COUNTY OF LOS ANGELES
REGISTRAR-RECORDER/COUNTY CLERK
12400 IMPERIAL HWY. – P.O. BOX 1024, NORWALK, CALIFORNIA 90651-1024

CONNY B. McCORMACK
Registrar-Recorder/County Clerk

June 13, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

AMENDMENT NUMBER ONE TO AGREEMENT NUMBER 73993
WITH LR COMPUTERS FOR
MAINTENANCE OF ELECTION BALLOT CARD READERS
(ALL DISTRICTS – 3 VOTES)

CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( )
DISAPPROVE ( )

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign Amendment Number One ("Amendment") to Agreement Number 73993 with LR Computer, Inc. ("Agreement") for maintenance and enhancements to the Registrar-Recorder/County Clerk's (RR/CC) card reader equipment used for election ballot processing. The Amendment will (i) exercise the first of two one-year extension options which will extend the term of the Agreement for one year effective July 1, 2006 through June 30, 2007; (ii) incorporate Board-mandated provisions into the Agreement, including the Contractor Employee Jury Service Program and the Safely Surrendered Baby provisions; (iii) authorize the RR/CC or her designee to exercise future extensions of time to the term of the Agreement by way of Change Notice; and (iv) authorize the RR/CC or her designee to execute future Change Notices to the Agreement with respect to revisions to and/or additions of Board-mandated provisions. The annual cost of the Agreement as extended is fully funded in the RR/CC's operating budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to extend the Agreement for one year and update the Agreement by incorporating new and revised Board mandated provisions.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan:

Goal No. 3: Organizational Effectiveness: Ensure that service delivery systems are efficient, effective and goal-oriented. The Amendment will extend the Agreement for one year and secure critical maintenance services to the RR/CC card readers used for election ballot processing.

FISCAL IMPACT/FINANCING

Contract funding for the initial four year term of the Agreement was $400,000, plus an additional $35,000 for each of two (2) renewal optional years, if exercised, for a total contract sum of $470,000. The Agreement also contains a provision which authorizes the RR/CC to execute Change Notices to increase the contract sum up to 30% ($120,000) if needed to ensure that the card readers provided under the Agreement are fully functional and ready for election ballot processing.

Funds are available in the RR/CC operating budget. There is no change in the net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Your Board approved the sole source Agreement with LR Computer, Inc. on May 21, 2002 with an effective date of July 1, 2002. The term of the Agreement is four (4) years with two (2) one-year renewal options. The Agreement provides maintenance and enhancement services for the 40 card readers used by the RR/CC for election ballot processing. Election ballot card readers are highly specialized equipment. LR Computers, Inc. is one of a few vendors located in the western United States and the only vendor available election night for on-site standby services if a reader should fail.

The proposed Amendment will exercise the first one-year renewal option under the Agreement and will provide for the inclusion of new and revised mandatory County provisions. It will also authorize the RR/CC or her designee to execute Change Notices to the Agreement to (i) exercise optional extensions of time to the term of the Agreement, and (ii) incorporate into the Agreement revisions to or additions of Board-mandated provisions. All other terms and conditions to the Agreement shall remain the same.

LR Computers is in compliance with all Board, Chief Administrative Office and County Counsel requirements. The Chief Administrative Office has reviewed and approved this Board letter. County Counsel has reviewed this Board letter and has approved the attached Amendment Number One as to form.

CONTRACT PROCESS

There was no contracting process associated with this Amendment.

IMPACT ON CURRENT SERVICES/PROJECTS

Approval of the recommended action will allow the RR/CC to continue services without interruption.

CONCLUSION

Upon Board approval, the Executive Officer/Clerk of the Board is requested to return one original stamped copy of the approved Board letter and its attachments to:

County of Los Angeles
Registrar-Recorder/County Clerk
12400 Imperial Hwy, Room 7201
Norwalk, CA 90650

Attn: Ngozi Ume
Head, Management Services

Respectfully submitted,

Conny B. McCormack
Registrar-Recorder/County Clerk

Reviewed by:

Jon W. Fullinwider
Chief Information Officer

CMC:NU:yt
Attachment (1)

c: Chief Administrative Officer
County Counsel

CIO ANALYSIS

AMENDMENT ONE TO REGISTRAR-RECORDER/COUNTY CLERK AGREEMENT NUMBER 73993 WITH LR COMPUTERS FOR MAINTENANCE OF ELECTION BALLOT CARD READERS

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION ☐ DISAPPROVE

Contract Type:
☐ New Contract ☒ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract

New/Revised Contract Term: Base Term: N/A # of Option Yrs N/A

Contract Components:
☐ Software ☒ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Michael Petrucello, Assistant Registrar-Recorder

Budget Information :

Maximum Contract Amount	$ 470,000
Requested Contract Amendment Amount	$ 0
Aggregate Contract Amount	$ 470,000

Project Background:

Yes	No	Question
☐	☒	Is this project legislatively mandated?
☐	☒	Is this project subvented? If yes, what percentage is offset?

Strategic Alignment:

Yes	No	Question
☒	☐	Is this project in alignment with the County of Los Angeles Strategic Plan?
☒	☐	Is this project consistent with the currently approved Department Business Automation Plan?
☒	☐	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
☒	☐	Does the project technology solution comply with preferred County of Los Angeles IT Standards?

Project/Contract Description:

The Department of Registrar-Recorder/County Clerk (RR/CC) is requesting Board approval for an amendment to an Agreement with LR Computers for maintenance to the Department's election card ballot readers. The base Agreement was for a period of four years not to exceed $400,000 with two one-year renewal options for an additional $35,000 per year. This amendment will: (1) exercise the first of the two one-year options commencing July 1, 2006 through July 30, 2007; (2) incorporate Board mandated provisions into the Agreement; (3) authorize the Registrar-Recorder/County Clerk or her designee to execute future extensions of time to the term of the Agreement by way of Change Notices; and (4) authorize the Registrar-Recorder/County Clerk or her designee to execute future Change Notices to the Agreement with respect to revisions to and/or additions of Board mandated provisions.

This amendment would support and enhance the RR/CC's election ballot card readers. Services under the Agreement include:

- Maintaining and supporting election ballot card readers; and
- Providing on-site support for major elections and election simulations.

Background:

The RR/CC is requesting Board approval of this amendment to an Agreement with LR Computers for maintenance of the Department's card readers, which are used for election ballot processing. The RR/CC operates 40 card readers that process approximately two million plus ballots on election night. Routine maintenance is required to ensure optimal working conditions for election night processing.

Project Justification/Benefits:

LR Computers is uniquely qualified to maintain and support the RR/CC's election ballot card readers. The card readers have been customized to meet the Department's needs. Election card readers are highly specialized and are only sold and maintained by a few vendors. LR Computers is the most cost-effective vendor located in the western United States, and the only vendor available election night for on-site standby service if a reader(s) should fail.

Project Metrics:

The RR/CC has identified in the contract vendor service levels and response times for maintenance and support of the election ballot card readers. The contract identifies an escalation process that could lead to monetary penalties for deficient performance.

Impact If Proposal Is Not Approved

The Department's ability to maintain and enhance its election ballot card readers would be seriously impaired if the Board does not approve this agreement. The card reader's function is a critical part of the election tally system. They read each ballot and send information about how the voter voted. Their proper operating condition is vital to accurate and fair election results.

Alternatives Considered:

No alternatives were considered.

Project Risks:

LR Computers has demonstrated its ability as a reliable vendor partner and successfully maintained and supported the Department's card readers since 1997. The risks are minimal in this amendment.

Risk Mitigation Measures:

The RR/CC has identified in the contract vendor service levels and response times for maintenance and support of the election ballot card readers. The contract identifies an escalation process that could lead to monetary penalties for deficient performance.

Financial Analysis:

The proposed amendment does not change the maximum contract funding for the Agreement, which is $470,000 ($400,000 for initial term, plus an additional $35,000 for each of the two optional years, if exercised). Also, the base Agreement contains a provision which authorizes the Registrar-Recorder/County Clerk or her designee to execute Change Notices to increase the contract sum up to 30 percent of maximum contract amount ($120,000), if needed, to ensure that the card readers are fully functional and ready for election ballot processing. The RR/CC represents that funding for this Agreement has been budgeted.

CIO Concerns:

None.

CIO Recommendations:

The CIO recommends approval of this agreement.

CIO APPROVAL

Date Received: May 30, 2006

Prepared by: Theresa Mendoza

Date: June 1, 2006

Approved:

Date: June 1, 2006

ATTACHMENT I

AMENDMENT NUMBER ONE
TO AGREEMENT NUMBER 73993
BY AND BETWEEN
THE COUNTY OF LOS ANGELES AND
LR COMPUTERS, INC.

This Amendment Number One (this "Amendment Number One") to Agreement Number 73993 dated May 21, 2002 (the "Agreement") by and between the County of Los Angeles ("COUNTY") and LR Computers, Inc. ("CONTRACTOR") is made and entered into this _____ day of _____ 2006.

WITNESSETH:

WHEREAS, the Agreement was originally entered into and approved by the COUNTY'S Board of Supervisors on May 21, 2002, with an initial term which commenced on July 1, 2002 and is scheduled to terminate on July 1, 2006;

WHEREAS, under that certain Change Notice Number One to the Agreement dated January 23, 2003, the Agreement was amended to provide, among other things, for the optical card readers enhancement;

WHEREAS, the parties now wish to extend the term of the Agreement for one year, from July 1, 2006 through June 30, 2007;

WHEREAS, the COUNTY'S Board of Supervisors has mandated the inclusion of certain new and revised COUNTY contracting provisions in all Board approved agreements upon renewal or extension;

WHEREAS, COUNTY and CONTRACTOR wish to further amend said Agreement to extend the term and include such new and revised COUNTY contracting provisions as hereinafter set forth; and

WHEREAS, this Amendment Number One is made pursuant to Paragraph 9.0 (Changes Notices and Amendment) of the Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Agreement, as previously amended, is hereby further amended as follows:

1. COUNTY hereby exercises the option granted under Paragraph 11.0 (Term) of the Agreement to extend the term of the Agreement for one (1) year commencing July 1, 2006 through June 30, 2007.

2. Paragraph 2.0 (Applicable Documents) of the Agreement is hereby deleted in its entirety and in its place shall be inserted the following new Paragraph 2.0 (Applicable Documents) to read as follows:

"2.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F and G are attached to and form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Agreement and then to the Exhibits according to the following priority.

2.1 EXHIBIT A - STATEMENT OF WORK
2.2 EXHIBIT B - CONTRACTOR'S OFFER
2.3 EXHIBIT C - CONTRACT DISCREPANCY REPORT
2.4 EXHIBIT D - CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
2.5 EXHIBIT E - JURY SERVICE ORDINANCE
2.6 EXHIBIT F - SAFELY SURRENDERED BABY LAW
2.7 EXHIBIT G - IRS NOTICE 1015

This Agreement and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous agreements, written and oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Paragraph 9.0 (Change Notices and Amendments) and signed by both parties."

3. The following new Subparagraphs 3.29 and 3.30 shall be inserted immediately following Subparagraph 3.28 of Paragraph 3.0 (Definitions) of the Agreement to read as follows:

"3.29 Registrar-Recorder/County Clerk; RR/CC
"Registrar-Recorder/County Clerk" or "RR/CC" means the Registrar-Recorder/County Clerk of the County of Los Angeles, California.

3.30 Maximum Contract Sum
"Maximum Contract Sum" shall have the meaning set forth in Paragraph 6 (Maximum Contract Sum) of the Agreement."

4. Subparagraph 4.2.5 of the Agreement is hereby deleted in its entirety and in its place shall be inserted a new Subparagraph 4.2.5 to read as follows:

"4.2.5 COUNTY'S Project Manager for this Agreement shall be:

Kenneth Bennett
Precincting and Systems Division Manager
Registrar-Recorder/County Clerk
12400 Imperial Hwy., Room 6014
Norwalk, CA 90650
(562) 462-2705"

5. Paragraph 6.0 (Facsimile) of the Agreement is hereby deleted in its entirety, and shall be replaced by the following new Paragraph 6.0 (Maximum Contract Sum) to read as follows:

"6.0 MAXIMUM CONTRACT SUM

6.1 General

The Maximum Contract Sum under this Agreement shall be the total maximum monetary amount which may be paid by COUNTY to CONTRACTOR. The Maximum Contract Sum for this Agreement, including all renewal option years if exercised, shall not exceed Four Hundred Seventy Thousand Dollars (**$470,000).**

6.2 Notice to COUNTY

CONTRACTOR shall maintain a system of record keeping that will allow CONTRACTOR to determine when it has incurred seventy-five percent (75%) of the Maximum Contract Sum. Upon occurrence of this event, CONTRACTOR shall send written notification to COUNTY'S Project Director and COUNTY'S Project Manager at the address provided in the Agreement."

6. Paragraph 9.0 (Change Notices and Amendments) of the Agreement is hereby deleted in its entirety and in its place shall be inserted the following new Paragraph 9.0 (Change Notices and Amendments) to read as follows:

"9.0 CHANGE NOTICES AND AMENDMENTS

COUNTY reserves the right to change any portion of the work required under this Agreement, or amend such other terms and conditions, which may become necessary. Any such revision shall be accomplished in the following manner:

9.1 For any change which does not materially affect the scope of work, term, contract sum or payments under this Agreement shall be accomplished with an executed Change Notice signed by

CONTRACTOR and by the RR/CC or her designee. As used herein, the term "materially" is defined as being a change of more than thirty percent (30%) of the contract price, a change of more than six (6) months to any period of performance or a change in the work required which collectively increase the contract price more than thirty percent (30%) of the Maximum Contact Sum.

9.2 COUNTY'S Board of Supervisors or Chief Administrative Officer or designee may require the addition and/or change of certain terms and conditions in this Agreement during the term of this Agreement. COUNTY reserves the right to add and/or change such provisions as required by COUNTY'S Board of Supervisors or Chief Administrative Officer. Notwithstanding any provision of this Agreement to the contrary, such additions and/or changes shall be implemented by way of a Change Notice to this Agreement which shall be executed by CONTRACTOR and by RR/CC or her deisgnee.

9.3 The RR/CC may, in her sole discretion, authorize extensions to the term of this Agreement as provided under Paragraph 11.0 (Term) of this Agreement. CONTRACTOR agrees that the exercise of such extensions shall not change any other term or condition of this Agreement during the period of such extensions. Notwithstanding any provision of this Agreement to the contrary, any such extensions of time shall be implemented by way of a Change Notice to this Agreement which shall be executed by CONTRACTOR and by RR/CC or her designee.

9.4 Except as otherwise provided in Subparagraphs 9.2 and 9.3 above, for any change which materially affects the scope of work, term, contract sum, payments, or any term or condition of this Agreement, an Amendment to this Agreement shall be prepared and executed by CONTRACTOR and by COUNTY'S Board of Supervisors.

9.5 COUNTY and CONTRACTOR hereby agree to regard facsimile representations of original signatures of authorized officials of each party, when appearing in appropriate places on the Change Notices prepared pursuant to this Paragraph 9.0 and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices to this Agreement, such that the parties need not follow up facsimile transmission of "original" versions of such documents."

7. A new Subparagraph E shall be inserted immediately following Subparagraph D of Paragraph 11.0 (Term) of the Agreement to read as follows:

"E. CONTRACTOR shall notify COUNTY when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, CONTRACTOR shall send written notification to COUNTY'S Project Director at the address provided in Paragraph 4.1.2 of the Agreement."

8. The following new Subparagraph 13.9 shall be inserted immediately following Subparagraph 13.8 of Paragraph 13.0 (Invoices and Payments) of the Agreement to read as follows:

13.9 CONTRACTOR shall have no claim against COUNTY for payment of any money or reimbursement, of any kind whatsoever, for any service provided by CONTRACTOR after the expiration or other termination of this Agreement Should CONTRACTOR receive any such payment it shall immediately notify COUNTY and shall immediately repay all such funds to COUNTY. Payment by COUNTY for services rendered after expiration/termination of this Agreement shall not constitute a waiver of COUNTY'S right to recover such payment from CONTRACTOR. This provision shall survive the expiration or other termination of this Agreement."

9. Paragraph 29.0 (Prohibition Against Assignment and Delegation) of the Agreement is hereby deleted in its entirety and in its place shall be inserted the following new Paragraph 29.0 (Prohibition Against Assignment and Delegation) to read as follows:

"29.0 PROHIBITION AGAINST ASSIGNMENT AND DELEGATION

29.1 CONTRACTOR shall not assign its rights or delegate its duties under the Agreement, or both, whether in whole or in part, without the prior written consent of COUNTY, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, COUNTY consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by COUNTY to any approved delegate or assignee on any claim under the Agreement shall be deductible, at COUNTY'S sole discretion, against the claims which CONTRACTOR may have against COUNTY.

29.2 Shareholders, partners, members, or other equity holders of CONTRACTOR may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of CONTRACTOR to any person(s), corporation, partnership, or legal

entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of COUNTY in accordance with applicable provisions of this Agreement.

29.3 If any assumption, assignment, delegation, or takeover of any of CONTRACTOR'S duties, responsibilities, obligations, or performance of same by any entity other than the CONTRACTOR, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without COUNTY'S express prior written approval, shall be a material breach of the Agreement which may result in the termination of this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONTRACTOR as it could pursue in the event of default by CONTRACTOR."

10. Paragraph 35.0 (Restrictions on Lobbying) of the Agreement is hereby deleted in its entirety and in its place shall be inserted the following new Paragraph 35.0 (Termination for Non-Adherence of County Lobbyist Ordinance) to read as follows:

"35.0 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

CONTRACTOR, and each County Lobbyist or County Lobbying firm as defined in County Code Paragraph 2.160.010 retained by CONTRACTOR, shall fully comply with COUNTY'S Lobbyist Ordinance (County Code Chapter 2.160). Failure on the part of CONTRACTOR or any County Lobbyist or County Lobbying firm retained by CONTRACTOR to fully comply with COUNTY'S Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which COUNTY may in its sole discretion, immediately terminate or suspend this Agreement."

11. Subparagraph 40.2 (Consideration of GAIN Program Participants for Employment) of Paragraph 40.0 (Contract Hiring) of the Agreement is hereby deleted in its entirety and in its place shall be inserted the following new Subparagraph 40.2 (Consideration of Hiring GAIN/GROW Program Participants) to read as follows:

"40.2 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

40.2.1 Should CONTRACTOR require additional or replacement personnel after the effective date of this Agreement, CONTRACTOR shall give consideration for any such employment openings to participants in COUNTY'S Department of Public Social Services Greater Avenues for Independence (GAIN) Program or

General Relief Opportunity for Work (GROW) Program who meet the CONTRACTOR'S minimum qualifications for the open position. For this purpose, consideration shall mean that CONTRACTOR will interview qualified candidates. COUNTY will refer GAIN/GROW participants by job category to CONTRACTOR.

40.2.2 In the event that both laid-off COUNTY employees and GAIN/GROW participants are available for hiring, COUNTY employees shall be given first priority."

12. Paragraph 42.0 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) of the Agreement is hereby deleted in its entirety and in its place shall be inserted the following new Paragraph 42.0 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) to read as follows:

"42.0 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

42.1 CONTRACTOR acknowledges that COUNTY has established a goal of ensuring that all individuals who benefit financially from COUNTY through agreement are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon COUNTY and its taxpayers.

42.2 As required by the COUNTY'S Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONTRACTOR'S duty under this Agreement to comply with all applicable provisions of law, CONTRACTOR warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b)."

13. Paragraph 43.0 (Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program) of the Agreement is hereby deleted in its entirety and in its place shall be inserted the following new Paragraph 43.0 (Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program) to read as follows:

"43.0 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the CONTRACTOR to maintain compliance with the requirements set forth in Paragraph 42.0 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) shall constitute default by CONTRACTOR under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure of CONTRACTOR to cure such default within ninety (90) calendar days of written notice shall be grounds upon which COUNTY may terminate this Agreement pursuant to Paragraph 24.0 (Termination for Default) and pursue debarment of CONTRACTOR pursuant to County Code Chapter 2.202."

14. Paragraph 44.0 (Contractor's Acknowledgement of County's Commitment to Child Support Enforcement) of the Agreement is hereby deleted in its entirety and in its place shall be inserted the following new Paragraph 44.0 (Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law) to read as follows:

"44.0 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

CONTRACTOR acknowledges that COUNTY places a high priority on the implementation of the Safely Surrendered Baby Law. CONTRACTOR understands that it is COUNTY'S policy to encourage all COUNTY contractors to voluntarily post the COUNTY'S "Safely Surrendered Baby Law" poster in a prominent position at CONTRACTOR'S place of business. CONTRACTOR will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. COUNTY'S Department of Children and Family Services will supply CONTRACTOR with the poster to be used."

15. Paragraph 57.0 (Contractor Responsibility and Debarment) of the Agreement is hereby deleted in its entirety and in its place shall be inserted the following new Paragraph 57.0 (Contractor Responsibility and Debarment) to read as follows:

"57.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

57.1 A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the agreement. It is COUNTY'S policy to conduct business only with responsible contractors.

57.2 CONTRACTOR is hereby notified that, in accordance with Chapter 2.202 of the County Code, if COUNTY acquires information concerning the performance of CONTRACTOR on this or other agreements which indicates that CONTRACTOR is not responsible, COUNTY may, in addition to other remedies provided in the Agreement, debar CONTRACTOR from bidding or proposing on, or being awarded, and/or performing work on COUNTY agreements for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing agreements CONTRACTOR may have with COUNTY.

57.3 COUNTY may debar a contractor if the Board of Supervisors finds, in its discretion, that the contractor has done any of the following: (1) violated a term of a agreement with COUNTY or a nonprofit corporation created by COUNTY, (2) committed an act or omission which negatively reflects on the contractor's quality, fitness or capacity to perform an agreement with COUNTY, any other public entity, or a nonprofit corporation created by COUNTY, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against COUNTY or any other public entity.

57.4 If there is evidence that CONTRACTOR may be subject to debarment, COUNTY'S Department of Registrar-Recorder/County Clerk will notify CONTRACTOR in writing of the evidence which is the basis for the proposed debarment and will advise CONTRACTOR of the scheduled date for a debarment hearing before the Contractor Hearing Board.

The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONTRACTOR and/or CONTRACTOR'S representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether CONTRACTOR should be debarred, and, if so, the appropriate length of time of the debarment. CONTRACTOR and the RR/CC shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

If a contractor has been debarred for a period longer than five (5) years, that contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. COUNTY may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of COUNTY.

The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

57.5 These terms shall also apply to subcontractors of County contractors."

16. The following new Paragraph 59.0 (Budget Reductions) is hereby inserted immediately following Paragraph 58.0 (County Policy on Doing Business with Small Business) of the Agreement to read as follows:

"59.0 BUDGET REDUCTIONS

In the event that the COUNTY'S Board of Supervisors adopts, in any fiscal year, a COUNTY Budget which provides for reductions in the salaries and benefits paid to the majority of COUNTY employees and imposes similar reductions with respect to COUNTY agreements, COUNTY reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by CONTRACTOR under this Agreement shall also be reduced correspondingly. COUNTY'S notice to CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, CONTRACTOR shall continue to provide all of the services set forth in this Agreement."

17. The following new Paragraph 60.0 (Compliance with the County's Jury Service Program) is hereby inserted immediately following Paragraph 59.0 (Budget Reductions) of the Agreement to read as follows:

"60.0 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

60.1 Jury Service Program:

This Agreement is subject to the provisions of the COUNTY'S ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached hereto as Exhibit E and incorporated by this reference into and made a part of this Agreement.

60.2 Written Employee Jury Service Policy.

60.2.1 Unless CONTRACTOR has demonstrated to COUNTY'S satisfaction either that CONTRACTOR is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that CONTRACTOR qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), CONTRACTOR shall have and adhere to a

written policy that provides that its employees shall receive from CONTRACTOR, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with CONTRACTOR or that CONTRACTOR deduct from the employee's regular pay the fees received for jury service.

60.2.2 For purposes of this Subparagraph, "contractor" means a person, partnership, corporation or other entity which has an agreement with COUNTY or a subcontract with a COUNTY contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more County agreements or subcontracts. "Employee" means any California resident who is a full-time employee of CONTRACTOR. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by COUNTY, or 2) CONTRACTOR has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If CONTRACTOR uses any subcontractor to perform services for COUNTY under the Agreement, the subcontractor shall also be subject to the provisions of this Subparagraph. The provisions of this Subparagraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

60.2.3 If CONTRACTOR is not required to comply with the Jury Service Program when the Agreement commences, CONTRACTOR shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and CONTRACTOR shall immediately notify COUNTY if CONTRACTOR at any time either comes within the Jury Service Program's definition of "Contractor" or if CONTRACTOR no longer qualifies for an exception to the Jury Service Program. In either event, CONTRACTOR shall immediately implement a written policy consistent with the Jury Service Program. COUNTY may also require, at any time during the Agreement and at its sole discretion, that CONTRACTOR demonstrate to COUNTY'S satisfaction

that the CONTRACTOR either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that CONTRACTOR continues to qualify for an exception to the program.

60.2.4 CONTRACTOR'S violation of this Subparagraph of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, COUNTY may, in its sole discretion, terminate the Agreement and/or bar CONTRACTOR from the award of future COUNTY agreements for a period of time consistent with the seriousness of the breach."

18. The following new Paragraph 61.0 (Notice to Employees regarding the Safely Surrendered Baby Law) is hereby inserted immediately following Paragraph 60.0 (Compliance with the County's Jury Service Program) of the Agreement to read as follows:

"61.0 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

CONTRACTOR shall notify and provide to its employees, and shall require each Subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit F (Safely Surrendered Baby Law) of this Agreement and is also available on the Internet at www.babysafela.org for printing purposes."

19. Exhibit E (Jury Service Ordinance), a true and correct copy of which is attached hereto and incorporated herein by this reference, shall be added to the Agreement immediately following Exhibit D (Contractor Acknowledgement and Confidentiality Agreement) thereto.

20. Exhibit F (Safely Surrendered Baby Law), a true and correct copy of which is attached hereto and incorporated herein by this reference, shall be added to the Agreement immediately following Exhibit E (Jury Service Ordinance) thereto.

21. Exhibit G (IRS Notice 1015), a true and correct copy of which is attached hereto and incorporated herein by this reference, shall be added to the Agreement immediately following Exhibit F (Safely Surrendered Baby Law) thereto.

22. Except as otherwise provided under this Amendment Number One, the Agreement, as previous amended under Change Notice Number One dated January 23, 2003, and incorporating all preambles and recitals set forth herein and therein, shall remain unchanged and in full force and effect.

AMENDMENT NUMBER ONE
TO AGREEMENT NUMBER 73993
BY AND BETWEEN
THE COUNTY OF LOS ANGELES AND
LR COMPUTERS, INC.

IN WITNESS WHEREOF, CONTRACTOR has executed this Agreement, or caused it to be duly executed and County of Los Angeles, by order of its Board of Supervisors has caused this Agreement to be executed on its behalf by the Mayor of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day, month and year first above written.

LR COMPUTERS, INC.

By _____
AUTHORIZED SIGNATURE

PETER L. LINN
PRINT OR TYPE NAME

MANAGER
TITLE

33-0965846
Tax Identification Number

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By _____

COUNTY OF LOS ANGELES

By: _____
Michael D. Antonovich
Mayor, Los Angeles County

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
José Silva
Principal Deputy County Counsel

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county agreements possess reasonable jury service policies.

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

A. "Contractor" means a person, partnership, corporation or other entity which has an agreement with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more such agreements or subcontracts.

B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.

C. "Agreement" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:

1. A agreement where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or

2. A agreement where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or

3. A purchase made through a state or federal agreement; or

4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-3700 or a successor provision; or

5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.4.0 or a successor provision; or

6. A purchase card pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision; or

7. A non-agreement purchase with a value of less than $5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or

8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section PP-1100 or a successor provision.

D. "Full time" means 40 hours or more worked per week or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer or the contractor has a long-standing practice that defines a full-time schedule as less than 40 hours per week.

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing agreements which are extended into option years that commence after July 11, 2002. Agreements that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such agreements stated that the chapter would be applicable.

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees' deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service.

2.203.050 Other Provisions.

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking an agreement, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the agreement.

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the agreement may do one or more of the following:

1. Recommend to the board of supervisors the termination of the agreement; and/or,

2. Pursuant to chapter 2.202, seek the debarment of the contractor.

2.203.070. Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

   1. Has ten or fewer employees during the agreement period; and,

   2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the agreement awarded, are less than $500,000; and,

   3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the agreement awarded, exceed $500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

EXHIBIT F

SAFELY SURRENDERED BABY LAW

Posters and Fact Sheets are available in English and Spanish for printing purposes at the following website:

www.babysafela.org

EXHIBIT F

No shame.
No blame.
No names.

Newborns can be safely given up at any Los Angeles County hospital emergency room or fire station.

In Los Angeles County:
1-877-BABY SAFE
1-877-222-9723
www.babysafela.org

State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director

Los Angeles County Board of Supervisors
Gloria Molina, Supervisor, First District
Yvonne Brathwaite Burke, Supervisor, Second District
Zev Yaroslavsky, Supervisor, Third District
Don Knabe, Supervisor, Fourth District
Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?
California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?
A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

What if a parent wants the baby back?
Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?
In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?
No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

Does a parent have to tell anything to the people taking the baby?
No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?
The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?
Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?
The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story
At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

EXHIBIT G

IRS NOTICE 1015
(Obtain latest version from IRS website -
http://ftp.fedworld.gov/pub/irs-pdf/n1015.pdf)

Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2004)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What Is the EIC?

The EIC is a refundable tax credit for certain workers.

What's New. Workers cannot claim the EIC if their 2004 investment income (such as interest and dividends) is over $2,650.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note. You are encouraged to notify each employee whose wages for 2004 are less than $35,458 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2005.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice by calling 1-800-829-3676, or from the IRS website at *www.irs.gov*.

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see the 2004 instructions for Form 1040, 1040A, 1040EZ, or Pub. 596, Earned Income Credit (EIC).

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2004 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2004 and owes no tax but is eligible for a credit of $791, he or she must file a 2004 tax return to get the $791 refund.

How Do My Employees Get Advance EIC Payments?

Eligible employees who expect to have a qualifying child for 2005 can get part of the credit with their pay during the year by giving you a completed Form W-5, Earned Income Credit Advance Payment Certificate. You must include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see Pub. 15 (Circular E), Employer's Tax Guide.

Cat. No. 20599I