

## SIGNAGE AND ADVERTISING AGREEMENT

This SIGNAGE AND ADVERTISING AGREEMENT (this "Agreement") is made and entered into as of \_\_\_\_\_, 201\_ by and between L.A. LIVE PROPERTIES, LLC, a Delaware limited liability company ("LA Live Properties"), L.A. EVENT CENTER, LLC, a Delaware limited liability company ("EventCo"), and together with LA Live Properties, "Developer", and the City of Los Angeles, a charter city and municipal corporation (the "City"). The City and Developer are sometimes collectively referred to herein as the "Parties" and individually as "Party".

### RECITALS

**WHEREAS**, the City is the owner of that certain real property located in the City and County of Los Angeles, State of California, commonly known as the Los Angeles Convention Center and more particularly described on Exhibit A attached hereto (the "Convention Center" or the "Convention Center Property"). The Convention Center Property is depicted on the site plan attached hereto as Exhibit A-1.

**WHEREAS**, the City and EventCo are parties to that certain ground lease (the "Event Center Ground Lease"), pursuant to which the City leases to EventCo certain premises adjacent to the Convention Center Property upon which EventCo intends to construct and operate a stadium sufficient to accommodate a National Football League team, concert and other sporting and recreational uses, meeting and exhibit space (the "Event Center");

**WHEREAS**, the Parties agree that it is to their mutual benefit to design, entitle, install, market, sell and operate a signage, advertising and message display system throughout the Convention Center;

**WHEREAS**, the (i) City, and (ii) EventCo, L.A. Parking Structures, LLC and L.A. Arena Land Co, LLC, all affiliates of L.A. Live Properties, are parties to that certain Amended and Restated Master Reciprocal Easement Agreement of substantially even date herewith (the "REA"), pursuant to which, among other things, (i) the parties thereto have granted each other certain rights and easements in, over and across certain portions of the Convention Center Parcel, the Event Center Parcel, the Staples Center Parcel, the LA Live Way Garage Parcel and the Bond Street Garage Parcel (all as defined in the REA), (ii) the City has granted a nonexclusive easement in gross burdening the Convention Center Parcel for purposes of installing, using and maintaining the signage described in this Agreement, together with such ingress, egress and access as is necessary or desirable for the construction, installation, use, operation, maintenance, modification, repair, and replacement of the signage described in this Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in that certain Implementation Agreement dated as of \_\_\_\_\_, 2012 by and among the City, Developer, L.A. Parking Structures, LLC, L.A. Convention Hall, LLC, and L.A. Arena Land Company, LLC;

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the recitals set forth above and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Rights to Commercial Sales.** Subject to the terms and conditions of this Agreement, including, without limitation, the City's rights pursuant to Section 7 of this Agreement to grant signage rights to Convention Center exhibitors, Developer shall have the exclusive right to sell and display commercial advertising located on the exterior of the Convention Center (the "Commercial Sales").

2. **Description of Commercial Signage.** Developer shall have the right to install the following signage displays and electronic displays (collectively, "Commercial Signage") on the exterior of the Convention Center as set forth in the Signage Plan (as hereinafter defined). As provided in Section 1 above, Developer shall have the exclusive right to use any and all of the Commercial Signage for Commercial Sales, and the City shall not have any rights in or interest to any of the Commercial Signage:

2.1 **Signage Displays.** Subject to the terms and conditions set forth in Section 2 of this Agreement, new signage displays throughout the exterior of the Convention Center, to be used for Commercial Sales (the "Signage Displays") as set forth on the Signage Plan.

2.2 **Electronic Displays.** Subject to the terms and conditions set forth in Section 2 of this Agreement, electronic display boards and message reader boards (the "Electronic Displays") in select locations around the Convention Center as set forth in the Signage Plan.

2.3 **Proposed Signage Plan.** Attached hereto as Exhibit B is a plan setting forth the descriptions, renderings and elevations for the Signage Displays and the Electronic Displays (the "Signage Plan"). The Signage Plan is subject to further revision at the discretion of Developer (but subject to Section 2.4 below) pending final design and costing, final receipt of entitlements, and potential modifications to Developer's sales and business plan.

2.4 **Signage Plan Modifications.** Subject to the terms and conditions of this Section 2.4, the Signage Plan may be further modified or amended from time to time (a) without the consent of the City under this Agreement, provided that the proposed modification does not increase the aggregate square footage of the signage (a "Minor Modification"), (b) with the reasonable consent of the General Manager of the Convention Center (or a successor City representative designated by the City), provided that the proposed modification increases the aggregate square footage of the signage by no more than twenty percent (20%) of the aggregate square footage set forth in the Signage Plan (a "Moderate Modification"), and (c) in the event the proposed modification increases the aggregate square footage of the signage by more than twenty percent (20%) of the aggregate square footage set forth in the Signage Plan, such modification shall be subject to the approval of the City Council (a "Major Modification"). All modifications pursuant to this Section 2.4 shall also require confirmation by the City that the modifications will not affect the tax exempt status of bonds financing the Convention Center Property.

2.5 Replacing Signage. Developer shall be responsible for the maintenance and operation of the Commercial Signage, and may, from time to time, modify, upgrade or replace such signage, subject to the City's approval rights with respect to Moderate Modifications and Major Modifications as set forth in Section 2.4 above.

2.6 Easement. Pursuant to the terms of the REA, Developer shall be granted a nonexclusive easement in gross over the entire Convention Center Property visible from the exterior of improvements thereon for purposes of installing, using and maintaining the Commercial Signage. In connection with the closing of Escrow No. \_\_\_\_\_ (the "Close of Escrow") by the "Escrow Company" pursuant to that certain Implementation Agreement entered into by the City, EventCo, L.A. Parking Structures, LLC, and L.A. Arena Land Co, LLC, the REA shall be executed, acknowledged and recorded in the Official Records of Los Angeles County, California. Developer agrees that it shall comply with all of the terms and conditions of the REA applicable to the signage rights granted to it under this Agreement as if, and to the extent that, Developer was a party to the REA.

2.7 Removal Rights. Upon the termination of this Agreement, all Commercial Signage shall remain the property of Developer, and Developer shall have the right to remove any or all such signage from the Convention Center Property at its sole cost, and in any event, shall remove such signage if the City requests such removal. If such signage is so removed, Developer will have the obligation to repair any damage to the Convention Center occasioned by the removal of such signage at its sole cost.

3. No Revenue Sharing. Developer shall have all right, title and interest to one hundred percent (100%) of any and all revenue generated from Commercial Sales.

4. Description of Commercial Sales. The Commercial Sales shall be subject to the following conditions:

4.1 Restrictions on Signage. Developer shall not sell advertisements for and shall not otherwise permit a third party to display commercial names and logos for (i) tobacco products, (ii) alcoholic beverages (except for beer), (iii) firearms, or (iv) adult entertainment.

4.2 Preferred Vendors.

Subject to any legal restriction or conflicting contractual commitments of the City, in connection with its sale of Commercial Signage, Developer shall have the right from time to time during the Term to designate, in Developer's sole discretion, up to six (6) of its Project Sponsors (as defined herein) who the City will engage as exclusive or preferred vendors for goods and services within the Convention Center (the "Preferred Project Vendors"), provided, however, that such goods and services are on competitive terms and conditions, are of a quality reasonably acceptable to the City, and have revenue, business or service benefits to the Convention Center as reasonably determined by the General Manager of the Convention Center (or a successor City representative designated by the City); and provided, further that the City shall have the right to suspend its obligation to utilize the goods or services of such Preferred Project Vendors (i) in connection with up to three (3) Convention Center events per calendar year, (ii) and in connection with third-party filming projects for which the Convention Center shall receive a fee to the extent that

such suspension is an express condition to the City's booking of such particular filming business, and in such event, the suspension shall be for a limited amount of time only. The City, acting through the General Manager of the Convention Center (or a successor City representative designated by the City), shall negotiate the terms of such vendor agreements in good faith.

4.3 Advertising Conflicts. The Parties shall cooperate in minimizing conflicts between third party advertisers who have purchased Commercial Signage and Convention Center exhibitors, promoters and participants, but in no event shall Developer or the City be required to remove or cover any Commercial Signage as a result of a conflict with such Commercial Signage and a Convention Center exhibitor, promoter or participant.

4.4 Name Changes to Convention Center. Notwithstanding the Commercial Sales and Commercial Signage rights granted by the City to Developer under this Agreement, the City shall retain the right, in its sole discretion, to sell the naming rights to the Convention Center; provided, however, that if the City elects to do so during the Term of this Agreement, the sale of such naming rights (a) shall be conducted by Developer, as the City's exclusive sales agent, (b) shall not conflict with the signage or exclusivity rights granted by Developer to the Project sponsors to whom Developer has granted sponsorship and exclusivity rights throughout the Project (the "Project Sponsors"), and (c) shall be on terms mutually agreeable to the City and Developer in a separate written agreement. Such terms shall include (i) the signage and other benefits to be granted to the naming sponsor, (ii) allocation of responsibility for the costs of providing such benefits (including the cost of installing any additional signage), and (iii) a mutually agreeable revenue sharing or commission arrangement to fairly compensate Developer for its sale of such naming rights; provided, however, that in no event shall Developer be entitled to receive a commission of more than ten percent (10%) of the gross revenues received by the City as compensation.

5. Signage Costs for Commercial Signage. Developer shall be responsible, at its sole cost, for designing, procuring, constructing, installing, repairing, upgrading, operating and maintaining the Commercial Signage including costs for structural modifications to Convention Center facilities, if any, necessitated by such signage (which structural modifications shall be subject to review and approval by the City). The utility expenses to service the Commercial Signage will be separately metered.

6. Consideration for Commercial Signage. The City and Developer hereby confirm and agree that the fair market value for the Commercial Signage rights granted by the City to Developer pursuant to this Agreement is approximately equal to Six Million Dollars (\$6,000,000.00) per year. In connection with the Close of Escrow, LA Live Properties, as the owner of the LA Live entertainment district ("LA Live"), and EventCo, as the owner of the Event Center, will cooperate with the City to create a Mello Roos Community Facilities District encumbering LA Live and the Event Center, pursuant to which the City shall issue Mello Roos bonds (the "Mello Roos Bonds"), the proceeds of which shall be used by the City to partially fund the construction of the New Hall. The City and Developer agree that the special assessments to be levied against LA Live and the Event Center in connection with such Mello Roos Bonds, among other things, constitute full and complete consideration for the Commercial Signage rights granted to Developer under this Agreement. Accordingly, during the initial Term

(as hereinafter defined) of this Agreement, Developer shall have no obligation to pay rent or any other amount to the City for the Commercial Signage rights.

7. **Other Convention Center Signage.**

7.1 **Convention Center Interior Signage.** Notwithstanding the exterior Commercial Sales and Commercial Signage rights granted by the City to Developer under this Agreement, the City shall retain the right, in its sole discretion, to sell interior signage rights inside the Convention Center and permit promotional displays inside the Convention Center by exhibitors, promoters, and participants in events at the Convention Center, subject to the following conditions:

(a) If the City elects to sell permanent interior signage rights to third party advertisers during the term of this Agreement, such sales (i) shall be conducted by Developer, as the City's exclusive sales agent, (ii) shall not conflict with the exclusivity or other contractual rights granted by Developer to the Project Sponsors, and (iii) shall be on terms mutually agreeable to the City and Developer (which terms shall include (A) the signage opportunities to be offered to sponsors, (B) the allocation of responsibility for the costs of installing and operating such interior signage, and (C) a mutually agreeable revenue sharing or commission arrangement to fairly compensate Developer for its sale of such interior signage); provided, however, that in no event shall Developer be entitled to receive a commission of more than ten percent (10%) of the gross revenues received in connection with such sales.

(b) All such interior signage and promotional displays (i) shall be sold to exhibitors or other bona fide participants in events held at the Convention Center and shall not be sold to advertisers (1) seeking to purchase advertisements for the purpose of undermining a competitor who is a Project Sponsor, or (2) seeking to otherwise engage in so-called "ambush marketing" against any Project Sponsor; provided, however, that if Developer notifies the City that any such interior signage or promotional displays constitute ambush marketing, then City shall promptly remove such offending interior signage or display(s) unless the City disputes such characterization, in which event the Parties shall promptly meet and confer in an effort to resolve such dispute; provided, further, that in any event, if the Parties have not resolved such dispute to their mutual satisfaction within forty-eight (48) hours of Developer's first notifying the City of such ambush marketing, the Parties shall immediately thereafter refer such dispute to the expedited dispute resolution process to be established by the Parties in the Macro-Booking Policy, and (ii) shall not conflict with the exclusivity or other contractual rights granted by Developer to the Project Sponsors;

(c) Nothing herein shall preclude the City from granting or selling event advertising and promotional displays to event exhibitors, within the interior of the Convention Center and consistent with past practices, provided that the City shall use commercially reasonable efforts to prevent such advertising from conflicting with the Project Sponsors;

(d) Nothing herein shall preclude the City from obtaining, directly or through the Los Angeles Convention and Visitors Bureau ("LA Inc."), commercial sponsorship of up to two (2) visitor/information booths inside the Convention Center, provided that the City shall not

allow any advertising on such booths which would directly conflict with the Project Sponsors;  
and

(e) Subject to any legal restriction or conflicting contractual commitments of the City, Developer shall have the right, without the payment of rent or any other charge, to the use of an agreed upon amount of interior signage within the Convention Center, which interior signage may be sold by Developer in connection with its sale of Commercial Signage; provided, however, that Developer shall cover such interior signage from time to time on a temporary limited basis in connection with interior third-party filming projects for which the Convention Center shall receive a fee to the extent that such covering up is an express condition to the City's booking of such particular filming business, and in such event, the suspension shall be for a limited amount of time only. Developer shall have all right, title and interest to one hundred percent (100%) of any and all revenue generated by such interior signage. The location of such interior signage shall be mutually agreed upon by the parties. The City, acting through the General Manager of the Convention Center (or a successor City representative designated by the City), shall consider and negotiate the locations of such interior signage in good faith.

#### 7.2 Convention Center Temporary Event Banner Signage.

(a) Subject to the terms and conditions of this Section 7.2, the City will have the right to permit exhibitors, promoters, and participants in events at the Convention Center to display temporary event banner signage ("Temporary Banner Signage"), consistent with past practices, solely and exclusively within the locations identified on the Signage Plan, and as further described in paragraph (b) below (the "Temporary Banner Zones"), provided that (i) all Temporary Banner Signage shall be permitted solely for announcing and publicizing Convention Center events and the exhibitors and participants participating in such events, (ii) in no event shall any Temporary Banner Signage be available for commercial sales to advertisers who are not bona fide exhibitors or participants in the particular Convention Center event then being promoted, (iii) no Temporary Banner Signage shall be sold to advertisers (1) seeking to purchase advertisements for the purpose of undermining a competitor who is a Project Sponsor, or (2) seeking to otherwise engage in so-called "ambush marketing" against any Project Sponsor; provided, however, that if Developer notifies the City that any such Temporary Banner Signage constitutes ambush marketing, then the City shall promptly remove such offending Temporary Banner Signage unless the City disputes such characterization, in which event the Parties shall promptly meet and confer in an effort to resolve such dispute; provided, further, that in any event, if the Parties have not resolved such dispute to their mutual satisfaction within forty-eight (48) hours of Developer's first notifying the City of such ambush marketing, the Parties shall immediately thereafter refer such dispute to the expedited dispute resolution process to be established by the Parties in the Macro-Booking Policy, and (iv) provided there is no conflict with any Convention Center event, from time to time, and subject to availability, Developer shall have the right to utilize portions of the Temporary Banner Signage for Event Center-related purposes; it being understood and agreed that subject to the terms and conditions set forth in this Agreement, nothing herein shall preclude the City from granting or selling such Temporary Banner Signage consistent with its past practices, provided that the City shall use commercially reasonable efforts to prevent such advertising from conflicting with the Project Sponsors.

(b) The City's right to display or permit the display of Temporary Banner Signage shall be further subject to the following:

A. Levels of Usage.

E3 Usage Only:

(i) Location of Permitted Temporary Banners.

(1) The City shall have 100% availability of all temporary banner space within the designated "Temporary Banner" zones located throughout the exterior of the Convention Center as shown Exhibit B;

(2) The City shall have use of the "Temporary Banner Signs" designated as S-1 and S-2 on Exhibit B;

(3) The City shall have access to Developer's Electronic Display sign designated as ED-25 on Exhibit B for 100% of time;

(4) The City or its promoters or exhibitors shall have access to and the right to cover up Developer's Signage Displays designated as SS-12 and SS-13, but shall have no other right to cover up or otherwise use any of Developer's Signage Displays at any time except as provided herein.

(ii) Number of Days of Availability:

(1) Installation of permitted temporary banners will be allowed up to twelve (12) days per calendar year;

(2) Use of Developer's Electronic Display shall be allowed up to five (5) days per calendar year.

(3) Right to cover up Signage Displays SS-12 and SS-13 shall be allowed up to seven (7) days per calendar year.

Special Events: Large LACC events having extraordinary signage requirements consistent with LACC historical utilization, such as Auto Show.

(i) Location of Permitted Temporary Banners:

(1) The City shall have 100% availability of all temporary banner space within the "Temporary Banner" zones located throughout the Convention Center as shown on Exhibit B consistent with historical utilization for special events;

(2) In no event shall the City or its promoters or exhibitors have any right to the use of any West Hall Tower signage areas or access to any of Developer's Commercial Signage except as provided herein.

(ii) Number of Days of Availability: Up to a total of thirty (30) days per calendar year.

Regular Events: Typical Convention Center events having limited event/exhibitor signage requirements consistent with LACC historical utilization.

(i) Location/Availability of Permitted Temporary Banners:

(1) Year-Round availability to display temporary banners within the "Temporary Banner" zones shown on Exhibit B consistent with historical utilization for typical events.

(2) In no event shall the City or any of its exhibitors or promoters have any right to the use of any West Hall Tower signage areas or access to any of Developer's Commercial Signage except as provided herein.

B. Use of "Freeway Visible" Signage ("Temporary Banner" locations designated as A-1 through A-5 on Exhibit B):

1. E3 only: Subject to above limitation on number of days, no restrictions;
2. Special Events (Auto Show, etc.): Subject to above limitation on number of days, up to five (5) banners per event, of which not more than four (4) permitted to be used by exhibitors/event participants (of which, not more than two (2) banners shall be permitted on the Venice Garage exterior and not more than two (2) banners shall be permitted on the South Hall exterior, and in all instances, the banner promoting the particular event to be located on the South Hall exterior) (balance for event promotion only);
3. Regular Events: Limited to event promotion only; two (2) banners per event.

7.3 Convention Center Access to Electronic Displays. If requested by the City, Developer shall include the display of Convention Center event identification (e.g., the name of an event only) within its customary rotation on all Electronic Signage used to promote events for up to three (3) minutes per hour, subject to adjustment in LA Live Developer's reasonable discretion to accommodate special event needs from time to time; provided, that such access shall be reduced to one minute per hour during the seven (7) day period E3 is permitted to cover the Signage Displays designated as SS-12 and SS-13.

7.4 City's Right to Purchase Commercial Signage Inventory. Subject to availability, if requested by the City from time to time, Developer shall offer Convention Center exhibitors or participants in events at Convention Center the right to purchase temporary advertising inventory on Developer's Commercial Signage on terms no less favorable than Developer is otherwise selling such Commercial Signage inventory.



8. **Term.** The Term (“Term”) of this Agreement shall commence upon the Commencement of Construction of New Hall (all as defined in the Implementation Agreement) and shall expire upon the final maturity date of the last to be issued of the Mello Roos Bonds.

9. **Covenants.**

9.1 **Private Use Restrictions.** The Parties acknowledge that the Convention Center has been financed through the issuance of tax-exempt bonds (the “Existing Bonds”) and that in order to maintain its tax-exempt status, the Convention Center is required to be operated in accordance with “private use” restrictions and/or thresholds (the “Private Use Restrictions”) applicable to the Existing Bonds and established pursuant to the United States Internal Revenue Code. Notwithstanding anything contrary contained in this Agreement, so long as the Convention Center is operated on a tax-exempt basis, the Parties shall comply with such private use restrictions in performing pursuant to the provisions of this Agreement.

9.2 **Los Angeles Convention and Exhibition Center Authority (“Authority”).** The City represents and warrants to Developer that as of the execution date of this Agreement, the City’s execution and performance under this Agreement does not violate the Private Use Restrictions or materially impair the ownership interest of the Authority under the Facility Lease related to the Existing Bonds. In performing all of its rights and obligations under this Agreement, Developer shall not materially impair the ownership interests of the Authority under the Facility Lease related to the Existing Bonds.

10. **Miscellaneous.**

10.1 **Notice.** Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, (b) reputable overnight delivery service with proof of delivery, or (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith. Any notice so given shall be deemed to have been given upon receipt or refusal to accept delivery. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Developer:

L.A. Live Properties, LLC  
800 West Olympic Boulevard  
Suite 305  
Los Angeles, California 90015  
Attention: Theodore Fikre, Esq.

and

L.A. Event Center, LLC  
800 West Olympic Boulevard  
Suite 305

Los Angeles, California 90015  
Attention: Theodore Fikre, Esq.

If to City: City of Los Angeles  
Office of the Chief Legislative Analyst  
200 North Spring Street, Suite 255  
Los Angeles, CA 90012  
Attention: Chief Legislative Analyst

City of Los Angeles  
Office of the City Administrative Officer  
200 North Main Street  
Los Angeles, CA 90012  
Attention: City Administrative Officer

Los Angeles Convention Center  
1201 South Figueroa Street  
Los Angeles, CA 90015  
Attention: Convention Center General Manager

With copies to: City of Los Angeles  
Office of the City Attorney  
200 North Main Street  
Los Angeles, CA 90012  
Attention: Asst. City Attorney  
Real Estate and Economic Development

City of Los Angeles  
Office of the Mayor  
200 North Main Street  
Los Angeles, CA 90012  
Attention: Deputy Mayor for Economic Development

10.2 Effect of Agreement. This Agreement is being entered into with, and is subject to the terms and conditions of, the Easement Agreement and the REA. In the event the terms of this Agreement conflict with the terms of the REA, so long as this Agreement remains in full force and effect, the terms of this Agreement shall supersede the terms of the REA and shall govern the rights and obligations of the Parties.

10.3 Access. Developer shall have reasonable rights of access to the Commercial Signage at the Convention Center as provided in the REA.

10.4 Approval of Signage. The Parties shall cooperate with each other in all aspects of obtaining the permits, entitlements, and approvals necessary for the Commercial Signage. Developer shall abide by reasonable limitations on operating hours to ensure that illuminated and Electronic Displays do not impose any undue burden on residents in surrounding areas. Notwithstanding anything to the contrary in this Agreement, the City shall retain any and all of its governmental authority for the approval or disapproval of any permits, entitlements or other approvals necessary for the Commercial Signage or any modifications thereto.

10.5 Assignment. Neither Party may assign its rights hereunder without the consent of the other, except that any of the following assignments by Developer shall be permitted without the consent of the City: (a) Developer shall have the right to assign some or all of its rights hereunder to a third party in the event Developer elects to contract with a third party sales agent to assist in advertising sales, (b) Developer may assign some or all of its rights hereunder to an Affiliate, and (c) Developer may collaterally assign its rights hereunder to a lender in connection with a financing; provided, however, that Developer may assign some or all of its rights hereunder to a purchaser of all or substantially all of the assets of either the Event Center or L.A. Live provided that Developer obtains the prior written consent of the City, which consent may be withheld only on the basis of the proposed assignee's character or financial capability as reasonably determined by the City. Notwithstanding the foregoing assignment provisions, in the event of any assignment, Developer shall remain jointly and severally liable for its obligations under this Agreement, and shall indemnify the City from any loss or liability resulting from Developer's assignment.

10.6 Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Developer or on any obligation under the terms of this Agreement.

10.7 Parties Not Co-Venturers. Nothing in this Agreement is intended to or does establish the Parties as partners, co-venturers, or principal and agent with one another.

10.8 Indemnity: City. Except for the active negligence, fraud, intentional or willful misconduct of the City, Developer undertakes and agrees to indemnify, hold harmless and defend (by counsel reasonably satisfactory to the City) the City, its council members, officers, employees, agents, from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, reasonable attorney's fees and costs of litigation, damage or liability of any nature whatsoever, as a result of or arising out of, or in any way connected with, any entry onto the Convention Center Property by Developer. Developer's indemnification obligation under this Section 10.8 shall include but is not be limited to any litigation related to any challenges made to the City's actions regarding any approvals or land use entitlements arising from of this Agreement or for any environmental review conducted and any City actions related thereto under the California Environmental Quality Act.

10.9 Attorney Fees. Subject to Section 10.8 above, in the event of litigation or other legal process between the Parties to enforce this Agreement, each Party shall bear its own attorney's fees and costs.

10.10 Modifications. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the Party against whom enforcement of any waiver, change, modification or discharge is sought.

10.11 Entire Agreement. Except for the REA, this Agreement, including the exhibits hereto, contains the entire agreement between the Parties hereto pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the Parties pertaining to such subject matter.

10.12 Counterparts. This Agreement may be executed in counterparts, all such executed counterparts shall constitute the same agreement, and the signature of any Party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

10.13 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect; provided that the invalidity or unenforceability of such provision does not materially adversely affect the benefits accruing to any Party hereunder.

10.14 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

## 11. Ordinance Mandated Provisions.

11.1 Attached Ordinance Provisions. The parties to this Agreement hereby acknowledge that the City of Los Angeles Administrative Code contains various ordinances that mandate certain provisions in certain types of agreements to which City is a party. Some of such ordinances are codified in the following City of Los Angeles Administrative Code Sections:

- (a) Section 10.8 (Mandatory Provisions Pertaining to Non-discrimination in Employment in the Performance of City Contracts), including without limitation Section 10.8.2 (Non-discrimination clause), Section 10.8.2.1 (Equal Benefits Ordinance), Section 10.8.3 (Equal Employment Practices Provisions), and Section 10.8.4 (Affirmative Action Program Provisions), all of which are set forth in Exhibit C-1.
- (b) Section 10.10 (Child Support Assignment Orders), which is set forth in Exhibit C-2.
- (c) Section 10.36 (Service Contractor Worker Retention), which is set forth in Exhibit C-3.
- (d) Section 10.37 (Living Wage), which is set forth in Exhibit C-4.
- (e) Section 10.40 (Contractor Responsibility Program), which is set forth in Exhibit C-5.
- (f) Section 10.41 (Regulations Regarding Participation in or Profits Derived from Slavery by any Company Doing Business with the City), which is set forth in Exhibit C-6.
- (g) Section 10.44 (First Source Hiring), which is set forth in Exhibit C-7.

- (h) Section 10.45 (Public Infrastructure Stabilization Ordinance), which is set forth in Exhibit C-8.
- (i) Section 10.47 (Local Business Preference Program), which is set forth in Exhibit C-9.

The parties agree that the applicability of the above-referenced Administrative Code Sections to this Agreement will need to be determined from time to time during the Term, and such determination shall be made in accordance with and pursuant to such Administrative Code Sections, the rules and regulations, if any, promulgated therefor, all judicial and /or regulatory determinations interpreting, administering, and/or applying in any way to such Administrative Code Sections or the enforcement thereof. To the extent any of the Administrative Code Sections listed above is determined to be applicable to this Agreement: (i) this Agreement shall be subject to such Administrative Code Section, as amended, (ii) Developer shall comply, and to the extent required by such ordinance, ensure compliance with all applicable obligations and requirements set forth in such Administrative Code Section, as amended; and (iii) to the extent such Administrative Code Section requires inclusion in this Agreement certain language or provision, the parties hereto agree that such language/provision shall be deemed included in this Agreement (with the appropriate adjustment for defined terms) and shall have the same effect as if it were fully set forth in this Section 11.

To the extent that Section 10.10 (Child Support Assignment Order) of the Administrative Code: (i) is applicable to this Agreement and (ii) contains terms and provisions that conflict with terms and provisions of this Agreement, the terms and provisions of Section 10.10 of the Administrative Code shall govern.

11.2 Tax Registration Certificates And Tax Payments. This Section 12 is applicable where Developer is engaged in business within the City of Los Angeles and Developer is required to obtain a Tax Registration Certificate ("TRC") pursuant to one or more of the following article (collectively "Tax Ordinances") of Chapter II of the Los Angeles Municipal Code: Article 1 (Business Tax Ordinance) [section 21.00, et seq.], Article 1.3 (Commercial Tenant's Occupancy Tax) [section 21.3.1, et seq.], Article 1.7 (Transient Occupancy Tax) [section 21.7.1, et seq.], Article 1.11 (Payroll Expense Tax) [section 21.11.1, et seq.], or Article 1.15 (Parking Occupancy Tax) [section 21.15.1, et seq.]. Prior to the execution of this Agreement, or the effective date of any extension of the Term or renewal of this Agreement, Developer shall provide to the City Administrative Officer proof satisfactory to the City Administrative Officer that Developer has the required TRCs and that Developer is not then currently delinquent in any tax payment required under the Tax Ordinances. City may terminate this Agreement upon thirty (30) days' prior written notice to Developer if City determines that Developer failed to have the required TRCs or was delinquent in any tax payments required under the Tax Ordinances at the time of entering into, extending the Term of, or renewing this Agreement. City may also terminate this Agreement upon ninety (90) days prior written notice to Developer at any time during the Term of this Agreement if Developer fails to maintain required TRCs or becomes delinquent in tax payments required under the Tax Ordinances and Developer fails to cure such deficiencies within the ninety (90) day period (in lieu of any time for cure provided in this Agreement, if any).

[signature page to follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE CITY:

CITY OF LOS ANGELES

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

Approved as to Form:  
Attest:  
CARMEN A. TRUTANICH  
CITY ATTORNEY

June Lagmay, City Clerk

By: \_\_\_\_\_  
[Name]  
Assistant/Deputy City Attorney

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

DEVELOPER:

L.A. LIVE PROPERTIES, LLC,  
a Delaware limited liability company

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

L.A. EVENT CENTER, LLC,  
a Delaware limited liability company

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

Exhibit A

Convention Center Legal Description

Convention Center Remainder Parcel:

See attached.



LEGAL DESCRIPTION  
CONVENTION CENTER PARCEL

Parcel A

A portion of Lot 1 of Tract No. 28165, in the City of Los Angeles, County of Los Angeles, State of California as shown on the map filed in Map Book 814, Pages 66 through 69, inclusive, Records of said County, and portions of Trenton Street South, 90.00 feet and 116.00 feet wide, as shown on said Tract No. 28165 and now vacated by (Council File No. 82-1136 of said City) Resolution No. 90-01558 of said City, on file in the Office of the City Clerk of said City, and recorded August 16, 1990 as Instrument No. 90- 1426183, Official Records of said County, lying southwesterly of the following described line:

Beginning at a point on the northeasterly line of said Lot 1, distant thereon South 61°40'12" East 652.41 feet from the northwesterly terminus of said line shown as "South 61°51'43" East 666.02 feet" on said Tract No. 28165; thence South 28°19'48" West 44.47 feet to the beginning of a curve concave northerly and having a radius of 105.00 feet; thence southwesterly, westerly and northwesterly 138.02 feet along said curve through a central angle of 75°18'41"; thence North 76°21'31" West 33.23 feet to the beginning of a curve concave southerly and having a radius of 43.00 feet; thence westerly 29.66 feet along said curve through a central angle of 39°31'13"; thence on a non-tangent line South 61°21'38" East 162.17 feet; thence North 28°38'22" East 31.50 feet; thence South 61°21'38" East 34.73 feet; thence South 28°38'22" West 31.50 feet; thence South 61°21'38" East 32.62 feet; thence South 28°36'56" West 269.35 feet and the True Point of Beginning; thence South 61°37'17" East 63.37 feet; thence North 73°42'51" East 60.45 feet, to the beginning of a non-tangent curve concave westerly, having a radius of 161.60 feet and to which beginning a radial line bears North 72°48'41" East; thence southwesterly along said curve 192.17 feet through a central angle of 68°08'12"; South 50°56'54" West 21.38 feet; thence South 66°59'51" West 3.62 feet; thence South 16°22'02" East 118.05 feet to the beginning of a non-tangent curve, concave westerly,

**P S O M A S**

1 having a radius of 25.60 feet and to which beginning a radial line bears North 52°49'38"  
2 East; thence southerly along said curve 40.42 feet through a central angle of 90°28'02";  
3 thence along a non-tangent line, South 28°38'02" West 53.63 feet; thence North  
4 61°21'58" West 10.57 feet; thence South 28°38'02" West 20.15 feet; thence South  
5 61°21'58" East 10.57 feet; thence South 28°38'02" West 43.44 feet; thence North  
6 61°21'58" West 10.57 feet; thence South 28°38'02" West 20.15 feet; thence South  
7 61°21'58" East 10.57 feet; thence South 28°38'02" West 43.52 feet; thence North  
8 61°21'58" West 10.57 feet; thence South 28°38'02" West 21.15 feet; thence South  
9 61°21'58" East 10.57 feet; thence South 28°38'02" West 106.52 feet to the southwesterly  
10 line of said Lot 1.

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13 Excepting therefrom that portion of said Lot 1 lying northwesterly and northeasterly of  
14 the following described line:

15

16 Beginning at a point on the northwesterly line of said Lot 1, distant thereon South  
17 28°31'52" West 800.07 feet from the northwesterly terminus of said line shown as  
18 "North 28°21'02" East 927.28 feet" on said Tract No. 28165; thence South 61°21'58"  
19 East 777.22 feet to a Point "A"; thence North 28°38'02" East 261.42 feet; thence North  
20 61°21'58" West 7.10 feet; thence North 28°38'02" East 123.14 feet; thence South  
21 61°21'58" East 15.97 feet; thence North 28°38'02" East 355.54 feet; thence North  
22 61°27'12" West 73.04 feet; thence North 28°32'48" East 84.42 feet to the northeasterly  
23 line of said Lot 1.

24  
25

26 Also excepting therefrom that portion of said Lot 1 lying northwesterly of the following  
27 described line:

28

29 Beginning at the abovementioned Point "A", thence South 28°38'02" West 200.40 feet to  
30 the southwesterly line of said Lot 1.

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**PSOMAS**

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Parcel B

PARCEL 1 OF OFFICIAL MAP NO. 2, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, RECORDED ON JUNE 14, 1989 AS INSTRUMENT NO. 89-958587, IN BOOK 5 PAGES 38 TO 40 OF OFFICIAL MAPS.

EXCEPT FROM SAID PARCEL 1 THAT PORTION THEREOF DESCRIBED AS "PARCEL S-1 AND S-3" IN GRANT DEED TO THE STATE OF CALIFORNIA RECORDED MARCH 1, 1994 AS INSTRUMENT NO. 94-415105, OF OFFICIAL RECORDS.

Parcel H

(PARTIAL LOTS ALONG WEST BOUNDARY OF SOUTH HALL)

**PARCEL H-1:**

THOSE PORTIONS OF LOTS 3, 6, 8, 10, 12 AND 14 IN BLOCK 2 OF WRIGHT'S SUBDIVISION OF THE SISTERS OF CHARITY TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 5 PAGE 431 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; TOGETHER WITH THAT PORTION OF THAT CERTAIN ALLEY (12.00 FEET WIDE) IN SAID CITY, COUNTY AND STATE, ADJOINING LOTS 3 AND 6 IN BLOCK 2 AND AS SHOWN ON SAID WRIGHT'S SUBDIVISION, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE SOUTHERLY TERMINUS OF THAT CERTAIN CURVE IN THE PARCEL OF LAND ACQUIRED BY THE STATE OF CALIFORNIA BY DEED RECORDED IN BOOK 55833 PAGE 47 OF OFFICIAL RECORDS IN SAID OFFICE, DESCRIBED THEREIN AS HAVING A RADIUS OF 155.00 FEET AND ARC DISTANCE OF 2.02 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0 DEGREES 20 MINUTES 03 SECONDS AN ARC DISTANCE OF .90 FEET A RADIAL LINE TO THE BEGINNING OF SAID CURVE BEARS SOUTH 87 DEGREES 18 MINUTES 55 SECONDS EAST AS SHOWN ON OFFICIAL MAP NO. 2 RECORDED IN BOOK 5 PAGES 38-40 OF OFFICIAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID

**P S O M A S**

1 COUNTY TO A NON TANGENT LINE THAT IS PARALLEL WITH AND DISTANT 45.00  
2 FEET SOUTHEASTERLY FROM A LINE THAT BEARS SOUTH 27 DEGREES 37  
3 MINUTES 46 SECONDS WEST AND PASSES THROUGH A POINT IN THE CENTER LINE  
4 OF PICO BOULEVARD (VARIOUS IN WIDTH) SAID POINT BEING DISTANT THEREOF  
5 SOUTH 61 DEGREES 33 MINUTES 15 SECONDS EAST 28.39 FEET FROM THE  
6 INTERSECTION OF THE CENTER LINE OF SAID PICO BOULEVARD WITH THE  
7 CENTER LINE OF SENTOUS STREET, SAID INTERSECTION AS SHOWN ON SAID  
8 OFFICIAL MAP; THENCE ALONG SAID PARALLEL LINE SOUTH 27 DEGREES 37  
9 MINUTES 46 SECONDS WEST 277.86 FEET TO A POINT IN A NON-TANGENT CURVE  
10 CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 165.00 FEET AS RECITED  
11 IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED MARCH 15, 1957 AS  
12 INSTRUMENT NO. 2228 OF OFFICIAL RECORDS OF SAID COUNTY, (FOR PURPOSES  
13 OF THIS DESCRIPTION, SAID CURVE SHALL HAVE A RADIUS OF 164.78 FEET) A  
14 RADIAL LINE BEARS FROM SAID POINT SOUTH 42 DEGREES 59 MINUTES 14  
15 SECONDS EAST; THENCE NORTHEASTERLY ALONG SAID CURVE, THROUGH A  
16 CENTRAL ANGLE OF 4 DEGREES 34 MINUTES 20 SECONDS, AN ARC DISTANCE OF  
17 13.15 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE  
18 NORTHWESTERLY HAVING A RADIUS OF 184.75 FEET; THENCE NORTHEASTERLY  
19 ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 23 DEGREES 57 MINUTES  
20 12 SECONDS, AN ARC DISTANCE OF 77.23 FEET; THENCE TANGENT TO SAID CURVE  
21 NORTH 27 DEGREES 37 MINUTES 54 SECONDS EAST 103.58 FEET TO THE MOST  
22 WESTERLY CORNER OF THE LAND DESCRIBED IN THE STATE OF CALIFORNIA  
23 RELINQUISHMENT NO. 745 RECORDED MAY 7, 1970 AS INSTRUMENT NO. 1711 IN  
24 BOOK R-3414 PAGE 358 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG  
25 THE BOUNDARIES OF SAID RELINQUISHMENT AS FOLLOWS: NORTH 27 DEGREES  
26 33 MINUTES 45 SECONDS EAST 20.36 FEET AND NORTH 03 DEGREES 10 MINUTES 56  
27 SECONDS WEST 11.41 FEET TO A POINT IN A NON-TANGENT CURVE CONCAVE  
28 NORTHWESTERLY HAVING A RADIUS OF 159.96 FEET, A RADIAL LINE FROM SAID  
29 POINT BEARS NORTH 66 DEGREES 27 MINUTES 01 SECONDS WEST; THENCE  
30 NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 20  
31 DEGREES 51 MINUTES 54 SECONDS, AN ARC DISTANCE OF 58.25 FEET; TO THE  
32 POINT OF BEGINNING.

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**PARCEL H-2:**

**P S O M A S**

1 THOSE PORTIONS OF LOTS 20, 21, 22 AND 23 IN BLOCK 2 OF WRIGHT'S  
2 SUBDIVISION OF THE SISTERS OF CHARITY TRACT, IN THE CITY OF LOS ANGELES,  
3 COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN  
4 BOOK 5 PAGE 431 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY  
5 RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

6  
7 BEGINNING AT THE INTERSECTION OF THE NORTH EASTERLY LINE OF SAID LOT  
8 21 AND THE NORTHWESTERLY LINE OF WRIGHT STREET. FOR THE PURPOSE OF  
9 THIS DEED WRIGHT STREET BEARS NORTH 27 DEGREES 32 MINUTES 36 SECONDS  
10 EAST; THENCE SOUTH 68 DEGREES 22 MINUTES 04 SECONDS WEST 3.46 FEET TO A  
11 NON-TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 29.50  
12 FEET, THENCE FROM A TANGENT BEARING SOUTH 60 DEGREES 33 MINUTES 14  
13 SECONDS WEST, WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE  
14 OF 27 DEGREES 55 MINUTES 49 SECONDS AN ARC DISTANCE OF 14.38 FEET TO A  
15 POINT OF A REVERSE CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS  
16 OF 40.50 FEET, A RADIAL LINE OF SAID REVERSE CURVE THROUGH SAID POINT  
17 BEARS NORTH 01 DEGREES 30 MINUTES 57 SECONDS WEST; THENCE  
18 SOUTHWESTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE  
19 OF 100 DEGREES 28 MINUTES 14 SECONDS AN ARC DISTANCE OF 71.02 FEET;  
20 THENCE NON-TANGENT TO SAID CURVE NORTH 29 DEGREES 18 MINUTES 57  
21 SECONDS WEST 66.07 FEET; THENCE NORTH 20 DEGREES 26 MINUTES 59 SECONDS  
22 WEST 86.06 FEET TO THE SOUTHEASTERLY TERMINUS OF THAT CERTAIN COURSE  
23 RECITED AS HAVING A BEARING AND LENGTH OF "NORTH 00 DEGREES 39  
24 MINUTES 18 SECONDS EAST 52.41 FEET" IN THE DIRECTOR'S DEED TO DAVID  
25 BENEZRA, WILLIAM VEPRIN AND JEANETTE VEPRIN, RECORDED MAY 31, 1966 AS  
26 INSTRUMENT NO. 2125 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH  
27 36 DEGREES 36 MINUTES 32 SECONDS EAST 42.32 FEET TO THE MOST NORTHERLY  
28 CORNER OF SAID LOT 21 IN BLOCK 2; THENCE SOUTHEASTERLY ALONG THE  
29 NORTHEASTERLY LINE OF SAID LOT 21 TO THE POINT OF BEGINNING.

30  
31 **PARCEL H-3:**

32 THOSE PORTIONS OF LOTS 25 THROUGH 30, 32, AND 34, IN BLOCK 1 OF WRIGHT'S  
33 SUBDIVISION OF THE SISTERS OF CHARITY TRACT, IN THE CITY OF LOS ANGELES,  
34 IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP

**PSOMAS**

1 RECORDED IN BOOK 5, PAGE 431 OF MISCELLANEOUS RECORDS, IN THE OFFICE  
2 OF THE COUNTY RECORDER OF SAID COUNTY; TOGETHER WITH THOSE  
3 PORTIONS OF WRIGHT STREET (50.00 FEET WIDE) AND DELONG STREET,  
4 FORMERLY VIRGINIA STREET, 46.00 FEET WIDE, AS SHOWN ON SAID WRIGHT'S  
5 SUBDIVISION OF THE SISTERS OF CHARITY TRACT; ALSO TOGETHER WITH THOSE  
6 PORTIONS OF LOTS 4 AND 5 IN BLOCK 3 OF THE HARVEY TRACT, IN THE CITY OF  
7 LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER  
8 MAP RECORDED IN BOOK 10, PAGE 77 OF MISCELLANEOUS RECORDS, IN THE  
9 OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE  
10 AS FOLLOWS:

11  
12 BEGINNING AT THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED AS  
13 PARCEL 9 IN THE STATE OF CALIFORNIA RELINQUISHMENT NO. 285 RECORDED  
14 JANUARY 6, 1964 AS INSTRUMENT NO. 3869, RECORDS OF SAID COUNTY; THENCE  
15 NORTH 27 DEGREES 30 MINUTES 39 SECONDS EAST 0.10 FEET TO THE MOST  
16 SOUTHERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO FRED J. TABERY,  
17 RECORDED FEBRUARY 7, 1964 AS INSTRUMENT NO. 4333, RECORDS OF SAID  
18 COUNTY; THENCE ALONG THE WESTERLY LINE OF SAID DEED TO FRED J.  
19 TABERY, NORTH 17 DEGREES 43 MINUTES 26 SECONDS WEST 113.34 FEET TO THE  
20 SOUTHWESTERLY LINE OF THE NORTHEASTERLY 1 FOOT OF LOT 30, IN BLOCK 1  
21 OF SAID WRIGHT'S SUBDIVISION OF THE SISTERS OF CHARITY TRACT; THENCE  
22 ALONG SAID SOUTHWESTERLY LINE NORTH 61 DEGREES 20 MINUTES 44 SECONDS  
23 WEST 2.87 FEET TO THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED IN  
24 THE DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 26, 1959 AS  
25 INSTRUMENT NO. 1874, RECORDS OF SAID COUNTY, SAID MOST SOUTHERLY  
26 CORNER BEING A POINT IN A NON-TANGENT CURVE CONCAVE TO THE WEST  
27 HAVING A RADIUS OF 634.33 FEET IN THE EASTERLY LINE OF SAID DEED TO THE  
28 STATE OF CALIFORNIA, A RADIAL LINE FROM SAID POINT BEARS SOUTH 68  
29 DEGREES 45 MINUTES 05 SECONDS WEST; THENCE NORTHERLY ALONG SAID  
30 CURVE, THROUGH A CENTRAL ANGLE OF 4 DEGREES 17 MINUTES 42 SECONDS, AN  
31 ARC DISTANCE OF 47.55 FEET TO THE SOUTHEASTERLY LINE OF LOT 27, BLOCK 1  
32 OF SAID WRIGHT'S SUBDIVISION OF THE SISTERS OF CHARITY; THENCE NON-  
33 TANGENT TO SAID CURVE NORTHEASTERLY ALONG THE SOUTHEASTERLY LINE  
34 OF LOTS 27 AND 25 IN SAID BLOCK 1 NORTH 27 DEGREES 31 MINUTES 32 SECONDS

**P S O M A S**

1 EAST 74.78 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 25; THENCE  
2 NORTH 61 DEGREES 33 MINUTES 33 SECONDS WEST 120.25 FEET ALONG THE  
3 NORTHEASTERLY LINE OF SAID LOT 25 TO THE MOST NORTHERLY CORNER OF  
4 SAID LOT 25; THENCE SOUTH 27 DEGREES 32 MINUTES 27 SECONDS WEST 9.12  
5 FEET ALONG THE NORTHWESTERLY LINE OF SAID LOT 25, TO THE MOST  
6 SOUTHERLY CORNER OF THE LAND DESCRIBED IN PARCEL 10, IN THE STATE OF  
7 CALIFORNIA RELINQUISHMENT NO, 285, RECORDED JANUARY 6, 1964 AS  
8 INSTRUMENT NO. 3869, RECORDS OF SAID COUNTY;  
9  
10 THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 10, NORTH 62  
11 DEGREES 27 MINUTES 33 SECONDS WEST 18.00 FEET TO THE BEGINNING OF A  
12 TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 15.50 FEET;  
13 THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE  
14 OF 4 DEGREES 58 MINUTES 08 SECONDS, AN ARC DISTANCE OF 1.35 FEET; THENCE  
15 NON-TANGENT TO SAID CURVE SOUTH 29 DEGREES 18 MINUTES 57 SECONDS  
16 EAST 168.28 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE  
17 WESTERLY HAVING A RADIUS OF 486.33 FEET; THENCE SOUTHERLY ALONG SAID  
18 CURVE, THROUGH A CENTRAL ANGLE OF 33 DEGREES 34 MINUTES 29 SECONDS,  
19 AN ARC DISTANCE OF 284.98 FEET TO A POINT ON A NON-TANGENT CURVE  
20 CONCAVE WESTERLY HAVING A RADIUS OF 1968.00 FEET, A RADIAL FROM SAID  
21 POINT BEARS SOUTH 77 DEGREES 43 MINUTES 08 SECONDS WEST; THENCE  
22 SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0 DEGREES 03  
23 MINUTES 30 SECONDS, AN ARC DISTANCE OF 2.00 FEET TO A POINT ON THE  
24 WESTERLY LINE OF THE LAND DESCRIBED AS PARCEL 9, IN THE HEREIN ABOVE  
25 MENTIONED STATE OF CALIFORNIA RELINQUISHMENT NO. 285. SAID POINT BEING  
26 A POINT IN A NON-TANGENT CURVE CONCAVE TO THE WEST HAVING A RADIUS  
27 OF 487.00 FEET IN THE WESTERLY LINE OF SAID RELINQUISHMENT NO. 285, A  
28 RADIAL LINE FROM SAID POINT BEARS NORTH 85 DEGREES 32 MINUTES 43  
29 SECONDS WEST; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A  
30 CENTRAL ANGLE OF 5 DEGREES 41 MINUTES 53 SECONDS, AN ARC DISTANCE OF  
31 48.43 FEET; THENCE NON-TANGENT TO SAID CURVE, NORTH 1 DEGREES 55  
32 MINUTES 12 SECONDS EAST 97.04 FEET TO THE POINT OF BEGINNING  
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**P S O M A S**

1 **PARCEL H-4:**

2 THAT CERTAIN PORTION OF AN ALTERED STREET, KNOWN AS WRIGHT STREET,  
3 IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,  
4 AS NOW LOCATED AND CONSTRUCTED EASTERLY OF THE HARBOR FREEWAY,  
5 UPON, OVER AND ACROSS THOSE PORTIONS OF LOTS 21 AND 23 IN BLOCK 2 OF  
6 WRIGHT'S SUBDIVISION OF THE SISTERS OF CHARITY TRACT, AS SHOWN ON MAP  
7 RECORDED IN BOOK 5, PAGE 431 OF MISCELLANEOUS RECORDS, IN THE OFFICE  
8 OF THE COUNTY RECORDER OF SAID COUNTY; AND THAT PORTION OF WRIGHT  
9 STREET, 50.00 FEET WIDE, DESCRIBED AS A WHOLE AS FOLLOWS:

10  
11 BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 21, THENCE SOUTH 68  
12 DEGREES 22 MINUTES 04 SECONDS, 3.46 FEET TO A CURVE CONCAVE NORTHERLY  
13 AND HAVING A RADIUS OF 29.50 FEET; THENCE FROM A TANGENT BEARING  
14 SOUTH 60 DEGREES 33 MINUTES 14 SECONDS WEST, WESTERLY ALONG SAID  
15 CURVE THROUGH AN ANGLE OF 27 DEGREES 55 MINUTES 49 SECONDS, AN ARC  
16 DISTANCE OF 14.38 FEET TO A POINT OF REVERSE CURVE CONCAVE  
17 SOUTHEASTERLY AND HAVING A RADIUS OF 40.50 FEET, A RADIAL LINE OF SAID  
18 REVERSE CURVE THROUGH SAID POINT BEARS SOUTH 1 DEGREE 30 MINUTES 57  
19 SECONDS EAST; THENCE SOUTHWESTERLY ALONG SAID REVERSE CURVE  
20 THROUGH AN ANGLE OF 117 DEGREES 47 MINUTES 55 SECONDS, AN ARC  
21 DISTANCE OF 83.27 FEET; THENCE SOUTH 29 DEGREES 18 MINUTES 52 SECONDS  
22 EAST, 46.18 FEET TO A TANGENT CURVE CONCAVE NORTHEASTERLY AND  
23 HAVING A RADIUS OF 15.50 FEET; THENCE SOUTHEASTERLY ALONG LAST SAID  
24 CURVE THROUGH AN ANGLE OF 33 DEGREES 08 MINUTES 32 SECONDS, AN ARC  
25 DISTANCE OF 8.97 FEET; THENCE TANGENT SOUTH 62 DEGREES 27 MINUTES 24  
26 SECONDS EAST, 18.00 FEET TO THE SOUTHEASTERLY LINE OF SAID WRIGHT  
27 STREET; THENCE ALONG SAID SOUTHEASTERLY LINE NORTH 27 DEGREES 32  
28 MINUTES 36 SECONDS EAST, 109.42 FEET; THENCE AT RIGHT ANGLES NORTH 62  
29 DEGREES 27 MINUTES 24 SECONDS WEST, 50.00 FEET TO THE POINT OF  
30 BEGINNING.

31  
32 EXCEPT THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 1 OF  
33 OFFICIAL MAP NO. 2, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES,



**P S O M A S**

1 STATE OF CALIFORNIA, RECORDED ON JUNE 14, 1989 AS INSTRUMENT NO. 89-  
2 958587, IN BOOK 5 PAGES 38 TO 40 OF OFFICIAL MAPS.

3  
4 ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED AS "PARCEL S-2"  
5 IN GRANT DEED TO THE STATE OF CALIFORNIA RECORDED MARCH 1, 1994 AS  
6 INSTRUMENT NO. 94-415105, OF OFFICIAL RECORDS.

7  
8 **PARCEL H-5:**

9 THAT CERTAIN PORTION OF AN ALTERED STREET, KNOWN AS DE LONG STREET,  
10 IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,  
11 AS NOW LOCATED AND CONSTRUCTED EASTERLY OF AN SANTA MONICA  
12 FREEWAY CONNECTION, UPON, OVER AND ACROSS THOSE PORTIONS OF LOTS 4,  
13 5, 6, 7 AND 8 IN BLOCK 3 OF THE HARVEY TRACT, AS SHOWN ON MAP RECORDED  
14 IN BOOK 10, PAGE 77 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE  
15 COUNTY RECORDER OF SAID COUNTY; AN THAT PORTION OF SAID DE LONG  
16 STREET, 46.00 FEET WISE, DESCRIBED AS A WHOLE AS FOLLOWS:

17  
18 BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF SAID DE LONG STREET,  
19 DISTANT THEREON NORTH 27 DEGREES 30 MINUTES 44 SECONDS EAST, 21.62 FEET  
20 FROM THE MOST WESTERLY CORNER OF LOT 2 IN SAID BLOCK 3; THENCE ALONG  
21 SAID SOUTHEASTERLY LINE SOUTH 27 DEGREES 30 MINUTES 44 SECONDS WEST,  
22 67.15 FEET TO A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS  
23 OF 47.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH AN ANGLE OF  
24 34 DEGREES 31 MINUTES 41 SECONDS, AN ARC DISTANCE OF 28.32 FEET; THENCE  
25 TANGENT SOUTH 7 DEGREES 00 MINUTES 57 EAST, 45.58 FEET TO A TANGENT  
26 CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 223.00 FEET; THENCE  
27 SOUTHERLY ALONG LAST SAID CURVE THROUGH AN ANGLE OF 45 DEGREES 45  
28 MINUTES 28 SECONDS AN ARC DISTANCE OF 178.07 FEET; THENCE NORTH 11  
29 DEGREES 45 MINUTES 51 SECONDS EAST, 115.91 FEET TO A TANGENT CURVE  
30 CONCAVE WESTERLY AND HAVING A RADIUS OF 487.00 FEET; THENCE  
31 NORTHERLY ALONG LAST SAID CURVE THROUGH AN ANGLE OF 13 DEGREES 00  
32 MINUTES 29 SECONDS, AN ARC DISTANCE OF 110.57 FEET; THENCE NORTH 1  
33 DEGREE 55 MINUTES 34 SECONDS EAST, 96.99 FEET TO THE NORTHWESTERLY  
34 LINE OF SAID DE LONG STREET; THENCE AT RIGHT ANGLES TO SAID

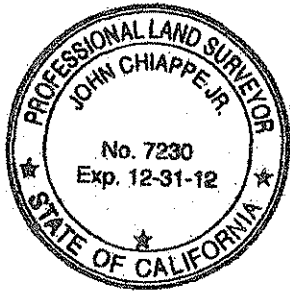
PSOMAS

1 NORTHWESTERLY LINE SOUTH 62 DEGREES 29 MINUTES 16 SECONDS EAST, 46.00  
2 FEET TO THE POINT OF BEGINNING.

3  
4 EXCEPT THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 1 OF  
5 OFFICIAL MAP NO. 2, IN THE CITY OF LOS ANGELES; COUNTY OF LOS ANGELES,  
6 STATE OF CALIFORNIA, RECORDED ON JUNE 14, 1989 AS INSTRUMENT NO. 89-  
7 958587, IN BOOK 5 PAGES 38 TO 40 OF OFFICIAL MAPS.

8  
9 ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED AS "PARCEL S-1  
10 AND S-3" IN GRANT DEED TO THE STATE OF CALIFORNIA RECORDED MARCH 1,  
11 1994 AS INSTRUMENT NO. 94-415105, OF OFFICIAL RECORDS.

12  
13  
14  
15 This Legal Description is described on the accompanying exhibit "Exhibit Map  
16 Convention Center Parcel", is made a part hereof for reference purposes and was  
17 prepared as a convenience and is not intended for the use in the division and/or  
18 conveyance of land in violation of the Subdivision Map Act of the State of California.



19  
20  
21  
22 A large, stylized handwritten signature in black ink, appearing to read "John Chiappe Jr.".

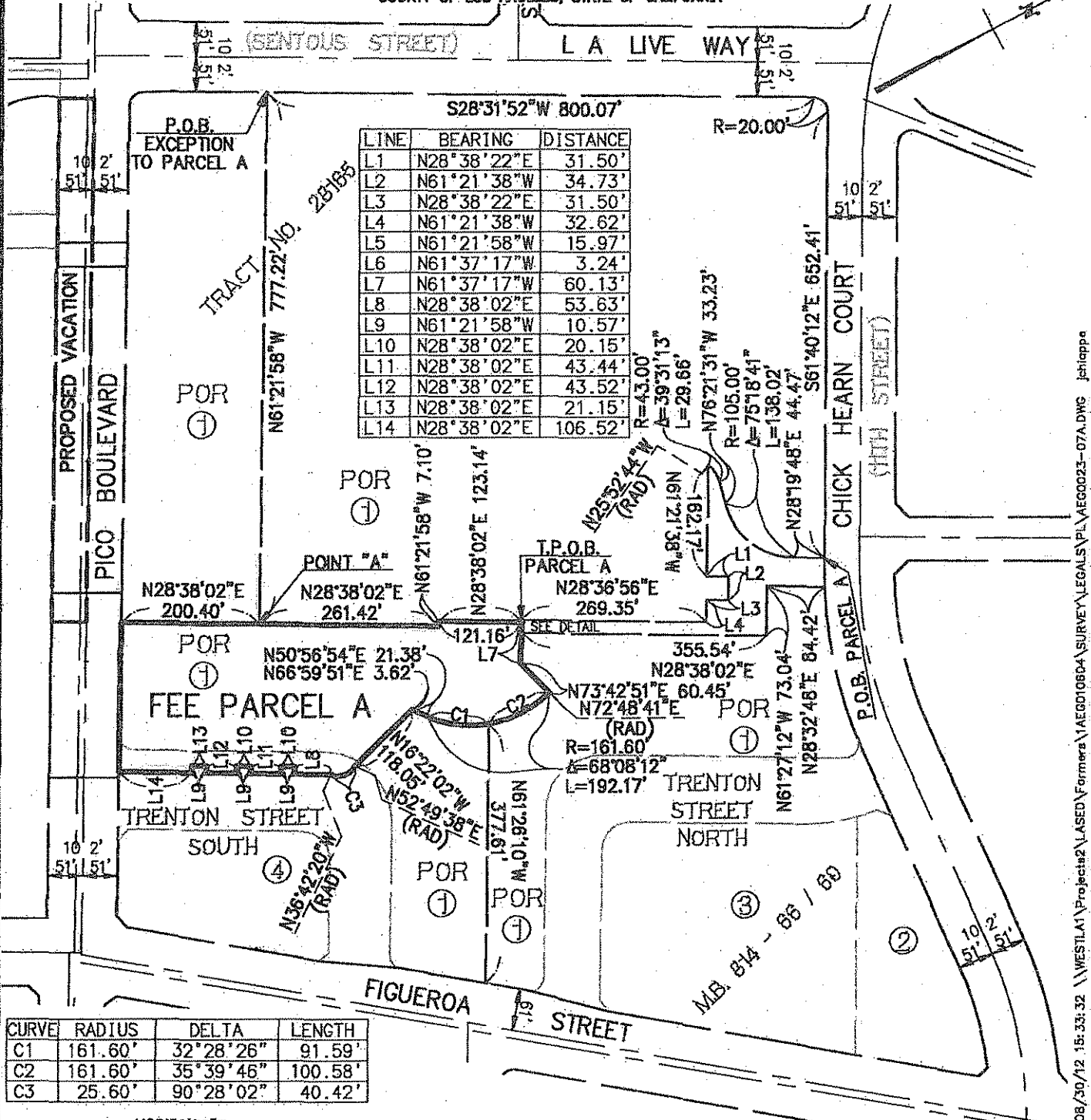
23  
24 John Chiappe Jr., PLS 7230  
25 PSOMAS

26  
27 Date: 8/30/2012

28  
29  
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31  
32

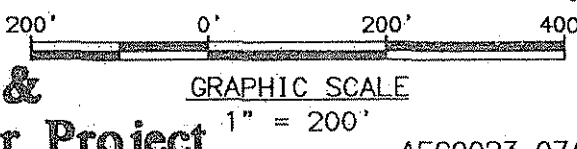
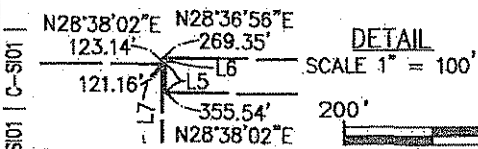
# EXHIBIT MAP CONVENTION CENTER PARCEL

IN THE CITY OF LOS ANGELES  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



LINE	BEARING	DISTANCE
L1	N28°38'22"E	31.50'
L2	N61°21'38"W	34.73'
L3	N28°38'22"E	31.50'
L4	N61°21'38"W	32.62'
L5	N61°21'58"W	15.97'
L6	N61°37'17"W	3.24'
L7	N61°37'17"W	60.13'
L8	N28°38'02"E	53.63'
L9	N61°21'58"W	10.57'
L10	N28°38'02"E	20.15'
L11	N28°38'02"E	43.44'
L12	N28°38'02"E	43.52'
L13	N28°38'02"E	21.15'
L14	N28°38'02"E	106.52'

CURVE	RADIUS	DELTA	LENGTH
C1	161.60'	32°28'26"	91.59'
C2	161.60'	35°39'46"	100.58'
C3	25.60'	90°28'02"	40.42'



DATE: 08/30/12 REVISED ON:  
JOB No: 1AEG010604 TASK 103

**PSOMAS**  
555 South Flower Street, Suite 4400  
Los Angeles, CA 90071  
(213)223-1400 (213)223-1444 (FAX)

**Convention &  
Event Center Project**

AEG0023-07A

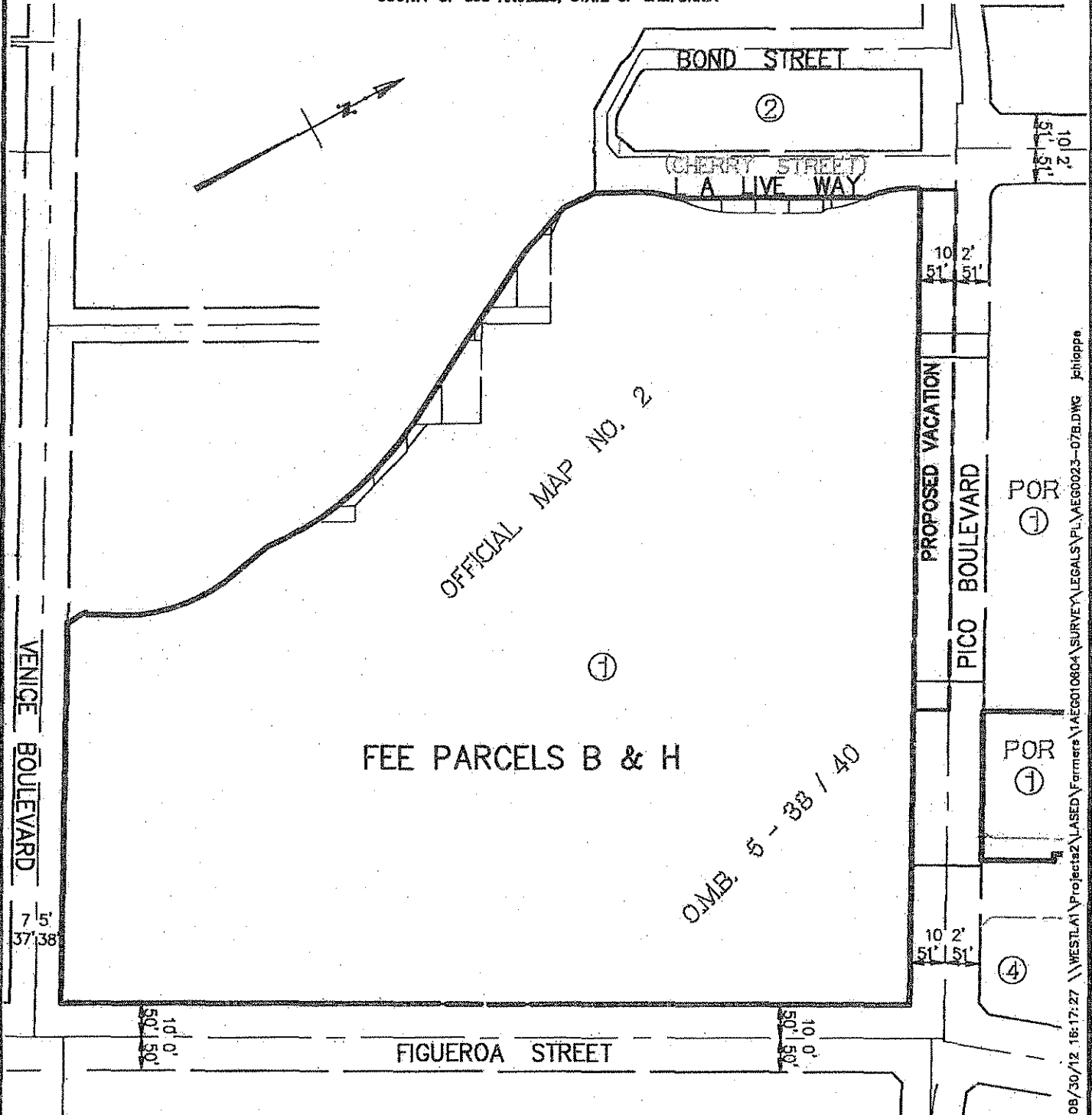
Plotted: 08/30/12 15:33:32 \\WESTLA1\Projects\2\AEG010604\SURVE\LEGALS\PL\AEG0023-07A.DWG jshlappa

SCALE: 1" = 200'

SHEET 2 OF 2 SHEETS

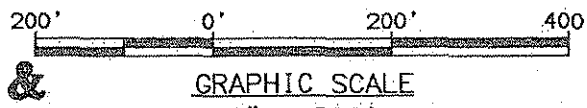
# EXHIBIT MAP CONVENTION CENTER PARCEL

IN THE CITY OF LOS ANGELES  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



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DATE: 08/30/12 REVISED ON:  
JOB No: 1AEG010604 TASK 103



## Convention & Event Center Project

AEG0023-07B

**PSOMAS**  
 555 South Flower Street, Suite 4400  
 Los Angeles, CA 90071  
 (213)223-1400 (213)223-1444 (FAX)

Gilbert Lindsay Parcel:

See attached.

LEGAL DESCRIPTION

GIL LINDSAY PLAZA

1  
2  
3  
4 Lot 4, a portion of Lot 1 of Tract No. 28165, in the City of Los Angeles, County of Los  
5 Angeles, State of California as shown on the map filed in Map Book 814, Pages 66  
6 through 69, inclusive, Records of said County, and portions of Trenton Street South,  
7 90.00 feet and 116.00 feet wide, as shown on said Tract No. 28165 and now vacated by  
8 (Council File No. 82-1136 of said City) Resolution No. 90-01558 of said City, on file in  
9 the Office of the City Clerk of said City, and recorded August 16, 1990 as Instrument No.  
10 90- 1426183, Official Records of said County, lying southeasterly of the following  
11 described line:

12  
13 Beginning at a point on the northeasterly line of said Lot 1, distant thereon South  
14  $61^{\circ}40'12''$  East 652.41 feet from the northwesterly terminus of said line shown as "South  
15  $61^{\circ}51'43''$  East 666.02 feet" on said Tract No. 28165; thence South  $28^{\circ}19'48''$  West  
16 44.47 feet to the beginning of a curve concave northerly and having a radius of 105.00  
17 feet; thence southwesterly, westerly and northwesterly 138.02 feet along said curve  
18 through a central angle of  $75^{\circ}18'41''$ ; thence North  $76^{\circ}21'31''$  West 33.23 feet to the  
19 beginning of a curve concave southerly and having a radius of 43.00 feet; thence westerly  
20 29.66 feet along said curve through a central angle of  $39^{\circ}31'13''$ ; thence on a non-tangent  
21 line South  $61^{\circ}21'38''$  East 162.17 feet; thence North  $28^{\circ}38'22''$  East 31.50 feet; thence  
22 South  $61^{\circ}21'38''$  East 34.73 feet; thence South  $28^{\circ}38'22''$  West 31.50 feet; thence South  
23  $61^{\circ}21'38''$  East 32.62 feet; thence South  $28^{\circ}36'56''$  West 269.35 feet; thence South  
24  $61^{\circ}37'17''$  East 63.37 feet; thence North  $73^{\circ}42'51''$  East 60.45 feet, to the beginning of a  
25 non-tangent curve concave westerly, having a radius of 161.60 feet, to which beginning a  
26 radial line bears North  $72^{\circ}48'41''$  East and the True Point of Beginning; thence  
27 southwesterly along said curve 192.17 feet through a central angle of  $68^{\circ}08'12''$ ; South  
28  $50^{\circ}56'54''$  West 21.38 feet; thence South  $66^{\circ}59'51''$  West 3.62 feet; thence South  
29  $16^{\circ}22'02''$  East 118.05 feet to the beginning of a non-tangent curve, concave westerly,  
30 having a radius of 25.60 feet and to which beginning a radial line bears North  $52^{\circ}49'38''$   
31 East; thence southerly along said curve 40.42 feet through a central angle of  $90^{\circ}28'02''$ ;

**PSOMAS**

1 thence along a non-tangent line, South 28°38'02" West 53.63 feet; thence North  
2 61°21'58" West 10.57 feet; thence South 28°38'02" West 20.15 feet; thence South  
3 61°21'58" East 10.57 feet; thence South 28°38'02" West 43.44 feet; thence North  
4 61°21'58" West 10.57 feet; thence South 28°38'02" West 20.15 feet; thence South  
5 61°21'58" East 10.57 feet; thence South 28°38'02" West 43.52 feet; thence North  
6 61°21'58" West 10.57 feet; thence South 28°38'02" West 21.15 feet; thence South  
7 61°21'58" East 10.57 feet; thence South 28°38'02" West 106.52 feet to the southwesterly  
8 line of said Lot 1.

9  
10 Excepting therefrom that portion of said Lot 1 lying northeasterly and northerly of the  
11 following described line:

12  
13 Beginning at a point on the northwesterly line of said Lot 1, distant thereon South  
14 28°31'52" West 800.07 feet from the northwesterly terminus of said line shown as  
15 "North 28°21'02" East 927.28 feet" on said Tract No. 28165; thence South 61°21'58"  
16 East 777.22 feet; thence North 28°38'02" East 261.42 feet; thence North 61°21'58" West  
17 7.10 feet; thence North 28°38'02" East 123.14 feet; thence South 61°21'58" East 15.97  
18 feet; thence North 28°38'02" East 355.54 feet; thence North 61°27'12" West 73.04 feet;  
19 thence North 28°32'48" East 84.42 feet to the northeasterly line of said Lot 1.

20  
21 This Legal Description is described on the accompanying exhibit "Exhibit Map Gil  
22 Lindsay Plaza", is made a part hereof for reference purposes and was prepared as a  
23 convenience and is not intended for the use in the division and/or conveyance of land in  
24 violation of the Subdivision Map Act of the State of California.

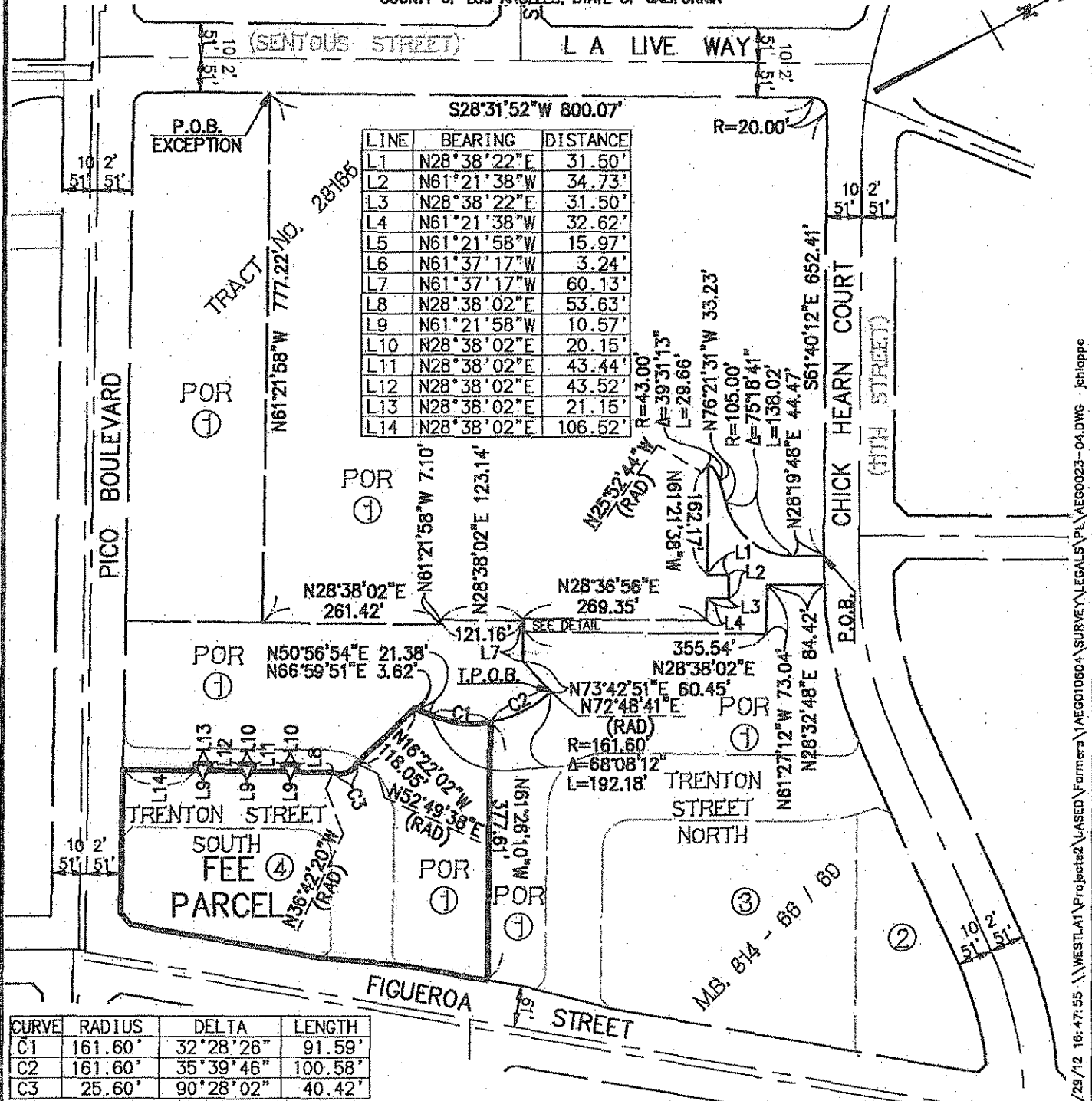
25  
26  
27 \_\_\_\_\_  
John Chiappe Jr., PLS 7230

28 PSOMAS

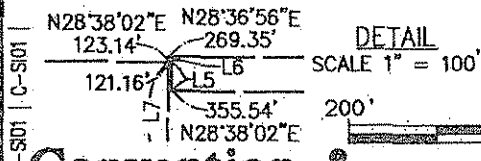
29  
30 Date: \_\_\_\_\_  
31

# EXHIBIT MAP GIL LINDSAY PLAZA

IN THE CITY OF LOS ANGELES  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



CURVE	RADIUS	DELTA	LENGTH
C1	161.60'	32°28'26"	91.59'
C2	161.60'	35°39'46"	100.58'
C3	25.60'	90°28'02"	40.42'



DATE: 08/29/12 REVISED ON:  
JOB No: 1AEG010604 TASK 103

**Convention &  
Event Center Project**

**PSOMAS**  
555 South Flower Street, Suite 4400  
Los Angeles, CA 90071  
(213)223-1400 (213)223-1444 (FAX)

Plotted: 08/29/12 16:47:55 \\WESTLA1\Projects\2\AEG010604\Survey\LEGALS\PLAEG0023-04.DWG .chilippe



New Hall Parcel:

See attached.

PSOMAS

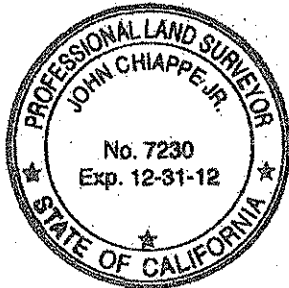
LEGAL DESCRIPTION

NEW HALL

That portion of Lot 1 of Tract No. 28165, in the City of Los Angeles, County of Los Angeles, State of California as shown on the map filed in Map Book 814, Pages 66 through 69, inclusive, Records of said County, lying southerly and southwesterly of the following described line:

Beginning at a point on the northwesterly line of said Lot 1, distant thereon South 28°31'52" West 800.07 feet from the northwesterly terminus of said line shown as "North 28°21'02" East 927.28 feet" on said Tract No. 28165; thence South 61°21'58" East 777.22 feet; thence South 28°38'02" West 200.40 feet to the southwesterly line of said Lot 1.

This Legal Description is described on the accompanying exhibit "Exhibit Map New Hall", is made a part hereof for reference purposes and was prepared as a convenience and is not intended for the use in the division and/or conveyance of land in violation of the Subdivision Map Act of the State of California.



A large, stylized handwritten signature in black ink, appearing to read "John Chiappe Jr.", written over a horizontal line.

John Chiappe Jr., PLS 7230

PSOMAS

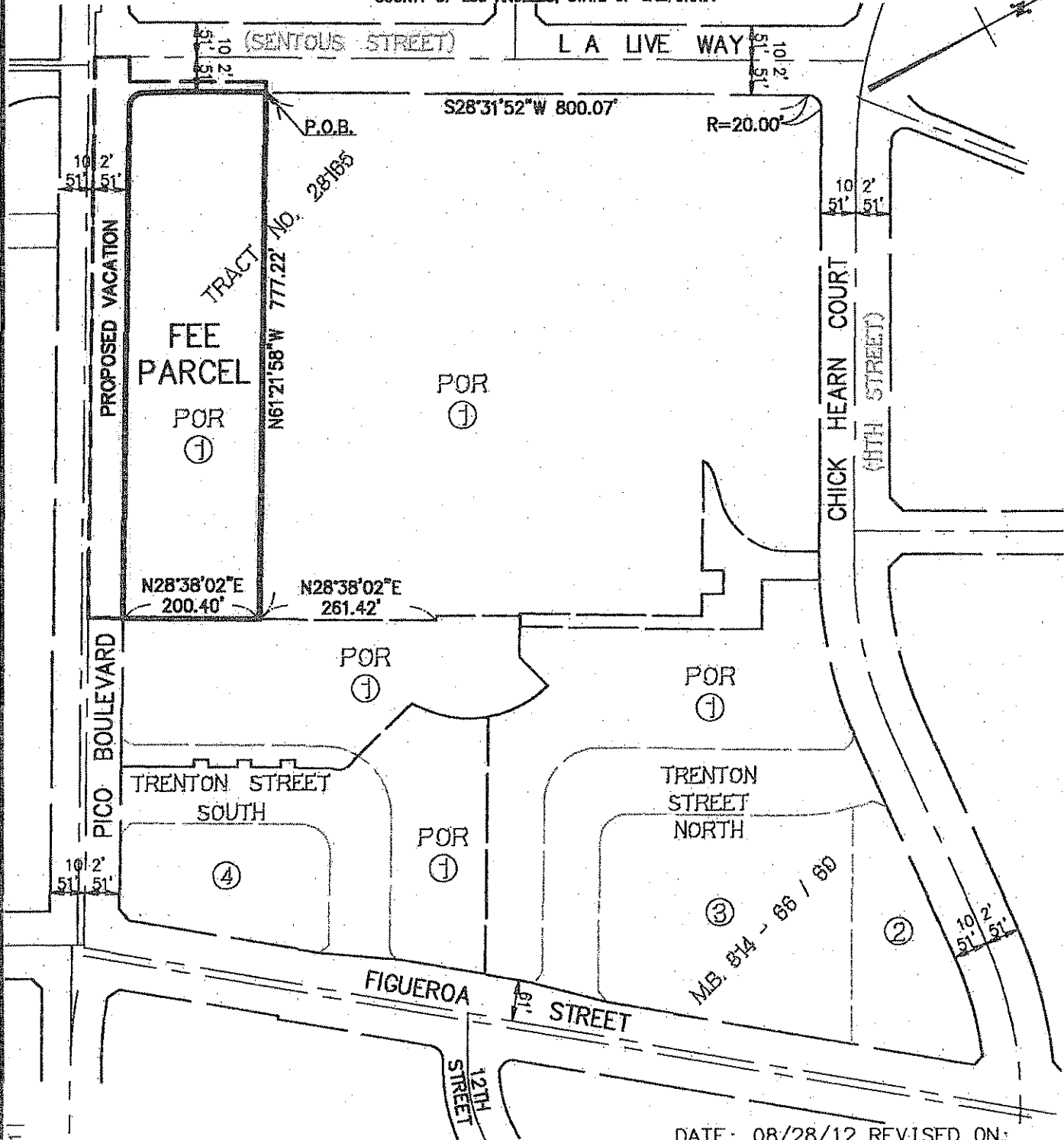
Date: 8/28/2012

SCALE: 1" = 200'

SHEET 1 OF 1 SHEET

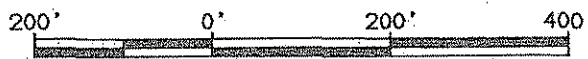
# EXHIBIT MAP NEW HALL

IN THE CITY OF LOS ANGELES  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



Plotted: 08/28/12 13:23:58 \\WESTLAI\Project2\LA\ES\Formers\AEG010604\SURVEY\LEGALS\PL\AEG0023-03.DWG jchlappe

DATE: 08/28/12 REVISED ON:  
JOB No: 1AEG010604 TASK 103



GRAPHIC SCALE

1" = 200'

## Convention & Event Center Project

AEG0023-03

# PSOMAS

555 South Flower Street, Suite 4400

Los Angeles, CA 90071

(213)223-1400 (213)223-1444 (FAX)

X-5101 | C-5101

Exhibit A-1

Site Plan

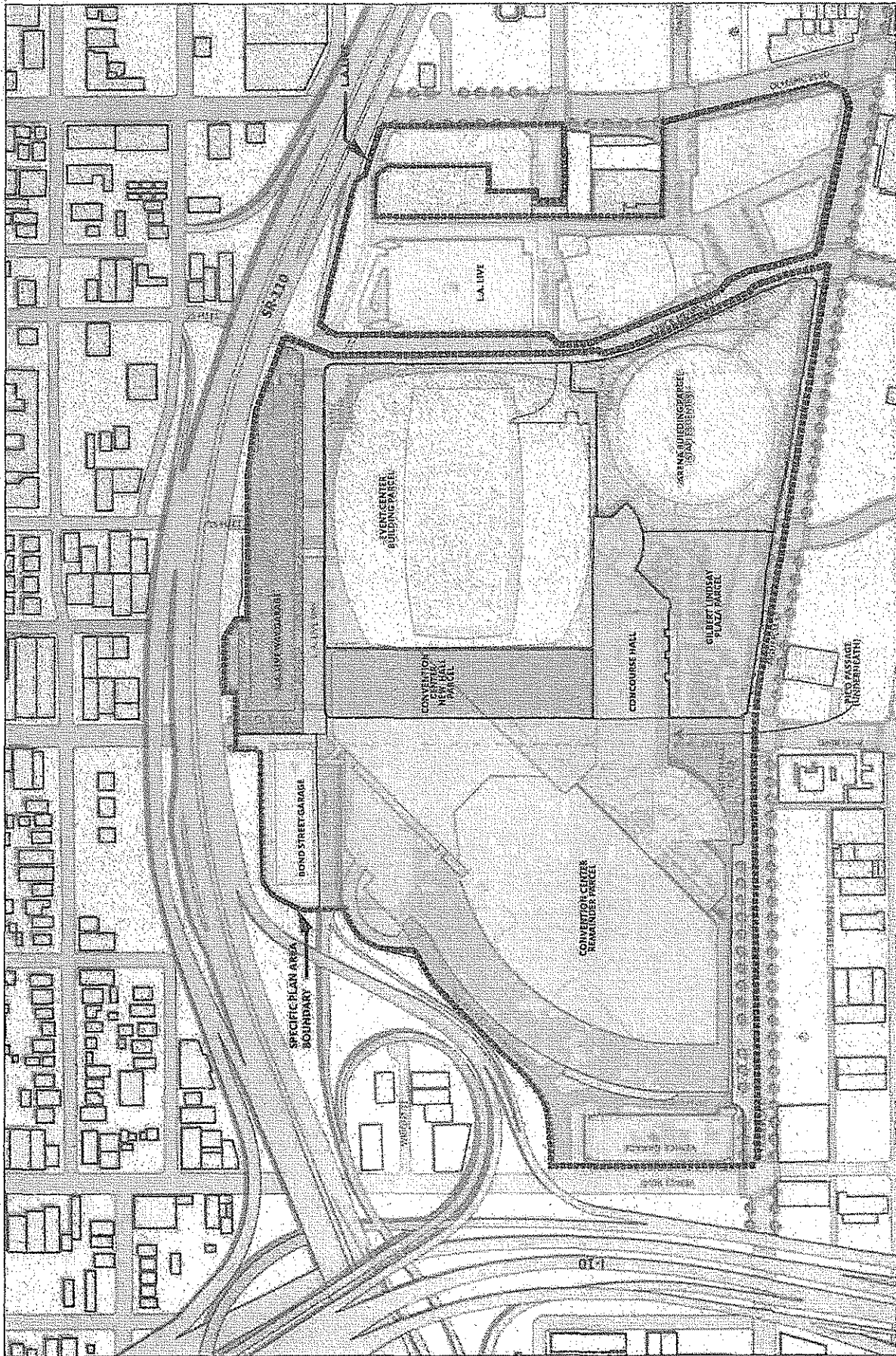
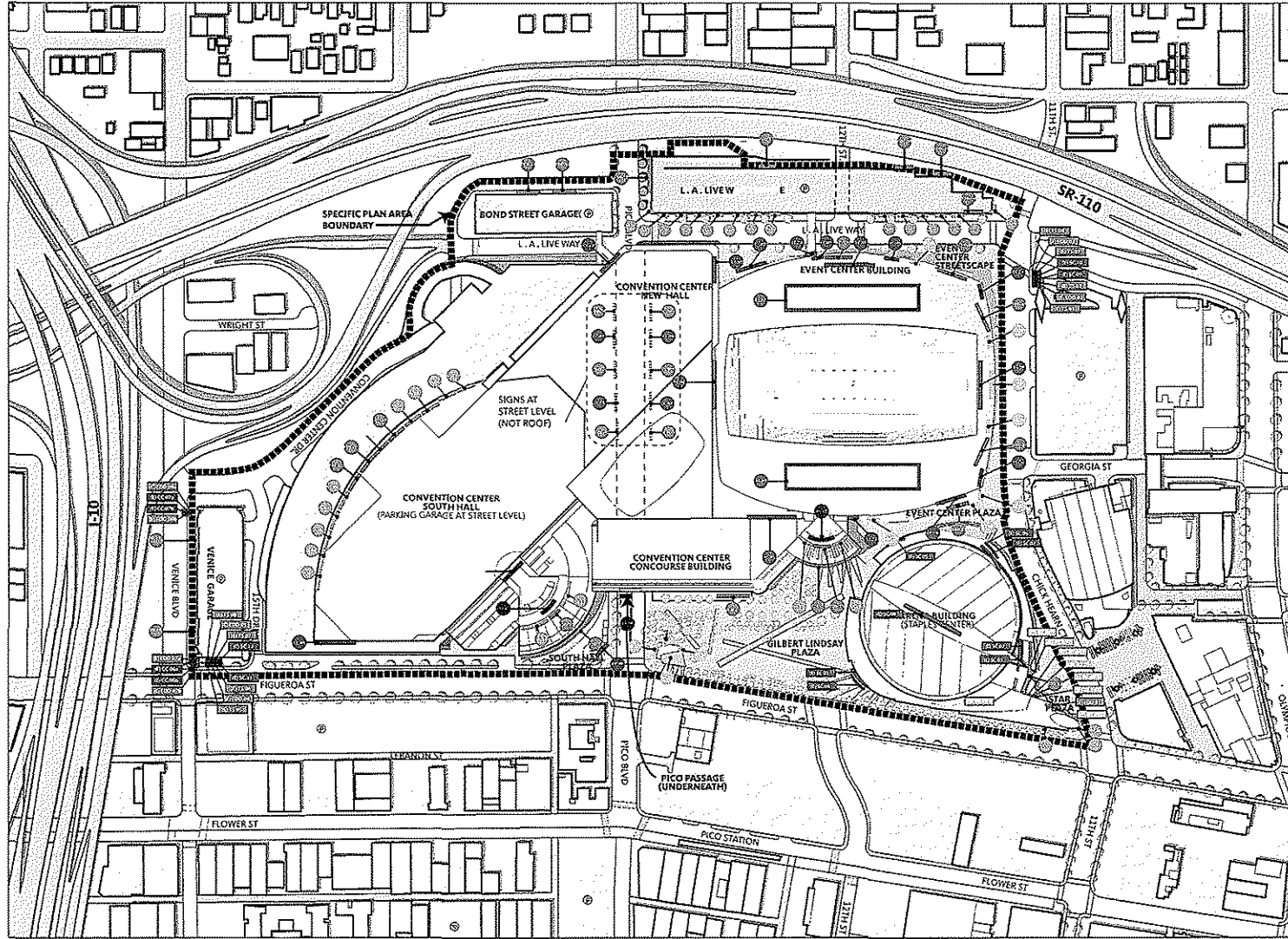


Exhibit B

Proposed Signage Plan



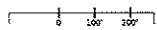
# KEY

## PROPOSED SIGN TYPES

- LACC IDENTITY SIGN
- EVENT SIGN
- DIGITAL DISPLAY
- STATIC SIGN
- EVENT CENTER IDENTITY SIGN
- RETAIL / TENANT IDENTITY SIGN

## EXISTING SIGN TYPES

- LACC IDENTITY SIGN
- STAPLES CENTER IDENTITY SIGN
- RETAIL / TENANT IDENTITY SIGN
- DIGITAL DISPLAY
- STATIC SIGN
- TRIVISON SIGN
- EXISTING (E) SIGN NOTATION



1"=100' @ 48"x36"

EXHIBIT C-1: NON-DISCRIMINATION

See attached.



**Sec. 10.8. Mandatory Provisions Pertaining to Non-discrimination in Employment in the Performance of City Contracts.**

The City of Los Angeles, in letting and awarding contracts for the provision to it or on its behalf of goods or services of any kind or nature, intends to deal only with those contractors that comply with the non-discrimination and Affirmative Action provisions of the laws of the United States of America, the State of California and the City of Los Angeles. The City and each of its awarding authorities, shall therefore require that any person, firm, corporation, partnership or combination thereof, that contracts with the City for services, materials or supplies, shall not discriminate in any of its hiring or employment practices, shall comply with all provisions pertaining to nondiscrimination in hiring and employment, and shall require Affirmative Action Programs in contracts in accordance with the provisions of this Code. The awarding authority and/or Office of Contract Compliance of the Department of Public Works shall monitor and inspect the activities of each such contractor to determine that they are in compliance with the provisions of this chapter.

Although in accordance with Section 22.359 of this Code, the Board of Public Works, Office of Contract Compliance, is responsible for the administration of the City's Contract Compliance Program, accomplishing the intent of the City in contract compliance and achieving nondiscrimination in contractor employment shall be the continuing responsibility of each awarding authority. Each awarding authority shall use only the rules, regulations and forms provided by the Office of Contract Compliance to monitor, inspect or investigate contractor compliance with the provisions of this chapter.

Each awarding authority shall provide immediate notification upon award of each contract by that awarding authority to the Office of Contract Compliance. Each awarding authority shall call upon the Office of Contract Compliance to review, evaluate and recommend on any contractual dispute or issue of noncompliance under the provisions of this chapter. The Office of Contract Compliance shall be notified by each awarding authority of any imminent announcement to bid, to allow the Office of Contract Compliance the opportunity to participate with the awarding authority in the monitoring, review, evaluation, investigation, audit and enforcement of the provisions of this chapter in accordance with the rules, regulations and forms promulgated to implement the City's Contract Compliance, Equal Employment Opportunity Program.

**SECTION HISTORY**

Based on Ord. No. 132,533, Eff. 7-25-66.

Amended by: Ord. No. 147,030, Eff. 4-28-75; Ord. No. 173,186, Eff. 5-22-00.

**Sec. 10.8.1. Definitions.**

The following definitions shall apply to the following terms used in this article:

**"Awarding Authority"** means any Board or Commission of the City of Los Angeles, or any authorized employee or officer of the City of Los Angeles, including the Purchasing Agent of the City of Los Angeles, who makes or enters into any contract or agreement for the provision of any goods or services of any kind or nature whatsoever for or on behalf of the City of Los Angeles.

**"Contract"** means any agreement, franchise, lease, or concession, including

agreements for any occasional professional or technical personal services, for the performance of any work or service, the provision of any materials or supplies, or the rendition of any service to the City of Los Angeles or to the public, which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

**“Contractor”** means any person, firm, corporation, partnership, or any combination thereof, who submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.

**“Domestic partners”** means, for purposes of this Article, any two adults, of the same or different sex, who have registered with a governmental entity pursuant to state or local law authorizing this registration or with a internal registry maintained by an employer of at least one of the domestic partners.

**“Employment Practices”** means any solicitation of, or advertisement for, employees, employment, change in grade or work assignment, assignment or change in place or location of work, layoff, suspension, or termination of employees, rate of pay or other form of compensation including vacation, sick and compensatory time, selection for training, including apprenticeship programs, any and all employee benefits and activities, promotion and upgrading, and any and all actions taken to discipline employees for infractions of work rules or employer requirements.

**“Office of Contract Compliance”** is that office of the Department of Public Works of the City of Los Angeles created by Article X of Chapter 13 of Division 22 of the Los Angeles Administrative Code.

**“Subcontractor”** means any person, firm or corporation or partnership, or any combination thereof who enters into a contract with a contractor to perform or provide a portion or part of any contract with the City.

#### SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; “Affirmative Action,” Ord. No. 164,516, Eff. 4-13-89; “Affirmative Action,” Ord. No. 168,244, Eff. 10-18-92; “Domestic partners” added, Ord. No. 172,909, Eff. 1-9-00; first two definitions deleted, Ord. No. 173,186, Eff. 5-22-00; “Domestic partners,” Ord. No. 175,115, Eff. 4-12-03.

#### **Sec. 10.8.1.1. Summary of Thresholds.**

The following thresholds will be used to determine the non-discrimination and affirmative action requirements set forth in this chapter for each type of contract.

**Non-discrimination Practices** as outlined in Section 10.8.2 of this Code, apply to all contracts.

**Equal Employment Practices** as outlined in Section 10.8.3 of this Code, apply to all construction contracts of \$1,000 or more and all non-construction contracts of \$1,000 or more.

**Affirmative Action Program** as outlined in Sections 10.8.4 and 10.13 of this Code, applies to all Construction Contracts of \$5,000 or more and all non-Construction Contracts of \$100,000 or more.

#### SECTION HISTORY

Added by Ord. No. 173,186, Eff. 5-22-00.

**Sec. 10.8.2. All Contracts: Non-discrimination Clause.**

Notwithstanding any other provision of any ordinance of the City of Los Angeles to the contrary, every contract which is let, awarded or entered into with or on behalf of the City of Los Angeles, shall contain by insertion therein a provision obligating the contractor in the performance of such contract not to discriminate in his or her employment practices against any employee or applicant for employment because of the applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. All contractors who enter into such contracts with the City shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

**SECTION HISTORY**

Amended by: Ord. No. 147,030, Eff. 4-28-75; Ord. No. 164,516, Eff. 4-13-89; Ord. No. 168,244, Eff. 10-18-92; Title and Sec., Ord. No. 172,910, Eff. 1-9-00; Title and Section, Ord. No. 173,186, Eff. 5-22-00.

**Sec. 10.8.2.1. Equal Benefits Ordinance.**

(a) **Legislative Findings.** The City awards many contracts to private firms to provide services to the public and to City government. Many City contractors and subcontractors perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City holds a proprietary interest in the work performed by many employees employed by City contractors and subcontractors. In a very real sense, the success or failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by these businesses.

Discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work. Los Angeles law prohibits entities doing business with the City from discriminating in employment practices based on marital status and/or sexual orientation. The City's departments and contracting agents are required to place in all City contracts a provision that the company choosing to do business with the City agrees to comply with the City's nondiscrimination laws.

It is the City's intent, through the contracting practices outlined in this Ordinance, to assure that those companies wanting to do business with the City will equalize the total compensation between similarly situated employees with spouses and with domestic partners. The provisions of this Ordinance are designed to ensure that the City's contractors will maintain a competitive advantage in recruiting and retaining capable employees, thereby improving the quality of the goods and services the City and its people receive, and ensuring protection of the City's property.

(b) **Definitions.** For purposes of the Equal Benefits Ordinance only, the following

shall apply.

(1) **Awarding Authority** means any Board or Commission of the City, or any employee or officer of the City, that is authorized to award or enter into any Contract, as defined in this ordinance, on behalf of the City, and shall include departments having control of their own funds and which adopt policies consonant with the provisions of the Equal Benefits Ordinance.

(2) **Benefits** means any plan, program or policy provided or offered by a Contractor to its employees as part of the employer's total compensation package. This includes but is not limited to the following types of benefits: bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, and travel benefits.

(3) **Cash Equivalent** means the amount of money paid to an employee with a Domestic Partner (or spouse, if applicable) in lieu of providing Benefits to the employee's Domestic Partner (or spouse, if applicable). The Cash Equivalent is equal to the direct expense to the employer of providing Benefits to an employee for his or her Domestic Partner (or spouse, if applicable) or the direct expense to the employer of providing Benefits for the dependents and family members of an employee with a Domestic Partner (or spouse, if applicable).

(4) **City** means the City of Los Angeles.

(5) **Contract** means an agreement the value of which exceeds \$5,000. It includes agreements for work or services to or for the City, for public works or improvements to be performed, agreements for the purchase of goods, equipment, materials, or supplies, or grants to be provided, at the expense of the City or to be paid out of monies under the control of the City. The term also includes a Lease or License, as defined in the Equal Benefits Ordinance.

(6) **Contractor** means any person or persons, firm, partnership, corporation, joint venture, or any combination of these, or any governmental entity acting in its proprietary capacity, that enters into a Contract with any Awarding Authority of the City. The term does not include Subcontractors.

(7) **Designated Administrative Agency (DAA)** means the Department of Public Works, Bureau of Contract Administration.

(8) **Domestic Partner** means any two adults, of the same or different sex, who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing this registration or with an internal registry maintained by the employer of at least one of the domestic partners.

(9) **Equal Benefits Ordinance** means Los Angeles Administrative Code Section 10.8.2.1, *et seq.*, as amended from time to time.

(10) **Equal Benefits** means the equality of benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(11) **Lease or License** means any agreement allowing others to use property owned or controlled by the City, any agreement allowing others the use of City property in order to provide services to or for the City, such as for concession agreements, and any agreement allowing the City to use property owned or controlled by others.

(12) **Subcontractor** means any person or persons, firm, partnership, corporation, joint venture, or any combination of these, and any governmental entity, that assists the Contractor in performing or fulfilling the terms of the Contract. Subcontractors are not subject to the requirements of the Equal Benefits Ordinance unless they otherwise have a Contract directly with the City.

**(c) Equal Benefits Requirements.**

(1) No Awarding Authority of the City shall execute or amend any Contract with any Contractor that discriminates in the provision of Benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(2) A Contractor must permit access to, and upon request, must provide certified copies of all of its records pertaining to its Benefits policies and its employment policies and practices to the DAA, for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance.

(3) A Contractor must post a copy of 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 its employees with spouses and its employees with domestic partners." The posted statement must also include a City contact telephone number which will be provided each Contractor when the Contract is executed.

(4) A Contractor must not set up or use its contracting entity for the purpose of evading the requirements imposed by the Equal Benefits Ordinance.

**(d) Other Options for Compliance.** Provided that the Contractor does not discriminate in the provision of Benefits, a Contractor may also comply with the Equal Benefits Ordinance in the following ways:

(1) A Contractor may provide an employee with the Cash Equivalent only if the DAA determines that either:

a. The Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or

b. Under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable).

(2) Allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent Benefits.

(3) Provide Benefits neither to employees' spouses nor to employees' Domestic Partners.

(e) **Applicability.**

(1) Unless otherwise exempt, a Contractor is subject to and shall comply with all applicable provisions of the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to a Contractor's operations as follows:

a. A Contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the Contract.

b. A Contractor's operations on real property located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the Contractor's presence at or on that property is connected to a Contract with the City.

c. The Contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the City Contract.

(3) The requirements of the Equal Benefits Ordinance do not apply to collective bargaining agreements ("CBA") in effect prior to January 1, 2000. The Contractor must agree to propose to its union that the requirements of the Equal Benefits Ordinance be incorporated into its CBA upon amendment, extension, or other modification of a CBA occurring after January 1, 2000.

(f) **Mandatory Contract Provisions Pertaining to Equal Benefits.** Unless otherwise exempted, every Contract shall contain language that obligates the Contractor to comply with the applicable provisions of the Equal Benefits Ordinance. The language shall include provisions for the following:

(1) During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the Equal Benefits Ordinance.

(2) The failure of the Contractor to comply with the Equal Benefits Ordinance will be deemed to be a material breach of the Contract by the Awarding Authority.

(3) If the Contractor fails to comply with the Equal Benefits Ordinance 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.

(4) Failure to comply with the Equal Benefits Ordinance may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10:40, *et seq.*, Contractor Responsibility Ordinance.

(5) If the DAA determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the Equal Benefits

Ordinance, 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 Section 10.40, *et seq.*, Contractor Responsibility Ordinance.

**(g) Administration.**

(1) The DAA is responsible for the enforcement of the Equal Benefits Ordinance for all City Contracts. Each Awarding Authority shall cooperate to the fullest extent with the DAA in its enforcement activities.

(2) In enforcing the requirements of the Equal Benefits Ordinance, the DAA may monitor, inspect, and investigate to insure that the Contractor is acting in compliance with the Equal Benefits Ordinance.

(3) The DAA shall promulgate rules and regulations and forms for the implementation of the Equal Benefits Ordinance. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish this contract compliance program.

**(h) Enforcement.**

(1) If the Contractor fails to comply with the Equal Benefits Ordinance:

a. The failure to comply may be deemed to be a material breach of the Contract by the Awarding Authority; or

b. The Awarding Authority may cancel, terminate or suspend, in whole or in part, the contract; or

c. Monies due or to become due under the Contract may be retained by the City until compliance is achieved;

d. The City may also pursue any and all other remedies at law or in equity for any breach.

e. The City may use failure to comply with the Equal Benefits Ordinance as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.*, Contractor Responsibility Ordinance.

**(i) Non-applicability, Exceptions and Waivers.**

(1) Upon request of the Awarding Authority, the DAA may waive compliance with the Equal Benefits Ordinance under the following circumstances:

a. The Contract is for the use of City property, and there is only one prospective Contractor willing to enter into the Contract; or

b. The Contract is for needed goods, services, construction of a public work or improvement, or interest in or right to use real property that is available only from a single prospective Contractor, and that prospective Contractor is otherwise qualified and acceptable to the City; or

c. The Contract is necessary to respond to an emergency that endangers the public health or safety, and no entity which complies with

the requirements of the Equal Benefits Ordinance capable of responding to the emergency is immediately available; or

d. The City Attorney certifies in writing that the Contract involves specialized litigation requirements such that it would be in the best interests of the City to waive the requirements of the Equal Benefits Ordinance; or

e. The Contract is (i) with a public entity; (ii) for goods, services, construction of a public work or improvement, or interest in or right to use real property; and (iii) that is either not available from another source, or is necessary to serve a substantial public interest. A Contract for interest in or the right to use real property shall not be considered as not being available from another source unless there is no other site of comparable quality or accessibility available from another source; or

f. The requirements of the Equal Benefits Ordinance will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of the agency with respect to the grant, subvention or agreement, provided that the Awarding Authority has made a good faith attempt to change the terms or conditions of the grant, subvention or agreement to authorize application of the Equal Benefits Ordinance; or

g. The Contract is for goods, a service or a project that is essential to the City or City residents and there are no qualified responsive bidders or prospective Contractors who could be certified as being in compliance with the requirements of the Equal Benefits Ordinance; or

h. The Contract involves bulk purchasing arrangements through City, federal, state or regional entities that actually reduce the City's purchasing costs and would be in the best interests of the City.

(2) The Equal Benefits Ordinance does not apply to contracts which involve:

a. The investment of trust monies, bond proceeds or agreements relating to the management of these funds, indentures, security enhancement agreements (including, but not limited to, liquidity agreements, letters of credit, bond insurance) for City tax-exempt and taxable financings, deposits of City's surplus funds in financial institutions, the investment of City monies in competitively bid investment agreements, the investment of City monies in securities permitted under the California State Government Code and/or the City's investment policy, investment agreements, repurchase agreements, City monies invested in U.S. government securities or pre-existing investment agreements;

b. Contracts involving City monies in which the Treasurer or the City Administrative Officer finds that either:

(i) No person, entity or financial institution doing business in the City, which is in compliance with the Equal Benefits Ordinance, is capable of performing the desired transaction(s); or



(ii) The City will incur a financial loss or forego a financial benefit which in the opinion of the Treasurer or City Administrative Officer would violate his or her fiduciary duties.

(3) The Equal Benefits Ordinance does not apply to contracts for gifts to the City.

(4) Nothing in this Subsection shall limit the right of the City to waive the provisions of the Equal Benefits Ordinance.

(5) The provisions of this Subsection shall apply to the Equal Benefits Ordinance only. The Equal Benefits Ordinance is not subject to the exemptions provided in Section 10.9 of this Code.

(j) **Consistency with Federal or State Law.** The provisions of the Equal Benefits Ordinance do not apply where the application of these provisions would violate or be inconsistent with the laws, rules or regulations federal or state law, or where the application would violate or be inconsistent with the terms or conditions of a grant or contract with the United States of America, the State of California, or the instruction of an authorized representative of any of these agencies with respect to any grant or contract.

(k) **Severability.** If any provision of the Equal Benefits Ordinance is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

(l) **Timing of Application.**

(1) The requirements of the Equal Benefits Ordinance shall not apply to Contracts executed or amended prior to January 1, 2000, or to bid packages advertised and made available to the public, or any bids received by the City, prior to January 1, 2000, unless and until those Contracts are amended after January 1, 2000 and would otherwise be subject to the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to competitively bid Contracts that are amended after April 1, 2003, and to competitively bid Contracts that result from bid packages advertised and made available to the public after May 1, 2003.

(3) Unless otherwise exempt, the Equal Benefits Ordinance applies to any agreement executed or amended after January 1, 2000, that meets the definition of a Contract as defined within Subsection 10.8.2.1(b).

**SECTION HISTORY**

Added by Ord. No. 172,908, Eff. 1-9-00.

Amended by: Ord. No. 173,054, Eff. 2-27-00; Ord. No. 173,058, Eff. 3-4-00; Ord. No. 173,142, Eff. 3-30-00; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 175,115, Eff. 4-12-03; Subsec. (b)(7), Ord. No. 176,155, Eff. 9-22-04.

**Sec. 10.8.3. Equal Employment Practices Provisions.**

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000 or more, and every construction contract for which the consideration is \$1,000 or more, shall contain the following provisions, which shall be

designated as the **EQUAL EMPLOYMENT PRACTICES** provision of such contract:

A. During the performance of this contract, the contractor agrees and represents that it will provide equal employment practices and the contractor and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, the contractor shall certify in the specified format that he or she has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City contracts. On their or either of their request the contractor shall provide evidence that he or she has or will comply therewith.

E. The failure of any contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract may

be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until the contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the Office of Contract Compliance, and provide necessary forms and required language to the awarding authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish the contract compliance program.

I. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. At the time a supplier registers to do business with the City, or when an individual bid or proposal is submitted, the contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Hiring practices;
2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
3. Training and promotional opportunities; and
4. Reasonable accommodations for persons with disabilities.

L. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

#### SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; Paragraphs A., B., C., Ord. No. 164,516, Eff. 4-13-89; Paragraphs C., Ord. No. 168,244, Eff. 10-18-92; Ord. No. 173,186, Eff. 5-22-00; Subsec. F Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.

#### **Sec. 10.8.4. Affirmative Action Program Provisions.**

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 or more shall contain the following provisions which shall be designated as the **AFFIRMATIVE ACTION PROGRAM** provisions of such contract:

A. During the performance of a City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or services performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

E. The failure of any contractor to comply with the Affirmative Action

Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.

H. Notwithstanding any other provisions of a City contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.

J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. The contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in

a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

(1) Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

(2) A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.

L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.

M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
2. Classroom preparation for the job when not apprenticeable;
3. Pre-apprenticeship education and preparation;
4. Upgrading training and opportunities;
5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
6. The entry of qualified women, minority and all other journeymen

into the industry; and

7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

N. Any adjustments which may be made in the contractor's or supplier's work force to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.

P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.

Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

#### SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75; Paragraphs A., B., C., Ord. No. 164,516, Eff. 4-13-89; Paragraphs B. and C., Ord. No. 168,244, Eff. 10-18-92; Title and Section, Ord. No. 173,186, Eff. 5-22-00; Subsec. F, Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.

#### **Sec. 10.8.5. Notice of Bid Announcement.**

Each awarding authority shall be responsible for giving notice to all prospective bidders of the requirements of this section and when requested by the Office of Contract Compliance, to give the Office of Contract Compliance notice of each contract proposed to be put to public bid or otherwise awarded and if requested shall provide a copy of the bid package to the Office of Contract Compliance for approval. The Office of Contract Compliance shall have a maximum of fifteen (15) calendar days after receipt of notice of imminent announcement for bid to approve the bid package and to advise the awarding authority of its participation in the contract. Lack of response by the Office of Contract Compliance shall not remove any responsibility of the awarding authority to comply with the requirements of this division.

SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75.

**Sec. 10.8.6. Exemptions.**

Exempt from application of Section 10.8 through 10.8.4 of this article are cases of urgent necessity, as provided in Section 371 of the Charter of the City of Los Angeles, and as provided in Section 10.9 (a), (b), and (d) of this article.

SECTION HISTORY

Added by Ord. No. 147,030, Eff. 4-28-75.

Amended by: Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.

**Sec. 10.8.7. Interpretation of "Disability" and "Medical Condition."**

The terms "disability" and "medical condition" as used in this chapter shall be interpreted and construed as they are by federal and State law.

SECTION HISTORY

Added by Ord. No. 168,244, Eff. 10-18-92.

Amended by: Title and Section, Ord. No. 173,186, Eff. 5-22-00.



EXHIBIT C-2: CHILD SUPPORT ORDERS

See attached.

**Sec. 10.10. Child Support Assignment Orders.**

**a. Definitions.**

1. **Awarding Authority** means a subordinate or component entity or person of the City (such as a City department or Board of Commissioners) that has the authority to enter into a contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

2. **Contract** means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies, or the rendering of any service to the City of Los Angeles or to the public which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

3. **Contractor** means any person, firm, corporation, partnership or any combination thereof which submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.

4. **Subcontractor** means any person, firm, corporation, partnership or any combination thereof who enters into a contract with a contractor to perform or provide a portion of any contract with the City.

5. **Principal Owner** means any person who owns an interest of 10 percent or more in a contractor or subcontractor as defined herein.

**b. Mandatory Contract Provisions.** Every contract that is let, awarded or entered into with or on behalf of the City of Los Angeles shall contain a provision obligating the contractor or subcontractor to fully comply with all applicable State and Federal employment reporting requirements for the contractor or subcontractor's employees. The contractor or subcontractor will also be required to certify that the principal owner(s) thereof are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§5230 *et seq.* and that the contractor or subcontractor will maintain such compliance throughout the term of the contract.

Failure of a contractor or subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a default under the contract. Failure of the contractor or subcontractor or principal owner thereof to cure the default within 90 days of notice of such default by the City shall subject the contract to termination.

**c. Notice to Bidders.** Each awarding authority shall be responsible for giving notice of the provisions of this ordinance to those who bid on, or submit proposals for, prospective contracts with the City.

**d. Current Contractor Compliance.** Within 30 days of the operative date of this

ordinance, the City, through its operating departments, shall serve upon existing contractors a written request that they and their subcontractors (if any) comply with all applicable State and Federal employment reporting requirements for the contractor and subcontractor's employees, that they certify that the principal owner(s) of the contractor and any subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor and subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§5230 *et seq.* and that the contractor and subcontractor will maintain such compliance throughout the term of the contract.

e. **City's Compliance with California Family Code.** The City shall maintain its compliance with the provisions of California Family Code §§5230 *et seq.* and all other applicable law regarding its obligations as an employer to implement lawfully served Wage and Earnings Assignments and Notices of Assignment.

f. **Report of Employees' Names to District Attorney.**

1. The City shall maintain its current practice of assisting the District Attorney's support enforcement activities by annually reporting to the Los Angeles County District Attorney the names of all of its employees and retirees so that the District Attorney may identify those employees and retirees subject to Wage and Earnings Assignment Orders and Notices of Assignment and may establish court orders for support, where appropriate. Should the District Attorney so request it, the City will provide such information on a more frequent basis.

2. All applicants for employment with the City of Los Angeles will be asked to acknowledge their responsibility to comply with any court-ordered support obligations and will be advised of the City's practice of assisting the District Attorney as described in the provisions of Subsection f.1., above.

SECTION HISTORY

Added by Ord. No. 172,401, Eff.2-13-99.

EXHIBIT C-3: SERVICE CONTRACT WORKER RETENTION

See attached.

## **ARTICLE 10**

### **SERVICE CONTRACTOR WORKER RETENTION**

#### Section

- 10.36 Findings and Statement of Policy.
- 10.36.1 Definitions.
- 10.36.2 Transition Employment Period.
- 10.36.3 Enforcement.
- 10.36.4 Exemption for Successor Contractor or Subcontractor's Prior Employees.
- 10.36.5 Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.
- 10.36.6 Expenditures Covered by this Article.
- 10.36.7 Timing of Application of Ordinances Adding and Then Amending this Article.
- 10.36.8 Promulgation of Implementing Rules.
- 10.36.9 Severability.

#### **Sec. 10.36. Findings and Statement of Policy.**

The City awards many contracts to private firms to provide services to the public and to City government. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. At the conclusion of the terms of a service contract with the City or with those receiving financial assistance from the City, competition results in the awarding of a service contract to what may be a different contractor. These new contracts often involve anticipated changes in different managerial skills, new technology or techniques, new themes or presentations, or lower costs.

The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Despite desired changes through the process of entering into new contracts, it is the experience of the City that reasons for change do not necessarily include a need to replace workers presently performing services who already have useful knowledge about the workplace where the services are performed.

Incumbent workers have already invaluable knowledge and experience with the work schedules, practices, and clients. The benefits of replacing these workers without such experiences decreases efficiency and results in a disservice to City and City financed or assisted projects.

Retaining existing service workers when a change in contractors occurs reduces the

likelihood of labor disputes and disruptions. The reduction of the likelihood of labor disputes and disruptions results in the assured continuity of services to citizens who receive services provided by the City or by City financed or assisted projects.

It is unacceptable that contracting decisions involving the expenditure of City funds should have any potential effect of creating unemployment and the consequential need for social services. The City, as a principal provider of social support services, has an interest in the stability of employment under contracts with the City or by those receiving financial assistance from the City. The retention of existing workers benefits that interest.

#### SECTION HISTORY

Article and Section Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Article and Section, Ord. No. 171,004, Eff. 5-18-96.

#### **Sec. 10.36.1. Definitions.**

The following definitions shall apply throughout this article:

(a) "Awarding authority" means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or, if none, then the City or the City financial assistance recipient.

(b) "City" means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles.

(c) "City financial assistance recipient" means any person that receives from the City in any twelve-month period discrete financial assistance for economic development or job growth expressly articulated and identified by the City totaling at least one hundred thousand dollars (\$100,000); provided, however, that corporations organized under Section §501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. §501(c)(3), with annual operating budgets of less than five million dollars (\$5,000,000) or that regularly employ homeless persons, persons who are chronically unemployed, or persons receiving public assistance, shall be exempt.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees. Service contracts for economic development or job growth shall be deemed such assistance once the \$100,000 threshold is reached.

(d) **“Contractor”** means any person that enters into a service contract with the City or a City financial assistance recipient.

(e) **“Employee”** means any person employed as a service employee of a contractor or subcontractor earning less than fifteen dollars (\$15.00) per hour in salary or wage whose primary place of employment is in the City on or under the authority of a service contract and including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; and does not include a person who is (1) a managerial, supervisory, or confidential employees, or (2) required to possess an occupational license.

(f) **“Person”** means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(g) **“Service contract”** means a contract let to a contractor by the City or a City financial assistance recipient primarily for the furnishing of services to or for the City or financial assistance recipient (as opposed to the purchase of goods or other property) and that involves an expenditure or receipt in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three months.

(h) **“Subcontractor”** means any person not an employee that enters into a contract with a contractor to assist the contractor in performing a service contract and that employs employees for such purpose.

(i) **“Successor service contract”** means a service contract where the services to be performed are substantially similar to a service contract that has been recently terminated.

(j) **“Designated Administrative Agency (DAA)”** means the Department of Public Works, Bureau of Contract Administration who shall bear administrative responsibilities under this article.

#### SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (c), Ord. No. 172,843, Eff. 11-4-99; Subsec. (j) added, Ord. No. 176,155, Eff. 9-22-04; Subsec. (j), Ord. No. 176,283, Eff. 12-25-04, Oper. 9-22-04.

#### **Sec. 10.36.2. Transition Employment Period.**

(a) Where an awarding authority has given notice that a service contract has been terminated, or where a service contractor has given notice of such termination, upon receiving or giving such notice, as the case may be, the terminated contractor shall within ten (10) days thereafter provide to the successor contractor the name, address, date of hire, and employment occupation classification of each employee in employment, of itself or subcontractors, at the time of contract termination. If the terminated contractor has not learned the identity of the successor contractor, if any, by the time that notice was given of contract termination, the terminated contractor shall obtain such information from the awarding authority. If a successor service contract has not been awarded by the

end of the ten (10)-day period, the employment information referred to earlier in this subsection shall be provided to the awarding authority at such time. Where a subcontract of a service contract has been terminated prior to the termination of the service contract, the terminated subcontractor shall for purposes of this article be deemed a terminated contractor.

(1) Where a service contract or contracts are being let where the same or similar services were rendered by under multiple service contracts, the City or City financial aid recipient shall pool the employees, ordered by seniority within job classification, under such prior contracts.

(2) Where the use of subcontractors has occurred under the terminated contract or where the use of subcontractors is to be permitted under the successor contract, or where both circumstances arise, the City or City financial assistance recipient shall pool, when applicable, the employees, ordered by seniority within job classification, under such prior contracts or subcontracts where required by and in accordance with rules authorized by this article.

(b) A successor contractor shall retain, for a ninety (90)-day transition employment period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding twelve (12) months or longer. Where pooling of employees has occurred, the successor contractor shall draw from such pools in accordance with rules established under this article. During such ninety (90)-day period, employees so hired shall be employed under the terms and conditions established by the successor contractor (or subcontractor) or as required by law.

(c) If at anytime the successor contractor determines that fewer employees are required to perform the new service contract than were required by the terminated contractor (and subcontractors, if any), the successor contractor shall retain employees by seniority within job classification.

(d) During such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor (or subcontractor) from which the successor contractor (or subcontractor) shall hire additional employees.

(e) Except as provided in Subsection (c) of this section, during such ninety (90)-day period the successor contractor (or subcontractor, where applicable) shall not discharge without cause an employee retained pursuant to this article. "Cause" for this purpose shall include, but not be limited to, the employee's conduct while in the employ of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance.

(f) At the end of such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall perform a written performance evaluation for each employee retained pursuant to this article. If the employee's performance during such ninety (90)-day period is satisfactory, the successor contractor (or subcontractor) shall offer the employee continued employment under the terms and conditions established by the successor contractor (or subcontractor) or as required by law. During such ninety (90)-day period, the successor contractor shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor from which the



successor contractor shall hire additional employees.

(g) If the City or a City financial assistance recipient enters into a service contract for the performance of work that prior to the service contract was performed by the City's or the recipient's own service employees, the City or the recipient, as the case may be, shall be deemed to be a "terminated contractor" within the meaning of this section and the contractor under the service contract shall be deemed to be a "successor contractor" within the meaning of this section and Section 10.36.3.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (g) Added, Ord. No. 172,349, Eff. 1-29-99.

**Sec. 10.36.3. Enforcement.**

(a) An employee who has been discharged in violation of this article by a successor contractor or its subcontractor may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against the successor contractor and, where applicable, its subcontractor, and may be awarded:

(1) Back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:

(A) The average regular rate of pay received by the employee during the last 3 years of the employee's employment in the same occupation classification; or

(B) The final regular rate received by the employee.

(2) Costs of benefits the successor contractor would have incurred for the employee under the successor contractor's (or subcontractor's, where applicable) benefit plan.

(b) If the employee is the prevailing party in any such legal action, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(d) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this article.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96.

**Sec. 10.36.4. Exemption for Successor Contractor or Subcontractor's Prior Employees.**

An awarding authority shall upon application by a contractor or subcontractor exempt from the requirements of this article a person employed by the contractor or subcontractor continuously for at least twelve (12) months prior to the commencement of the successor service contract or subcontract who is proposed to work on such contract or

subcontract as an employee in a capacity similar to such prior employment, where the application demonstrates that (a) the person would otherwise be laid off work and (b) his or her retention would appear to be helpful to the contractor or subcontractor in performing the successor contract or subcontract. Once a person so exempted commences work under a service contract or subcontract, he or she shall be deemed an employee as defined in Section 10.36.1(e) of this Code.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96.

**Sec. 10.36.5. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.**

This article shall not be construed to limit an employee's right to bring legal action for wrongful termination.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96.

**Sec. 10.36.6. Expenditures Covered by this Article.**

This article shall apply to the expenditure, whether through service contracts let by the City or by its financial assistance recipients, of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds. City financial assistance recipients shall apply this article to the expenditure of non-City funds for service contracts to be performed in the City by complying themselves with § 10.36.2(g) and by contractually requiring their service contractors to comply with this article. Such requirement shall be imposed by the recipient until the City financial assistance has been fully expended.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

Amended by: Ord. No. 172,337, Eff. 1-14-99; Ord. No. 172,843, Eff. 11-4-99.

**Sec. 10.36.7. Timing of Application of Ordinances Adding and then Amending this Article.**

The provisions of this article as set forth in City Ordinance No. 171,004 shall apply to contracts consummated and financial assistance provided after May 18, 1996 (the effective date of City Ordinance No. 171,004). As for contracts consummated and financial assistance provided after the original version of this article took effect on January 13, 1996 (by City Ordinance No. 170,784) and through May 18, 1996, the City directs its appointing authorities and urges others affected to use their best efforts to work cooperatively so as to allow application City Ordinance No. 171,004 rather than City Ordinance No. 170,784 to service contracts let during such period. No abrogation of contract or other rights created by City Ordinance No. 170,784, absent consent to do so, shall be effected by the retroactive application of City Ordinance No. 171,004.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96; Ord. No. 172,337, Eff. 1-14-99.

**Sec. 10.36.8. Promulgation of Implementing Rules.**

The DAA shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

Amended by: Ord. No. 176,155, Eff. 9-22-04; Ord. No. 176,283, Eff. 12-25-04, Oper. 9-22-04.

**Sec. 10.36.9. Severability.**

If any severable provision or provisions of this article or any application thereof is held invalid, such invalidity shall not affect other provisions or applications of the article that can be given effect notwithstanding such invalidity.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

EXHIBIT C-4: LIVING WAGE

See attached.

## ARTICLE 11 LIVING WAGE

### Section

- 10.37 Legislative Findings.
- 10.37.1 Definitions.
- 10.37.2 Payment of Minimum Compensation to Employees.
- 10.37.3 Health Benefits.
- 10.37.4 Notifying Employees of Their Potential Right to the Federal Earned Income Credit.
- 10.37.5 Retaliation Prohibited.
- 10.37.6 Enforcement.
- 10.37.7 Administration.
- 10.37.8 Exclusion of Service Contracts from Competitive Bidding Requirement.
- 10.37.9 Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.
- 10.37.10 Expenditures Covered.
- 10.37.11 Timing of Application.
- 10.37.12 Supersession by Collective Bargaining Agreement.
- 10.37.13 Liberal Interpretation of Coverage; Rebuttable Presumption of Coverage.
- 10.37.14 Severability.

### **Sec. 10.37. Legislative Findings.**

The City awards many contracts to private firms to provide services to the public and to City government. Many lessees or licensees of City property perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Experience indicates that procurement by contract of services has all too often resulted in the payment by service contractors to their employees of wages at or slightly above the minimum required by federal and state minimum wage laws. Such minimal compensation tends to inhibit the quantity and quality of services rendered by such employees to the City and to the public. Underpaying employees in this way fosters high turnover, absenteeism, and lackluster performance. Conversely, adequate compensation

promotes amelioration of these undesirable conditions. Through this article the City intends to require service contractors to provide a minimum level of compensation that will improve the level of services rendered to and for the City.

The inadequate compensation typically paid today also fails to provide service employees with resources sufficient to afford life in Los Angeles. It is unacceptable that contracting decisions involving the expenditure of City funds should foster conditions placing a burden on limited social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In requiring the payment of a higher minimum level of compensation, this article benefits that interest.

Nothing less than the living wage should be paid by the recipients of City financial assistance themselves. Whether they be engaged in manufacturing or some other line of business, the City does not wish to foster an economic climate where a lesser wage is all that is offered to the working poor. The same adverse social consequences from such inadequate compensation emanate just as readily from manufacturing, for example, as service industries. This article is meant to protect these employees as well.

The City holds a proprietary interest in the work performed by many employees employed by lessees and licensees of City property and by their service contractors and subcontractors. In a very real sense, the success or failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by such businesses. Inadequate compensation of these employees adversely impacts the performance by the City's lessee or licensee and thereby does the same for the success of City operations. By the 1998 amendment to this article, recognition is given to the prominence of this interest at those facilities visited by the public on a frequent basis, including but not limited to, terminals at Los Angeles International Airport, Ports O'Call Village in San Pedro, and golf courses and recreation centers operated by the Department of Recreation and Parks. This article is meant to cover all such employees not expressly exempted.

Requiring payment of the living wage serves both proprietary and humanitarian concerns of the City. Primarily because of the latter concern and experience to date regarding the failure of some employers to honor their obligation to pay the living wage, the 1998 amendments introduce additional enforcement mechanisms to ensure compliance with this important obligation. Non-complying employers must now face the prospect of paying civil penalties, but only if they fail to cure non-compliance after having been given formal notice thereof. Where non-payment is the issue, employers who dispute determinations of non-compliance may avoid civil penalties as well by paying into a City holding account the monies in dispute. Employees should not fear retaliation, such as by losing their jobs, simply because they claim their right to the living wage, irrespective of the accuracy of the claim. The 1998 amendments strengthen the prohibition against retaliation to serve as a critical shield against such employer misconduct.

#### SECTION HISTORY

Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

**Sec. 10.37.1. Definitions.**

The following definitions shall apply throughout this article:

(a) "Airport" means the Department of Airports and each of the airports which it operates.

(b) "Airport Employer" means an Employer, as the term is defined in this section, at the Airport.

(c) "Airport Employee" means an Employee, as the term is defined in this section, of an Airport Employer.

(d) "Awarding authority" means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or public lease or license, or, where there is no such subordinate or component entity or person, then the City or the City financial assistance recipient.

(e) "City" means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles ("CRA"). The CRA is urged, however, to adopt a policy similar to that set forth in this article.

(f) "City financial assistance recipient" means any person who receives from the City discrete financial assistance for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation, in accordance with the following monetary limitations. Assistance given in the amount of one million dollars (\$1,000,000) or more in any twelve-month period shall require compliance with this article for five years from the date such assistance reaches the one million dollar (\$1,000,000) threshold. For assistance in any twelve-month period totaling less than one million dollars (\$1,000,000) but at least one hundred thousand dollars (\$100,000), there shall be compliance for one year if at least one hundred thousand dollars (\$100,000) of such assistance is given in what is reasonably contemplated at the time to be on a continuing basis, with the period of compliance beginning when the accrual during such twelve-month period of such continuing assistance reaches the one-hundred thousand dollar (\$100,000) threshold.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

A recipient shall be exempted from application of this article if:

- (1) it is in its first year of existence, in which case the exemption shall last for one (1) year,
- (2) it employs fewer than five (5) employees for each working day in each of twenty (20) or more calendar weeks in the current or preceding calendar year, or
- (3) it obtains a waiver as provided herein.

A recipient - who employs the long-term unemployed or provides trainee positions intended to prepare employees for permanent positions, and who claims that compliance with this article would cause an economic hardship - may apply in writing to the City department or office administering such assistance, which department or office shall forward such application and its recommended action on it to the City Council. Waivers shall be effected by Council resolution.

(g) **"Contractor"** means any person that enters into:

- (1) a service contract with the City,
- (2) a service contract with a proprietary lessee or licensee or sublessee or sublicensee, or
- (3) a contract with a City financial assistance recipient to assist the recipient in performing the work for which the assistance is being given. Vendors, such as service contractors, of City financial assistance recipients shall not be regarded as contractors except to the extent provided in Subsection (i).\*

\*Technical correction due to re-lettering of subsections: "Subsection (f)" corrected to "Subsection (i)".

(h) **"Designated Administrative Agency (DAA)"** means the Department of Public Works, Bureau of Contract Administration, who shall bear administrative responsibilities under this article.

(i) **"Employee"** means any person - who is not a managerial, supervisory, or confidential employee and who is not required to possess an occupational license - who is employed

(1) as a service employee of a contractor or subcontractor on or under the authority of one or more service contracts and who expends any of his or her time thereon, including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees;

(2) as a service employee - of a public lessee or licensee, of a sublessee or sublicensee, or of a service contractor or subcontractor of a public lessee or licensee, or sublessee or sublicensee - who works on the leased or licensed premises;



(3) by a City financial assistance recipient who expends at least half of his or her time on the funded project; or

(4) by a service contractor or subcontractor of a City financial assistance recipient and who expends at least half of his or her time on the premises of the City financial assistance recipient directly involved with the activities funded by the City.

(j) **"Employer"** means any person who is a City financial assistance recipient, contractor, subcontractor, public lessee, public sublessee, public licensee, or public sublicensee and who is required to have a business tax registration certificate by Los Angeles Municipal Code §§ 21.00 - 21.198 or successor ordinance or, if expressly exempted by the Code from such tax, would otherwise be subject to the tax but for such exemption; provided, however, that corporations organized under §501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. §501(c)(3), whose chief executive officer earns a salary which, when calculated on an hourly basis, is less than eight (8) times the lowest wage paid by the corporation, shall be exempted as to all employees other than child care workers.

(k) **"Person"** means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(l) **"Public lease or license"**.

(a) Except as provided in (l)(b)\*, **"Public lease or license"** means a lease or license of City property on which services are rendered by employees of the public lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies:

\*Technical correction due to re-lettering of subsections: "(i)(b)" corrected to "(l)(b)".

(1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or

(2) Any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources; or

(3) The DAA has determined in writing that coverage would further the proprietary interests of the City.

(b) A public lessee or licensee will be exempt from the requirements of this article subject to the following limitations:

(1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars (\$350,000), from business conducted on City

property;

(2) The lessee or licensee employs no more than seven (7) people total in the company on and off City property;

(3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the awarding authority as required by regulation;

(4) Whether annual gross revenues are less than three hundred fifty thousand dollars (\$350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;

(5) The annual gross revenue threshold shall be adjusted annually at the same rate and at the same time as the living wage is adjusted under section 10.37.2 (a);

(6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;

(7) Public leases and licenses shall be deemed to include public subleases and sublicenses;

(8) If a public lease or license has a term of more than two (2) years, the exemption granted pursuant to this section shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application or such period established by regulation.

(m) "Service contract" means a contract let to a contractor by the City primarily for the furnishing of services to or for the City (as opposed to the purchase of goods or other property or the leasing or renting of property) and that involves an expenditure in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three (3) months; but only where any of the following applies:

(1) at least some of the services rendered are rendered by employees whose work site is on property owned by the City,

(2) the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or

(3) the DAA has determined in writing that coverage would further the proprietary interests of the City.

(n) "Subcontractor" means any person not an employee that enters into a contract (and that employs employees for such purpose) with

(1) a contractor or subcontractor to assist the contractor in

performing a service contract or

(2) a contractor or subcontractor of a proprietary lessee or licensee or sublessee or sublicensee to perform or assist in performing services on the leased or licensed premises. Vendors, such as service contractors or subcontractors, of City financial assistance recipients shall not be regarded as subcontractors except to the extent provided in Subsection (i).\*

\*Technical correction due to re-lettering of subsections; "Subsection (f)" corrected to "Subsection (i)".

(o) "**Willful violation**" means that the employer knew of his, her, or its obligations under this article and deliberately failed or refused to comply with its provisions.

#### SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (e), Ord. No. 176,155, Eff. 9-22-04; Subsec. (e), Ord. No. 176,283, Eff. 12-25-04, Oper. 9-22-04; Subsecs. (a) through (l) re-lettered (d) through (o), respectively and new Subsecs. (a), (b), and (c) added, Ord. No. 180,877, Eff. 10-19-09.

#### **Sec. 10.37.2. Payment of Minimum Compensation to Employees.**

(a) **Wages.** Employers shall pay Employees a wage of no less than the hourly rates set under the authority of this article. The initial rates were seven dollars and twenty-five cents (\$7.25) per hour with health benefits, as described in this article, or otherwise eight dollars and fifty cents (\$8.50) per hour without health benefits. With the annual adjustment effective July 1, 2009, together with all previous annual adjustments as provided by this subsection, such rates are ten dollars and thirty cents (\$10.30) per hour with health benefits or, if health benefits are not provided, then fourteen dollars and eighty cents (\$14.80) per hour for Airport Employees and eleven dollars and fifty-five cents (\$11.55) per hour for all other Employees. The hourly rate with health benefits to be paid to all Employees and the hourly rate without health benefits to be paid to Airport Employees shall be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees Retirement System (LACERS), made by the CERS Board of Administration under § 4.1040. The Office of Administrative and Research Services shall so advise the DAA of any such change by June 1 of each year and of the required new hourly rates, if any. On the basis of such report, the DAA shall publish a bulletin announcing the adjusted rates, which shall take effect upon such publication.

(b) **Compensated Days Off.** Employers shall provide at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request. Employers shall also permit employees to take at least an additional ten (10) days a year of uncompensated time to be used for sick leave for the illness of the employee or a member of his or her immediate family where the employee has exhausted his or her compensated days off for that year.

#### SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (a), Ord. No. 173,285,

**Sec. 10.37.3. Health Benefits.**

(a) **Health Benefits.** The health benefits required by this article shall consist of the payment of at least four dollars and fifty cents (\$4.50) per hour by Airport Employers and at least one dollar and twenty-five cents (\$1.25) per hour by all other Employers towards the provision of health care benefits for Employees and their dependents. Proof of the provision of such benefits must be submitted to the awarding authority to qualify for the wage rate in Section 10.37(a) for Employees with health benefits. Airport Employees cannot waive the health benefits offered by an Airport Employer when the Airport Employer does not require an out-of-pocket contribution by the Airport Employee. Consistent with and as shall be reflected in the hourly rates payable to Airport Employees as provided in 10.37.2(a) above, the amount of payment for health benefits by Airport Employers shall be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees Retirement System (LACERS), made by the CERS Board of Administration under § 4.1040. The Office of Administrative and Research Services shall so advise the DAA of any such change by June 1 of each year and of the required new hourly payments, if any. On the basis of such report, the DAA shall publish a bulletin announcing the adjusted payment, which shall take effect upon such publication.

(b) **Periodic Review.** At least once every three years, the Office of Administrative and Research Services shall review the health benefit payment by Airport Employers set forth in 10.37.3(a) to determine whether the payment accurately reflects the cost of health care and to assess the impacts of the health benefit payment on Airport Employers and Airport Employees and shall transmit a report with its findings to the Council.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 180,877, Eff. 10-19-09.

**Sec. 10.37.4. Notifying Employees of their Potential Right to the Federal Earned Income Credit.**

Employers shall inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Credit ("EIC") under Section 32 of the Internal Revenue Code of 1954, 26 U.S.C. Section 32, and shall make available to employees forms informing them about the EIC and forms required to secure advance EIC payments from the employer.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

**Sec. 10.37.5. Retaliation Prohibited.**

Neither an employer, as defined in this article, nor any other person employing individuals shall 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 this article, for opposing any practice proscribed by this

article, for participating in proceedings related to this article, for seeking to enforce his or her rights under this article by any lawful means, or for otherwise asserting rights under this article.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

**Sec. 10.37.6. Enforcement.**

(a) An employee claiming violation of this article may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against an employer and may be awarded:

(1) For failure to pay wages required by this article - back pay for each day during which the violation continued.

(2) For failure to pay medical benefits - the differential between the wage required by this article without benefits and such wage with benefits, less amounts paid, if any, toward medical benefits.

(3) For retaliation - reinstatement, back pay, or other equitable relief the court may deem appropriate.

(4) For willful violations, the amount of monies to be paid under (1) - (3) shall be trebled.

(b) The court shall award reasonable attorney's fees and costs to an employee who prevails in any such enforcement action and to an employer who so prevails if the employee's suit was frivolous.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall constitute a material breach thereof and entitle the City to terminate the contract and otherwise pursue legal remedies that may be available. Such contracts shall also include a pledge that there shall be compliance with federal law proscribing retaliation for union organizing.

(d) An employee claiming violation of this article may report such claimed violation to the DAA which shall investigate such complaint. Whether based upon such a complaint or otherwise, where the DAA has determined that an employer has violated this article, the DAA shall issue a written notice to the employer that the violation is to be corrected within ten (10) days. In the event that the employer has not demonstrated to the DAA within such period that it has cured such violation, the DAA may then:

(1) Request the awarding authority to declare a material breach of the service contract, public lease or license, or financial assistance agreement and exercise its contractual remedies thereunder, which are to include, but not be limited to, termination of the service contract, public lease or license, or financial assistance agreement and the return of monies paid by the City for services not yet rendered.

(2) Request the City Council to debar the employer from future City contracts, leases, and licenses for three (3) years or until all penalties and restitution have been fully paid, whichever occurs last. Such debarment shall be

to the extent permitted by, and under whatever procedures may be required by, law.

(3) Request the City Attorney to bring a civil action against the employer seeking:

(i) Where applicable, payment of all unpaid wages or health premiums prescribed by this article; and/or

(ii) A fine payable to the City in the amount of up to one hundred dollars (\$100) for each violation for each day the violation remains uncured.

Where the alleged violation concerns non-payment of wages or health premiums, the employer will not be subject to debarment or civil penalties if it pays the monies in dispute into a holding account maintained by the City for such purpose. Such disputed monies shall be presented to a neutral arbitrator for binding arbitration. The arbitrator shall determine whether such monies shall be disbursed, in whole or in part, to the employer or to the employees in question. Regulations promulgated by the DAA shall establish the framework and procedures of such arbitration process. The cost of arbitration shall be borne by the City, unless the arbitrator determines that the employer's position in the matter is frivolous, in which event the arbitrator shall assess the employer for the full cost of the arbitration. Interest earned by the City on monies held in the holding account shall be added to the principal sum deposited, and the monies shall be disbursed in accordance with the arbitration award. A service charge for the cost of account maintenance and service may be deducted therefrom.

(e) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for violation of this article.

#### SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (d), Para. (1), Ord. No. 173,747, Eff. 2-24-01.

#### Sec. 10.37.7. Administration.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article ("**designated administrative agency**" - DAA). The DAA shall monitor compliance, including the investigation of claimed violations, and shall promulgate implementing regulations consistent with this article. The DAA shall also issue determinations that persons are City financial assistance recipients, that particular contracts shall be regarded as "**service contracts**" for purposes of Section 10.37.1(j), and that particular leases and licenses shall be regarded as "**public leases**" or "**public licenses**" for purposes of Section 10.37.1(i), when it receives an application for a determination of non-coverage or exemption as provided for in Section 10.37.13. The DAA shall also establish employer reporting requirements on employee compensation and on notification about and usage of the federal Earned Income Credit referred to in Section 10.37.4. The DAA shall report on compliance to the City Council no less frequently than annually.

During the first, third, and seventh years of this article's operation since May 5, 1997, and every third year thereafter, the Office of Administrative and Research Services and the Chief Legislative Analyst shall conduct or commission an evaluation of this article's operation and effects. The evaluation shall specifically address at least the following matters:

- (a) how extensively affected employers are complying with the article;
- (b) how the article is affecting the workforce composition of affected employers;
- (c) how the article is affecting productivity and service quality of affected employers;
- (d) how the additional costs of the article have been distributed among workers, their employers, and the City. Within ninety days of the adoption of this article, these offices shall develop detailed plans for evaluation, including a determination of what current and future data will be needed for effective evaluation.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; Ord. No. 173,747, Eff. 2-24-01.

**Sec. 10.37.8. Exclusion of Service Contracts from Competitive Bidding Requirement.**

Service contracts otherwise subject to competitive bid shall be let by competitive bid if they involve the expenditure of at least two-million dollars (\$2,000,000). Charter Section 372 shall not be applicable to service contracts.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.

**Sec. 10.37.9. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.**

This article shall not be construed to limit an employee's right to bring legal action for violation of other minimum compensation laws.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

**Sec. 10.37.10. Expenditures Covered.**

This article shall apply to the expenditure - whether through aid to City financial assistance recipients, service contracts let by the City, or service contracts let by its financial assistance recipients - of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

**Sec. 10.37.11. Timing of Application.**

(a) **Original 1997 Ordinance.** The provisions of this article as enacted by City Ordinance No. 171,547, effective May 5, 1997, shall apply to

- (1) contracts consummated and financial assistance provided after such date,
- (2) contract amendments consummated after such date and before the effective date of the 1998 ordinance which themselves met the requirements of former Section 10.37.1(h) (definition of "service contract") or which extended contract duration, and
- (3) supplemental financial assistance provided after May 5, 1997 and before the effective date of the 1998 ordinance which itself met the requirements of Section 10.37.1(c).

(b) **1998 Amendment.** The provisions of this article as amended by the 1998 ordinance shall apply to

- (1) service contracts, public leases or licenses, and financial assistance agreements consummated after the effective date of such ordinance and
- (2) amendments, consummated after the effective date of such ordinance, to service contracts, public leases or licenses, and financial assistance agreements that provide additional monies or which extend term.

(c) **2000 amendment.** The provisions of this article as amended by the 2000 ordinance shall apply to

- (1) service contracts, public leases or public licenses and City financial assistance recipient agreements consummated after the effective date of such ordinance and
- (2) amendments to service contracts, public leases or licenses and City financial assistance recipient agreements which are consummated after the effective date of such ordinance and which provide additional monies or which extend the term.

(d) **2009 Amendment.** The provisions of this article as amended by the 2009 ordinance shall become operative ninety (90) days following the effective date of the 2009 ordinance.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (b), Subsec. (c) Added, Ord. No. 173,747, Eff. 2-24-01; Subsec. (d) Added, Ord. No. 180,877, Eff. 10-19-09.

**Sec. 10.37.12. Supersession by Collective Bargaining Agreement.**

Parties subject to this article may by collective bargaining agreement provide that such agreement shall supersede the requirements of this article.



SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

**Sec. 10.37.13. Liberal Interpretation of Coverage; Rebuttable Presumption of Coverage.**

The definitions of "City financial assistance recipient" in Section 10.37.1(c), of "public lease or license" in Section 10.37.1(i), and of "service contract" in Section 10.37.1(j) shall be liberally interpreted so as to further the policy objectives of this article. All recipients of City financial assistance meeting the monetary thresholds of Section 10.37.1(c), all City leases and licenses (including subleases and sublicenses) where the City is the lessor or licensor, and all City contracts providing for services that are more than incidental, shall be presumed to meet the corresponding definition just mentioned, subject, however, to a determination by the DAA of non-coverage or exemption on any basis allowed by this article, including, but not limited to, non-coverage for failure to satisfy such definition. The DAA shall by regulation establish procedures for informing persons engaging in such transactions with the City of their opportunity to apply for a determination of non-coverage or exemption and procedures for making determinations on such applications.

SECTION HISTORY

Added by Ord. No. 172,336, Eff. 1-14-99.

Amended by: Ord. No. 173,747, Eff. 2-24-01.

**Sec. 10.37.14. Severability.**

If any provision of this article is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

Added by Ord. No. 172,336, Eff. 1-14-99.

EXHIBIT C-5: CONTRACTOR RESPONSIBILITY

See attached.

## ARTICLE 14 CONTRACTOR RESPONSIBILITY PROGRAM

### Section

- 10.40 Purpose.
- 10.40.1 Definitions.
- 10.40.2 Determination of Contractor Responsibility.
- 10.40.3 Compliance with All Laws.
- 10.40.4 Exemptions.
- 10.40.5 Administration.
- 10.40.6 Enforcement.
- 10.40.7 Application of this Article.
- 10.40.8 Consistency with Federal or State Law.
- 10.40.9 Severability.

#### **Sec. 10.40. Purpose.**

Each year the City spends millions of dollars contracting for the delivery of products and services from private sector contractors. The prudent expenditure of public dollars requires that the City's procurement process result in the selection of qualified and responsible contractors who have the capability to perform the contract. Further, many lessees or licensees of City property perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to others for a variety of purposes. The City expends grant funds under programs created by federal and state government. The City intends that the procurement procedures set forth in this article guide the expenditure of federal and state grant funds to the extent permitted by federal or state procurement regulations.

#### SECTION HISTORY

Article and Section Added by Ord. No. 173,677, Eff. 1-14-01.

#### **Sec. 10.40.1. Definitions.**

(a) "Awarding Authority" means any Board or Commission of the City of Los Angeles, or any employee or officer of the City of Los Angeles, that is authorized to award or enter into any contract as defined herein, on behalf of the City of Los Angeles, and shall include departments having control of their own funds and which adopt policies consonant with the provisions of this article.

(b) "Contract" means any agreement for the performance of any work or service, the provision of any goods, equipment, materials or supplies, or the rendition of any service to the City or to the public, or the grant of City financial assistance or a public lease or license, which is let, awarded or entered into by or on behalf of the City of Los Angeles. Contracts for services and for purchasing goods and products that involve a value in excess of twenty-five thousand dollars (\$25,000) and a term in excess of three

months are covered by this Article. Construction contracts are covered by this Article without regard to contract amount and term.

(c) **“Contractor”** means any person, firm, corporation, partnership, association or any combination thereof, which enters into a Contract with any awarding authority of the City of Los Angeles and includes a recipient of City financial assistance and a public lessee or licensee.

(d) **“Subcontractor”** means any person not an employee who enters into a contract with a contractor to assist the contractor in performing a contract, including a contractor or subcontractor of a public lessee or licensee or sublessee or sublicensee, to perform or assist in performing services on the leased or licensed premises. The term subcontractor does not include vendors or suppliers to City purchasing contractors, unless the purchasing contract is for the purchase of garments such as uniforms or other apparel.

(e) **“Bidder”** means any person or entity that applies for any contract whether or not the application process is through an Invitation for Bid, Request for Proposal, Request for Qualifications or other procurement process.

(f) **“Bid”** means any application submitted by a bidder in response to an Invitation for Bid, Request for Proposal or Request for Qualifications or other procurement process.

(g) **“Invitation for Bid”** means the process through which the City solicits Bids including Requests for Proposals and Requests for Qualifications.

(h) **“City Financial Assistance Recipient”** means any person who receives from the City discrete financial assistance in the amount of One Hundred Thousand Dollars (\$100,000.00) or more for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation.

Categories of such assistance shall include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

(i) **“Public Lease or License”** means a lease or license of City property as defined in the Living Wage Ordinance, Section 10.37 et seq. of Article 11, Chapter 1 of Division 10 of the Los Angeles Administrative Code.

(j) **“Designated Administrative Agency (DAA)”** means the Department of Public Works, Bureau of Contract Administration who shall bear administrative responsibilities under this article.

#### SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01.

Amended by: Subsec. (j), Ord. No. 176,155, Eff. 9-22-04; Subsec. (j), Ord. No. 176,283,

**Sec. 10.40.2. Determination of Contractor Responsibility.**

(a) Prior to awarding a contract, the City shall make a determination that the prospective contractor is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. Responsibility will be determined by each awarding authority from reliable information concerning a number of criteria, including but not limited to: management expertise; technical qualifications; experience; organization, material, equipment and facilities necessary to perform the work; financial resources; satisfactory performance of other contracts; satisfactory record of compliance with relevant laws and regulations; and satisfactory record of business integrity.

(b) Every bidder for a City contract must complete and submit with its bid a questionnaire developed by the DAA which will provide information the awarding authority needs in order to determine if the bidder meets the criteria set forth in Paragraph (a) of this section. If no bid is required, the prospective contractor must submit a questionnaire. The response to the questionnaire must be signed under penalty of perjury. If, after execution of a contract, the City learns that the contractor submitted false information on the questionnaire, the City may terminate the contract and pursue the remedies set forth in Section 10.40.6 of this article. The contractor shall be obligated to update its responses to the questionnaire during the term of the contract 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. The City may consider failure of the contractor to update the questionnaire with this information as a material breach of the contract and invoke the remedies set forth in Section 10.40.6 of this article.

(c) Questionnaires will be public records and information contained therein will be available for public review, except to the extent that such information is exempt from disclosure pursuant to applicable law. The awarding authority may rely on responses to the questionnaire, information from compliance and regulatory agencies and/or independent investigation to determine bidder responsibility.

(d) Before being declared non-responsible, a bidder shall be notified of the proposed determination of non-responsibility, served with a summary of the information upon which the awarding authority is relying and provided with an opportunity to be heard in accordance with applicable law. At the responsibility hearing, the bidder will be allowed to rebut adverse information and to present evidence that it has the necessary quality, fitness and capacity to perform the work. The bidder must exercise its right to request a hearing within five calendar days after receipt of such notice. Failure to submit a written request for a hearing within the time frame set forth in this section, will be deemed a waiver of the right to such a hearing and the awarding authority may proceed to determine whether or not the award of the contract should be made to another bidder or whether or not the bidder is non-responsible for this and future contracts. The determination by an awarding authority that the bidder is non-responsible shall be final and constitute exhaustion of the bidder's administrative remedies.

(e) A list of individuals and entities which have been determined to be non-responsible by the City shall be maintained by the DAA. After two years from the date

the individual or entity has been determined to be non-responsible, the individual or entity may request removal from the list by the awarding authority. If the individual or entity can satisfy the awarding authority that it has the necessary quality, fitness, and capacity to perform work in accordance with the criteria set forth in Paragraph (a) of this section, its name shall be removed from the list. Unless otherwise removed from the list by the awarding authority, names shall remain on the list for five years from the date of being declared non-responsible.

(f) Contractors shall ensure that their subcontractors meet the criteria for responsibility as set forth in Paragraph (a) of this section, unless the subcontract is below the threshold requirements for contracts contained in Section 10.40.1(b).

#### SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01.

Amended by: Subsec. (c), Ord. No. 176,292, Eff. 1-1-05.

#### **Sec. 10.40.3. Compliance with All Laws.**

(a) Contractors shall comply with all applicable federal, state and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.

(b) Contractors shall 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 Paragraph (a) of this section. Initiation of an investigation is not, by itself, a basis for a determination of non-responsibility by an awarding authority.

(c) Contractors shall 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 Paragraph (a) of this section.

(d) Upon award of a contract, contractors shall complete a Pledge of Compliance attesting under penalty of perjury to compliance with Paragraph (a) of this section. Whenever any contract, which was not initially subject to this article is amended, the contractor shall complete a Pledge of Compliance attesting under penalty of perjury to compliance with Paragraph (a) of this section.

(e) Contractors shall ensure that their subcontractors complete a Pledge of Compliance attesting under penalty of perjury to compliance with Paragraph (a) of this section, unless the subcontract is below the threshold requirements for Contracts contained in Section 10.40.1(b).

(f) Contractors shall ensure that their subcontractors comply with Paragraphs (b) and (c) of this section, unless the subcontract is below the threshold requirements for contracts contained in Section 10.40.1(b).

#### SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01.

#### **Sec. 10.40.4. Exemptions.**

(a) In order to promote the purposes of this article and to protect the City's interests, the following contracts are exempt from its application:

(1) Contracts with a governmental entity such as the United States of America, the State of California, a county, city or public agency of such entities, or a public or quasi-public corporation located therein and declared by law to have such public status.

(2) Contracts for the investment of trust moneys or agreements relating to the management of trust assets.

(3) Banking contracts entered into by the Treasurer pursuant to California Government Code Section 53630 *et seq.*

(b) In order to promote the purposes of this article and to protect the City's interests, the following contracts are exempt from application of Section 10.40.2 of this article:

(1) Contracts awarded on the basis of exigent circumstances whenever any awarding authority finds that the City would suffer a financial loss or that City operations would be adversely impacted unless exempted from the provisions of Section 10.40.2 of this article. This finding must be approved by the DAA prior to contract execution.

(2) Contracts awarded on the basis of urgent necessity in accordance with Charter Section 371(e)(5).

(3) Contracts entered into pursuant to Charter Section 371(e)(6).

(4) Contracts entered into pursuant to Charter Section 371(e)(7).

(5) Contracts entered into pursuant to Charter Section 371(e)(8).

(6) Contracts where the goods or services are proprietary or only available from a single source.

#### SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01.

#### Sec. 10.40.5. Administration.

(a) The DAA shall promulgate rules and regulations for implementation of this Article.

(b) The DAA shall develop a questionnaire to be used by awarding authorities for determining bidder responsibility within sixty days after the effective date of this Ordinance.

(c) The DAA shall monitor compliance with this article including investigation of alleged violations.

#### SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01.

Amended by: Subsec. (a), Ord. No. 176,292, Eff. 1-1-05.

#### Sec. 10.40.6. Enforcement.

(a) Contracts shall provide that violation of this article shall constitute a material breach thereof and entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(b) Compliance with Section 10.40.3 of this article shall be required in contract amendments, if the initial contract was not subject to the provisions of this article. Contract amendments shall provide that violation of Section 10.40.3 shall constitute a material breach thereof and entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(c) Violations of this article may be reported to the DAA which shall investigate such complaint. Whether based upon such complaint or otherwise, if the DAA has determined that the contractor has violated any provision of this article, the DAA shall issue a written notice to the contractor that the violation is to be corrected within ten calendar days from receipt of notice. In the event the contractor has not corrected the violation, or taken reasonable steps to correct the violation within ten calendar days, then the DAA may:

1. Request the awarding authority to declare a material breach of the contract and exercise its contractual remedies thereunder, which are to include but not be limited to termination of the contract.

2. Request the awarding authority to declare the contractor to be non-responsible in accordance with the procedures set forth in Section 10.40.2 of this article.

#### SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01.

#### **Sec. 10.40.7. Application of This Article.**

(a) This article shall be applicable to Invitations for Bids issued after the rules and regulations have been adopted by City Council.

(b) This article shall be applicable to contracts entered into after the rules and regulations have been adopted by City Council, unless the contract is awarded pursuant to an Invitation for Bid issued prior to adoption of the rules and regulations by City Council.

(c) Section 10.40.3 of this article shall be applicable to contract amendments, entered into after the rules and regulations have been adopted by City Council if the initial contract was not subject to the provisions of this article.

#### SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01.

#### **Sec. 10.40.8. Consistency with Federal or State Law.**

The provisions of this article shall not be applicable to those instances in which its application would be prohibited by federal or state law or where the application would violate or be inconsistent with the terms or condition of a grant or contract with an agency of the United States, the State of California or the instruction of an authorized representative of any such agency with respect to any such grant or contract.

#### SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01.

#### **Sec. 10.40.9. Severability.**



If any provision of this article is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01.

EXHIBIT C-6: ANTI-SLAVERY ORDINANCE

See attached.

**ARTICLE 15**  
**REGULATIONS REGARDING PARTICIPATION IN OR**  
**PROFITS DERIVED FROM SLAVERY BY ANY COMPANY**  
**DOING BUSINESS WITH THE CITY**

Section

10.41 Definitions.

10.41.1 Purpose of Slavery Era Business Corporate/ Insurance Disclosure.

10.41.2 [Affidavit Required.]

10.41.3 Exceptions.

10.41.4 Administration.

10.41.5 Application of This Article.

**Sec. 10.41. Definitions.**

A. **“Awarding Authority”** means a subordinate or component entity or person of the City, such as a City Department or Board of Commissioners, that has the authority to enter into a Contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

B. **“Company”** means any person, firm, corporation, partnership or combination of these.

C. **“Contract”** means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies or rendering of any service to the City of Los Angeles or the public, which is let, awarded or entered into with or on behalf of the City of Los Angeles or any Awarding Authority of the City.

D. **“Designated Administrative Agency (DAA)”** means the Department of Public Works, Bureau of Contract Administration.

E. **“Enslaved Person”** means any person who was wholly subject to the will of another and whose person and services were wholly under the control of another and who was in a state of enforced compulsory service to another during the Slavery Era.

F. **“Investment”** means to make use of an Enslaved Person for future benefits or advantages.

G. **“Participation”** means having been a Slaveholder during the Slavery Era.

H. **“Predecessor Company”** means an entity whose ownership, title and interest, including all rights, benefits, duties and liabilities were acquired in an uninterrupted chain of succession by the Company.

I. **“Profits”** means any economic advantage or financial benefit derived from the use of Enslaved Persons.

J. **“Slavery”** means the practice of owning Enslaved Persons.

K. "Slavery Era" means that period of time in the United States of America prior to 1865.

L. "Slaveholder" means holders of Enslaved Persons, owners of business enterprises using Enslaved Persons, owners of vessels carrying Enslaved Persons or other means of transporting Enslaved Persons, merchants or financiers dealing in the purchase, sale or financing of the business of Enslaved Persons.

M. "Slaveholder Insurance Policies" means policies issued to or for the benefit of Slaveholders to insure them against the death of, or injury to, Enslaved Persons.

SECTION HISTORY

Added by Ord. No. 175,346, Eff. 8-16-03.

Amended by: Subsec. D., Ord. No. 176,155, Eff. 9-22-04.

**Sec. 10.41.1. Purpose of Slavery Era Business Corporate/Insurance Disclosure.**

Many early American industries including, but not limited to, insurance, banking, tobacco, cotton, railroads, and shipping, realized enormous Profits by utilizing the uncompensated labor of Enslaved Persons. Many individuals and business enterprises were directly enriched by the labor of Enslaved Persons or benefitted from insurance policies insuring Enslaved Persons.

The City of Los Angeles, whose citizenry includes descendants of Enslaved Persons, is entitled to full disclosure of any Participation in or Profits derived through Slavery by Companies seeking to do business with the City.

The State of California has implemented Insurance Code Sections 13810-13813 requiring insurance companies to provide information to the California Department of Insurance regarding Slaveholder Insurance Policies sold during the Slavery Era as part of its licensing and renewal procedure.

In further support of this legislative act and to further promote the ideals the act embraces, this ordinance requires those seeking to do business with the City to fully and accurately disclose any and all Participation in or Profits derived from Slavery.

SECTION HISTORY

Added by Ord. No. 175,346, Eff. 8-16-03.

**Sec. 10.41.2. [Affidavit Required.]**

Each Awarding Authority, shall require that any Company that enters into a Contract with the City, whether the Contract is subject to competitive bidding or not, shall complete an affidavit, prior to or contemporaneous with entering into the Contract, certifying that:

A. The Company has searched any and all records of the Company, or any Predecessor Company, regarding records of Participation or Investments in, or Profits derived, from Slavery, including Slaveholder Insurance Policies issued during the Slavery Era; and

B. Disclosed any and all records of Participation in or Profits derived by the Company, or any Predecessor Company, from Slavery, including issuance of

Slaveholder Insurance Policies, during the Slavery Era, and identified the names of any Enslaved Persons or Slaveholders described in the records.

The Awarding Authority may terminate the Contract if a Company fails to fully and accurately complete the affidavit.

#### SECTION HISTORY

Added by Ord. No. 175,346, Eff. 8-16-03.

#### Sec. 10.41.3. Exceptions.

This article shall not be applicable to the following Contracts:

A. Contracts for the investment of:

- (1) City trust moneys or bond proceeds;
- (2) pension funds;
- (3) indentures, security enhancement agreements for City tax-exempt and taxable financings;
- (4) deposits of City surplus funds in financial institutions;
- (5) the investment of City moneys in securities permitted under the California State Government Code and/or the City's investment policy;
- (6) investment agreements, whether competitively bid or not;
- (7) repurchase agreements;
- (8) City moneys invested in United States government securities; and
- (9) Contracts involving City moneys in which the Treasurer or the City Administrative Officer finds that the City will incur a financial loss or forego a financial benefit, and which in the opinion of the Treasurer or the City Administrative Officer would violate his or her fiduciary duties.

B. Grant funded Contracts if the application of this article would violate or be inconsistent with the terms or conditions of a grant or Contract with an agency of the United States, the State of California or the instruction of an authorized representative of any of those agencies with respect to any grant or Contract.

C. Contracts with a governmental entity such as the United States of America, the State of California, a county, city or public agency of one of these entities, or a public or quasi-public corporation located in the United States and declared by law to have a public status.

D. Contracts awarded on the basis of exigent circumstances whenever any Awarding Authority finds that the City would suffer a financial loss or that City operations would be adversely impacted unless exempted from the provisions of this article. This finding must be approved by the DAA prior to Contract execution.

E. Contracts with any Company that has been designated as a non-profit organization pursuant to the United States Internal Revenue Code Section 501(c)(3).

F. Contracts for the furnishing of articles covered by letters patent granted

by the government of the United States or where the goods or services are proprietary or only available from a single source.

G. Contracts awarded on the basis of urgent necessity in accordance with Charter Section 371(e)(5).

I. Contracts entered into pursuant to Charter Section 371(e)(6).

J. Contracts entered into pursuant to Charter Section 371(e)(7).

SECTION HISTORY

Added by Ord. No. 175,346, Eff. 8-16-03.

**Sec. 10.41.4. Administration.**

A. The DAA shall promulgate rules and regulations to implement this article within sixty days after the effective date of this ordinance.

B. The DAA shall develop an affidavit to be used by Awarding Authorities within sixty days after the effective date of this ordinance.

C. The DAA shall administer the requirements of this article and monitor compliance, including investigation of alleged violations.

SECTION HISTORY

Added by Ord. No. 175,346, Eff. 8-16-03.

**Sec. 10.41.5. Application of this Article.**

A. This article shall be applicable to Contracts entered into after the rules and regulations have been promulgated by the DAA.

B. This article shall be applicable to Contract amendments entered into after the rules and regulations have been promulgated by the DAA where the initial Contract was not subject to the provisions of this article.

SECTION HISTORY

Added by Ord. No. 175,346, Eff. 8-16-03.

EXHIBIT C-7: FIRST SOURCE HIRING

See attached.

## ARTICLE 18 FIRST SOURCE HIRING

### Section

- 10.44 Purpose.
- 10.44.1 Definitions.
- 10.44.2 First Source Hiring Procedure.
- 10.44.3 City Loan or Grant Recipients.
- 10.44.4 Compliance with the Service Contractor Worker Retention Ordinance.
- 10.44.5 Designation of a Liaison.
- 10.44.6 Transfer and Promotion.
- 10.44.7 Administration.
- 10.44.8 Enforcement.
- 10.44.9 Exemptions.
- 10.44.10 Application of this Article.
- 10.44.11 No Third Party Beneficiary.
- 10.44.12 Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.
- 10.44.13 Intentional Violation.
- 10.44.14 Severability.

### **Sec. 10.44. Purpose.**

The City awards many contracts to private firms to provide services to the public and to City government. The City also provides grant and loan funding to others for the purpose of economic development or job growth. The City expends grant funds under programs created by the federal and state governments, which promote the goals established for those programs and similar goals of the City. The City intends that the policies underlying this article serve to guide all of these expenditures to the extent allowed by the law.

City service contracts are subject to the City's Living Wage ordinance and provide covered workers with substantially greater wages and benefits than otherwise required by law. In addition, having the opportunity to work on a City contract affords workers valuable experience that can be used to garner future employment. The City has an interest in expanding the field of competent service workers to address the problems associated with a significant local unemployed, under-employed and unskilled workforce. The City serves this interest by expanding the opportunities that workers have to be referred for employment by City contractors.

The inadequate compensation often paid to service workers who are not subject to the City's living wage requirements fails to provide those workers with resources sufficient to



afford life in Los Angeles. Further, there are many unemployed and under-employed service workers who are interested in performing work on City contracts. Young people constitute a significant portion of the unemployed and under-employed. Experience indicates that unemployment and under-employment contribute to devastating social burdens including a sustained, large population of unskilled workers, increased crime and increased need for costly social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In creating a program that helps link Contractors with potential service workers, the City serves this interest and provides greater opportunities for employment on service contracts. To further serve this interest, the Library Department and the Department of Recreation and Parks are encouraged to adopt policies consistent with this article.

#### SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

#### **Sec. 10.44.1. Definitions.**

The following definitions shall apply throughout this article:

**"Awarding Authority"** means any subordinate or component entity or person of the City, such as a department or Board of Commissioners that has the authority to award or enter into any a Contract (as defined below). This shall not include any department that has control of its own funds or the Community Redevelopment Agency.

**"CDD"** means the City Community Development Department's Workforce Development System.

**"City"** means the City of Los Angeles, a municipal corporation, and all City Awarding Authorities.

**"Contract"** means a contract, which is in excess of \$25,000 with a term greater than three months, awarded to a Contractor by the City or by a Loan or Grant Recipient primarily to furnish services to or for the City or the Loan or Grant Recipient. This shall not include construction contracts for a public work of improvement.

**"Contractor"** means any Person that enters into a Contract with the City or a Loan or Grant Recipient.

**"Designated Administrative Agency"** or **"DAA"** means the Department of Public Works, Bureau of Contract Administration, who shall bear administrative responsibilities under this article.

**"Loan or Grant Recipient"** means any person who receives from the City a qualifying grant or loan for economic development or job growth expressly articulated and identified by the City.

**"Person"** means any individual, proprietorship, partnership, joint venture, corporation, Limited Liability Company, trust, association, or other entity that may employ individuals or enter into contracts.

**"Referral Resources"** means any resource used to locate new employees

considered for employment under this article. Referral Resources shall include Trade Unions, Community Based Organizations, City Work Source Centers and any other resources approved by CDD.

"Subcontractor" means any person that enters into a contract with a Contractor or Subcontractor to assist in performing the services to the City or the Loan or Grant Recipient.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.2. First Source Hiring Procedure.**

(a) Before executing a Contract, each Awarding Authority shall receive from the Contractor and provide to the DAA a list of anticipated employment opportunities that Contractor and its Subcontractors estimate they will need to fill in order to perform the services under the Contract. The list shall include:

- (1) The number of anticipated employment opportunities throughout the term of the Contract; and
- (2) The job title and description of each anticipated employment opportunity; and
- (3) The basic qualifications necessary for each anticipated employment opportunity; and
- (4) The number of anticipated hires made subject to the Service Contract Worker Retention Ordinance.

(b) During the term of the Contract, Contractor shall:

- (1) At least seven business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the CDD, which will refer individuals for interview; and
- (2) Interview qualified individuals referred by Referral Resources; and
- (3) Prior to filling any employment opportunity, the Contractor shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the Contractor or Subcontractor interviewed and the reasons why referred individuals were not hired.

(c) Managerial, supervisory or confidential positions shall not be subject to this article.

(d) Positions requiring professional licenses to perform the Contract shall not be subject to this article.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.3. City Loan or Grant Recipients.**

(a) A City Loan or Grant Recipient is subject to this article if the loan or grant is for economic development or job growth, is in an aggregate amount that exceeds \$25,000

and either:

(1) The loan is provided at an interest rate below the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f) at the time the Contract is executed; or

(2) The loan is at or above the applicable federal rate but the loan provides a mechanism for forgiving the interest.

(b) In the event that the applicable federal rate falls below the rate at which a City Loan is provided during the term of the Contract, the Awarding Authority may request the DAA to waive the requirements of this article.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.4. Compliance with the Service Contractor Worker Retention Ordinance.**

Where applicable, Contractor shall first comply with the Service Contractor Worker Retention Ordinance, Administrative Code Section 10.36 et seq., as amended from time to time.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.5. Designation of a Liaison.**

Prior to execution of the Contract, Contractor shall provide the City with the name and contact information of the liaison designated to work with the DAA to implement this article.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.6. Transfer and Promotion.**

This article does not prevent a Contractor from filling job vacancies or newly created positions by transfer or promotion of its existing staff.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.7. Administration.**

(a) The DAA shall promulgate rules and regulations to assure efficient implementation and enforcement of this article.

(b) The DAA may delegate duties to other City departments and provide for the manner in which exemptions from this article are approved and documented.

(c) The DAA shall develop the forms to be used by the Awarding Authorities toward implementing this article.

(d) The DAA may establish rules and guidelines governing pre-interview screening of individuals referred under this article.

(e) The DAA shall investigate alleged violations of this article and monitor

compliance with this article.

(f) The DAA may establish by regulation provisions under which the DAA may exempt a Contractor from the requirements of this article for specific employment opportunities.

(g) The DAA shall report to the Ad Hoc Committee on Gang Violence and Youth Development quarterly for one year after the ordinance is adopted. After the first year, the frequency of reporting requirements shall be determined by the DAA, or as otherwise instructed by City Council.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.8. Enforcement.**

If the DAA determines that a Contractor has violated this article, the DAA may recommend that the Awarding Authority take any of the following actions:

(a) Document the determination in the Awarding Authority's Contractor Evaluation required under Los Angeles Administrative Code Section 10.39 *et seq.*; and

(b) Require that the Contractor document the determination in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 *et seq.*; and

(c) Terminate the Contract.

The Awarding Authority may pursue any rights and remedies available by law.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.9. Exemptions.**

Upon request of the Awarding Authority, the DAA shall determine whether a Contract is exempt from this article because any of the following is applicable:

(a) Contracts where the provisions of this article conflict with federal or state law.

(b) Contracts with another governmental entity.

(c) Contracts where the provisions of this article would conflict with federal or state grant funded contracts, or conflict with the terms of the grant or subvention.

(d) Contracts awarded under urgent or emergency circumstances.

(e) Contracts entered into pursuant to Charter Section 371(e)(7).

(f) Contracts where the services are available only from a single source.

(g) Contracts that involve the investment of trust monies, bond proceeds or agreements relating to the management of these funds, indentures, security enhancement agreements (including, but not limited to, liquidity agreements, letters of credit and bond insurance) for City tax-exempt and taxable financings, deposits of City's surplus funds in financial institutions, the investment of City

monies in competitively bid investment agreements, the investment of City monies in securities permitted under the California State Government Code or the City's investment policy, investment agreements, repurchase agreements, City monies invested in U.S. government securities or pre-existing investment agreements.

(h) Contracts involving City monies if the Treasurer or the City Administrative Officer finds that failure to enter into the Contract will violate his or her fiduciary duties and cause the City to incur a financial loss or forego a financial benefit.

(i) City Loans or Grants funded from the proceeds of a bond issuance, tax credits or tax increment financing.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.10. Application of this Article.**

This article is applicable to Contracts and amendments to Contracts entered into after the rules and regulations have been promulgated by the DAA.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.11. No Third Party Beneficiary.**

This article does not create beneficial interests in any person who is not a party to the Contract.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.12. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.**

This article shall not be construed to limit a person's right to bring legal action for violation of other laws.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.13. Intentional Violation.**

If the DAA determines that a Contractor intentionally violated the ordinance or used hiring practices for the purpose of avoiding this article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 *et seq.*, and must be documented in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 *et seq.* This measure does not limit the City's authority to act under this article.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

**Sec. 10.44.14. Severability.**

If a court of competent jurisdiction finds any provision of this article invalid, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

Added by Ord. No. 179,281, Eff. 12-3-07.

EXHIBIT C-8: PUBLIC INFRASTRUCTURE STABILIZATION

See attached.

**ARTICLE 19**  
**PUBLIC INFRASTRUCTURE STABILIZATION**  
**ORDINANCE**

Section

- 10.45 Purpose.
- 10.45.1 Definitions.
- 10.45.2 Department-Wide Project Labor Agreement.
- 10.45.3 Targeted Hiring.
- 10.45.4 Transfer and Promotion.
- 10.45.5 Administration.
- 10.45.6 Enforcement.
- 10.45.7 Exemptions.
- 10.45.8 Application of this Article.
- 10.45.9 No Third Party Beneficiary.
- 10.45.10 [Reserved.]
- 10.45.11 Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.
- 10.45.12 Severability.

**Sec. 10.45. Purpose.**

The City awards many contracts to private firms to construct public works improvements. This Article, also referred to as the Public Infrastructure Stabilization Ordinance advances the interests of the City by promoting the use of project labor agreements for those public works improvements that meet certain criteria.

Project labor agreements are the preferred tool to ensure that important proprietary goals of the City are achieved, including completion of construction projects on-time and within budget by minimizing labor misunderstandings, grievances and conflict along with emphasizing worker safety.

Project labor agreements also advance the City's interests by ensuring that unemployed and underemployed residents will receive employment opportunities at City public works construction projects. Over the years, project labor agreements have proven to be an excellent mechanism to promote the hiring of unemployed and under-employed City residents. These agreements have proven their effectiveness in targeting construction employment and training opportunities to mitigate the harms caused by geographically-concentrated poverty.

City public works of improvement construction contracts are subject to the State's Prevailing Wages Law or in some instances the Federal Davis Bacon Wage statute, each of which provides covered workers with substantially greater wages and benefits than otherwise required by law. Increasing access to employment opportunities with



prevailing wage is one way for the City directly to combat poverty and stimulate economic reinvestment.

In addition, having the opportunity to work on a City contract affords workers valuable experience that can be used to garner future employment. The City has an interest in expanding the field of competent construction workers to address the problems associated with a significant local unemployed, under-employed and unskilled workforce. The City serves this interest by expanding the opportunities that workers have to be referred for employment by City contractors.

Further, there are many unemployed and under-employed City residents who are interested in getting good work and learning a construction trade. Young people constitute a significant portion of this City's unemployed and under-employed residents. Experience indicates that unemployment and under-employment contribute to devastating social burdens including a sustained, large population of unskilled workers, increased crime and increased need for costly social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In creating a program that helps link Contractors with potential construction workers, the City serves this interest and provides greater opportunities for employment on public improvement construction contracts.

In February 2008, the Economic Roundtable released a study commissioned by the Community Development Department on Concentrated Poverty in Los Angeles. For purposes of the study, concentrated poverty was defined as a census tract with 40 percent or more of households below the poverty level in 2000. The study found that the City of Los Angeles has higher rates of concentrated poverty than the nation and the larger Los Angeles region. In fact, "Nineteen percent or over 238,000 of the 1.3 million households in the City of Los Angeles were living below the federal poverty threshold in 2000. A quarter of the census tracts in the City (216 tracts) have poverty rates of at least 30 percent."

The City's areas of concentrated poverty are growing in size and increasing in number. The City desires to address this problem by creating programs that train and employ people living in these areas of concern.

The Public Infrastructure Stabilization Ordinance targets construction employment and training opportunities in ways calculated to mitigate harms caused by geographically concentrated poverty, to address unemployment and underemployment in concentrated poverty neighborhoods and to advance the skills of the local labor pool, especially the youth by maximizing opportunities to earn prevailing wage.

To further serve these interests, the Port of Los Angeles, the Los Angeles World Airports, the Department of Water and Power and the Housing Authority of the City of Los Angeles are encouraged to adopt policies consistent with this Article.

#### SECTION HISTORY

Added by Ord. No. 181,520, Eff. 2-20-11.

#### **Sec. 10.45.1. Definitions.**

The following definitions shall apply throughout this Article:

"Apprentice" means any worker who is indentured in a bona fide construction

apprenticeship program registered and approved by the State of California, Division of Apprenticeship Standards (DAS) or in the case of Projects with federal funding, in a bona fide apprenticeship program approved by the US Department of Labor (DOL) and California DAS.

**"Area Median Income" ("AMI")** means the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, as determined annually by the U.S. Department of Housing and Urban Development.

**"City"** means the City of Los Angeles, a municipal corporation.

**"Concentrated Poverty Neighborhood"** means a census tract in which 40% or more of the households have incomes below the federal poverty guidelines.

**"Contract"** means a construction contract for a public work of improvement.

**"Contractor/Subcontractor/Employer"** means any individual firm, partnership, owner-operator, or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and which has entered into a contract with Public Works or any of its contractors or subcontractors/owner-operators of any tier, with respect to the construction of any part of a Project Work.

**"Designated Administrative Agency" or "DAA"** means the Department of Public Works, Bureau of Contract Administration, who shall bear administrative responsibilities under this Article, including rule making.

**"Disadvantaged Worker"** means an individual whose primary place of residence is within the City and who, prior to commencing Project Work, either: (a) has a household income of less than 50% of the AMI; or (b) faces at least one of the following barriers to employment: being homeless, receiving public assistance; lacking a GED or high school diploma, having a history of involvement with the justice system; being a single parent; or (c) suffers from chronic unemployment or underemployment.

**"Local Resident"**: (i) means an individual whose primary place of residence is within the City and is within a zip code containing at least part of one census tract with a rate of unemployment in excess of 200% of the Los Angeles County unemployment rate at the time of application or containing all or part of a Concentrated Poverty Neighborhood; or (ii) means an individual whose primary place of residence is within the City and is within the zip code containing at least part of one census tract with a rate of unemployment in excess of 100% of the Los Angeles County unemployment rate at the time of application.

**"Project Work"** means work performed in construction of a public works improvement project subject to the Public Works project labor agreement.

**"Public Works"** means the Department of Public Works of the City.

#### SECTION HISTORY

Added by Ord. No. 181,520, Eff. 2-20-11.

#### **Sec. 10.45.2. Department-Wide Project Labor Agreement.**

The Board of Public Works shall approve a department-wide project labor agreement

and apply it to qualifying future public works improvement projects in accordance with criteria established by the Board.

SECTION HISTORY

Added by Ord. No. 181,520, Eff. 2-20-11.

**Sec. 10.45.3. Targeted Hiring.**

The Public Works project labor agreement shall include provisions that obligate a Contractor to follow targeted hiring procedures to make reasonable efforts to achieve specific hiring opportunities for Local Residents, Apprentices and Disadvantaged Workers:

(a) The Contractor and Subcontractor retain the authority in making individual hiring decisions.

(b) Hours worked by residents of states other than California shall not be included in the calculations of total hours of Project Work for purposes of determining whether the Contractor and Subcontractor achieved the percentage requirements set forth in this Article.

SECTION HISTORY

Added by Ord. No. 181,520, Eff. 2-20-11.

**Sec. 10.45.4. Transfer and Promotion.**

This Article does not prevent a Contractor from filling job vacancies or newly created positions by transfer or promotion of its existing staff.

SECTION HISTORY

Added by Ord. No. 181,520, Eff. 2-20-11.

**Sec. 10.45.5. Administration.**

(a) The DAA shall promulgate rules and regulations to assure efficient implementation and enforcement of this Article.

(b) The DAA may delegate duties to other City departments and provide for the manner in which exemptions from this Article are approved and documented.

(c) The DAA shall develop the forms to be used toward implementing this Article.

(d) The DAA shall investigate alleged violations of this Article and monitor compliance with this Article.

(e) The DAA shall annually report to the Board of Public Works after the ordinance is adopted, or as otherwise instructed by City Council.

SECTION HISTORY

Added by Ord. No. 181,520, Eff. 2-20-11.

**Sec. 10.45.6. Enforcement.**

If the DAA determines that a Contractor has violated this Article, the DAA may recommend that the Board of Public Works take any of the following actions:

(a) Withhold payments as liquidated damages pursuant to the Contract.

(b) Terminate, suspend or cancel the contract in whole or in part.

(c) Debar the contractor from bidding on City projects for up to a two-year period.

(d) Document the determination in the Contractor Evaluation required under Los Angeles Administrative Code Section 10.39, et seq.

(e) Require that the Contractor document the determination in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40, et seq.

(f) The City may pursue any and all rights and remedies available at law or in equity.

SECTION HISTORY

Added by Ord. No. 181,520, Eff. 2-20-11.

**Sec. 10.45.7. Exemptions.**

The following Contracts are exempt from this Article. The DAA shall develop rules and regulations for the application of these exemptions:

(a) Contracts where the provisions of this Article conflict with federal or state law.

(b) Contracts with another governmental entity.

(c) Contracts where the provisions of this Article would conflict with federal or state grant funded contracts, or conflict with the terms of the grant or subvention.

(d) Contracts awarded under urgent or emergency circumstances.

SECTION HISTORY

Added by Ord. No. 181,520, Eff. 2-20-11.

**Sec. 10.45.8. Application of this Article.**

This Article is applicable to Contracts entered into after the rules and regulations have been promulgated by the DAA.

SECTION HISTORY

Added by Ord. No. 181,520, Eff. 2-20-11.

**Sec. 10.45.9. No Third Party Beneficiary.**

This Article does not create beneficial interests in any person who is not a party to the Contract.

SECTION HISTORY

Added by Ord. No. 181,520, Eff. 2-20-11.

**Sec. 10.45.10. [Reserved.]**

**Sec. 10.45.11. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.**

This Article shall not be construed to limit a person's right to bring legal action for violation of other laws.

SECTION HISTORY

Added by Ord. No. 181,520, Eff. 2-20-11.

**Sec. 10.45.12. Severability.**

If a court of competent jurisdiction finds any provision of this Article invalid, the remaining provisions shall remain in full force and effect.

**SECTION HISTORY**

Added by Ord. No. 181,520, Eff. 2-20-11.

EXHIBIT C-9: LOCAL BUSINESS PREFERENCE PROGRAM

See attached.

## ARTICLE 21

### LOCAL BUSINESS PREFERENCE PROGRAM

Section

- 10.47 Findings and Purpose.
- 10.47.1 Definitions.
- 10.47.2 Qualified Local Business.
- 10.47.3 Provisionally Qualified Local Business.
- 10.47.4 Local Business Preference.
- 10.47.5 Application of the Preference to Bids and Proposals.
- 10.47.6 Local Subcontractor Preference.
- 10.47.7 Application of the Local Subcontractor Preference.
- 10.47.8 Additional Requirements.
- 10.47.9 Effect of Failure to Maintain Status as Local Business.
- 10.47.10 Administration.
- 10.47.11 Timing of Application.

**Sec. 10.47. Findings and Purpose.**

Pursuant to City Charter Section 371, the City Council hereby adopts a Local Business Preference Program and makes the following findings. The City has a proprietary interest in leveraging, to the greatest extent possible, the millions of dollars it spends yearly contracting with private firms for goods, equipment and services to and for the benefit of the City and its residents. The City has a proprietary interest in leveling the playing field among those entities competing for City contracts, to assure the greatest level of competition possible, to decrease local unemployment, and to increase its revenues. Significant benefits are associated with a Local Business Preference Program. These include an increase in local jobs and expenditures in the local private sector. Preference programs in other jurisdictions have been successful where the business conditions approximate the conditions currently being experienced in the Los Angeles area. For example, preference programs work best where unemployment is high. Unemployment in Los Angeles County is at an historical high. The Los Angeles area also hosts a range of local markets to manage the necessary transportation and logistical support for local contractor services.

Historically, many of the larger cities within the County, especially the City of Los Angeles itself, experience labor costs that are among the highest in the nation. Los Angeles area labor costs are more than 5% higher than the hourly wages in competing neighboring states. Business space in the Los Angeles metropolitan area is even more costly than comparable space in other counties and states. Specifically, average office rents in the Los Angeles area are 40% higher than the national average and almost 30% higher than those in neighboring counties, including San Bernardino and Riverside. On a national level, Los Angeles is one of the ten most expensive places to do business as a result of the local tax and fee structure. All corporations in California are subject to a

corporate tax that is among the highest in the nation. These conditions create a very expensive climate in which local businesses must compete. The cost of doing business in Los Angeles is more than 10% higher than other cities. Local businesses confront cost structures that are weighted much heavier, in terms of labor and costs of doing business, than competitive firms that are located in outlying counties or other states.

This narrowly tailored preference program is fashioned to encourage businesses to compete for City contracting opportunities, to locate operations in the City, and to encourage existing local businesses to refrain from relocating to different, less expensive areas.

#### SECTION HISTORY

Added by Ord. No. 181,910, Eff. 11-24-11.

#### **Sec. 10.47.1. Definitions.**

The following definitions shall apply to this Section:

A. **"Awarding Authority"** means any Board or Commission of the City, or any employee or officer of the City, except those of departments that control their own funds, authorized to award or enter into any Contract, as defined in this Article, on behalf of the City. The Proprietary Departments and the Departments of Recreation and Parks, Library and the Community Redevelopment Agency are strongly encouraged to adopt local preference programs consonant with the provisions in this Article.

B. **"Bid"** means any response to a City solicitation for bids pursuant to Charter Section 371.

C. **"City"** means the City of Los Angeles.

D. **"Contract"** means a written agreement involving consideration in excess of \$150,000.00 for the purchase of goods, equipment or services, including construction, by or for the benefit of the City or its residents.

E. **"Contractor"** means the person, business or entity awarded the Contract by the Awarding Authority.

F. **"County"** means the County of Los Angeles.

G. **"Designated Administrative Agency"**, or **"DAA"**, means the Department of Public Works, Bureau of Contract Administration.

H. **"Local Business"** means a business entity that meets all of the criteria established under this Article.

I. **"Local Subcontractor"** means a subcontractor that meets the same criteria as a "Local Business" as defined in this Article.

J. **"Proposal"** means any response to a City solicitation for Proposals pursuant to Charter Section 372.

#### SECTION HISTORY

Added by Ord. No. 181,910, Eff. 11-24-11.

#### **Sec. 10.47.2. Qualified Local Business.**



A Local Business for purposes of this Article must satisfy all of the following criteria, as certified by the DAA:

A. The business occupies work space within the County. The business must submit proof of occupancy to the City by supplying evidence of a lease, deed or other sufficient evidence demonstrating that the business is located within the County.

B. The business must submit proof to the City demonstrating that the business is in compliance with all applicable laws relating to licensing and is not delinquent on any Los Angeles City or Los Angeles County taxes.

C. The business must submit proof to the City demonstrating one of the following:

(1) The business must demonstrate that at least 50 of full-time employees of the business perform work within the boundaries of the County at least 60 percent of their total, regular hours worked on an annual basis, or;

(2) The business must demonstrate that at least half of the full-time employees of the business work within the boundaries of the County at minimum of 60 percent of their total, regular hours worked on an annual basis; or

(3) The business must demonstrate that it is headquartered in the County. For purposes of this Article, the term "headquartered" shall mean that the business physically conducts and manages all of its operations from a location in the County.

#### SECTION HISTORY

Added by Ord. No. 181,910, Eff. 11-24-11.

#### **Sec. 10.47.3. Provisionally Qualified Local Business.**

A business that has not yet established operations in Los Angeles and therefore is unable to qualify under the terms of Section 10.47.2 may, as an alternative, qualify as a Local Business on a provisional basis if the Contractor satisfies all of the following criteria, as certified by the DAA:

A. The proposed Contract between the Contractor and the City involves consideration valued at no less than \$1,000,000 and has a term of no less than three years;

B. The Contractor can demonstrate that the Contractor is a party to an enforceable, contractual right to occupy commercial space within the County and its occupancy will commence no later than 60 days after the date on which the Contract with the City is executed. The Contractor must demonstrate proof of occupancy or an enforceable right to occupancy in the County by submitting to the City a lease, deed or other sufficient evidence; and

C. The Contractor can demonstrate that, before the Contractor is scheduled to begin performance under the Contract with the City, the Contractor will satisfy the requirements of Subsection C. of Section 10.47.2. The Contractor must demonstrate proof of ability to satisfy the requirements of Subsection C. of Section 10.47.2 by

submitting to the City a business plan or other evidence deemed sufficient by the DAA.

SECTION HISTORY

Added by Ord. No. 181,910, Eff. 11-24-11.

**Sec. 10.47.4. Local Business Preference.**

Awarding Authorities shall grant an eight percent Local Business Preference to Local Businesses for Contracts involving consideration in excess of \$150,000.00. This Article is not adopted in the City's regulatory capacity.

SECTION HISTORY

Added by Ord. No. 181,910, Eff. 11-24-11.

**Sec. 10.47.5. Application of the Preference to Bids and Proposals.**

The Local Business Preference shall be applied to Bids and Proposals in the Following Manner:

A. When applying the Local Business Preference to a Bid, the Awarding Authority shall apply the preference to the Bid price solely for Bid evaluation purposes such that the total price bid by a Local Business shall be reduced by eight percent of the amount bid by that Local Business, and the reduced Bid amount shall be deemed the amount bid by that bidder. The Contract price shall in all events be the amount Bid by the successful bidder awarded the Contract.

B. When applying the Local Business Preference to a Proposal, the Awarding Authority shall apply the preference in the form of additional points to the Proposal's final score such that the score awarded to a Proposal submitted by a Local Business is increased by eight percent of the total possible evaluation points.

SECTION HISTORY

Added by Ord. No. 181,910, Eff. 11-24-11.

**Sec. 10.47.6. Local Subcontractor Preference.**

The Awarding Authority shall provide a preference of up to five percent, to a Bid or Proposal submitted by a business that does not qualify as a Local Business, but that identifies a qualifying Local Subcontractor to perform work under the Contract, provided the Local Subcontractor satisfies the criteria enumerated in Sections 10.47.2 and 10.47.7.

SECTION HISTORY

Added by Ord. No. 181,910, Eff. 11-24-11.

**Sec. 10.47.7. Application of the Local Subcontractor Preference.**

The Local Subcontractor Preference shall be applied to Bids and Proposals in the following manner:

A. When applying the preference to a Bid, the Awarding Authority shall provide a one percent preference, up to a maximum of five percent, to the Bid price for every ten percent of the cost of the proposed work to be performed by the Local Subcontractor or Local Subcontractors.

B. When applying the Local Subcontractor Preference to a Proposal, the score awarded by the Awarding Authority to the Proposal submitted shall be

increased by one percent of the total possible evaluation points, up to a maximum of five percent, for every ten percent of the total cost of the proposed work under the contract to be performed by a Local Subcontractor or Local Subcontractors; provided that each Local Subcontractor, the work of the Local Subcontractor and the cost of the work of the Local Subcontractor are specified clearly in the Proposal.

#### SECTION HISTORY

Added by Ord. No. 181,910; Eff. 11-24-11.

#### **Sec. 10.47.8. Additional Requirements.**

The preferences authorized under this Article shall be subject to the following additional requirements:

(1) The preferences awarded for services shall be applied only if the services are provided directly by the Local Business or Local Subcontractor using employees whose exclusive, primary working location is in Los Angeles County;

(2) The preferences awarded for equipment, goods or materials shall be applied only if the Local Business or the Local Subcontractor substantially acts as the supplier or dealer, or substantially designs, manufactures or assembles the equipment, goods or materials, at a business location in Los Angeles County. As used in this Section, "substantially" means not less than two thirds of the work performed under the Contract must be performed, respectively, by the Local Business or Local Subcontractor;

(3) The maximum Bid or Proposal preference shall not exceed one million dollars for any Bid or Proposal;

(4) The preferences applied pursuant to this Article shall be utilized solely for the purpose of evaluating and selecting the Contractor to be awarded the corresponding Contract. Except as provided pursuant to Section 10.47.9, the preference points shall in no way lower or alter the Contract price, which shall in the case of a Bid reflect the amount Bid by the successful Local Business before the application of preference points or, in the case of a Proposal, reflect the amount proposed by the Local Business in the Proposal before the application of preference points;

(5) This Article neither creates a right to receive a Bid or Proposal preference, nor the duty to grant a Bid or Proposal preference;

(6) An Awarding Authority may, at anytime before the award of a Contract, determine that it is not in the City's best interest to grant a Bid or Proposal preference and award the Contract to the bidder or proposer eligible for the award without consideration of the provisions of this Article; and

(7) This Article applies only to contracts that involve the expenditure of funds entirely within the City's control and shall not apply to contracts that involve the expenditure of funds that are not entirely within the City's control, such as state and federal grant funds, that due to legal restrictions prohibit its application.

#### SECTION HISTORY

Added by Ord. No. 181,910, Eff. 11-24-11.

**Sec. 10.47.9. Effect of Failure to Maintain Status as Local Business.**

A. If for any reason the Contractor fails to qualify as a Local Business for more than 60 days during the entire term of the Contract, the Awarding Authority shall be entitled to withhold or recover funds from the Contractor in an amount that represents the value of the Bid or Proposal Preference.

B. If for any reason the Local Subcontractor, providing the basis for a Local Subcontractor Preference, is unable to, or does not, perform the work under the Contract; the Contractor shall, within 60 days, replace that Local Subcontractor with another Local Subcontractor. If the Contractor is unable to replace the Local Subcontractor specified in the Contract with another Local Subcontractor within 60 days, the Awarding Authority shall be entitled to withhold or recover funds from the Contractor in an amount that represents the value of the Bid or Proposal Preference.

C. For purposes of determining the value of the Bid or Proposal Preference in Subsections A. and B. herein, the Awarding Authority may withhold or recover the difference in Bid or Proposal price between the Contractor's Bid or Proposal and the Bid or Proposal of the next most competitive Bid or Proposal that did not receive the award of the Contract by the Awarding Authority. In addition, the Awarding Authority may withhold or recover the amount representing any other additional cost or detriment to the City from the Contractor's failure to maintain the Contractor's status as a Local Business for more than 60 days during the term of the Contract.

D. If a Contractor fails to maintain the Contractor's status as a Local Business for more than 60 days during the term of the Contract, as specified in Subsection A. and B. herein, the failure is subject to recording and reporting requirements as specified under Articles 13 and 14, Chapter 1, Division 10 of the Los Angeles Administrative Code (Contractor Performance Evaluation and Contractor Responsibility Ordinance.)

E. The remedies available to the City under this Subsection are cumulative to all other rights and remedies available to the City.

**SECTION HISTORY**

Added by Ord. No. 181,910, Eff. 11-24-11.

**Sec. 10.47.10. Administration.**

The Department of Public Works, Bureau of Contract Administration is the Designated Administrative Agency (DAA) with regard to this Article and shall have the authority to coordinate the administration of this Article. The DAA shall make determinations regarding whether a business qualifies as a Local Business, a Provisionally Qualified Local Business or Local Subcontractor. The DAA shall have broad discretion to promulgate rules to implement and supplement this Article. The DAA may audit Contractors and Subcontractors and monitor compliance, including the investigation of claimed violations.

**SECTION HISTORY**

Added by Ord. No. 181,910, Eff. 11-24-11.

**Sec. 10.47.11. Timing of Application.**

The provisions of this Article shall apply to all competitive Bid or Proposal contracts for which solicitations are issued after the effective date of the ordinance adopting this Article.

**SECTION HISTORY**

Added by Ord. No. 181,910, Eff. 11-24-11.