



County of Los Angeles CHIEF EXECUTIVE OFFICE

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<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

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Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

February 12, 2008

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

Dear Supervisors:

**APPROVE THE ESTABLISHMENT OF A VEHICLE PURCHASING SERVICES
PROGRAM FOR EMPLOYEES OF THE COUNTY OF LOS ANGELES AND
APPROVE THE AGREEMENT WITH LONGO TOYOTA TO PARTICIPATE IN THE
VEHICLE PURCHASING SERVICES PROGRAM
(ALL DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the establishment of a Vehicle Purchasing Services Program (Program) that will provide an incentive to employees of the County of Los Angeles to purchase or lease alternative fuel vehicles.
2. Approve and instruct the Chairman to sign the agreement to authorize Longo Toyota to participate in the Program (attached).
3. Delegate authority to the Director of the Internal Services Department (ISD) or his designee, to approve all future agreements with automotive dealerships who wish to participate in the Program.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On March 13, 2007, the Board of Supervisors directed the Chief Executive Office, in cooperation with the ISD County Energy team, to develop incentives to use green vehicles to lessen the environmental impact of County of Los Angeles employees work commute.

The Program is part of an overall strategy to encourage County employees to purchase and use "green vehicles", or public transportation for their commute to and from work. This Program was developed in response to your direction, and will provide County employees discounts on the purchase or lease of alternative fuel vehicles as an incentive to lessen the impact on the environment that results from daily commuting to and from work.

The Program will be established upon the Board's approval. Longo Toyota will be the initial automotive dealership to participate. Longo Toyota was selected as the initial dealership based upon their award in 2006 of the County's solicitation for hybrid vehicles. Longo Toyota has provided for pricing to County employees that is consistent with the County's current purchasing agreement, and will be the pricing benchmark for other Toyota dealerships that participate. The attachment, Exhibit A, sets the "cap" selling price that the dealerships can charge. County employees can still try to negotiate with the dealerships on their own for an even lower price. We currently have additional dealerships that are interested in participating, and we will market the program to other dealerships within the County of Los Angeles and establish agreements for those who wish to participate. In the event of price disputes between County employees and the dealerships, ISD will conduct an investigation and the dealerships shall abide by the County's decision.

In addition to this Program, we are pursuing the following objectives as part of the overall strategy to lessen the impact on the environment:

- Commuter Benefit Plan
- South Coast Air Quality Management District Credits
- Flexible Car Sharing Program

We will be presenting recommendations for each of the objectives in the near future when they have been fully developed for implementation.

Implementation of Strategic Plan Goals

The Program supports the County's Strategic Plan Goals for Work Force Excellence and Organizational Effectiveness by providing County employees with the means to support the Board's Clean Fuel Program, and further their environmental stewardship beyond the workplace and into their daily activities.

FISCAL IMPACT/FINANCING

There is minimal financial impact to the County to administer the Program. ISD will be responsible for the administration of the Program, and will provide the administrative support within their current appropriation.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Program allows for automotive dealerships within the County of Los Angeles to participate by offering discounts to County employees on the purchase/lease of new alternative fuel vehicles.

The Program requires that automotive dealerships participate under the terms and conditions set forth by the County. The agreement has been reviewed and approved as to form by County Counsel and the Risk Management Branch of the Chief Executive Office.

IMPACT ON CURRENT SERVICES

There will be no impact to current services.

CONCLUSION

Upon approval by your Board, please return two original signed agreements and an adopted stamped copy of this letter to my office.

Respectfully submitted,


WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DIL:WGL
PHG:mst

Attachment

c: Executive Officer, Board of Supervisors
Internal Services Department
County Counsel



Dave Lambertson
Director

COUNTY OF LOS ANGELES
Internal Services Department
1100 North Eastern Avenue
Los Angeles, California 90063



To enrich lives through effective and caring service.

Telephone: (323) 267-2101
FAX: (323) 264-7135

December 13, 2007

NEW VEHICLE PROMOTION AGREEMENT

This Agreement is entered into by and between Longo Toyota (herein "Dealer") and the County of Los Angeles (herein "County"). In consideration of the mutual promises contained herein, the parties agree as follows:

1. Program. Dealer agrees to participate in the Vehicle Purchasing Service (herein "Program") for County Employees under the terms and conditions set forth in this Agreement and in any addenda thereto.
2. Employee Definition. Unless specifically excepted herein, the term "Employee" shall include any employee of the County of Los Angeles.
3. Practices. Upon request, Dealer shall allow any Employee to inspect a true factory invoice to verify pricing. Dealer shall not engage in any practices which are deceptive or unethical, or which put pressure on the Employee. Dealer shall be solely responsible for any Employee complaints regarding the vehicles displayed or sold by the Dealer, and any related goods or services purchased from the Dealer, including service agreements, warranties and after-market products. Dealer agrees to provide prompt and effective responses to Employees having questions and complaints. If a complaint is not resolved by Dealer, and upon request of an Employee, County will determine disputes between the Employee and Dealer relating to Dealer's performance under the Program. This provision shall apply only to disputes arising during the first 12 months of the vehicle's purchase date. The County's decision shall be conclusive and binding on the Dealer but not on the Employee.
4. Price disputes. In the event of a dispute between Dealer and Employee regarding the price charged for a vehicle, and if the County determines that the Dealer has overcharged the Employee, Dealer shall, at the County's sole discretion, 1) reimburse the Employee for the overcharge, 2) rewrite the sales contract with an adjusted selling price, or 3) rescind the sale. Any sums refunded shall include applicable sales tax and license fees. Dealer shall abide by the County's decision, and shall fully comply within 7 days thereof.

5. Indemnification. Dealer shall indemnify, defend and hold harmless the County, its board employees, officers, agents, and employees from any and all loss, liability, claim, action, damage, penalties, demand or expense whatsoever, including, but not limited to, court costs and expenses, and attorneys' fees, arising out of or related to this Agreement, including without limitation, any matter involving bodily injury, personal injury, property damage or any other injury or damage arising out of or related to: 1) any vehicle displayed or sold by Dealer under the Program, including without limitation, when being test-driven by a Employee, 2) any Employee complaint, and 3) any act or omission of Dealer, its employees, agents or contractors, including without limitation, any noncompliance with any law or any provision of this Agreement.
6. Insurance. Without limiting Dealer's indemnification of County and during the term of this Agreement, Dealer shall provide and maintain the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Dealer's own expense.
 - a. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to *Robert Ortiz, Section Manager, 1100 N. Eastern Avenue, Room G-115, Los Angeles, CA 90063*, prior to commencing services under this Agreement. Such certificates or other evidence shall:
 - i. Specifically identify this Agreement.
 - ii. Clearly evidence all coverages required in this Agreement.
 - iii. Contain the express condition that County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
 - iv. Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Agreement.
 - b. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.
 - c. Failure to Maintain Coverage: Failure by Dealer to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the contract upon which County may immediately terminate or suspend this Agreement.
 - d. Notification of Incidents, Claims or Suits: Dealer shall report to County:
 - i. any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Dealer and/or County. Such report shall be made in writing within 24 hours of occurrence.
 - ii. any third party claim or lawsuit filed against Dealer arising from or related to services performed by Dealer under this Agreement.

- e. Insurance Coverage Requirements:
 - i. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:
 - ii. General Aggregate: \$2 million
Products/Completed Operations Aggregate: \$1 million
Personal and Advertising Injury: \$1 million
Each Occurrence: \$1 million
 - iii. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".
 - iv. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Dealer is responsible.
7. Compliance with Laws. Dealer shall comply with all laws and regulations regarding the sale of new vehicles.
8. New Vehicles. Dealer shall honor a pricing agreement for new vehicles, provided by the County upon execution of this Agreement. The agreement is attached as Exhibit A hereto. Dealer shall allow any Employee to inspect the pricing agreement. Dealer will revise this sheet on a monthly basis subject to the County's prior written approval. Dealer warrants and represents that during the term of the Agreement, the pricing agreed to shall meet or exceed in all respects any discount, benefit or offering granted to any other organization accessible to the general public or to employees of the public individually, but excluding commercial fleet sales.
9. Leases. Dealer shall have available leasing programs for the Employees. Once the purchase price has been determined and the Employee wishes to lease the vehicle, the Dealer shall negotiate lease rates and plans with the Employee.
10. Nondisclosure. Dealer shall not use, copy, disclose or divulge any information provided by the County, including names, addresses and/or telephone numbers of Employees, or use the segmented list of Employees who become vehicle purchasers for marketing other Dealer or third party goods or services without the express written consent of an officer of the County. Dealer shall not disclose all or any portion of the list of Employees who become vehicle purchasers, including any Employee names, addresses or telephone numbers, to any third party for any purpose except as required by subpoena or other judicial or governmental process, and as soon as possible after receipt of which, Dealer will notify the County and will cooperate if the County seeks a protective order or otherwise seeks to prevent or limit disclosure. The agreements contained in this paragraph apply to the parties' respective employees, agents, contractors, assigns and successors of each, and shall continue in force after this Agreement is terminated.

11. Termination. Either party in its sole discretion may terminate this Agreement without cause at any time by giving thirty (30) days written notice to the other party. All provisions of this Agreement which may relate to events occurring after the termination of this Agreement shall survive the termination of this Agreement.

The County of Los Angeles shall have the immediate right to terminate this Agreement upon notice to Dealer in the event of 1) any ownership change of Dealer, 2) excessive Employee complaints or poor service to Employees, which shall be determined at the County's sole discretion, 3) Dealer's unwillingness to abide by pricing guidelines, 4) breach of any provision of this Agreement, or 5) insolvency of Dealer, the filing of a petition in bankruptcy or a general assignment for the benefit of creditors.

12. Entire Agreement. This Agreement sets forth the entire agreement and understanding between the parties hereto and supersedes any prior understandings or agreements. No waiver, alteration, modification or cancellation of any of the provisions of this Agreement shall be binding unless made in writing and signed by the parties.

13. Authority. Each party covenants that the individual executing this document by and on behalf of such party is duly authorized to execute contracts for that party.

DEALER

County of Los Angeles

Lonco Toyota

By: RJ

Name: Ron Durvan

Title: COMPONENTS FLOR DIRECTOR

Date: 12/13/07

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

**Los Angeles County
Employee Purchase Program
Toyota Hybrid Vehicles**

	MSRP		Discount Formula		Selling Price
Prius	Package	1	\$23,184.00	\$100 over Longo Cost	\$ 21,746.00
Prius	Package	2	\$23,759.00	\$100 over Longo Cost	\$ 22,321.00
Prius	Package	5	\$26,464.00	\$800 off MSRP	\$ 25,664.00
Prius	Package	6	\$27,734.00	\$800 off MSRP	\$ 26,934.00
Prius	Touring Package	5	\$26,984.00	\$1000 off MSRP	\$ 25,984.00
Prius	Touring Package	6	\$28,254.00	\$1000 off MSRP	\$ 27,254.00
Camry	Base Model		\$25,860.00	\$100 over Longo Cost	\$ 23,824.00
	<u>Available Options</u>				
	Sun Roof		\$ 940.00	At Cost	\$ 752.00
	Upgrade Package		\$ 1,150.00	At Cost	\$ 989.00
	Upgrade Package	w/NAV	\$ 2,350.00	At Cost	\$ 2,009.00
Highlander	Package	Popular	\$37,449.00	\$1000 off MSRP	\$ 36,449.00
	Package	Popular +	\$41,674.00	\$1000 off MSRP	\$ 40,674.00
Highlander	Package	Limited	\$42,664.00	\$1000 off MSRP	\$ 41,664.00
	<u>Available Options</u>				
	Navigation		\$ 2,655.00	At Cost	\$ 2,211.00
	Rear Entertainment DVD		\$ 1,780.00	At Cost	\$ 1,424.00

1. Please keep in mind that some hybrid vehicles that are in high demand have a waiting list.
2. This program is also offered to the immediate family members of the employee as well.