

CONTRACT
BETWEEN THE CITY OF LOS ANGELES AND CHAMPION FIRE SYSTEMS INC.
FOR PERFORMING FLSS REGULATION 4 TESTING AND REPAIRS FOR LOS
ANGELES WORLD AIRPORTS

THIS CONTRACT, made and entered into this _____ day of _____, 2015, by and between the **CITY OF LOS ANGELES** (hereinafter referred to as "City"), a municipal corporation, acting by order of and through its Board of Airport Commissioners (hereinafter referred to as "Board"), and **CHAMPION FIRE SYSTEMS INC.** (hereinafter referred to as "Contractor"),

RECITALS

WHEREAS, the City authorized the issuance of a Request for Bid for performing FLSS regulation 4 testing and repairs at Los Angeles International Airport, Ontario International Airport and Van Nuys Airport, Bid No. 115-032 (hereinafter referred to as "Request for Bid"); and

WHEREAS, in response to said Request for Bid, Contractor submitted a bid (hereinafter referred to as "Contractor's Bid") which was found to be the lowest responsive and responsible bid; and

WHEREAS, Contractor is engaged in the business of providing the products and services of the type sought by City; and

WHEREAS, the Board has now authorized the purchase of the products and services identified in the Request for Bid as specified;

NOW THEREFORE, that for and in consideration of the covenants and conditions hereinafter contained to be kept and performed by the respective parties, IT IS AGREED AS FOLLOWS:

Section 1.0 Scope of Work. Contractor agrees to provide FLSS regulation 4 testing and repairs at Los Angeles International Airport, Ontario International Airport and Van Nuys Airport as requested by Los Angeles World Airports in strict compliance with the conditions and specifications contained in the aforesaid Request for Bid and the price(s) contained in Contractor's Bid.

Section 2.0 Incorporation by Reference. It is expressly understood and agreed that the Request for Bid including all bid forms, the plans and specifications, including any addenda thereto, the Contractor's Bid and its submitted Bid documents including all of the Administrative Requirements and any Bonds required under the said Request for Bid, shall constitute, and are

hereby incorporated by reference, and made a part of this Contract, and each of the parties hereto does hereby expressly covenant and agree to carry out and fully perform each and all of the provisions of said documents upon its part to be performed. Contractor also expressly acknowledges that this Contract is based upon the performance requirements contained in the bid documents issued by City. If there is a conflict between the Request for Bid and the Contractor's Bid, the Request for Bid will prevail.

Section 3.0 Term of Contract.

3.1 Notwithstanding any other provision herein, the term of this Contract shall commence upon City's issuance of a Notice to Proceed, and shall expire no later than five (5) years thereafter; subject, however, to earlier termination pursuant to the terms of this Contract.

3.2 LAW A may terminate this Contract without cause and without liability for damages, upon giving the Contractor a thirty (30) day advance written notice or as otherwise provided herein.

Section 4.0 Contractor's Fee and Payment; Contractor's Payments.

4.1. For all products and services rendered, for all costs, direct or indirect, and for all expenses incurred by Contractor pursuant to this Contract, City shall pay Contractor an amount not to exceed Four Million, Three Hundred Thousand Dollars and 00/100 Dollars (\$4,300,000). Contractor shall submit to City requests for payment of the amount(s) due, upon completion to City's satisfaction of the work specified for the Project. City shall pay Contractor for its performance under this Contract the sum hereinabove set forth, at the times and in the manner specified, if so, in the aforesaid Specifications.

4.2. Contractor shall promptly pay, when due, any and all amounts payable for labor and material furnished in the performance of this Contract, so as to prevent or make unnecessary the filing of any claim, lien, or notice to withhold, as provided under and by virtue of the applicable provisions of Division III, Part 4, Title 15 (commencing with Section 3082) of the Civil Code of the State of California, and Contractor shall promptly pay all amounts due under the Unemployment Insurance Act with respect to such work or labor.

Section 5.0 City Held Harmless.

5.1. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless City and any and all of City's Boards, officers, agents, employees, assigns and successors in interest from and against any and all suits, claims, causes of action, liability, losses, damages, demands or expenses (including, but not limited to, attorney's fees and costs of litigation), claimed by anyone (including Contractor and/or Contractor's agents or employees) by reason of injury to, or death of, any person(s) (including Contractor and/or Contractor's agents or employees), or for damage to, or destruction of, any property (including property of Contractor and/or Contractor's agents or employees) or for any and all other losses, founded upon or alleged to arise out of, pertain to, or relate to the Contractor's and/or Sub-Contractor's performance of

the Contract, whether or not contributed to by any act or omission of City, or of any of City's Boards, officers, agents or employees; Provided, however, that where such suits, claims, causes of action, liability, losses, damages, demands or expenses arise from or relate to Contractor's performance of a "Construction Contract" as defined by California Civil Code section 2783, this paragraph shall not be construed to require Contractor to indemnify or hold City harmless to the extent such suits, causes of action, claims, losses, demands and expenses are caused by the City's sole negligence, willful misconduct or active negligence.

5.2. In addition, Contractor agrees to protect, defend, indemnify, keep and hold harmless City, including its Boards, Departments and City's officers, agents, servants and employees, from and against any and all claims, damages, liabilities, losses and expenses arising out of any threatened, alleged or actual claim that the end product provided to LAWA by Contractor violates any patent, copyright, trade secret, proprietary right, intellectual property right, moral right, privacy, or similar right, or any other rights of any third party anywhere in the world. Contractor agrees to, and shall, pay all damages, settlements, expenses and costs, including costs of investigation, court costs and attorney's fees, and all other costs and damages sustained or incurred by City arising out of, or relating to, the matters set forth above in this paragraph of the City's "Hold Harmless" agreement.

5.3. In Contractor's defense of the City under this Section, negotiation, compromise, and settlement of any action, the City shall retain discretion in and control of the litigation, negotiation, compromise, settlement, and appeals there from, as required by the Los Angeles City Charter, particularly Article II, Sections 271, 272 and 273 thereof.

5.4. Survival of Indemnities. The provisions of this Section shall survive the termination of this Agreement.

Section 6.0 Hazardous and Other Regulated Substances.

6.1. Contractor agrees to accept sole responsibility for full compliance with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws and/or other orders of any governmental entity regarding the use, storage, handling, distribution, processing and/or disposal of hazardous wastes, extremely hazardous wastes, hazardous substances, hazardous materials, hazardous chemicals, toxic chemicals, toxic substances, pollutants, contaminants, or other similarly regulated substances (hereinafter referred to as "hazardous substances") regardless of whether the obligation for such compliance or responsibility is placed on the owner of the land, on the owner of any improvements on the premises, on the user of the land, or on the user of the improvements. Said hazardous substances shall include, but shall not be limited to, gasoline, aviation, diesel and jet fuels, lubricating oils and solvents.

6.2. Contractor agrees that any damages, penalties or fines levied on City and/or Contractor as a result of noncompliance with any of the above shall be the sole responsibility of Contractor and, further, that Contractor shall indemnify and pay and/or reimburse City for any damages, penalties or fines that City incurs, or pays, as a result of noncompliance with the above.

6.3. In the case of any hazardous substance spill, leak, discharge or improper storage on the premises, or contamination of same, by any person, Contractor agrees to make, or cause to be made, any necessary repairs or corrective actions, as well as to clean up and remove any leakage, contamination or contaminated ground. In the case of any hazardous substance spill, leak, discharge or contamination by Contractor, or by any of its employees, agents, contractors or subcontractors which affects other property of City, or property(ies) of City's tenant(s), Contractor agrees to make, or cause to be made, any necessary repairs, or take corrective actions, to clean-up and remove any such spill, leakage or contamination to the satisfaction of Executive Director.

6.4. If Contractor fails to repair, clean-up, properly dispose of, or take any other corrective action(s) as required herein, City may (but shall not be required to) take all steps it deems reasonably necessary to properly repair, clean-up or otherwise correct the condition(s) resulting from the spill, leak or contamination. Any such repair, clean-up or corrective action(s) taken by City shall be at Contractor's sole cost and expense, as well as shall any and all costs (including any administrative costs) which City incurs, or pays, as a result of any repair, clean-up or corrective action it takes.

6.5. If Contractor installs or uses already installed underground storage tanks, pipelines or other improvements on the specified premises for the storage, distribution, use, treatment or disposal of any hazardous substances, Contractor agrees, upon the expiration and/or termination of this Contract, to remove and/or clean up, at the sole option of Executive Director, the above-referred to improvements. Said removal and/or clean-up shall be at Contractor's sole cost and expense, and shall be undertaken and completed in full compliance with all federal, state and local laws and regulations, as well as in compliance with the reasonable directions of Executive Director.

6.6. Contractor shall promptly supply City with copies of all notices, reports, correspondence and submissions made by Contractor to any governmental entity regarding any hazardous substance spill, leak, discharge or clean-up, including all tests results.

6.7. This Section, and the obligation(s) contained therein, shall survive the expiration or earlier termination of this Contract.

Section 7.0 Assignment or Transfer Prohibited.

7.1 Contractor shall not, in any manner, directly or indirectly, by operation of law or otherwise, hypothecate, assign, transfer, or encumber this Contract, or any portion thereof or any interest therein, in whole or in part, without the prior, written consent of Executive Director.

7.2 For purposes of this Contract, the terms "transfer" and "assign" shall include, but not be limited to, the following: (i) if Contractor is a joint venture, a limited liability company, or a partnership, the transfer of fifty percent (50%) or more of the interest or membership in the joint venture, the limited liability company, or the partnership; (ii) if Contractor is a corporation,

any cumulative or aggregate sale, transfer, assignment, or hypothecation of fifty percent (50%) or more of the voting shares of Contractor; (iii) the dissolution by any means of Contractor; and, (iv) a change in business or corporate structure. Any such transfer, assignment, mortgaging, pledging, or encumbering of Contractor without the written consent of the Executive Director is a violation of this Contract and shall be voidable at LAWA's option and shall confer no right, title, or interest in or to this Contract upon the assignee, mortgagee, pledgee, encumbrancer, or other lien holder, successor, or purchaser.

Section 8.0 Independent Contractor.

8.1. It is the express intention of the parties that Contractor is an independent contractor and not an employee, agent, joint venturer or partner of City. Nothing in this Contract shall be interpreted or construed as creating or establishing the relationship of employer and employee between Contractor and City, or between Contractor and any official, agent, or employee of City. Both parties acknowledge that Contractor is not an employee of City.

8.2. Contractor shall retain the right to perform services for others during the term of this Contract, unless specified to the contrary herein or prohibited by conflict of interest or ethics laws, regulations, or professional rules of conduct.

Section 9.0 Compliance With Applicable Laws.

9.1. Contractor shall, at all times during the performance of its obligations under this Contract, comply with all applicable present and/or future local, Department of Airports, State and Federal laws, statutes, ordinances, rules, regulations, restrictions and/or orders, including the hazardous waste and hazardous materials regulations, and the Americans With Disabilities Act of 1990. Contractor shall be solely responsible for any and all damages caused, and/or penalties levied, as the result of Contractor's noncompliance with such enactments. Further, Contractor agrees to cooperate fully with City in its efforts to comply with the Americans With Disability Act of 1990 and any amendments thereto, or successor statutes.

9.2. Should Contractor fail to comply with this Section, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Contractor will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.

Section 10.0 Contract Contains Entire Agreement. This Contract, the Exhibits attached hereto, and other materials referenced herein, contains the entire agreement between the parties hereto and supersedes any and all prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, or understandings, oral or written, between and among the parties relating to the subject matter contained in this Contract which are not fully set forth herein. This is an integrated agreement.

Section 11.0 Waiver. The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any other term, covenant, or condition, or of any subsequent breach of the same term, covenant, or condition.

Section 12.0 Miscellaneous.

12.1. This Contract, and every question arising hereunder, shall be construed, and determined, according to the laws of the State of California. Venue shall be at the Torrance Branch of the Los Angeles County Superior Court.

12.2. It is the intention of the parties hereto that if any provision of this Contract is capable of two constructions, one of which would render the provision void, and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

12.3. In the event any covenant, condition, or provision herein contained is held to be invalid by final judgment of any court of competent jurisdiction, the invalidity of such covenant, condition, or provision shall not in any way affect any other covenant, condition, or provision herein contained.

12.4. In the event either party is prevented from, or delayed in, its performance under this Contract, by war, emergency, natural disaster, injunction and/or other court order, neither party shall be liable to the other for any damages and/or expenses associated with such event(s), but either party shall have the right to terminate this Contract upon reasonable written notice.

12.5. The Section headings appearing herein shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of this Contract.

Section 13.0 Notices.

13.1. Notice to City. Written notices to City hereunder, (with a copy to the City Attorney of the City of Los Angeles, Airport Division) shall be given by registered or certified mail, postage prepaid, and addressed to:

**Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, CA 90009-2216**

or to such other address as City may designate by written notice to Contractor.

13.2. Notice to Contractor. Written notices to Contractor hereunder shall be given by registered or certified mail, postage prepaid, and addressed to:

**Attn.: Mike Vogel
Champion Fire Systems Inc.
12170 Santa Margarita Court
Rancho Cucamonga, CA 91730**

or to such other address as Contractor may designate by written notice to City.

13.3. The execution of any notice(s) by Executive Director of City's Department of Airports shall be effective as to Contractor as if said notice(s) were executed by the Board, or by Resolution or Order of said Board, and Contractor shall not question the authority of the Executive Director to execute any such notice(s).

13.4. All such notices, except as otherwise provided herein, may either be delivered personally to Executive Director, with a copy to the Office of the City Attorney, Airport Division, in the one case, or to Contractor in the other case, or may be deposited in the United States mail, properly addressed as aforesaid, with postage fully prepaid, by certified or registered mail, return receipt requested, and shall be effective five (5) days after deposit in the mail.

Section 14.0 Default and Right of Termination.

14.1 LAWA may terminate this Contract for cause and without liability for damages as follows:

A. In the event Contractor fails to abide by the terms, covenants and conditions of this Contract, LAWA shall give Contractor written notice to correct the defect or default and, if the same is not corrected, or substantial steps are not taken toward accomplishing such correction, within ten (10) days after LAWA's mailing such notification, LAWA may terminate this Contract forthwith upon giving Contractor a ten (10) day written notice. LAWA shall be the sole judge of the Contractor's contract performance.

B. Unscrupulous or illegal conduct by the Contractor or its agents(s) affecting LAWA shall be grounds for immediate and unconditional termination of the contract, with or without further notice. LAWA shall be the sole judge of the Contractor's conduct and the effect of that conduct on LAWA.

14.2 Upon notice (written or otherwise) to the Contractor of LAWA's decision to terminate the contract, the Contractor shall be responsible to immediately and forthwith surrender to LAWA, all LAWA property, including items of authority (badges, permits, etc., issued by LAWA) that are in the possession, custody, and care of the Contractor and/or its agent(s).

Section 15.0 Ownership of Work Product.

15.1 Contractor agrees that any and all intellectual properties, including, but not limited to, all ideas, concepts, themes, computer programs or parts thereof, documentation or other literature, or illustrations, or any components thereof, conceived, developed, written or contributed by Contractor specifically for this project, either individually or in collaboration with others, and paid for by City, shall belong to and be the sole property of the City.

15.2 This provision does not apply to any pre-existing intellectual property created by Contractor or its subcontractors prior to their performance of tasks under this Agreement; nor will this provision apply to any enhancement of or alteration to the pre-existing intellectual property created by Contractor or its subcontractors during their performance of tasks under this Agreement.

Section 16.0 Disabled Access.

16.1 As directly related to Contractor's responsibilities with regard to this Contract, Contractor shall be solely responsible for fully complying with any and all applicable present and/future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access including any services, programs, improvements or activities provided by Contractor. Contractor shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Contractor's noncompliance. Further, Contractor agrees to cooperate fully with City in its efforts to comply with the Americans With Disability Act of 1990 and any amendments thereto, or successor statutes.

16.2 Should Contractor fail to comply with Section 6.1, if applicable, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Contractor will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.

Section 17.0 Compliance With Los Angeles City Charter Section 470(c)(12) and 609(E).

The Contractor, other underwriting firm members of the underwriting syndicate, Subcontractors, and their Principals are obligated to fully comply with City of Los Angeles Charter Sections 470(c)(12), 609(e) and related ordinances, regarding limitations on campaign contributions and fundraising to certain elected City officials or candidates for elected City office. Gifts to elected officials and certain City officials are also limited. Additionally, Contractor and other underwriting firm members of the underwriting syndicate are required to provide and update certain information to the City as specified by law. Any Contractor and other underwriting firm members of the underwriting syndicate subject to Charter Section 470(c)(12) and 609(e), shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 for performance under this contract:

Notice Regarding City of Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Sections 470(c)(12), 609(e) and related ordinances, you are subcontractor or underwriting firm on City of Los Angeles Contract/Resolution # _____. Pursuant to City Charter Section 470(c)(12) and 609(e), underwriting firm, subcontractor and principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Additionally, gifts are limited to elected officials and certain City officials. Subcontractor is required to provide to contractor names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to contractor within 10 business days. Failure to comply may result in termination of contract or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.

Contractor, underwriting firms, Subcontractors, and their Principals shall comply with these requirements and limitations. Violation of this provision shall entitle the City to terminate this Agreement and pursue any and all legal remedies that may be available.

Section 18.0 Prevailing Wage. Contractor shall at all times during the performance of the work hereunder pay the general prevailing rate of per diem wages for each craft or type of worker needed to execute this Contract, at such rate(s) as has been determined by the Director of the Department of Industrial Relations of the State of California.

Section 19.0 Living Wage and Service Contract Worker Retention Requirements.

19.1 Living Wage Ordinance

19.1.1 General Provisions: Living Wage Policy. This Contract is subject to the Living Wage Ordinance ("LWO") (Section 10.37, et seq., of the Los Angeles Administrative Code, which is incorporated herein by this reference. The LWO requires that, unless specific exemptions apply, any employees of service contractors who render services that involve an expenditure in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three months are covered by the LWO if any of the following applies: (1) at least some of the services are rendered by employees whose work site is on property owned by the City, (2) the services could feasibly be performed by City of Los Angeles employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year. The LWO also requires that employees be provided with at least twelve (12) compensated days off per year for sick

leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. Contractor shall permit access to work sites for authorized City representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by the City. Whether or not subject to the LWO, Contractor shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to Section 10.37.6(c), Contractor agrees to comply with federal law prohibiting retaliation for union organizing.

19.1.2 Living Wage Coverage Determination. An initial determination has been made that this is a service contract under the LWO, and that it is not exempt from coverage by the LWO. Determinations as to whether this Contract is a service contract covered by the LWO, or whether an employer or employee are exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. In some circumstances, applications for exemption must be reviewed periodically. City shall notify Contractor in writing about any redetermination by City of coverage or exemption status. To the extent Contractor claims non-coverage or exemption from the provisions of the LWO, the burden shall be on Contractor to prove such non-coverage or exemption.

19.1.3 Compliance; Termination Provisions And Other Remedies: Living Wage Policy. If Contractor is not initially exempt from the LWO, Contractor shall comply with all of the provisions of the LWO, including payment to employees at the minimum wage rates, effective on the Execution Date of this Contract, and shall execute the Declaration of Compliance Form attached to this Contract, contemporaneously with the execution of this Contract. If Contractor is initially exempt from the LWO, but later no longer qualifies for any exemption, Contractor shall, at such time as Contractor is no longer exempt, comply with the provisions of the LWO and execute the then currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of this Contract and City shall be entitled to terminate this Contract and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if City determines that Contractor violated the provisions of the LWO. The procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided elsewhere in this Contract. Nothing in this Contract shall be construed to extend the time periods or limit the remedies provided in the LWO.

19.1.4 Subcontractor Compliance. Contractor agrees to include in every subcontract involving this Contract entered into between Contractor and any subcontractor, a provision pursuant to which such subcontractor (A) agrees to comply

with the Living Wage Ordinance and the Service Contractor Worker Retention Ordinance with respect to this Contract; (B) agrees not to retaliate against any employee lawfully asserting noncompliance on the part of the subcontractor with the provisions of either the Living Wage Ordinance or the Service Contractor Worker Retention Ordinance; and (C) agrees and acknowledges that City, as the intended third-party beneficiary of this provision may (i) enforce the Living Wage Ordinance and Service Contractor Worker Retention Ordinance directly against the subcontractor with respect to this Contract, and (ii) invoke, directly against the subcontractor with respect to this Contract, all the rights and remedies available to City under Section 10.37.5 of the Living Wage Ordinance and Section 10.36.3 of the Service Contractor Worker Retention Ordinance, as same may be amended from time to time.

19.2 Service Contract Worker Retention Ordinance. This Contract may be subject to the Service Contract Worker Retention Ordinance ("SCWRO")(Section 10.36, et seq, of the Los Angeles Administrative Code), which is incorporated herein by this reference. If applicable, Contractor must also comply with the SCWRO which requires that, unless specific exemptions apply, all employers under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months, shall provide retention by a successor contractor for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12) months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if City determines that the subject contractor violated the provisions of the SCWRO.

Section 20.0 Nondiscrimination and Equal Employment Practices/Affirmative Action Program.

20.1 During the term of this Contract, Contractor agrees and obligates itself in the performance of this Contract not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition. Contractor shall take affirmative action to ensure that applicants for employment are treated, during the term of this Contract, without regard to the aforementioned factors and Contractor shall comply with the affirmative action requirements of Los Angeles Administrative Code Sections 10.8, et seq., or any successor ordinances or laws pertaining to discrimination.

20.2 During the performance of this Contract, Contractor agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"), including any future amendments thereto, which is incorporated herein by this reference. By way of specification, but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of said Administrative Code, the failure of Contractor to comply with the Equal Employment Practices provisions of this Contract may be deemed to be a material breach of this Contract. No such finding shall be made, nor penalties assessed, except upon a full and fair hearing after notice and

an opportunity to be heard has been provided to Contractor. Upon a finding duly made that Contractor has failed to comply with said Equal Employment Practices provisions of this Contract, this Contract may be forthwith terminated, cancelled or suspended.

20.3 During the performance of this Contract, Contractor agrees to comply with Section 10.8.4 of the Los Angeles Administrative Code ("Affirmative Action Program"), including any future amendments thereto, which is incorporated herein by this reference. By way of specification, but not limitation, pursuant to Sections 10.8.4.E and 10.8.4.F of said Administrative Code, the failure of Contractor to comply with the Affirmative Action Program provisions of this Contract may be deemed to be a material breach of this Contract. No such finding shall be made, nor penalties assessed, except upon a full and fair hearing after notice and an opportunity to be heard has been provided to Contractor. Upon a finding duly made that Contractor has failed to comply with the Affirmative Action Program provisions of this Contract, this Contract may be forthwith terminated, cancelled or suspended.

20.4 All subcontracts awarded under this Contract shall contain similar provisions and Contractor shall require each of its subcontractors to complete a like certification and to submit to it an Affirmative Action Plan acceptable to City.

20.5 Contractor also agrees to comply with the provisions of Article 3 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California, and with all other applicable statutes, ordinances, and regulations relative to employment, wages, and hours of labor.

Section 21.0 Business Tax Registration.

21.1 Contractor represents that it has registered its business with the City Clerk of City and has obtained, and presently holds, from that Office a Business Tax Registration Certificate, or a Business Tax Exemption Number, required by City's own Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 and following, of City's Municipal Code).

21.2 Contractor shall maintain, or obtain as necessary, all such Certificates required of it under said Ordinance and shall not allow any such Certificate to be revoked or suspended during the term hereof.

Section 22.0 Child Support Orders.

22.1 This Contract is subject to Section 10.10, Article I, Chapter 1, Division 10 of the Los Angeles Administrative Code, related to Child Support Assignment Orders, which is incorporated herein by this reference. Pursuant to this section, Contractor (and any subcontractor of Contractor providing services to City under this Contract) shall (1) fully comply with all State and Federal employment reporting requirements for Contractor's, or Contractor's subcontractor's, employees applicable to Child Support Assignments Orders; (2) certify that the principal owner(s) of Contractor and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of

Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of this Contract.

22.2 Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, failure of Contractor, or an applicable subcontractor, to comply with all applicable reporting requirements, or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, or the failure of any principal owner(s) of Contractor or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, shall constitute a default of this Contract, thereby subjecting this Contract to termination, where such failure(s) shall continue for more than ninety (90) days after notice of such failure(s) to Contractor by City (in lieu of any time for cure provided elsewhere in this Contract).

Section 23.0 Insurance.

23.1 Contractor shall procure at its expense, and keep in effect at all times during the term of this Contract the standard minimum insurance requirements as set forth in the Request for Bid.

23.2 The specified insurance (except for Workers' Compensation and Professional Liability) shall also, either by provisions in the policies, by City's own endorsement form or by other endorsement attached to such policies, include and insure City, its Department of Airport, the Board, and all of its officers, employees and agents, their successors and assigns, as insureds, against the areas of risk described in this Section as respects Contractor's acts or omissions arising out of the performance of this Contract, Contractor's acts or omissions in its operations, use and occupancy of the premises hereunder or other related functions performed by or on behalf of Contractor at the Airport.

23.3 Waiver of Subrogation. For commercial general liability insurance, workers' compensation insurance, and employer's liability insurance, the insurer shall agree to waive all rights of subrogation against City for Losses arising from activities and operations of Contractor insured in the performance of Services under this Contract.

23.4 Each specified insurance policy (other than Workers' Compensation and Employers' Liability) shall contain a Severability of Interest (Cross Liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made, or suit is brought, except with respect to the limits of the company's liability." Additionally, Contractor's Commercial General Liability policy ("Policy") shall provide Contractual Liability Coverage, and such insurance as is afforded by the Policy shall also apply to the tort liability of the City of Los Angeles assumed by the Contractor under this Contract.

23.5 All such insurance shall be primary and noncontributing with any other insurance held by City's Department of Airports where liability arises out of, or results from, the acts or omissions of Contractor, its agents, employees, officers, invitees, assigns, or any person or entity acting for, or on behalf of, Contractor.

23.6 Such policies may provide for reasonable deductibles and/or retentions acceptable to the Executive Director, based upon the nature of Contractor's operations and the type of insurance involved.

23.7 City shall have no liability for any premiums charged for such coverage(s). The inclusion of City, its Department of Airports, its Board, and all of its officers, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them, a partner or joint venturer of Contractor in its operations at the Airport.

23.8 In the event Contractor fails to furnish City evidence of insurance, or to maintain the insurance as required under this Section, City, upon ten (10) days' prior written notice to Contractor of its intention to do so, shall have the right to secure the required insurance at the cost and expense of Contractor, and Contractor agrees to promptly reimburse City for the cost thereof, plus fifteen percent (15%) for administrative overhead.

23.9 At least ten (10) days prior to the expiration date of any of the above policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with the City. If any such coverage is cancelled or reduced, Contractor shall, within fifteen (15) days of such cancellation or reduction of coverage, file with City evidence that the required insurance has been reinstated, or is being provided through another insurance company or companies.

23.10 Contractor shall provide proof of all specified insurance and related requirements to City either by production of the actual insurance policy(ies), by use of City's own endorsement form(s), by broker's letter acceptable to Executive Director in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance acceptable to Executive Director. The documents evidencing all specified coverages shall be filed with City prior to the Contractor performing the Services hereunder. Such documents shall contain the applicable policy number(s), the inclusive dates of policy coverage(s), the insurance carrier's name(s), and they shall bear an original or electronic signature of an authorized representative of said carrier(s), and they shall provide that such insurance shall not be subject to cancellation, reduction in coverage or non-renewal, except after the carrier(s) and the Contractor provide actual, written notice (by Certified Mail) to the City Attorney of the City of Los Angeles at least thirty (30) days prior to the effective date thereof.

23.11 City and Contractor agree that the insurance policy limits specified in this Section shall be reviewed for adequacy annually throughout the term of this Contract by the Executive Director, who may thereafter require Contractor to adjust the amount(s) of insurance coverage(s) to whatever amount(s) Executive Director deems to be adequate. City reserves the right to have submitted to it, upon request, all pertinent information about the agent(s) and carrier(s) providing such insurance.

Section 24.0 Contractor Responsibility Program.

24.1 Pursuant to Resolution No. 21601 adopted by the Board of Airport Commissioners, effective May 20, 2002, it is the policy of Los Angeles World Airports (LAWA) to ensure that all LAWA contractors have the necessary quality, fitness and capacity to perform the work set forth in the contract. LAWA shall award contracts only to entities and individuals it has determined to be Responsible Contractors. The provisions of this Program apply to leases and contracts for construction, for services, and for purchases of goods and products that require Board approval.

24.2 Bidders/Proposers are required to complete and submit with the bid/proposal the attached "Contractor Responsibility Program Questionnaire" that provides information LAWA needs in order to determine if the bidder/proposer is responsible and has the capability to perform the contract. The information contained in the CRP Questionnaire is subject to public review for a period of not less than 14 days. Bidders/Proposers are also required to complete, sign and submit with the bid/proposal the attached "Contractor Responsibility Program Pledge of Compliance." Bidders/Proposers are also required to respond within the specified time to LAWA's request for information and documentation needed to support a Contractor Responsibility determination. Subcontractors will be required to submit the Pledge to the prime contractor prior to commencing work. The CRP Rules and Regulations are available at <http://www.lawa.org>.

Section 25.0 Equal Benefits Ordinance (EBO).

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

25.2 During the term of this Contract, Contractor certifies and represents that the Contractor will comply with the EBO. Furthermore, Contractor agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

'During the term of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.'

Section 26.0 First Source Hiring Program for Airport Employers (LAX Only).

Contractor shall comply with the provisions of the First Source Hiring Program adopted by the Board. The rules, regulations, requirements, and penalties of the First Source Hiring

Program are attached as Exhibit "A" and made a material term of this Agreement. Contractor shall be an "Airport Employer" under the First Source Hiring Program.

Section 27.0 Alternative Fuel Vehicle Requirement Program (LAX Only).

27.1 Contractor shall comply with the provisions of the alternative fuel vehicle requirement program (the "Alternative Fuel Vehicle Requirement Program"), if applicable, throughout the term of this Contract. The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are made a material term of this Contract.

Section 28.0 Environmentally Favorable Operations.

28.1 If applicable, Contractor acknowledges for itself and any subcontractors that its operation of its activities under this Contract will be subject to all Department policies, guidelines and requirements regarding environmentally favorable construction, use and/or operations practices (hereinafter collectively referred to as "LAWA Policies") as such LAWA Policies may be promulgated, revised and amended from time-to-time."

Section 29.0 Municipal Lobbying Ordinance. Contractor shall comply with the provisions of the City of Los Angeles Municipal Lobbying Ordinance throughout the term of this Contract.

Section 30.0 Assignment of Anti-Trust Claims.

Pursuant to California Government Code Sections 4550 et seq. regarding Anti-Trust Claims, it is the policy of the City of Los Angeles to inform each Bidder/Proposer that in submitting a bid/proposal to LAWA the Bidder/Proposer offers and agrees to assign LAWA all rights, title and interest in and to all causes of action it may have under the Clayton Act or Cartwright Act, arising from purchases of goods, services or materials. This assignment is made and becomes effective at the time LAWA tenders final payment to the Bidder/Proposer.

Section 31.0 Small Business Enterprises (SBE).

31.1. Contractor hereby agrees and obligates itself to utilize the services of Small Business Enterprise (SBE) firms designated in its proposal (specifically, a 90%) Small Business Enterprise (SBE) Contractor/Sub-Contractor level of participation for the required Project designated Work).

31.2. Contractor hereby further agrees and obligates itself to strictly comply with all the Rules and Regulations (Rules) of LAWA's Small Business Enterprise Pilot Program (Program).

31.3 Failure to comply with any of the Program's requirements shall subject the Contractor to the "Penalties" set forth in the Program's Rules.

31.4 Contractor shall submit, on a monthly basis, together with its invoice for payment the SBE Utilization Form listing the SBE Subcontracts utilized during the reporting period. Contractor shall cooperate with LAWA personnel in providing such information as shall be

requested by LAWA in order to ensure compliance with the provisions of this section. LAWA will not process or pay Contractor's subsequent invoices if the SBE Utilization Forms are not timely submitted or if the Contractor fails to cooperate with LAWA personnel by promptly providing any and all information related to SBE participation request by LAWA.

31.5 Failure to comply with any of the terms of this Section (or the terms of this Contract) shall constitute a material breach of contract and may result in the Contract being deemed "Non-Responsible". (Section 10.40 et seq. of the Los Angeles Administrative Code.)

[Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, City has caused this Contract to be executed on its behalf by the Executive Director and Contractor has caused the same to be executed by its duly authorized officers, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:

Michael N. Feuer,
City Attorney

CITY OF LOS ANGELES

Date: 10/19/15
By: Brian C. Ehlert
Deputy City Attorney

By _____
Executive Director
Department of Airports

By _____
Deputy Executive Director
Comptroller

ATTEST:

By B. Hall
Signature (Secretary)
Brian Hall
Print Name

CHAMPION FIRE SYSTEMS INC.

By James Sheehan
Signature
James Sheehan
Print Name
President
Print Title

[SEAL]

EXHIBIT "A"

FIRST SOURCE HIRING PROGRAM FOR AIRPORT EMPLOYEES

- I. Purpose. The purpose of this First Source Hiring Program is to facilitate the employment of Targeted Applicants by Airport Employers. It is a goal of this First Source Hiring Program that this Program benefit Airport Employers by providing a pool of qualified job applicants through a non-exclusive referral system.
- II. Definitions. As used in this Program, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

"Airport" shall mean Los Angeles International Airport.

"Airport Employer" shall mean a party that, through a contract, lease, licensing arrangement, or other arrangement, agrees to comply with this First Source Hiring Program with regard to Airport Jobs. Operators of transportation charter party limousines, non-tenant shuttles, and taxis shall not be considered Airport Employers.

"Airport Job" shall mean a job that either (i) is performed On-Site, or (ii) is directly related to a contract, lease, licensing arrangement, or other arrangement under which the employer is an Airport Employer. Positions for which City's Worker Retention Policy requires hiring of particular individuals shall not constitute Airport Jobs for purposes of this Program.

"City" shall mean the City of Los Angeles.

"Coalition" shall mean the LAX Coalition for Economic, Environmental, and Educational Justice, an unincorporated association comprised exclusively of the following organizations: AGENDA; AME Minister's Alliance; Clergy and Laity United for Economic Justice; Coalition for Clean Air; Communities for a Better Environment; Community Coalition; Community Coalition for Change; Environmental Defense; Inglewood Coalition for Drug and Violence Prevention; Inglewood Democratic Club; Lennox Coordinating Council; Los Angeles Alliance for a New Economy; Los Angeles Council of Churches; Nation of Islam; Natural Resources Defense Council; Physicians for Social Responsibility Los Angeles; Service Employees International Union Local 347; and Teamsters Local 911.

"Coalition Representative" shall mean the following: The Coalition shall designate one individual as the "Coalition Representative" authorized to speak or act on behalf of the Coalition for all purposes under the Cooperation Agreement. The Coalition Representative may designate one or more assistants to assist the

Coalition Representative in speaking or acting on behalf of the Coalition with respect to any specific program or activity or any other matter. The Coalition shall provide LAWA with contact information for the Coalition Representative upon request.

"Cooperation Agreement" shall mean the Cooperation Agreement between LAWA and the LAX Coalition for Economic, Environmental and Educational Justice.

"LAWA" shall mean Los Angeles World Airports.

"Low-Income Individual" shall mean an individual whose household income is no greater than 80% of the median income, adjusted for household size, for the Primary Metropolitan Statistical Area.

"On-Site" shall mean physically located on property owned or leased by LAWA and pertaining to Airport.

"Program" shall mean this First Source Hiring Program.

"Project Impact Area" shall have the meaning set forth in the "Final Environmental Impact Report" for the LAX Master Plan Program, dated April 2004, as supplemented by one or more EIR Addenda prior to certification of the EIR by the City Council.

"Referral System" shall mean the referral system established to provide applicant referrals for the Program.

"Special Needs Individuals" shall mean: (i) individuals who receive or have received public assistance through the [Temporary Assistance for Needy Families Program], within the past 24 months; (ii) individuals who are homeless; (iii) ex-offenders, (iv) chronically unemployed, and (v) dislocated airport workers.

"Targeted Applicants" shall have the meaning set forth in Section IV below.

III. Coverage. This Program shall apply to hiring by Airport Employers for all Airport Jobs, except for jobs for which the hiring procedures are governed by a collective bargaining contract that conflicts with this Program.

IV. Targeted Applicants. Referrals under the Program shall, to the extent permissible by law, be made in the order of priority set forth below.

- First Priority: Low-Income Individuals living in the Project Impact Area for at least one year and Special Needs Individuals; and

- Second Priority: Low-Income Individuals residing in City.

V. Initial Airport Employer Roles.

- A. Liaison. Each Airport Employer shall designate a liaison for issues related to the Program. The liaison shall work with LAWA, the Coalition Representative, the Referral System provider, and relevant public officials to facilitate effective implementation of this Program.
- B. Long-Range Planning. Any entity that becomes an Airport Employer at least two (2) months prior to commencing operations related to Airport shall, at least two months prior to commencing operations related to Airport, provide to the Referral System the approximate number and type of Airport Jobs that it will fill and the basic qualifications necessary.

VI. Airport Employer Hiring Process.

- A. Notification of Job Opportunities. Prior to hiring for any Airport Job, an Airport Employer shall notify the Referral System, by e-mail or fax, of available job openings and provide a description of job responsibilities and qualifications, including expectations, salary, work schedule, duration of employment, required standard of appearance, and any special requirements (e.g., language skills, driver's license, etc.). Job qualifications shall be limited to skills directly related to performance of job duties.
- B. Referrals. After receiving a notification under Section VI.A above, the Referral System shall within five days, or longer time frame agreed to by the Referral System and Airport Employer, refer to the Airport Employer one or more Targeted Applicants who meet the Airport Employer's qualifications.
- C. Hiring.
 - 1. New Employer Targeted Hiring Period. When making initial hires for the commencement of an Airport Employer's operations related to Airport, the Airport Employer shall consider and hire only Targeted Applicants for a two week period following provision of the notification described in Section VI.A. After this period, the Airport Employer shall make good-faith efforts to hire Targeted Applicants, but may consider and hire applicants referred or recruited through any source.
 - 2. Established Employer Targeted Hiring Period. When making hires after the commencement of operations related to Airport, an Airport Employer shall consider and hire only Targeted Applicants for a five-day period following provision of the notification described in Section VI.A. After this period, the Airport Employer shall make

good-faith efforts to hire Targeted Applicants, but may consider and hire applicants referred or recruited through any source.

3. Hiring Procedure During Targeted Hiring Periods. During the periods described in Sections VI.C.1 and VI.C.2 above, Airport Employers may hire Targeted Applicants recruited or referred through any source. During such periods Airport Employers shall use normal hiring practices, including interviews, to consider all applicants referred by the Referral System.
4. No Referral Fees. No Airport Employer or referred job candidate shall be required to pay any fee, cost or expense of the Referral System or this Program in connection with referrals.

VIII. Reporting and Recordkeeping.

- A. Reports. During the time that this Program is applicable to any Airport Employer, that Airport Employer shall, on a quarterly basis, notify the Referral System of the number, by job classification, of Targeted Applicants hired by the Airport Employer during that quarter, and the total number of employees hired by the Airport Employer for Airport Jobs during that quarter. Any Airport Employer who has not had hiring activity for the quarter, shall also notify the Referral System of such inactivity.
- B. Recordkeeping. During the time that this Program is applicable to any Airport Employer, that Airport Employer shall retain records sufficient for monitoring of compliance with this Program with regard to each Airport Job, including records of notifications sent to the Referral System, referrals from the Referral System, job applications received from any source, number of Targeted Applicants hired, and total number of employees hired for Airport Jobs. To the extent allowed by law, and upon reasonable notice, these records shall be made available to LAWA and to the Referral System for inspection upon request. The Coalition Representative may request that LAWA provide such records at anytime. Records may be redacted so that individuals are not identified by name and so that information required by law to remain confidential is excluded.
- C. Complaints. If LAWA, the Coalition, or the Referral System believes that an Airport Employer is not complying with this Program, then the designated LAWA office shall be notified to ensure compliance with this program.
- D. Liquidated Damages. Each Airport Employer agrees to pay to LAWA liquidated damages in the amount of One Thousand Dollars (\$1,000) where LAWA finds that the Airport Employer has violated this Program with regard to hiring for a particular Airport Job. LAWA shall establish

procedures providing to Airport Employers notice and an opportunity to present all relevant evidence prior to LAWA's final determination regarding an alleged violation. This liquidated damages provision does not preclude LAWA from obtaining any other form of available relief to ensure compliance with this Program, including injunctive relief.

IX. Miscellaneous.

- A. Compliance with State and Federal Law. This Program shall be implemented only to the extent that it is consistent with the laws of the State of California and the United States. If any provision of this Program is held by a court of law to be in conflict with state or federal law, the applicable law shall prevail over the terms of this Program, and the conflicting provisions of this Program shall not be enforceable.
- B. Severability Clause. If any term, provision, covenant or condition of this Program is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.
- C. Binding on Successors. This Program shall be binding upon and inure to the benefit of the successors in interest, transferees, assigns, present and future partners, subsidiary corporations, affiliates, agents, representatives, heirs, and administrators of any party that has committed to comply with it. Any reference in this Program to a party shall be deemed to apply to any successor in interest, transferee, assign, present or future partner, subsidiary corporation, affiliate, agent, representative, heir or administrator of such party; provided, however, that any assignment, transfer or encumbrance of a lease agreement, permit or contract in which this Program is incorporated shall only be made in strict compliance with the terms of such lease agreement, permit or contract and the foregoing shall not constitute consent to any such assignment, transfer or encumbrance.
- D. Lease Agreements and Contracts. Airport Employers shall not execute any sublease agreement or other contract under which Airport Jobs may occur directly or indirectly, unless the entirety of this Program is included as a material term thereof, binding on all parties.
- E. Assurance Regarding Preexisting Contracts. Each Airport Employer warrants and represents that as of the date of execution of this Program, it has executed no sublease agreement or other contract that would violate any provision of this Program had it been executed after the date of incorporation of this Program into a binding contract.
- F. Intended Beneficiaries. LAWA, the Coalition, and the Referral System are intended third-party beneficiaries of contracts and other agreements that

incorporate this Program with regard to the terms and provisions of this Program. However, the parties recognize that only LAWA has the sole responsibility to enforce the provisions of this Program.

- G. Material Terms. All provisions of this Program shall be material terms of any lease agreement or contract in which it is incorporated.
- H. Effective Date. Section VI of this Program shall become effective on the effective date of the contract or agreement into which it is incorporated.
- I. Construction. Any party incorporating this Program into a binding contract has had the opportunity to be advised by counsel with regard to this Program. Accordingly, this Program shall not be strictly construed against any party, and the rule of construction that any ambiguities be resolved against the drafting party shall not apply to this Program.
- J. Entire Contract. This Program contains the entire agreement between the parties on the subjects described herein, and supersedes any prior agreements, whether written or oral. This Program may not be altered, amended or modified except by an instrument in writing signed in writing by all parties to the contract in which it is incorporated.