said Agreement is Number \_\_\_\_\_ of City Contracts

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## EXHIBITS

- Exhibit A Indemnification and Insurance Requirements
- Exhibit B Notice of Prohibition against Retaliation
- Exhibit C Management Representation Statement
- Exhibit D Confidentiality Agreement

AGREEMENT NUMBER \_\_\_\_\_ OF CITY CONTRACTS  
BETWEEN  
THE CITY OF LOS ANGELES  
AND

THIS AGREEMENT is made and entered into by and between the City of Los Angeles, a municipal corporation, hereinafter called the City, and THE REAL ESTATE BROKER hereinafter called the Contractor.

RECITALS

WHEREAS, the Los Angeles Housing Department, hereafter called the LAHD, is charged with the development of citywide housing policy and support of safe and livable neighborhoods through the promotion, development and preservation of decent and affordable housing; and

WHEREAS, the LAHD cooperates with private organizations, other agencies of the City and agencies of other governmental jurisdictions in carrying out certain functions and programs which are its responsibility; and

WHEREAS, the LAHD desires to utilize the services of qualified real estate brokerage firms to assist with a variety of real estate transactions including the purchase and sale of City-owned properties; and

WHEREAS, the services to be provided herein are of a professional, expert, temporary, and occasional nature; and

WHEREAS, pursuant to Los Angeles City Charter Section 1022, the City Council or designee has determined that the work can be performed more economically or feasibly by independent contractors than by City employees; and

WHEREAS, the City and the Contractor are desirous of executing this Agreement as authorized by the City Council and the Mayor (refer to Council File Number 09-0374 dated 12/08/2009 with Mayor's concurrence dated 12/11/2009 and Council File Number XX-XXXX dated XX/XX/2010 which further delineates specific aspects of this contract) which authorizes the General Manager of the Los Angeles Housing Department to prepare and execute the Agreement.

NOW, THEREFORE, the City and the Contractor agree as follows:

## **1. INTRODUCTION**

### **§101 Parties to the Agreement**

A. The parties to this Agreement are:

1. The City of Los Angeles, a municipal corporation, having its principal office at 200 North Main Street, Los Angeles, California 90012.
2. The Contractor, a California corporation, known as \_\_\_\_\_, having its principal office at 18860 Nordhoff St., Northridge, California 91324.

### **§102 Representatives of the Parties and Service of Notices**

A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

1. The representative of the City shall be, unless otherwise stated in the Agreement:

Douglas Guthrie, General Manager  
Attn: LAHD Contract Coordinator  
Los Angeles Housing Department  
1200 West 7th Street, 9th Floor  
Los Angeles, CA 90017

2. The representative of the Contractor shall be:

B. Formal notices, demands and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.

C. If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accord with this section, within five (5) working days of said change.

### **§103 Independent Contractor**

Contractor's relationship to the City in the performance of this Agreement is that of an independent contractor and not as an agent or employee of the City. Therefore, neither the Contractor, nor any of its subcontractors are entitled to any vacation, sick leave, Workers' Compensation, pension or any other City benefits. Contractor's personnel performing services under this Agreement shall at all times be under Contractor's exclusive direction and control and shall be employees or subcontractors of Contractor and not of the City. Further, Contractor shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all

reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.

#### **§104 Conditions Precedent to Execution of This Agreement**

- A. Contractor shall provide copies of the following documents to the City:
1. Proof of insurance as required by the City in accordance with Section 414 of this Agreement and attached hereto as Exhibit A and made a part hereof.
  2. A Management Representation Statement fully executed in accordance with City's fiscal policies and attached hereto as Exhibit C and made a part of hereof.
  3. A Certification of Compliance with the Living Wage Ordinance Service Contractor Worker Retention and Living Wage Policy in accordance with §419.
  4. A Certification of Compliance With Equal Benefits Ordinance/Reasonable Measures Application for Equal Benefits Ordinance in accordance with §422 of this Agreement and the Slavery Disclosure Ordinance in accordance with §424.

## **2. TERM AND SERVICES TO BE PROVIDED**

#### **§201 Time of Performance**

- A. The term of this Agreement shall commence on January 1, 2010 and end September 30, 2010. Said term is subject to the provisions herein, and may be extended for up to one year, subject to Contractor's continuing compliance with applicable Federal, State and local government legislation, and an evaluation of Contractor's performance. Performance shall not commence until the Contractor has obtained the City's approval of the insurance required in §414 herein.

#### **§202 Services to be Provided by the Contractor**

- A. The Contractor shall provide contractual services which are supported by Section 302, Fees and Rates. All work is subject to prior City approval.
- B. General Statement of Services to be provided by Contractor

The Contractor (real estate broker) is to locate, negotiate and purchase properties in the City of Los Angeles for the development of single-family affordable housing. The Contractor (real estate broker) is also to list, market, negotiate and sell properties owned or controlled by LAHD. The properties to be acquired or sold may consist of unimproved land and improved property with multi-family or single-family residential units. The potential development of affordable housing may include new construction or rehabilitation of single-family homeownership units.

The Contractor (real estate broker) shall be responsible for the following services:

1. Negotiations for the purchase and sale of government-owned and/or privately owned real estate property, which may include single family dwellings (1 to 4 units) and unimproved lots with the intent for the development or rehabilitation of affordable single-family residential units.
2. Perform typical marketing activities associated with the sales of real property such as preparing property brochures, flyers; advertising through local newspapers, on-line, and mailings; listing properties in the local Multiple Listing Services (the MLS, Loop.Net, GoStar, etc); posting of for-sale signs; conducting broker opens and open houses; showing properties to potential clients; and other activities that may be appropriate in the marketing and selling of real estate.
3. Process escrows. Draft real property documents, such as sales agreements, escrow instructions and long term leases.
4. Provide LAHD with property profiles, title reports and other information from public records and advise LAHD as to the legal and pragmatic implication of a purchase or sale.
5. Perform simple summary appraisal and/or estimate of value with supporting documents.
6. Represent LAHD in the negotiation for the acquisition and sale of real property.
7. Draft written offers for LAHD's purchase of real property.

#### **Contract Performance Review**

LAHD will evaluate the Contractor's work performance, timeliness, adherence to financial terms and billing accuracy, communication and responsiveness, and expertise. LAHD will use Performance Reviews in determining contract extensions, evaluating future proposals, and in awarding other contracts.

#### **§203 Non-Exclusive Agreement**

Contractor understands and agrees that this is a non-exclusive agreement to provide real estate brokerage services to the city and that the City has entered into contracts for the provision of real estate related services with other contractors. The City and any of its departments are free to use any of the real estate brokerage contractors with whom City has contracts and, therefore, the City cannot estimate nor guarantee the volume or amount of work to be received by Contractor under this Agreement.

#### **§204 Pre-Approval by the City**

Contractor shall not, without the prior written approval of the City, enter into any written or oral agreements (collectively, "Broker Agreements"), or make any written or oral representations in connection with any commissions to be earned for any services

performed or to be performed by the Contractor relating to this agreement. The City shall not unreasonably withhold its approval to any such Broker Agreements or representations described above. Without limitations as to other reasonable grounds for withholding its approval, the parties hereby agree that it shall be reasonable under this agreement for the City to withhold its approval of any such Broker Agreements or representation if the terms of such Broker Agreements and/or representation would violate, or otherwise conflict with, the terms of this agreement. If the City terminates this agreement pursuant to Section 503 below, then effective as of the "Breach Termination Date", as that term is defined in Section 503 below, any Broker Agreements shall be terminated. Broker hereby agrees to indemnify the City, in accordance with the terms set forth in Section 413 below, from and against any costs, claims and liabilities or expenses which arise out of Contractor's breach of this section.

### 3. PAYMENT

#### **§301 Compensation**

The City will pay the Contractor for satisfactory services rendered based on the rates specified in Section 302.

The City is free to use any of the real estate brokerage contractors with whom City has contracts, and as such, the City cannot estimate nor guarantee the volume or amount of work to be received by Contractor under this Agreement.

#### **§302 Fees and Rates**

a) Contractor's Entitlement to a Commission

Conditioned upon the performance by the Contractor of the provisions of this agreement and the satisfaction of the conditions set forth in this agreement, Contractor will be entitled to a commission in the amount set forth in Section 302 b) and c) below. Contractor agrees to furnish a copy of all Commission Agreements to the City.

b) Acquisition Commission

As to property that is specifically identified by the LAHD and assigned to Contractor and Contractor has procured and negotiated the terms and conditions for the purchase of the property for City, Contractor shall be entitled to a commission if during the term of this Agreement or within thirty (30) calendar days after the termination or expiration of this Agreement, City completes the purchase transaction for said real property with the closing of escrow and a valid certificate of occupancy is secured for premise's of said property. The commission amount is not to exceed three **percent (3%)** of the purchase price.

c) Sales Commission

The-Contractor selected to sell City-owned real property shall be entitled to receive a commission on a sale-by-sale basis for each transaction. The commission amount is not to exceed three **percent (3%)** of the sale price and shall



be paid upon completion of the sale transaction or upon close of escrow on said property.

**d) Market Studies/Rental Surveys/Periodic lease Analysis**

At the City's request, and at the Contractor's sole cost and expense, the Contractor shall conduct market studies, rental and sale surveys and lease analyses within the Contractor's region from time to time throughout the term of this contract to provide the City with information on market trends, leasing and sales data, leasing and sales analyses and leasing and sales options. The requested information shall be transmitted to the City in printed and electronic forms.

**§303 Retention of Records**

The Contractor will also maintain records, including records of financial transactions, pertaining to the performance of the Agreement, in their original form, in accordance with requirements prescribed by the City. These records must be retained for a period of no less than thirty-six (36) months following final payment made by the City hereunder or the expiration date of this contract, whichever occurs last. Said records will be subject to examination and audit by authorized City personnel or by the City's representative at any time during the term of this contract or within the thirty-six (36) months following the final payment made by the City hereunder or the termination date of this Agreement, whichever occurs last. The Contractor will provide any reports requested by the City regarding performance of the Agreement.

**§304 Subcontractors**

The parties understand that the professionals that will be assigned under this Agreement are subcontractors to the Contractor. Nothing herein is intended to create a third party beneficiary in any subcontractor. The City has no obligation to any subcontractor. No privity is created with any subcontractor by this Agreement. Notwithstanding the fact that Contractor will be using subcontractors, Contractor remains responsible for complete and satisfactory performance of the terms of this Agreement.

**§305 Confidentiality and Ownership**

**Confidentiality**

All data, documents, records, recorded testimony, audiotapes, videotapes, materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, financial information, and other information disclosed or submitted, orally, in writing, or by any other media, to Contractor by the City, and other documents to which the Contractor has access during the term of this Agreement are confidential information (hereinafter referred to as "Confidential Information"). The Contractor agrees that both during and after the term of this Agreement, City's Confidential Information shall be considered and kept as the private and privileged records of City and will not be divulged to

any person, firm, corporation, or other entity except on the prior direct written authorization of City.

The Contractor must ensure that each broker sent on an assignment under this Agreement has executed a Confidentiality Agreement prior to commencing any assignment. Contractor agrees to provide the signed Confidentiality Agreement to the City prior to each broker commencing any assignment. The Confidentiality Agreement to be used is attached hereto as Exhibit D. The Contractor is responsible for ensuring compliance of its brokers with the Confidentiality Agreement.

#### **Restriction on Disclosures**

Any reports, analysis, studies, drawings, information, or data generated as a result of this Agreement are to be considered as confidential. Such information shall not be made available to any individual, agency, or organization except as provided for in this Agreement or as provided by law.

#### **Contractor's Interaction with the Media**

Contractor shall refer all inquiries from the news media to City, shall immediately contact City to inform City of the inquiry, and shall, comply with the procedures of City's public affairs staff regarding statements to the media relating to this Agreement or Contractor's services hereunder.

#### **Requirements Apply to All Subcontractors**

The Contractor will ensure that these requirements are provided to and apply to all subcontractors of this Agreement.

#### **Continued Requirements**

The requirements of this Section 305 survive termination of this Agreement.

### **4. STANDARD PROVISIONS**

#### **§401 Construction of Provisions and Titles Herein**

All titles or subtitles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against the City or the Contractor. The word "Contractor" herein and in any amendments hereto includes the party or parties identified in this Agreement. The singular shall include the plural. If there is more than one Contractor as identified herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used. The word "days"



means calendar days, including weekends and holidays, unless otherwise specifically provided.

#### **§402 Applicable Law, Interpretation and Enforcement**

- A. Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City. This Agreement shall be enforced and interpreted under the laws of the State of California and the City.
- B. In any action arising out of this contract, CONTRACTOR consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.
- C. If any part, term or provision of this Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions shall not be affected thereby.

#### **§403 Integrated Agreement**

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.

#### **§404 Excusable Delays**

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes, freight embargoes or delays in transportation; to the extent that they are not caused by the party's willful or negligent acts or omissions and to the extent that they are beyond the party's reasonable control.

#### **§405 Breach**

- A. Except for excusable delays, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.
- B. This contract may be terminated immediately for any violation of City Lobbying Ordinances.

- C. In the event the CITY terminates this agreement as provided in this section, the CITY may procure, upon such terms and in such manner as the CITY may deem appropriate, services similar in scope and level of effort to those so terminated, and CONTRACTOR shall be liable to the CITY for all of its cost and damages, including, but not limited, any excess costs for such services.
- D. If, after notice of termination of this contract under the provisions of this section, it is determined for any reason that CONTRACTOR was not in default under the provisions of this section, or that the default was excusable under the terms of this Agreement, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to §503 Termination of Agreement.

#### **§406 Prohibition Against Assignment or Delegation**

- A. The Contractor shall not assign, delegate, subcontract, transfer, novate, or otherwise alienate this Agreement, nor assign or transfer any right, interest or obligation in this Agreement, including the right to payment, without prior written consent of the City.
- B. The Contractor shall not enter into any agreement with any other party under which such other party shall become the recipient of claims due or to become due to the Contractor from the City without prior written consent of the City.

#### **§407 Permits**

The Contractor and its officers, agents, employees and subcontractors shall obtain and maintain all permits and licenses necessary for the Contractor's performance hereunder and shall pay any fees required therefore. The Contractor further certifies to immediately notify the City of any suspension, termination, lapses, non-renewals or restrictions of licenses, certificates, or other documents.

#### **§408 Nondiscrimination and Affirmative Action**

- A. The Contractor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Agreement, the Contractor shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status or medical condition. The Contractor shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).
- B. The Contractor shall comply with the provisions of the Los Angeles Administrative Code §10.8 through 10.13, to the extent applicable hereto. If this Agreement contains a consideration in excess of One Thousand Dollars (\$1,000) but not more than One Hundred Thousand Dollars (\$100,000), the Equal Employment practices provisions of this Agreement shall be the mandatory contract provisions

set forth in Los Angeles Administrative Code §10.8.3, in which event said provisions are incorporated herein by this reference. If this Agreement contains a consideration in excess of One Hundred Thousand Dollars (\$100,000), the Affirmative Action Program of this Agreement shall be the mandatory contract provisions set forth in Los Angeles Administrative Code §10.8.4, in which event said provisions are incorporated herein by this reference. The Contractor shall also comply with all rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by City.

- C. Any subcontract entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this section.

#### **§409 Claims for Labor and Materials**

The Contractor shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Agreement so as to prevent any lien or other claim under any provision of law from arising against any City property (including reports, documents, and other tangible matter produced by the Contractor hereunder), against the Contractor's rights to payments hereunder, or against the City, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

#### **§410 Los Angeles City Business Tax Registration Certificate**

The Contractor represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Agreement, the Contractor shall maintain, or obtain as necessary, all such Certificates required of it under said Ordinance and shall not allow any such Certificate to be revoked or suspended.

#### **§411 Retention of Records, Audit and Reports**

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form, in accordance with requirements prescribed by the CITY. These records shall be retained for a period of no less than three years following final payment made by the CITY hereunder or the expiration date of this Contract, whichever occurs last. Said records shall be subject to examination and audit by authorized CITY personnel or by the CITY'S representative at any time during the term of this Contract or within the three years following final payment made by the CITY hereunder or the expiration date of this Contract, whichever occurs last. CONTRACTOR shall provide any reports requested by the CITY regarding performance of this Contract. Any subcontract entered into by CONTRACTOR, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

## **§412 Bonds**

All bonds that may be required hereunder shall conform to City requirements established by charter, ordinance or policy and shall be filed with the Office of the City Administrative Officer, Risk Management for its review in accordance with Los Angeles Administrative Code Sections 11.47 through 11.56.

## **§413 Indemnification**

Except for the active negligence or willful misconduct of City, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, Contractor undertakes and agrees to defend, indemnify and hold harmless City and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including Contractor's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement by the Contractor or its subcontractors of any tier. Rights and remedies available to the CITY under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California and the CITY. The provision of Section §413 shall survive expiration or termination of this Contract.

## **§414 Insurance**

### **A. General Conditions**

During the term of this Agreement and without limiting Contractor's indemnification of the City, Contractor shall provide and maintain at its own expense a program of insurance having coverage and limits customarily carried and actually arranged by the Contractor but not less than the amounts and types listed on the Required Insurance And Minimum Limits Sheet (Form Gen. 146) in Exhibit A hereto, covering its operations hereunder. Such insurance shall conform to City requirements established by Charter, ordinance or policy, shall comply with instructions set forth on the City of Los Angeles – Instructions And Information On Complying With City Insurance Requirements (Revised 9/06) document, and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. Specifically, such insurance shall: 1) protect City as an Insured or an Additional Interest Party, or a Loss Payee As Its Interest May Appear, respectively, when such status is appropriate and available depending on the nature of applicable coverages; 2) provide City at least thirty (30) days advance written notice of cancellation, material reduction in coverage or reduction in limits when such change is made at option of the insurer; 3) be primary with respect to City's insurance plan. Except when City is a named insured, Contractor's insurance is not expected to respond to claims which may arise from acts or omissions of the City.

### **B. Modification of Coverage**

City reserves the right at any time during the term of this Agreement to change the amounts and types of insurance required hereunder by giving Contractor ninety (90) days advance written notice of such change. If such change should result in substantial additional cost to the Contractor, City agrees to negotiate additional compensation proportional to the increased benefit to City.

C. Failure to Procure Insurance

1. All required insurance must be submitted and approved by the Office of the City Administrative Officer/Risk Management prior to the inception of any operations or tenancy by Contractor. The required coverages and limits are subject to availability on the open market at reasonable cost as determined by City. Non-availability or non-affordability must be documented by a letter from Contractor's insurance broker or agent indicating a good faith effort to place the required insurance and showing as a minimum the names of the insurance carriers and the declinations or quotations received from each.
2. Within the foregoing constraints, Contractor's failure to procure or maintain required insurance or a self-insurance program during the entire term of this Agreement shall constitute a material breach of this Agreement under which City may immediately suspend or terminate this Agreement or, at its discretion, procure or renew such insurance to protect City's interests and pay any and all premiums in connection therewith and recover all monies so paid from Contractor.

D. Workers' Compensation

1. By signing this Agreement, Contractor hereby certifies that it is aware of the provisions of §3700 *et seq.*, of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all such times as they may apply during the performance of the work pursuant to this Agreement.
2. A Waiver of Subrogation in favor of City will be required when work is performed on City premises under hazardous conditions.

**§415 Conflict of Interest**

A. Conflict of Interest

1. Prior to obtaining the City's approval of any subcontract, the Contractor shall disclose to the City any relationship, financial or otherwise, direct or indirect, of the Contractor or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
2. The Contractor covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by City funds (regardless of source) where such person is a director, officer, employee or agent of the subcontractor; or where the selection

of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

- a. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
- b. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
- c. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

3. Definitions:

- a. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law.
- b. The term "financial or other interest" includes but is not limited to:
  - (1) Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
  - (2) Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
- c. A subcontract is any agreement entered into by Contractor for the purchase of goods or services with any funds provided by this Agreement.

- B. Minutes of Board Meetings must reflect disclosure of transactions where Board Members may have had a direct or indirect interest/benefit in the action.
- C. No director, officer, employee (or agent) of the Contractor may be on the Board of Directors if they receive any financial benefit provided by any City Agreement.
- D. The Contractor further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).

- E. The Contractor shall not subcontract with a former director, officer, or employee within an one-year period following the termination of the relationship between said person and the Contractor.
- F. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.
- G. The Contractor warrants that it has not paid or given and will not pay or give to any third person, any money or other consideration for obtaining this Agreement.
- H. The Contractor covenants that no member, officer or employee of Contractor shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.
- I. The Contractor shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".
- J. Pursuant to Government Section 1090, the contractor and their respective agents shall be prohibited from acting as a representative of both the buyer and the seller of the real property which is the subject of the particular transaction.

#### **§416 Federal, State and Local Taxes**

Federal, State and local taxes shall be the responsibility of the Contractor as an independent Contractor and not as a City employee.

#### **§417 Inventions, Patents and Copyrights**

##### **A. Reporting Procedure for Inventions**

If any project produces any invention or discovery (Invention) patentable or otherwise under Title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the Contractor shall report the fact and disclose the Invention promptly and fully to the City. The City shall report the fact and disclose the Invention to the Grantor. Unless there is a prior agreement between the City and the Grantor, the Grantor shall determine whether to seek protection on the Invention. The Grantor shall determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System which is based on Ch. 18 of title 35 U.S.C. Sections 200 *et seq.* (Pub. L. 95-517, Pub. L. 98-620, 37 CFR part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983; and Executive Order 12591, 4/10/87, 52 FR 13414, 3 CFR, 1987 Comp, p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR

48661, 3 CFR, 1987 Comp., p. 262). Contractor hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.

B. Right to Use Inventions

City shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

C. Copyright Policy

1. Unless otherwise provided by the terms of the Grantor or of this Agreement, when copyrightable material (Material) is developed under this Agreement, the author or the City, at the City's discretion, may copyright the Material. If the City declines to copyright the Material, the City shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.
2. The Grantor shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.
3. Contractor shall comply with 24 CFR 85.34.

D. Rights to Data

The Grantor and the City shall have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so; as required by 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. Section 401 or 402, the Grantor acquires the data under a copyright license as set forth in 48 CFR 27.404(f)(2) instead of unlimited rights. (48 CFR 27.404(a)).

E. Trade Secrets

- F. Recognizing that the City has no way to safeguard trade secrets or proprietary information, Contractor shall and hereby keep and bear City harmless from all damages, costs, and expenses by reasons of any disclosure by City of trade secrets and proprietary information. City shall not require Contractor to provide technical information that is proprietary to him, except as is requested by City to successfully complete the project that is the subject of the Agreement.

G. Intellectual Property Indemnification

- H. Contractor, at its own expense, undertakes and agrees to defend, indemnify, and hold harmless the City, and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of



action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information right (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by Contractor, or its subcontractors of any tier, in performing the work under this Agreement; or (2) as a result of the City's actual or intended use of any Work Product furnished by Contractor, or its subcontractors of any tier, under the Agreement. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the City. The provisions of this section shall survive expiration or termination of this Agreement.

- I. Intellectual Property Warranty
- J. Contractor represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, right of publicity and proprietary information.
- K. Obligations Binding on Subcontractors

Contractor shall require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontracts.

#### **§418 Ownership and License**

Unless otherwise provided for herein, all Work Products originated and prepared by CONTRACTOR or its subcontractors of any tier under this Contract shall be and remain the exclusive property of the CITY for its use in any manner it deems appropriate. Work Products are all works, tangible or not, created under this Contract including, without limitation, documents, material, data, reports, manuals, specifications, artwork, drawings, sketches, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas matters and combinations thereof, and all forms of intellectual property. CONTRACTOR hereby assigns, and agrees to assign, all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared by CONTRACTOR under this Contract. CONTRACTOR further agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.

For all Work Products delivered to the CITY that are not originated or prepared by CONTRACTOR or its subcontractors of any tier under this Contract, CONTRACTOR hereby grants a non-exclusive perpetual license to use such Work Products for any CITY purposes.

CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of the CITY.

Any subcontract entered into by CONTRACTOR relating to this Contract, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract to contractually bind or otherwise oblige its subcontractors performing work under this Contract such that the CITY'S ownership and license rights of all Work Products are preserved and protected as intended herein. Failure of CONTRACTOR to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject CONTRACTOR to the imposition of any and all sanctions allowed by law, including but not limited to termination of CONTRACTOR'S contract with the CITY.

It is understood and agreed that all materials created in the course of providing the services described in Section 202 are being developed by the Contractor for the sole and exclusive use of the City and that the City will be deemed the sole and exclusive owner of all right, title, and interest therein. Such materials will be considered as "work made for hire" (as such are defined under the U.S. Copyright Laws) and, as such, will be owned by and for the benefit of the City. The Contractor may not use or otherwise make public in any manner either for profit or not for profit, any of the information or documentation without the prior written consent of the City.

In the event that it should be determined that any of such materials does not qualify as a "work made for hire", the Contractor will and hereby does assign to the City for no additional consideration, all right, title, and interest that it may possess in such materials, including, but not limited to, all copyright and other intellectual property rights relating thereto.

#### **§419 Living Wage Ordinance and Service Contractor Worker Retention Ordinance**

- A. Unless otherwise exempt in accordance with the provisions of this Ordinance, this contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), §10.37 *et seq.* of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), §10.36 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time. The Ordinances require the following:
1. Contractor assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO;
  2. Contractor further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. Contractor shall require each of its Subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Contractor shall deliver the executed pledges from each such subcontractor to the City within ninety (90) days of the execution of the Subcontract. Contractor's delivery of executed pledges from each such

Subcontractor shall fully discharge the obligation of the Contractor to comply with the provision in the LWO contained in §10.37.6(c) concerning compliance with such federal law.

3. The Contractor, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. Contractor shall post the Notice of Prohibition against Retaliation provided by the City.
  4. Any Subcontract entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of LWO and the SCWRO, and shall incorporate the "Living Wage Ordinance and Service Contractor Worker Retention Ordinance" language.
  5. Contractor shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.
- B. Under the provisions of §10.36.3(c) and §10.37.5(c) of the Los Angeles Administrative Code, the City shall have the authority, under appropriate circumstances, to terminate this contract and otherwise pursue legal remedies that may be available if the City determines that the subject Contractor has violated provisions of the LWO and the SCWRO.
- C. Where under the LWO §10.37.6(d), the designated administrative agency has determined (a) that the Contractor is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the awarding authority in such circumstances may impound monies otherwise due the Contractor in accordance with the following procedures. Impoundment shall mean that from monies due the Contractor, the awarding authority may deduct the amount determined to be due and owing by the Contractor to its employees. Such monies shall be placed in the holding account referred to in LWO §10.37.6(d)(3) and disposed of under procedures there described through final and binding arbitration. Whether the Contractor is to continue work following an impoundment shall remain in the unfettered discretion of the awarding authority. The Contractor may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

#### **§420 Earned Income Tax Credit**

This Contract is subject to the provisions of §10.37.4 of the Los Angeles Administrative Code, requiring employers to inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further make available to employees the forms required to secure advance EITC payments from employers.

#### **§421 Minority, Women, and Other Business Enterprise Outreach Program**

CONTRACTOR agrees and obligates itself to utilize the services of Minority, Women and Other Business Enterprise firms on a level so designated in its proposal, if any. CONTRACTOR certifies that it has complied with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, if applicable. CONTRACTOR shall not change any of these designated subcontractors, nor shall CONTRACTOR reduce their level of effort, without prior written approval of the CITY, provided that such approval shall not be unreasonably withheld.

#### **§422 Equal Benefits Ordinance**

- A. Unless otherwise exempted in accordance with the provisions of the Equal Benefits Ordinance (EBO) §10.8.2.1 of the Los Angeles Administrative Code, this Contract is subject to the provisions of the EBO as amended from time to time.
- B. During the performance of the Contract, the Contractor certifies and represents that the Contractor/Consultant will comply with the EBO. The Contractor agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles’ Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance, Equal Employment Opportunities Enforcement Section at (213) 847-1922.”

- C. The failure of the Contractor to comply with the EBO will be deemed to be a material breach of the Contract by the Awarding Authority.
- D. If the Contractor fails to comply with the EBO the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.
- E. Failure to comply with the EBO may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code §10.40 *et seq.*, Contractor Responsibility Ordinance.
- F. If the Office of Contract Compliance determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the EBO, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code §10.40 *et seq.*, Contractor Responsibility Ordinance.

#### **§423 Contractor Responsibility Ordinance**

Unless otherwise exempt in accordance with the provisions of the Ordinance, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, §10.40

*et seq.*, of Article 14, Chapter 1 of Division 10 of the Los Angeles Administrative Code, which requires Contractor to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect Contractor's fitness and ability to continue performing the contract. In accordance with the provisions of this Ordinance, by signing this Contract, Contractor pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this contract, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees. The Contractor further agrees to: (1) notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Contractor is not in compliance with all applicable federal, state and local laws in performance of this contract; (2) notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the Contractor has violated the provisions of §10.40.3(a) of the Ordinance; (3) ensure that its subcontractor(s), as defined in the Ordinance, submit a Pledge of Compliance to awarding authorities; and (4) ensure that its subcontractor(s), as defined in the Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify Awarding Authorities within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated §10.40.3(a) of the Ordinance in performance of the subcontract.

#### **§424 Slavery Disclosure Ordinance**

- A. This contract may be subject to the Slavery Disclosure Ordinance in the future. If so, Contractor will be notified of the applicability by the City.
- B. Unless otherwise exempt in accordance with the provisions of this Ordinance, this Contract is subject to the Slavery Disclosure Ordinance, §10.41 of the Los Angeles Administrative Code, as may be amended from time to time. Contractor certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Agreement.

#### **§425 Child Support Assignment Orders**

- A. This Contract is subject to §10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, Contractor certifies that it will (1) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; 2) that the principal owner(s) of Contractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code §5230 *et seq.*; and (4) maintain such compliance throughout the term of this Contract. Pursuant to §10.10.b of the Los Angeles Administrative Code, failure of Contractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Contractor to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall

constitute a default by the Contractor under the terms of this Contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Contractor by City. Any subcontract entered into by the Contractor relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Contractor to obtain compliance of its subcontractors shall constitute a default by the Contractor under the terms of this contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Contractor by the City.

- B. Contractor shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Contractor assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

#### **§426 Contractors' Personnel**

Contractor shall only assign personnel to this job that are qualified for this assignment by experience and/or education to perform the tasks under this Agreement in the event anyone is replaced or terminated, CONTRACTORS shall notify the CITY in writing, within five (5) days after termination, and provide information regarding the replacement employee's work and educational experience and qualifications.

#### **§427 Warranty and Responsibility of Contractor**

CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within CONTRACTOR'S profession doing the same or similar work under the same or similar circumstances.

### **5. DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS**

#### **§501 Defaults**

Should the Contractor fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the City reserves the right to:

1. Make any changes in the general scope of this Agreement;
2. Terminate the Agreement.

#### **§502 Termination of Agreement**

The City may terminate this Agreement, or any part thereof, for its convenience, upon giving the Contractor thirty (30) calendar day's written notice prior to the effective date of such termination.

Upon receipt of said notice, Contractor shall immediately take action not to incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities. City shall pay Contractor its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by Contractor to effect such termination. Thereafter, Contractor shall have no further claims against City under this Agreement. All finished or unfinished documents and materials procured for or produced under this Agreement shall become City property upon date of such termination.

a) Immediate Termination Upon Breach of Contract

If the Contractor breaches any term of this Agreement, the City may immediately terminate this agreement pursuant to the termination notice, which termination shall be effective upon the date the City delivers the termination notice to the Contractor.

b) Termination of Purchases, Project Management/Space Planning and Market Studies/Rental Survey/Lease Analyses.

Effective upon the City termination date or the breach termination date, as applicable, contractor shall discontinue all services under this agreement with respect to any sale and/or purchase transactions, and the Contractor shall not be entitled to a commission in connection therewith; provided that subject to the terms of this agreement, the Contractor shall be entitled to a commission if (i) within ten (10) days of the date of the termination notice, Contractor delivers to the City a list of all sales and/or purchase transactions for which Contractor is performing services pursuant to the terms of this agreement and for which a commission is due hereunder; and (ii) as of the date of the termination notice as to a particular sale or purchase transaction, the City or the City's Legal Counsel has sent out an initial draft of said agreement prepared by one of them; provided, however, that the Contractor shall only receive a commission in connection herein if such agreements and all related documents are unconditionally fully executed and delivered by all parties within one hundred and twenty (120) days of the applicable termination date. Notwithstanding anything to the contrary set forth in this section, Contractor shall not be entitled to a commission in connection with any broker agreement that violated the terms of Section 302 of this agreement.

### **§503 Notices of Suspension or Termination**

In the event that this Agreement is suspended or terminated, the Contractor shall immediately notify all employees and participants and shall notify in writing all other parties contracted with under the terms of Agreement within five (5) working days of such suspension or termination.

### **§504 Waiver**

- A. Waiver of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City.
- B. No Waiver by the City or breach of any provision of these conditions shall be deemed for any purpose to be a waiver or breach of any other provision. A party's

performance after the other party's default shall not be construed as a waiver of that default.

#### **§505 Amendments**

- A. Any change in the terms of this Agreement, including changes in the services to be performed by the Contractor, and any increase or decrease in the amount of compensation which are agreed to by the City and the Contractor shall be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the parties thereto.
- B. The Contractor agrees to comply with all future City Directives or any rules, amendments or requirements promulgated by the City affecting this Agreement.

### **6. ENTIRE AGREEMENT**

#### **§601 Complete Agreement**

This Agreement contains the full and complete Agreement between the two parties. No verbal agreement nor conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement.

#### **§602 Number of Pages and Attachments**

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes twenty-nine (29) pages and six (6) Exhibits which constitute the entire understanding and agreement of the parties.



**7. SIGNATURE PAGE**

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

APPROVED AS TO FORM:

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2010

CARMEN A. TRUTANICH, City Attorney

By \_\_\_\_\_  
Deputy/Assistant City Attorney

For: THE CITY OF LOS ANGELES

Date \_\_\_\_\_

DOUGLAS GUTHRIE  
General Manager  
Los Angeles Housing Department

ATTEST:

JUNE LAGMAY, City Clerk

By: \_\_\_\_\_

By \_\_\_\_\_  
Deputy City Clerk

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2010

Date \_\_\_\_\_

For:

(Contractor's Corporate Seal)

By: \_\_\_\_\_  
Print Name \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name \_\_\_\_\_  
Title: \_\_\_\_\_

City Business License Number:

Internal Revenue Service ID Number:

Council File Number: \_\_\_\_\_; Date of Approval: \_\_\_\_\_

Said Agreement is Number \_\_\_\_\_ of City Contracts

**EXHIBIT A  
INSURANCE REQUIREMENTS**

Form Gen 146 (Rev. 9/06)

**Required Insurance and Minimum Limits**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Agreement/Reference: \_\_\_\_\_  
Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

---

**Workers' Compensation – Workers' Compensation (WC) and Employer's Liability (EL)** WC Statutory  
EL 1,000,000

Waiver of Subrogation in favor of City  Longshore & Harbor Workers  
 Jones Act

---

**General Liability** \$ 1,000,000

Products/Completed Operations  Sexual Misconduct  
 Fire Legal Liability  \_\_\_\_\_

---

**Automobile Liability** (for any and all vehicles used for this contract, other than commuting to/from work) \$ \_\_\_\_\_

---

**Professional Liability** (Errors and Omissions) \$ 1,000,000  
Discovery Period 12 Months After Completion of Work or Date of Termination.

---

**Property Insurance** (to cover replacement cost of building - as determined by insurance company) \$ \_\_\_\_\_

All Risk Coverage  Boiler and Machinery  
 Flood  Builder's Risk  
 Earthquake  \_\_\_\_\_

---

**Pollution Liability** \$ 1,000,000  
 \_\_\_\_\_

---

**Surety Bonds – Performance and Payment (Labor and Materials) Bonds** 100% of the contract price  
 **Crime Insurance** \$ \_\_\_\_\_

---

**Other:** General Notes: 1) If a Contractor has no employees and decides to not cover herself/himself for workers' compensation, please complete the form entitled "Request for Waiver of Workers' Compensation Insurance Requirement" located at: <http://www.lacity.org/cao/risk/InsuranceForms.htm>. 2) In the absence of imposed auto liability requirements, all Contractors using vehicles during the course of their contract must adhere to the financial responsibility laws of the State of California

**EXHIBIT A**  
**INSTRUCTIONS AND INFORMATION**  
**ON COMPLYING WITH CITY INSURANCE REQUIREMENTS**

(Share this information with your insurance agent or broker.)

**PERSON TO CONTACT** Direct all correspondence, questions, requests for additional forms, etc., to the contact person listed here or to the department that administers your contract, lease or permit:

NAME	LAHD Contract Coordinator
CITY AGENCY	Los Angeles Housing Dept.
ADDRESS	1200 W. 7 <sup>th</sup> Street, 8 <sup>th</sup> Floor Los Angeles, CA 90017
TEL	(213) 808-8462

For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at [www.lacity.org/cao/risk](http://www.lacity.org/cao/risk). The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low cost alternative for contractors who are unable to obtain City-required insurance.

**CONTRACTUAL REQUIREMENTS**

**CONTRACTOR AGREES THAT:**

**1. Additional Insured/Loss Payee.** The **CITY** must be included as an Additional Insured in applicable liability policies to cover the **CITY'S** liability arising out of the acts or omissions of the named insured. The **CITY** is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the **CITY** has an interest, e.g., as a lien holder.

**2. Notice of Cancellation.** All required insurance will be maintained in full force for the duration of its business with the **CITY**. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the **CITY** if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.

**3. Primary Coverage.** **CONTRACTOR** will provide coverage that is primary with respect to any insurance or self-insurance of the **CITY**. The **CITY'S** program shall be excess of this insurance and non-contributing.

**4. Modification of Coverage.** The **CITY** reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving **CONTRACTOR** ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to **CONTRACTOR**, the **CITY** agrees to negotiate additional compensation proportional to the increased benefit to the **CITY**.

**5. Failure to Procure Insurance.** All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by **CONTRACTOR**.

**CONTRACTOR'S** failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which the **CITY** may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect the **CITY'S** interests and pay any and all premiums in connection therewith and recover all monies so paid from **CONTRACTOR**.

**6. Workers' Compensation.** By signing this Contract, **CONTRACTOR** hereby certifies that it is aware

of the provisions of Section 3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

**7. California Licensee.** All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the **CITY**. Non-admitted coverage must contain a Service of Suit clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

**8. Aggregate Limits/Impairment.** If any of the required insurance coverages contain annual aggregate limits, **CONTRACTOR** must give the **CITY** written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The **CITY** has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the **CITY'S** protection are allowed without the **CITY'S** prior written consent.

**9. Commencement of Work.** For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, Time of Effectiveness, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.



**EXHIBIT B**  
**NOTICE OF PROHIBITION AGAINST RETALIATION**

An employer subject to the Living Wage Ordinance shall post in a prominent place in an area frequented by employees a copy of the below notice to employees regarding the LWO prohibition against retaliation (also available in English at [www.lacity.org/BCA/lwo\\_retaliation\\_English.pdf](http://www.lacity.org/BCA/lwo_retaliation_English.pdf), and in Spanish at [www.lacity.org/BCA/lwo\\_retaliation\\_spanish.pdf](http://www.lacity.org/BCA/lwo_retaliation_spanish.pdf). The retaliation notice must be posted by an employer even if the employer has been exempted from the LWO.

**NOTICE TO EMPLOYEES  
WORKING ON CITY CONTRACTS  
RE: LIVING WAGE ORDINANCE AND  
PROHIBITION AGAINST RETALIATION**

"Section 10.37.5 Retaliation Prohibited" of the Living Wage Ordinance (LWO) provides that any employer that has a contractual relationship with the City **may not** discharge, reduce the pay of, or discriminate against his or her employees working under the City contract for any of the following reasons:

1. Complaining to the City if your employer is not complying with the Ordinance.
2. Opposing any practice prohibited by the Ordinance.
3. Participating in proceedings related to the Ordinance, such as serving as a witness and testifying in a hearing.
4. Seeking to enforce your rights under this Ordinance by any lawful means.
5. Asserting your rights under the Ordinance.

Also, you may not be fired, lose pay or be discriminated against for asking your employer questions about the Living Wage Ordinance, or asking the City about whether your employer is doing what is required under the LWO. If you are fired, lose pay, or discriminated against, you have the right to file a complaint with the Equal Employment Opportunities Enforcement Section, as well as file a claim in court.

For more information, or to obtain a complaint form, please call the Equal Employment Opportunities Enforcement Section at (213) 847-1922.

**CITY OF LOS ANGELES  
Department of Public Works  
Bureau of Contract Administration  
Office of Contract Compliance  
1149 S. Broadway Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90015  
Phone: (213) 847-1922 — Fax: (213) 847-2777**

## EXHIBIT C

### A. MANAGEMENT REPRESENTATION

As a prerequisite to receipt of a City funded Contract, and as material facts upon which the City may rely in preparing the Contract, I, am authorized representative of the Contractor, make the following representations:

1. I am responsible for the fair presentation of the Contractor's financial records/reports in conformity with Generally Accepted Accounting Principles (GAAP) and have provided such records/reports accordingly to the City. I will make available to City all related data and information. I am not aware of any material transactions that have not been properly recorded and disclosed.  
  
True  False
  
2. The Contractor has adopted sound accounting policies and procedures in accordance with GAAP that include procedures for maintaining internal controls, and preventing and detecting fraud and abuse.  
  
True  False
  
3. I have advised and will continue to advise the City of any actions taken at meetings of Contractor's Board of Directors, and Committees of the Board of Directors which may have a material impact on Contractor's ability to perform the City's Contract.  
  
True  False
  
4. Except as recorded or disclosed to you herein, I know of no instances of:
  - a. Conflict of interests (direct or indirect), nepotism, related (direct or indirect) party transactions including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.  
  
True  False
  - b. Guarantees, whether written or oral, under which the Contractor is contingently liable.  
  
True  False
  - c. Actual, forthcoming or possible terminations of funding from regulatory agencies or other sources due to noncompliance, deficiencies, or for any other reason, that would affect the financial records and/or continuing viability of the Contractor as an on-going concern.  
  
True  False
  
5. I have no knowledge that a board member/s is/are also an employee of this Contractor whose salary costs are reimbursed under this agreement.  
  
True  False
  
6. I have no knowledge of and am not in receipt of any communication regarding allegations of fraud, suspected fraud or abuse affecting the Contractor involving management, employees who have significant roles in internal control, or others where fraud/abuse could have a material effect on the financial records or performance of the City Contract.  
  
True  False
  
7. I have no knowledge of any allegations, written or oral, of misstatements or misapplication of funds in the Contractor's conduct of its financial affairs or in its financial records.  
  
True  False
  
8. I am not aware of any pending litigation, bankruptcy, judgment, liens and other significant issues that may threaten the financial viability, legal and continuing existence of the Contractor.

True  False

9. The Contractor has satisfactory title to all assets being used in the City's program, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.

True  False

10. The Contractor has complied with all aspects of contractual agreements, related laws and regulations that could have a material effect on the financial records, the program/s, or on the organization as a whole.

True  False

11. I have properly reported and paid to the appropriate governmental agencies all payroll taxes due on employees' (City program related or otherwise) compensation.

True  False

12. I have responded fully to all the City's inquiries related to the Contractor's financial records and/or reports.

True  False

13. I understand that the City's auditing and monitoring procedures of Contractor are limited to those which the City determines best meet its informational needs and may not necessarily disclose all errors, irregularities, including fraud or defalcation, or illegal acts, that may exist.

True  False

14. I understand that the City audit and monitoring reports are intended solely for use by the Contractor and the other authorized parties, and are not intended for other purposes, unless otherwise required by law.

True  False

15. If one or more of the above statements is found to be false, I understand that the City may terminate this contract immediately. I also understand that I have a continuing duty to report to City any material factual change to any of these statements.

True  False

Use this space to provide any additional information:

I declare under penalty of perjury that I have read the foregoing statements and they are true and complete to the best of my knowledge.

For:

\_\_\_\_\_  
Signature (Person Authorized by the Board of Directors to Bind Corporation)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed

**EXHIBIT D**

**CONFIDENTIALITY AGREEMENT**

I understand that my employer, \_\_\_\_\_, has entered into a contract (hereinafter referred to as the "Agreement") with the City of Los Angeles to provide various services to the Los Angeles Housing Department (LAHD).

I understand that \_\_\_\_\_ has assigned me to provide temporary services to the LAHD and that as part of that assignment I will have access to confidential information. "Confidential Information" includes all data, recorded testimony, audio-tapes, videotapes, materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, financial information, and other information disclosed or submitted, orally, in writing, or by any other media, to me by \_\_\_\_\_ or the City of Los Angeles or the LAHD.

I further understand that all information, records, software programs, documents, and data provided by the LAHD to me, or accessed or reviewed by me, during the performance of this assignment will remain the property of the City of Los Angeles and/or the LAHD. Any and all information, records, documents, and data provided by the LAHD to me, or accessed or reviewed by me during performance of this assignment, are confidential.

I agree not to provide information, records, software programs, documents, and data, nor disclose their content or any information contained in them, either orally or in writing, to any other person or entity. I further agree not to make copies of any Confidential Information unless a formal request is made by the LAHD through my employer.

I agree to forward all requests for the release of information received by me to my immediate supervisor.

I hereby agree that I will not divulge to any unauthorized person, information obtained while performing work pursuant to the Agreement between \_\_\_\_\_ and the City of Los Angeles and/or the LAHD.

I will be responsible for protecting the confidentiality and maintaining the security of the materials, notes, records, documents, data and any other information of the LAHD in my possession.

This Agreement is to apply in conjunction with any prior confidentiality agreement between myself and \_\_\_\_\_, and will not nullify such agreements; however, this Agreement will take precedence. Any conflicts with any other agreements will be modified to comply with the terms of this Agreement.

I acknowledge that violation of this Confidentiality Agreement may subject me to civil and/or criminal action and that the City of Los Angeles and/or the LAHD will seek all possible legal redress.

\_\_\_\_\_

\_\_\_\_\_  
Recipient Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Please Print



Los Angeles Housing Department  
 Staffing Plan for Neighborhood Stabilization Program II  
 Revised on 06/16/2010

CODE	PG	CLASS	DIVISION/SECTION	% OF TIME	SALARY	CAP 32	RELATED COST	TOTAL COST (SALARY RELATED)	FY09/10	FY10/11	FY11/12	FY12/13
1513	2	ACCOUNTANT II	ACCT - CASH MANAGEMENT	100%	65,709	46.51%	30,561	96,271	12	99,159	102,134	105,198
1513	2	ACCOUNTANT II	ACCT - GRANT DISBURSEMENT	100%	65,709	46.51%	30,561	96,271	12	99,159	102,134	78,898
1223	1	ACCOUNTING CLERK II	ACCT - GRANT DISBURSEMENT	100%	57,462	46.51%	26,726	84,188	12	86,713	89,315	69,996
1523	1	SR ACCOUNTANT I	ACCT - GRANT DISBURSEMENT	100%	76,316	46.51%	35,495	111,811	12	115,165	116,620	122,179
1785	2	PUBLIC RELATIONS SPECIALIST (EXISTING)	PUBLIC INFO	50%	33,982	46.51%	15,605	49,787	12	51,291	52,819	54,404
9184	2	MANAGEMENT ANALYST II	POLICY & PLANNING	100%	83,750	46.51%	38,952	122,702	12	126,383	130,174	133,333
9184	1	MANAGEMENT ANALYST I	GRANTS MANAGEMENT	75%	53,244	46.51%	24,764	78,008	12	80,348	82,758	85,168
8500		COMMUNITY HSG PROGRAM MANAGER	HOP - OVERSIGHT	100%	119,287	40.48%	48,288	167,575	12	172,602	177,780	183,114
9171	1	SR MANAGEMENT ANALYST I	HOP - OVERSIGHT	100%	98,909	40.48%	40,058	138,947	12	143,116	147,409	151,832
1539		MANAGEMENT ASSISTANT	HOP - OVERSIGHT	100%	59,529	40.48%	24,097	83,626	12	86,135	88,719	91,381
1539		MANAGEMENT ASSISTANT	HOP - OVERSIGHT	100%	59,529	40.48%	24,097	83,626	12	86,135	88,719	91,381
1569	3	REHAB CONSTRUCTION SPECIALIST III	HOP - REHAB	100%	103,147	40.48%	41,764	144,901	12	149,248	153,726	158,337
1368		SR CLERK TYPIST	HOP - REHAB	100%	54,434	40.48%	22,035	76,469	12	78,763	81,126	83,560
1569	2	REHAB CONSTRUCTION SPECIALIST II	HOP - REHAB	100%	97,656	40.48%	39,531	137,187	12	141,302	145,541	149,908
1569	2	REHAB CONSTRUCTION SPECIALIST II	HOP - REHAB	100%	97,656	40.48%	39,531	137,187	12	141,302	145,541	74,954
1569	1	REHAB CONSTRUCTION SPECIALIST I	HOP - REHAB	100%	83,374	40.48%	33,750	117,124	12	120,637	124,256	31,996
1569	1	REHAB CONSTRUCTION SPECIALIST I	HOP - REHAB	100%	83,374	40.48%	33,750	117,124	9	90,478	93,113	
1569	1	REHAB CONSTRUCTION SPECIALIST I	HOP - REHAB	100%	83,374	40.48%	33,750	117,124	6	60,319	62,075	
1571	1	FINANCE DEVELOPMENT OFFICER I	HOP - LOANS	100%	108,989	40.48%	43,309	150,298	12	154,807	159,451	164,235
1368		SR CLERK TYPIST	HOP - LOANS	100%	54,434	40.48%	22,035	76,469	12	78,763	81,126	83,560
1539		MANAGEMENT ASSISTANT	HOP - LOANS - SF	100%	59,529	40.48%	24,097	83,626	9	64,601	88,844	91,303
1539		MANAGEMENT ASSISTANT	HOP - LOANS - SF	100%	59,529	40.48%	24,097	83,626	3	21,534	88,844	45,652
1539		MANAGEMENT ASSISTANT	MAJ PJTS - NEPA	100%	59,529	40.48%	24,097	83,626	12	86,135	88,719	45,690
1539		MANAGEMENT ASSISTANT	MAJ PJTS - COMPLIANCE	100%	59,529	40.48%	24,097	83,626	12	86,135	88,719	
1539		MANAGEMENT ASSISTANT	HSG SRV - OCCUPANCY	100%	59,529	40.48%	24,097	83,626	12	86,135	88,719	91,381
<b>SUBTOTAL SALARIES (FUND 100)</b>										<b>1,764,853</b>	<b>1,880,752</b>	<b>1,537,988</b>
<b>SUBTOTAL RELATED COSTS</b>										<b>741,503</b>	<b>789,231</b>	<b>649,288</b>
<b>EXPENSES</b>												
2120 Printing & Binding										100,000	50,000	50,000
2130 Travel										15,000	15,000	15,000
3310 Transportation										7,200	7,200	
6010 Office & Administration										571,808	55,000	4,000
6030 Leasing										45,888	47,265	48,683
NEW CAO/CONTROLLER 0.5% ADMIN										270,069		
<b>SUBTOTAL EXPENSES (FUND 100)</b>										<b>1,009,765</b>	<b>174,465</b>	<b>160,483</b>
<b>TOTAL FUND 100</b>										<b>2,774,618</b>	<b>2,055,217</b>	<b>1,698,471</b>
<b>TOTAL RELATED COSTS</b>										<b>741,503</b>	<b>789,231</b>	<b>649,288</b>