



Los Angeles City Ethics Commission

June 11, 2015

The Honorable City Council  
c/o Holly Wolcott, City Clerk  
200 North Spring Street  
City Hall—3rd Floor  
Los Angeles, CA 90012

**Re: Contract with SouthTech Systems, Inc.**

*FOR COUNCIL CONSIDERATION*

Dear Councilmembers:

On June 9, 2015, the Ethics Commission unanimously adopted a resolution approving a contract with SouthTech Systems, Inc. (SouthTech). The resolution is provided in Attachment A, and the Ethics Commission now urges your approval of the contract, which is provided in Attachment B.

**A. Existing Contract**

In 2011, the Ethics Commission entered into a contract with SouthTech Systems, Inc. (SouthTech) for the use of eDisclosure/DisclosureDocs™, their proprietary software. The software automates the processes for filing California Form 700, which is required of approximately 6,000 City officials, and for reviewing and updating the City's 51 departmental conflict of interests (COI) codes. The existing contract will expire on June 14, 2015.

**B. Competitive Process**

A new competitive contracting process was undertaken through a Request for Proposals (RFP) that was issued on March 6, 2015. The RFP sought proposals that would provide all services available under the existing contract and would also incorporate additional services. For example, the RFP asked proposers to provide an entirely electronic filing system for the City's Form 60 (Restricted Source Financial Disclosure Statement), which is an additional financial disclosure statement required of the City's elected officials, department heads, and commissioners. The RFP also sought a contract with a term of at least 10 years, to ensure consistency for staff and filers, and a contract that could accommodate more concurrent filers.

The RFP resulted in one proposal, which was submitted by SouthTech. The proposal was timely, complied with all RFP requirements, and met all requests for service identified in the RFP.

**C. New Contract**

The contract approved by the Ethics Commission has a ten-year term but may be terminated at any time with 30 days' notice. The new contract will accommodate 2,000 more concurrent filers than the existing contract does. It will allow Form 60 to be filed entirely electronically, like Form 700, and it creates efficiency by automating a number of administrative aspects of the filing program.

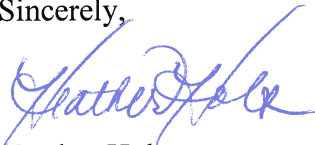
The contract costs are \$67,200 per year, plus any increases in the Consumer Price Index that may occur in contract years five through 10. That is slightly more than the 2014 cost under the existing contract (\$66,489), but it reflects the enhanced and additional services that will be provided.

In addition to meeting all of the technical requirements of the RFP and the competitive contracting process, SouthTech has proven over the past four years to be a vendor that is reliable and responsive to our needs.

**D. Conclusion**

We recommend that you approve the new contract with SouthTech. If you have questions, please feel free to contact me or Deputy Executive Director David Tristan at (213) 978-1960. We would be happy to talk with you at any time.

Sincerely,



Heather Holt  
Executive Director

*Attachments:*

- A Ethics Commission resolution 6/9/15*
- B Contract with SouthTech Systems, Inc.*



Los Angeles City Ethics Commission

RESOLUTION

WHEREAS Los Angeles City Charter section 702(c) requires the Los Angeles City Ethics Commission to serve as the filing officer for California Form 700, which the California Political Reform Act requires certain City officials to file; and

WHEREAS Los Angeles City Charter section 702(i) requires the Los Angeles City Ethics Commission to assist departments in developing their conflict of interests codes, which are required by the California Political Reform Act and identify the City personnel who must file California Form 700; and

WHEREAS Los Angeles Municipal Code section 49.5.9(B) requires elected City officers, members of City boards and commissions, and City department heads to disclose financial interests associated with restricted sources, and those interests are disclosed through Ethics Commission Form 60; and

WHEREAS the Los Angeles City Ethics Commission requires specialized services to provide an electronic filing system for California Form 700 and Ethics Commission Form 60 and an electronic system for developing and reviewing conflict of interests codes; and

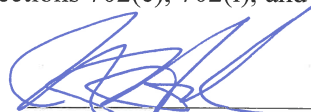
WHEREAS the Los Angeles City Ethics Commission issued a Request for Proposals (RFP) on March 6, 2015, seeking qualified firms to provide the needed electronic systems; and

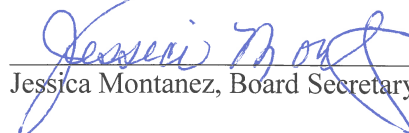
WHEREAS SouthTech Systems, Inc. is qualified to provide the expert technical services that are needed and has submitted a proposal that satisfies the RFP requirements through its proprietary software; and

WHEREAS the Los Angeles City Ethics Commission and SouthTech Systems, Inc. desire to enter into a contract for the needed services through June 30, 2025.

THEREFORE, BE IT RESOLVED that the Los Angeles City Ethics Commission authorizes the executive director to execute the contract with SouthTech Systems, Inc. resulting from the RFP, when the City's contracting processes have been satisfied and subject to the City Attorney's review as to form.

I certify that this resolution was adopted by the Los Angeles City Ethics Commission on June 9, 2015, pursuant to Los Angeles City Charter sections 702(c), 702(i), and 702(k) and Los Angeles Municipal Code section 49.5.9.

  
\_\_\_\_\_  
Nathan Hochman, President

  
\_\_\_\_\_  
Jessica Montanez, Board Secretary

**Contract**

**Between**

**THE CITY OF LOS ANGELES**

**And**

**SOUTHTECH SYSTEMS, INC.**

**For**

**Electronic System for  
Statements of Economic Interests and  
Conflict of Interests Codes for  
the Ethics Commission**

**Contract Number** \_\_\_\_\_

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**CONTRACT  
BETWEEN THE CITY OF LOS ANGELES AND  
SOUTHTECH SYSTEMS, INC.**

**This Contract** is entered into by and between the City of Los Angeles, a municipal corporation (hereinafter "City"), acting by and through the Los Angeles City Ethics Commission, and SouthTech Systems, Inc. (hereinafter "Contractor").

**WHEREAS** the state's Political Reform Act requires government agencies to adopt conflict of interests codes, which identify governmental officials who are required to file a statement of economic interests; and

**WHEREAS** the City is the code reviewing body for conflict of interests codes under the state's Political Reform Act; and

**WHEREAS** a statement of economic interests includes the state's Form 700 and, for certain City officials, the City's Form 60; and

**WHEREAS** in accordance with the City Charter, the Ethics Commission is the City's filing officer for Form 700 and Form 60 and assists City officials and departments in completing the required conflict of interests codes; and

**WHEREAS** the Ethics Commission requires specialized services in providing an electronic system for filing Form 700 and Form 60 and for developing and maintaining conflict of interests codes; and

**WHEREAS**, the Ethics Commission issued a Request for Proposals (RFP) in March 2015, seeking qualified firms to provide the needed electronic system and found the Contractor's response to satisfy the qualifications and experience necessary to provide the type of system required by the City; and

**WHEREAS** the Contractor is qualified to provide the needed services; and

**WHEREAS** the services to be performed are of an expert and technical nature and are proprietary in nature; and

**WHEREAS** the City and the Contractor desire to execute this Contract;

**NOW, THEREFORE**, in consideration of the premises, representations, covenants, and agreements in this document, the City and the Contractor covenant, represent, and agree as follows:

## SECTION 1.0 DEFINITIONS

- 1.1 "COI" means conflict of interests.
- 1.2 "Filer" means an individual who is required to file or voluntarily files an SEI with the City.
- 1.3 "Filing officer" means the Ethics Commission or an Ethics Commission staff member.
- 1.4 "Filing official" means the individual in a City department who receives and coordinates SEI filings from the department's filers, maintains and identifies for the filing officer the department's list of filers, coordinates the adoption and revision of the department's COI code, and provides the filing officer with information about events that affect departmental filing obligations.
- 1.5 "Form 44" means the statement that is required by Los Angeles Municipal Code § 49.5.6(C) and is currently titled "Statement of City-related Business".
- 1.6 "Form 51" means the form that is required by Los Angeles Municipal Code § 49.5.6(D) and is currently titled "Recusal Notification".
- 1.7 "Form 60" means the statement of financial interests that is required by Los Angeles Municipal Code Section 49.5.9(B) and is currently titled "Restricted Source Financial Disclosure Statement".
- 1.8 "Form 700" means the Statement of Economic Interests that is required by the California Political Reform Act and the related regulations of the Fair Political Practices Commission.
- 1.9 "Image" means a likeness of a filing or other document created in Tagged Image File Format (TIFF) or another format approved in advance by the Ethics Commission.
- 1.10 "SEI" means a statement of economic interests and may refer to Form 700, Form 60, or both.
- 1.11 "Software" means the Contractor's proprietary software programs, DisclosureDocs and eDisclosure, which automate the process of adopting and updating COI codes, and permit the electronic filing of SEIs. The term includes but is not limited to the following:
  - a) The Software description requirements developed or provided by the Contractor under Section 4.2.

- b) Software releases that the Contractor makes available under Section 4.6.
- c) All related documentation, user manuals, operator instructions, and other materials used in conjunction with the Software and provided by the Contractor.

The Software is designed to operate in a Windows environment. The back-end database uses Microsoft SQL. The applications operate as web-based client/server configuration and utilize standard PCs with Windows operating systems. Filers, filing officers, and filing officials may access the Software online using a web browser.

**1.12** "Software releases" include the following.

- a) A "patch or hot fix" may contain single or multiple bug fixes. Patches must be installed on top of a major release or a maintenance release and cannot be used independently.
- b) A "maintenance release" contains bug fixes or limited new functionality. A maintenance release is designed to provide an incrementally more stable software environment.
- c) A "major release" is designed to provide new features or functions or to improve performance. A major release may also contain bug fixes and will have undergone quality assurance testing prior to release.
- d) Software release designations shall follow the format X.YY.ZZZZ, where X refers to the major release level, YY refers to the maintenance release level, and ZZZZ refers to the patch or hot fix level.

**SECTION 2.0 PARTIES**

**2.1** The parties to this Contract are:

- a) City: City of Los Angeles  
200 North Spring Street, Suite 2410  
Los Angeles, CA 90012
- b) Contractor: SouthTech Systems, Inc.  
4181 Flat Rock Drive, Suite 300  
Riverside, CA 92505

*Contract between the Los Angeles City Ethics Commission  
and SouthTech Systems, Inc.  
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**2.2** The representatives of the parties who are authorized to administer this Contract and to whom formal notices, demands, and communications must be given are:

a) The City's representative is:

Heather Holt  
Executive Director  
Los Angeles City Ethics Commission  
200 North Spring Street, Suite 2410  
Los Angeles, CA 90012  
(213) 978-1960  
Heather.Holt@lacity.org

Copies must also be sent to:

Timothy Grant  
Information Technology Director  
Los Angeles City Ethics Commission  
200 North Spring Street, Suite 2410  
Los Angeles, CA 90012  
(213) 978-1960  
Timothy.Grant@lacity.org

b) The Contractor's representative is:

Grant Gyulnazaryan  
Vice President  
SouthTech Systems, Inc.  
4181 Flat Rock Drive, Suite 300  
Riverside, CA 92505  
(951) 354-6104  
Grant.Gyulnazaryan@southtechsystems.com

**2.3** Formal notices, demands, and communications by either party will be made in writing and may be effected by personal delivery, registered or certified mail, overnight carrier, electronic transmittals, or facsimile. They will be deemed communicated as of the date of delivery or the date of mailing, whichever is applicable. Electronic transmittals and facsimiles that are transmitted during the receiving party's normal business hours will be deemed communicated upon transmission; otherwise, they will be deemed communicated on the first working day following transmission.

If the name or address of the person designated to receive the notices, demands, or communications changes, written notice must be given within five business days of the effective date of the change.

### SECTION 3.0 TERM

- 3.1 Term of Contract. The term of this Contract is ten years, commencing on June 15, 2015, and terminating on June 30, 2025. This Contract may be terminated earlier under Section 10.
- 3.2 Time of Performance. The Contractor will provide the services specified in this Contract with all practicable dispatch, in a sound, economical, and efficient manner, in accordance with this Contract and all applicable laws. However, the Contractor will not be liable for delays in performance that are caused in whole or in part by the City, third parties over which the Contractor does not have the legal right to control, or forces majeure.

### SECTION 4.0 CONTRACTOR SERVICES

- 4.1 General Description. The Contractor will provide the Software to the City, to allow the City to electronically receive and manage SEI filings and adopt and update COI codes. The Software will permit filers to securely and electronically file and print their SEIs and to store information from prior filings for subsequent use.
- 4.2 Software Description. The Software will meet the following minimum requirements.
- a) Provide a state-compliant system for entirely electronic filings of assuming office, annual, and leaving office Form 700s and amendments. Provide a subsystem for entirely electronic filings of pre-confirmation, assuming office, annual, and leaving office Form 60s and amendments. The Form 700 system and the Form 60 subsystem will provide the following minimum functions:
1. Accommodate 8,000 active filers, meaning only those filers who have not been terminated from the system, with unique user-based logins. If the City requires that more active filers be added, this Contract will be amended to upgrade the City's license, and the upgrade fee will be prorated based on the number of active filers the City adds. The Contractor may use an electronic monitoring tool to report the number of active filers in the City's system at any given time, after providing notice under Section 7.4.
  2. Generate images of each filer's SEIs, notices, correspondence, and other documents and stores them in the filer's profile for viewing, printing, and saving.

3. Allow SEIs that are submitted by hard copy to be bar-coded, scanned in batches and stored in the filer's profile as images.
  4. Retain filings for at least seven years and not delete filings before turning over the data to the Ethics Commission and complying with City's record retention requirements.
  5. Send automatic messages to filers. Allow filing officers to customize, format, and add attachments to automatic messages. Allow filing officers to control when automatic messages will not be sent.
  6. Allow filing officers to generate and send manual notices that can be formatted and can include attachments. Generate read receipts for notices and correspondence sent to filers and filing officials.
  7. Calculate late-filing penalties and tracks a filer's waiver history. Allow filing officers to override a waiver decision. Calculate late-filing penalties and track waiver histories for Form 60 separately from those for Form 700.
  8. Allows filing officers and filing officials to create categories of filers (including voluntary filers, Government Code § 87200 filers, candidates, etc.) and organize filers by category.
  9. Tracks filer histories and stores information from prior filings for future use.
- b) Provide an automated electronic process for adopting and amending COI codes for City departments, with the following minimum functions:
1. Allow filing officials to submit COI code changes, and allow filing officers to approve or disapprove those changes.
  2. Allow filing officers to assign disclosure categories to positions, based on the position's division within the department.
  3. Allow filers to view their disclosure categories.
  4. Track the history of a department's COI code approval process.

5. Generate reports regarding COI code changes, including added positions, deleted positions, and changes to disclosure categories.
  6. Allow filing officers and filing officials to upload and store images related to COI codes.
  7. Send automatic filing notices to filers who have been affected by a change to a COI code.
- c) Meet the following minimum technical requirements.
1. Provide software releases in compliance with Section 4.6.
  2. Provide secure hosting and a disaster recovery system.
  3. Provide online training on how to use the system and support for filing officials and filers, including tutorials, FAQs formatted by the filing officer, and the ability to report issues to the filing officer.
  4. Provide unlimited technical assistance and troubleshooting services to filing officers, as provided in Section 4.7.
  5. Allow data and images to be imported into and exported from the system in a standard machine-readable format on demand or within 24 hours of a request from the Ethics Commission.
  6. Allow other hard copy documents to be bar-coded and scanned in batches and stored in the filer's profile as images.
  7. Provide online public access to filings. Allow the filing officer to configure automatic redaction of certain information.
  8. Allow filers to import formatted schedule data from files, such as Excel spreadsheets, into their SEIs.
  9. Allow filers to pay late-filing penalties through a payment system that is PCI 3.0 compliant.
  10. Allow filing officers and filing officials to input employee identification numbers for filers.

- d) Provide the following additional features:
1. Allow filers to electronically submit Ethics Commission Form 51 to disclose recusal activity.
  2. Allow filers to electronically submit Ethics Commission Form 44 to disclose business with the City.

**4.3** Scope of License. The Contractor grants to the City a non-exclusive, non-transferable license (without rights to sublicense or to use in a service bureau environment) to download and use the Software, only in object code and only for the City's business purposes. License to software releases is included. The City will not copy (other than for archival purposes), modify, transfer to another entity, or use the Software, in whole or in part, except as expressly provided for in this Contract. The Software may not be exported, rented, leased, or used to process the data of others.

The City may download the Software on computers or workstations at designated Ethics Commission worksites. This license authorizes the City to make one copy of the Software and one copy of the server software solely for backup or archival purposes. The City shall not sublicense or otherwise authorize another entity or City department to install the Software without the Contractor's approval.

The City may use the Software on its own devices and server within a multi-user or networked environment.

**4.4** Delivery and Installation. The Contractor will provide the Software via FTP, file transfer protocol.

**4.5** Project Plan. The Contractor will work with the City to develop the Software description requirements identified in Section 4.2 in a manner that meets the City's needs. The project plan is identified below. The project plan may be modified by mutual agreement of the parties, except that the Form 700 system and the Form 60 subsystem must be completed and available for use by filers no later than January 1, 2016. The completion date for all other work will be mutually agreed upon but may not be later than July 1, 2016.

Initiation Phase: The Contractor gathers information regarding requirements from the City (10 days).

Development Phase: The Contractor develops the Software description requirements identified in Section 4.2, in consultation with the City (77 days).

System Testing Phase: The Contractor reviews and tests the Software, fixes any issues, and prepares for installation with the City (25 days).

Beta Testing Phase: The Contractor installs the Software in a beta testing environment. The City tests the Software and reports issues to the Contractor. The Contractor fixes issues and creates final packages (14 days).

Deployment Phase: The City approves the Software, and the Contractor provides a final release to the City (2 days).

4.6 Software Maintenance. The Contractor will provide regular and emergency software releases and related professional services for the Software.

a) The Contractor will provide software releases that are necessary to comply with changes to relevant City or state laws or regulations no later than the effective date of the change to the law or regulation. The Contractor will provide other software releases as soon as reasonably possible.

b) The Contractor will inform the City of proposed software releases and work with the City to ensure the successful integration of software releases. The integration of software releases is generally performed during the Contractor's normal business hours of 8:00 a.m. to 6:00 p.m. Pacific Time, Monday through Friday. Special arrangements for testing and integration during non-business hours can be scheduled to avoid a disruption in normal business operations.

4.7 Technical Support. The Contractor will provide unlimited technical support and troubleshooting services to the City. Arrangements may be made for technical assistance and troubleshooting services that are needed outside the Contractor's normal business hours of 8:00 a.m. to 6:00 p.m. Pacific Time, Monday through Friday.

a) Remote Support

Telephone, e-mail, and remote access support is available during the Contractor's normal business hours. The most common situations resolved remotely are:

- Minor user instructions and training.
- Issues related to logging in.
- Application lockup, monitor resolution, and printing problems.

- Security access to application rights.
- Database record selection and storage.
- Database errors and corruption.
- Application bugs and errors.

b) On-site Support

Technical support that requires on-site analysis and programming services will be scheduled with the Ethics Commission staff. The most common situations resolved on-site are:

- Issues that cannot be resolved through remote support.
- Software troubleshooting and problem resolution.
- System malfunction troubleshooting and problem resolution.
- Software installation problems.
- Database preventive maintenance, troubleshooting, and problem resolution.
- Application performance tuning.
- Application troubleshooting and problem resolution.

c) Support Requests and Response Time

The Contractor will respond to non-emergency support requests within eight hours after receiving the request from the Ethics Commission. The Contractor will determine the necessary action to resolve a request, based on information provided by the Ethics Commission. If the request is an emergency, such as the Software is not available to filers, the Contractor will respond in one hour or less.

The City will submit a written request for all work performed under this section. For each request, the Contractor will confirm the request's priority, estimate the hours required for the request, and provide advance notice of the completion date.

**4.8** Status Reports. If requested by the Ethics Commission, one or more members of the Contractor's senior level staff will participate in up to four status report conference calls to review the current status of all projects and systems performance. The Contractor will prepare an agenda and status report for each requested conference call.

**4.9** Public Records. The Contractor understands that the City has responsibilities under the California Public Records Act and must have access to all City information and the ability to provide required information to requesters within limited timeframes. The Contractor will accommodate these needs and responsibilities.

- 4.10 Continuation of Service. If the Contractor ceases business operations and the Software is not supported by a successor entity, the Contractor shall provide source code to the City for internal use and only to continue the Software process.

## SECTION 5.0 COMPENSATION AND PAYMENT

### 5.1 Compensation.

- a) The City will pay the Contractor for satisfactory services under this Contract on an annual fee basis, by making quarterly payments to the Contractor after the requirements of Section 5.2 have been met for each quarter.
1. The annual fee will be \$67,200 per year, until the earlier of June 30, 2019, or the date this Contract is terminated under Section 10.
  2. Thereafter, if there is an increase in the Consumer Price Index for All Urban Consumers that is published by the United States Bureau of Labor Statistics for the region that includes the Los Angeles metropolitan area, the annual fee will be increased to reflect that change. No change to the annual fee may exceed three percent in any fiscal year. Payments made under this Subsection will continue until this Contract is terminated under Section 3.1 or Section 10.
- b) If the Form 700 system and the Form 60 subsystem are not completed and available for use by filers by January 1, 2016, as required by Section 4.5, the City will reduce each quarterly payment by 15 percent until the Contractor meets that requirement.
- c) The City's obligation to make payments is limited to the available funding for that purpose. If funding becomes unavailable or is no longer authorized for this contract, the City has the unilateral right to terminate this Contract in whole or in part without any charge or penalty.

### 5.2 Method of Payment.

- a) The City will pay the Contractor for its services in accordance with Section 5.1 and the other conditions and provisions of this Section after the City receives and approves the Contractor's invoices. Invoices must be submitted to:



Heather Holt, Executive Director  
Los Angeles City Ethics Commission  
200 North Spring Street, Suite 2410  
Los Angeles, CA 90012

- b) The Contractor must include the following information, and any other documentation requested by the City, in its invoices:
1. Name and address of the Contractor.
  2. Name and address of the Ethics Commission.
  3. Date of invoice and period covered.
  4. Contract number.
  5. Description of service provided, including rate and total due.
  6. Certification by the Contractor's authorized representative.
  7. Discount and terms (if applicable).
  8. Remittance address (if different from the Contractor's address).
- c) All invoices must be submitted on the Contractor's letterhead and must contain the Contractor's official logo or other unique and identifying information, such as the Contractor's name and address. Appropriate supporting documentation of services provided must be attached to all invoices. The City reserves the right to request additional supporting documentation to substantiate costs at any time. An invoice is considered complete when the City's authorized representative signs off that it is satisfactory.
- d) Invoices and supporting documentation will be prepared at the sole expense and responsibility of the Contractor. The City will not compensate the Contractor for costs incurred in invoice preparation. The City may request, in writing, changes to the content and format of the invoice and supporting documentation at any time.
- e) Failure to adhere to these procedures may result in nonpayment or non-approval of demands, pursuant to City Charter Section 262(a), which requires the City Controller to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received by any City office or department and approve demands before they are drawn on the Treasury.

**5.3** Ratification. Because the Contractor's services are required continuously and on an ongoing basis, the Contractor may have provided services prior to the execution of this Contract. To the extent that the Contractor's services were performed in accordance with the terms and conditions of this Contract, those services are hereby ratified.

*Contract between the Los Angeles City Ethics Commission  
and SouthTech Systems, Inc.  
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## SECTION 6.0 STANDARD PROVISIONS

The Contractor must comply with the applicable requirements of the standard provisions for City contracts, which are provided in Appendix A and incorporated by reference, except for 10, 12, and 23.

## SECTION 7.0 ADDITIONAL PROVISIONS

- 7.1 No Other Warranties. Except as specifically provided in this Contract, the Contractor makes no warranty, either express or implied, relating to the Software, including, without limitation, warranties of merchantability or fitness for a particular purpose. Neither the Contractor nor its suppliers warrant that the Software is error-free, will operate without interruption, or will work in all combinations selected by the City.
- 7.2 Limitation of Liability. Neither the Contractor nor any of its suppliers are liable for any special, incidental, consequential, or indirect damages, including but not limited to the costs of procuring substitute products or services, loss of use, loss of data, business interruption or lost profits arising from or in connection with this Contract or the use of the Software, except as provided in Section 10.2(d). The Contractor's liability for money damages will not exceed the amount paid by the City annually for the Software, except as provided in Standard Condition PSC-21 in Appendix A.
- 7.3 Logo. The Contractor may place one copy of its own company logo on the City's web-based entry point to the Software. That logo shall only appear in the lower right hand corner and shall be no larger than one-half inch in height and one inch in width. The Contractor understands that City law limits the use of the City's or the Ethics Commission's name in the Contractor's advertising, and the Contractor will obtain approval from the City before using the City's or the Ethics Commission's name in its advertising.
- 7.4 Records and Inspections. The Contractor will maintain full and accurate records with respect to all matters covered under this Contract in accordance with state law. The City has full and complete access to such records, the right to examine and audit them, and the right to make transcripts of and from them. The City must provide 30 days written notice of its intent to inspect or audit the records and may conduct the inspection or audit only during the Contractor's normal business hours. Upon reasonable notice to the City, the Contractor may audit the City's Software use, either on-site or remotely, in order to determine concurrent usage of the Software. If an audit reveals use in excess of the licensed use, the City will purchase the requisite number of additional licenses.

- 7.5 Third Party Obligations. The City and the Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives, is intended to give, or may be construed to give or provide any right or benefit, directly or indirectly, to third persons.
- 7.6 Rights and Remedies not Waived. The making of a payment by the City to the Contractor does not constitute and may not be construed as a waiver by the City of any breach or default that may then exist on the part of the Contractor. The making of a payment by the City to the Contractor while a breach or default exists does not impair or prejudice any right or remedy available to the City regarding the breach or default.
- 7.7 Restrictions on Contributions and Fundraising. City Charter Section 470(c)(12) and its related ordinances limit the ability of the Contractor, the Contractor's principals, the Contractor's subcontractors of \$100,000 or more, and the principals of those subcontractors to make campaign contributions to and engage in fundraising for certain elected City officials and candidates for elected City office. In addition, the Contractor is required to provide information to the City regarding itself, its principals, its subcontractors, and its subcontractors' principals and to update that information to keep it current.

The Contractor must include the following notice in any contract with a subcontractor that is expected to receive at least \$100,000 for performance under this Contract:

You are a subcontractor on City of Los Angeles Contract Number XXXX. Pursuant to City Charter Section 470(c)(12), you and your principals are prohibited from making campaign contributions to and engaging in specific fundraising for certain elected City officials and candidates for elected City office for 12 months after Contract Number XXXX is signed. You are required to provide to the contractor the names of your principals and their contact information. You are required to update that information within 10 business days if it changes during the 12-month restriction period. Failure to comply may result in the termination of this contract and any other available legal remedies. Information about the restrictions may be found online at [ethics.lacity.org](http://ethics.lacity.org) or by calling the Los Angeles City Ethics Commission at (213) 978-1960.

The Contractor, its principals, its subcontractors of \$100,000 or more, and the principals of those subcontractors will comply with these restrictions and requirements. Failure to do so entitles the City to terminate this Contract under Section 10 and to pursue all available legal remedies.

## SECTION 8.0 CONFIDENTIALITY

### 8.1 Confidentiality

- a) All documents, records, and information provided by the City or its personnel to the Contractor, accessed or reviewed by the Contractor, or sent by the City or its personnel using Contractor's services during performance of this Contract (collectively, "City information") will remain the property of the City. The Contractor acknowledges that some of the City information provided by the City to the Contractor, or accessed or reviewed by the Contractor during performance of this Contract, may be confidential. The Contractor agrees not to provide any City information either orally or in writing to any other person or entity. The Contractor agrees that all City information used or retained in connection with its work for the City will be used only for the purpose of carrying out City business as described in this Contract and cannot be used for any other purpose. The Contractor will be responsible for protecting the confidentiality and maintaining the security of all City information in its possession. If a third party requests City information stored by the Contractor, the Contractor will immediately notify and transmit the request to the City.
- b) The Contractor will ensure that no person, including the Contractor and any third party, uses City information to send unsolicited communications, except for communications with the Ethics Commission regarding the Software or this Contract. The Contractor may not sell or provide City information to any person.
- c) The Contractor will make City information available to the Contractor's employees, agents, and subcontractors only on a need-to-know basis. The Contractor will provide written instructions to all of its employees, agents, and subcontractors with access to City information about the penalties for its unauthorized use or disclosure.
- d) The Contractor will not use City information, other than in direct performance of work required by this Contract. The Contractor will not make or retain copies of any City information.
- e) The Contractor will document and immediately report to the City any unauthorized use or disclosure of City information of which the Contractor becomes aware.
- f) The Contractor will require all of its employees, agents, and subcontractors who will or may review, be provided, or have access to City information during the performance of this Contract to

execute a confidentiality agreement that incorporates the provisions of this section, prior to being able to access City information.

8.2 This Section will survive the expiration or termination of this Contract.

## **SECTION 9.0 INTELLECTUAL PROPERTY OWNERSHIP**

The Software is protected by both copyright law and international treaties. The Contractor and its suppliers own all intellectual property rights in the Software, and the structure, organization, and code contain valuable trade secrets of the Contractor and its suppliers.

Pursuant to Section 8, the Contractor understands and acknowledges that the City owns all forms promulgated by the City and all data, emails, documents, and forms input, filed, or sent through the Software by City personnel.

## **SECTION 10.0 TERMINATION**

10.1 Termination for Convenience. The City may terminate this Contract for the City's convenience at any time by giving the Contractor 30 days written notice. Upon receipt of such notice, the Contractor shall immediately take action not to incur any additional obligations, costs, or expenses, except as may be reasonably necessary to terminate its activities. The City shall pay the Contractor its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by the Contractor to effect termination. Thereafter, the Contractor shall have no further claims against the City under this Contract.

10.2 Termination for Breach of Contract.

- a) Except for excusable delays as provided in Standard Condition PSC-7 in Appendix A, if the Contractor fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, the City may give the Contractor written notice of default. If the Contractor does not cure the default or provide a plan to cure such default that is acceptable to the City within the time permitted by the City, then the City may terminate this Contract due to the Contractor's breach of this Contract.
- b) If a federal or state proceeding for relief of debtors is undertaken by or against the Contractor, or if the Contractor makes an assignment for the benefit of creditors, then the City may immediately terminate this Contract.
- c) If the Contractor engages in any dishonest conduct related to the performance or administration of this Contract or violates the City's

lobbying or campaign financing laws, then the City may immediately terminate this Contract.

- d) If the City terminates this Contract under Section 10.2, the City may procure, upon such terms and in such manner as the City may deem appropriate, services similar in scope and level of effort to those terminated, and the Contractor shall be liable to the City for all of its costs and damages, including but not limited to any excess costs for alternative services.
- e) If, after notice of termination of this Contract under Section 10.2, it is determined for any reason that the Contractor was not in default or that default was excusable under the terms of this Contract, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 10.1.
- f) The rights and remedies of the City provided in this Section are not exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### **SECTION 11.0 INDEPENDENT CONTRACTOR**

It is understood that the Contractor is an independent contractor and not an employee of the City. As an independent contractor, the Contractor shall not receive any regular salary, nor be eligible for any bonus, pension, sick pay, or other benefits provided to City employees. As an independent contractor, the Contractor shall not be treated as an employee of the City for any reason, specifically, Social Security taxes and benefits, federal unemployment compensation taxes, and federal income tax withholding.

#### **SECTION 12.0 CHANGES**

Notwithstanding any other provision of this Contract, any changes or additions to this Contract, including changes that would increase the City's total obligation above the amount specified in Section 5.1 must be made by written amendment. The City will not be obligated to pay for any changes made in violation of this Section.

#### **SECTION 13.0 ENTIRE AGREEMENT**

This Contract contains the full and complete agreement between the parties. No verbal agreement or conversation with any officer or employee of either party will affect or modify any of the terms and conditions of this Contract. This Contract was drafted by both parties.

This Contract is executed in three originals, each of which is deemed to be an original.

**[Signature page follows.]**

IN WITNESS WHEREOF, the parties have caused this Contract to be executed by their duly authorized representatives.

**CITY OF LOS ANGELES**

**SOUTHTECH SYSTEMS, INC.**

By: \_\_\_\_\_  
HEATHER HOLT  
Executive Director  
City Ethics Commission

By:  \_\_\_\_\_  
JOSE DOMINGUEZ  
President

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

Date: 6/1/2015

**APPROVED AS TO FORM:**

MICHAEL FEUER  
City Attorney

By: \_\_\_\_\_  
RENEE A. STADEL  
Deputy City Attorney

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

**ATTEST:**

HOLLY L. WOLCOTT  
City Clerk

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

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

**APPENDIX A  
STANDARD PROVISIONS FOR CITY CONTRACTS**

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# STANDARD PROVISIONS FOR CITY CONTRACTS

## **PSC-1. CONSTRUCTION OF PROVISIONS AND TITLES HEREIN**

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

## **PSC-2. NUMBER OF ORIGINALS**

The number of original texts of this Contract shall be equal to the number of the parties hereto, one text being retained by each party. At the **CITY'S** option, one or more additional original texts of this Contract may also be retained by the City.

## **PSC-3. APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT**

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Contract.

In any action arising out of this Contract, **CONTRACTOR** consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term or provision of this Contract is held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Contract, the validity of the remaining parts, terms or provisions of the Contract shall not be affected thereby.

## **PSC-4. TIME OF EFFECTIVENESS**

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

- A. This Contract has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR** hereto;

- B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form; and
- D. This Contract has been signed on behalf of the **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract.

**PSC-5. INTEGRATED CONTRACT**

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in paragraph PSC-6 hereof.

**PSC-6. AMENDMENT**

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-4.

**PSC-7. EXCUSABLE DELAYS**

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

**PSC-8. BREACH**

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

**PSC-9. WAIVER**

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or

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

## **PSC-10. TERMINATION**

### **A. TERMINATION FOR CONVENIENCE**

The **CITY** may terminate this Contract for the **CITY'S** convenience at any time by giving **CONTRACTOR** thirty days written notice thereof. Upon receipt of said notice, **CONTRACTOR** shall immediately take action not to incur any additional obligations, cost or expenses, except as may be reasonably necessary to terminate its activities. The **CITY** shall pay **CONTRACTOR** its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by **CONTRACTOR** to affect such termination. Thereafter, **CONTRACTOR** shall have no further claims against the **CITY** under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights thereto, shall become **CITY** property upon the date of such termination. **CONTRACTOR** agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.

### **B. TERMINATION FOR BREACH OF CONTRACT**

1. Except for excusable delays as provided in PSC-7, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, the **CITY** may give **CONTRACTOR** written notice of such default. If **CONTRACTOR** does not cure such default or provide a plan to cure such default which is acceptable to the **CITY** within the time permitted by the **CITY**, then the **CITY** may terminate this Contract due to **CONTRACTOR'S** breach of this Contract.
2. If a federal or state proceeding for relief of debtors is undertaken by or against **CONTRACTOR**, or if **CONTRACTOR** makes an assignment for the benefit of creditors, then the **CITY** may immediately terminate this Contract.
3. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates the **CITY'S** lobbying policies, then the **CITY** may immediately terminate this Contract.
4. In the event the **CITY** terminates this Contract as provided in this section, the **CITY** may procure, upon such terms and in such manner as the **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to the **CITY** for all of its costs and

damages, including, but not limited, any excess costs for such services.

5. All finished or unfinished documents and materials produced or procured under this Contract, including all intellectual property rights thereto, shall become **CITY** property upon date of such termination. **CONTRACTOR** agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.
6. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-10(A) Termination for Convenience.
7. The rights and remedies of the **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### **PSC-11. INDEPENDENT CONTRACTOR**

**CONTRACTOR** is acting hereunder as an independent contractor and not as an agent or employee of the **CITY**. **CONTRACTOR** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the **CITY**.

#### **PSC-12. CONTRACTOR'S PERSONNEL**

Unless otherwise provided or approved by the **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. The **CITY** shall have the right to review and approve any personnel who are assigned to work under this Contract. **CONTRACTOR** agrees to remove personnel from performing work under this Contract if requested to do so by the **CITY**.

**CONTRACTOR** shall not use subcontractors to assist in performance of this Contract without the prior written approval of the **CITY**. If the **CITY** permits the use of subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of this Contract. The **CITY** has the right to approve **CONTRACTOR'S** subcontractors, and the **CITY** reserves the right to request replacement of subcontractors. The **CITY** does not have any obligation to pay **CONTRACTOR'S** subcontractors, and nothing herein creates any privity between the **CITY** and the subcontractors.

#### **PSC-13. PROHIBITION AGAINST ASSIGNMENT OR DELEGATION**

**CONTRACTOR** may not, unless it has first obtained the written permission of the **CITY**:

- A. Assign or otherwise alienate any of its rights under this Contract, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

**PSC-14. PERMITS**

**CONTRACTOR** and its directors, officers, partners, agents, employees, and subcontractors, to the extent allowed hereunder, shall obtain and maintain all licenses, permits, certifications and other documents necessary for **CONTRACTOR'S** performance hereunder and shall pay any fees required therefor. **CONTRACTOR** certifies to immediately notify the **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

**PSC-15. CLAIMS FOR LABOR AND MATERIALS**

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

**PSC-16. CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED**

If applicable, **CONTRACTOR** represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code. For the term covered by this Contract, **CONTRACTOR** shall maintain, or obtain as necessary, all such Certificates required of it under the Business Tax Ordinance, and shall not allow any such Certificate to be revoked or suspended.

**PSC-17. RETENTION OF RECORDS, AUDIT AND REPORTS**

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

extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

**PSC-18. FALSE CLAIMS ACT**

**CONTRACTOR** acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the **CITY** under the False Claims Act (Cal. Gov. Code §§ 12650 *et seq.*), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim.

**PSC-19. BONDS**

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

**PSC-20. INDEMNIFICATION**

Except for the active negligence or willful misconduct of the **CITY**, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, **CONTRACTOR** undertakes and agrees to defend, indemnify and hold harmless the **CITY** and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including **CONTRACTOR'S** employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by **CONTRACTOR** or its subcontractors of any tier. Rights and remedies available to the **CITY** under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the **CITY**. The provisions of PSC-20 shall survive expiration or termination of this Contract.

**PSC-21. INTELLECTUAL PROPERTY INDEMNIFICATION**

**CONTRACTOR**, at its own expense, undertakes and agrees to defend, indemnify, and hold harmless the **CITY**, and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information right (1) on or in any design, medium, matter, article, process, method,

application, equipment, device, instrumentation, software, hardware, or firmware used by **CONTRACTOR**, or its subcontractors of any tier, in performing the work under this Contract; or (2) as a result of the **CITY'S** actual or intended use of any Work Product furnished by **CONTRACTOR**, or its subcontractors of any tier, under the Agreement. Rights and remedies available to the **CITY** under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the **CITY**. The provisions of PSC-21 shall survive expiration or termination of this Contract.

## **PSC-22. INTELLECTUAL PROPERTY WARRANTY**

**CONTRACTOR** represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, rights of publicity and proprietary information.

## **PSC-23. OWNERSHIP AND LICENSE**

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

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

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

Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract to contractually bind or otherwise oblige its subcontractors performing work under this Contract such that the **CITY'S** ownership and license rights of all Work Products are preserved and protected as intended herein. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such



obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

#### **PSC-24. INSURANCE**

During the term of this Contract and without limiting **CONTRACTOR'S** indemnification of the **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by **CONTRACTOR**, but not less than the amounts and types listed on the Required Insurance and Minimum Limits sheet (Form General 146 in Exhibit 1 hereto), covering its operations hereunder. Such insurance shall conform to **CITY** requirements established by Charter, ordinance or policy, shall comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto) and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

#### **PSC-25. DISCOUNT TERMS**

**CONTRACTOR** agrees to offer the **CITY** any discount terms that are offered to its best customers for the goods and services to be provided hereunder and apply such discount to payments made under this Contract which meet the discount terms.

#### **PSC-26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR**

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

#### **PSC-27. NON-DISCRIMINATION**

Unless otherwise exempt, this Contract is subject to the non-discrimination provisions in Sections 10.8 through 10.8.2 of the Los Angeles Administrative Code, as amended from time to time. The **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the **CITY**. In performing this Contract, **CONTRACTOR** shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject **CONTRACTOR** to the

imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

**PSC-28. EQUAL EMPLOYMENT PRACTICES**

Unless otherwise exempt, this Contract is subject to the equal employment practices provisions in Section 10.8.3 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of this Contract, **CONTRACTOR** agrees and represents that it will provide equal employment practices and **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. **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. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **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, **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. **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 **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 **CONTRACTOR**.
- F. Upon a finding duly made that **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**. 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 **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, **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until **CONTRACTOR** shall establish and carry out a program in conformance with the provisions hereof.
- G. Notwithstanding any other provision of this Contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- H. Intentionally blank.
- 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, **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. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject **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**.

**PSC-29. AFFIRMATIVE ACTION PROGRAM**

Unless otherwise exempt, this Contract is subject to the affirmative action program provisions in Section 10.8.4 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of a **CITY** contract, **CONTRACTOR** certifies and represents that **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. **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. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **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, **CONTRACTOR** shall certify on an electronic or hard copy form to be supplied, that **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. **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 **CONTRACTOR**.
- F. Upon a finding duly made that **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**. 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** 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 **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 **CONTRACTOR** by the **CITY** 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** shall have any and all other remedies at law or in equity for any breach hereof.
- I. Intentionally blank.

- 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. **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, **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, **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. **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 **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 workforce 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 workforce or replacement of those employees who leave the workforce 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. Intentionally blank.
- 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**.

**PSC-30. CHILD SUPPORT ASSIGNMENT ORDERS**

This Contract is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to the Child Support Assignment Orders Ordinance, **CONTRACTOR** will fully comply with all applicable State and Federal employment reporting requirements for **CONTRACTOR'S** employees. **CONTRACTOR** shall also certify (1) that the Principal Owner(s) of **CONTRACTOR** are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (2) that **CONTRACTOR** will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with Section 5230, *et seq.* of the California Family Code; and (3) that **CONTRACTOR** will maintain such compliance throughout the term of this Contract.

Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, the failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders or Notices of Assignment, or the failure of any Principal Owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract, subjecting this Contract to termination if such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the **CITY**.

Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to obtain compliance of its subcontractors shall constitute a default by **CONTRACTOR** under this Contract, subjecting this Contract to termination where such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the **CITY**.

**CONTRACTOR** certifies that, to the best of its knowledge, it is fully complying with the Earnings Assignment Orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in Section 7110(b) of the California Public Contract Code.

**PSC-31. LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE**

- A. Unless otherwise exempt, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 *et seq.* of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section



10.36 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time. These Ordinances require the following:

1. **CONTRACTOR** assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of compensated and uncompensated days off and health benefits, as defined in the LWO.
  2. **CONTRACTOR** further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. **CONTRACTOR** shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. **CONTRACTOR** shall deliver the executed pledges from each such subcontractor to the **CITY** within ninety (90) days of the execution of the subcontract. **CONTRACTOR'S** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of **CONTRACTOR** with respect to such pledges and fully discharge the obligation of **CONTRACTOR** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
  3. **CONTRACTOR**, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the **CITY** with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. **CONTRACTOR** shall post the Notice of Prohibition Against Retaliation provided by the **CITY**.
  4. Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-31 and shall incorporate the provisions of the LWO and the SCWRO.
  5. **CONTRACTOR** shall comply with all rules, regulations and policies promulgated by the **CITY'S** Designated Administrative Agency which may be amended from time to time.
- B. Under the provisions of Sections 10.36.3(c) and 10.37.6(c) of the Los Angeles Administrative Code, the **CITY** shall have the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if the **CITY** determines that

the subject **CONTRACTOR** has violated provisions of either the LWO or the SCWRO, or both.

- C. Where under the LWO Section 10.37.6(d), the **CITY'S** Designated Administrative Agency has determined (a) that **CONTRACTOR** is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the **CITY** in such circumstances may impound monies otherwise due **CONTRACTOR** in accordance with the following procedures. Impoundment shall mean that from monies due **CONTRACTOR**, **CITY** may deduct the amount determined to be due and owing by **CONTRACTOR** to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d)(3) and disposed of under procedures described therein through final and binding arbitration. Whether **CONTRACTOR** is to continue work following an impoundment shall remain in the sole discretion of the **CITY**. **CONTRACTOR** may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.
- D. **CONTRACTOR** shall inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit (EIC). **CONTRACTOR** shall also make available to employees the forms informing them about the EIC and forms required to secure advance EIC payments from **CONTRACTOR**.

### **PSC-32. AMERICANS WITH DISABILITIES ACT**

**CONTRACTOR** hereby certifies that it will comply with the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*, and its implementing regulations. **CONTRACTOR** will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. **CONTRACTOR** will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by **CONTRACTOR**, relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

### **PSC-33. CONTRACTOR RESPONSIBILITY ORDINANCE**

Unless otherwise exempt, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time, which requires **CONTRACTOR** to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect **CONTRACTOR'S** fitness and ability to continue performing this Contract.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this Contract, **CONTRACTOR** pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this Contract, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. **CONTRACTOR** further agrees to: (1) notify the **CITY** within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that **CONTRACTOR** is not in compliance with all applicable federal, state and local laws in performance of this Contract; (2) notify the **CITY** within thirty calendar days of all findings by a government agency or court of competent jurisdiction that **CONTRACTOR** has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, submit a Pledge of Compliance to the **CITY**; and (4) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the **CITY** within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

**PSC-34. MINORITY, WOMEN, AND OTHER BUSINESS ENTERPRISE OUTREACH PROGRAM**

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

**PSC-35. EQUAL BENEFITS ORDINANCE**

Unless otherwise exempt, this Contract is subject to the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of the Contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** will comply with the EBO.
- B. The failure of **CONTRACTOR** to comply with the EBO will be deemed to be a material breach of this Contract by the **CITY**.
- C. If **CONTRACTOR** fails to comply with the EBO the **CITY** may cancel, terminate or suspend this Contract, in whole or in part, and all monies due or to become due under this 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.

- D. Failure to comply with the EBO may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.
- E. If the **CITY'S** Designated Administrative Agency determines that a **CONTRACTOR** has set up or used its contracting entity for the purpose of evading the intent of the EBO, the **CITY** may terminate the Contract. Violation of this provision may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.

**CONTRACTOR** shall post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

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

**PSC-36. SLAVERY DISCLOSURE ORDINANCE**

Unless otherwise exempt, this Contract is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as amended from time to time. **CONTRACTOR** certifies that it has complied with the applicable provisions of the Slavery Disclosure Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Contract.

**PSC-37. FIRST SOURCE HIRING ORDINANCE**

Unless otherwise exempt in accordance with the provisions of this Ordinance, this contract is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 *et seq.* of the Los Angeles Administrative Code, as amended from time to time.

- 1. **CONTRACTOR/CONSULTANT** shall, prior to the execution of the contract, provide to the DAA a list of anticipated employment opportunities that **CONTRACTOR/CONSULTANT** estimate they will need to fill in order to perform the services under the Contract.
- 2. **CONTRACTOR/CONSULTANT** further pledges that it will, during the term of the Contract, shall a) At least seven business days prior to making an

announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Community Development Department (CDD), which will refer individuals for interview; b) Interview qualified individuals referred by CDD; and c) Prior to filling any employment opportunity, the CONTRACTOR/CONSULTANT 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/CONSULTANT interviewed and the reasons why referred individuals were not hired.

3. Any Subcontract entered into by the CONTRACTOR/CONSULTANT relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.
4. CONTRACTOR/CONSULTANT shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the designated administrative agency has determined that the CONTRACTOR/CONSULTANT intentionally violated or used hiring practices for the purpose of avoiding the 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.

Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this contract and otherwise pursue legal remedies that may be available if the designated administrative agency determines that the subject CONTRACTOR/CONSULTANT has violated provisions of the FSHO.

## **EXHIBIT 1**

### **INSURANCE CONTRACTUAL REQUIREMENTS**

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

### **CONTRACTUAL REQUIREMENTS**

CONTRACTOR AGREES THAT:

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

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

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

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

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

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

**6. Workers' Compensation.** By signing this Contract, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all times during the performance of the work pursuant to this Contract.

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

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

**9. Commencement of Work.** For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-4, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

## Exhibit 1 (Continued) Required Insurance and Minimum Limits

Name: City Attorney's Office Date: April 15, 2014

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

	Limits
<input type="checkbox"/> <b>Workers' Compensation – Workers' Compensation (WC) and Employer's Liability (EL)</b>	<b>WC</b> <u>Statutory</u> <b>EL</b> _____
<input type="checkbox"/> Waiver of Subrogation in favor of City	<input type="checkbox"/> Longshore & Harbor Workers <input type="checkbox"/> Jones Act
<input checked="" type="checkbox"/> <b>General Liability</b> _____	<u>1,000,000.00</u>
<input type="checkbox"/> Products/Completed Operations	<input type="checkbox"/> Sexual Misconduct _____
<input type="checkbox"/> Fire Legal Liability _____	
<input type="checkbox"/> _____	
<input checked="" type="checkbox"/> <b>Automobile Liability</b> (for any and all vehicles used for this Contract, other than commuting to/from work)	<u>500,000.00</u>
<input type="checkbox"/> <b>Professional Liability</b> (Errors and Omissions)	_____
<input type="checkbox"/> <b>Property Insurance</b> (to cover replacement cost of building – as determined by insurance company)	_____
<input type="checkbox"/> All Risk Coverage	<input type="checkbox"/> Boiler and Machinery
<input type="checkbox"/> Flood _____	<input type="checkbox"/> Builder's Risk
<input type="checkbox"/> Earthquake _____	<input type="checkbox"/> _____
<input type="checkbox"/> <b>Pollution Liability</b>	_____
<input type="checkbox"/> _____	
<input type="checkbox"/> <b>Surety Bonds</b> – Performance and Payment (Labor and Materials) Bonds	100 % of Contract Price
<input type="checkbox"/> <b>Crime Insurance</b>	_____

**Other:** 1.) If contractor is a sole proprietor and decides to not cover herself/himself, please complete the form entitled "Request for Waiver of Workers' Compensation" located at [www.lacity.org/cao/risk](http://www.lacity.org/cao/risk)  
2.) Auto Liability in compliance with the financial responsibility laws of the State of California.