County of Los Angeles
CHIEF EXECUTIVE OFFICE
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

July 10, 2012

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:

APPROVAL OF AGREEMENT FOR A FEASIBILITY ASSESSMENT AND MASTER PLAN FOR A COUNTYWIDE BIOTECHNOLOGY PARTNERSHIP PROGRAM (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

Approval of an agreement with Battelle Memorial Institute to perform a feasibility assessment and develop a master plan for a Los Angeles Biotechnology Cluster.

IT IS RECOMMENDED THAT THE BOARD:

Delegate authority to the Chief Executive Officer to execute an agreement with Battelle Memorial Institute to perform a feasibility assessment and develop a master plan for a Los Angeles Biotechnology Cluster, as described in the Chief Executive Office June 29, 2011 memo (Attachment A), with services expected to commence by August 1, 2012 and be completed by January 2013, for an amount not to exceed $248,353.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS

Approval of the recommendation will allow the Chief Executive Office (CEO) to execute an agreement with Battelle Memorial Institute (Battelle), substantially similar to Exhibit I, to perform a feasibility assessment and develop a master plan for a Los Angeles Biotechnology Cluster.

On February 8, 2011, the Board instructed the CEO, Department of Health Services (DHS), and other appropriate County of Los Angeles (County) departments to conduct an initial feasibility assessment for developing or promoting a countywide public-private biotechnology partnership program with the goal of promoting outstanding public health service delivery, job creation, and research. The CEO issued on June 29, 2011, a memo (Attachment A) indicating that such a biotechnology program is feasible but would require the services of a biotechnology subject matter expert to perform a final feasibility assessment and develop a master plan.

As a result, on July 19, 2011, the Board instructed the CEO, DHS, and other appropriate County departments to launch Phase II of a countywide public-private biotechnology partnership program, as described in the CEO's June 29, 2011 memo, by coordinating with the Board offices to develop a statement of work to solicit a biotechnology consultant; conducting a solicitation and presenting the recommended consultant to the Board for approval; and developing a written report back to the Board with the Phase II findings, proposed master plan, and recommendations.

The consultant's feasibility assessment will include an analysis of the Los Angeles region's core competencies in the biosciences industry to identify biotechnology-related growth opportunities, as well as the region's competitive position in key areas, such as capital formation, the business environment, workforce development and education, early-stage programs, academic institutions and translational research, private research and development and translational opportunities, and commercialization opportunities from both the public and private sector.

Based on the results of the feasibility assessment, the consultant will develop a master plan and specific recommendations for implementing growth opportunities based on the Los Angeles area's core competencies and current competitive position. The master plan should identify specific actionable strategies to create growth opportunities in the biotechnology industry; a work plan and implementation timeline that identifies critical strategic priorities for action; resources to fund the proposed strategies; potential public and private partners to assist in implementing these strategies; potential benefits to the County and/or County residents; and benchmarks to compare against established, successful biotechnology efforts, such as the number of jobs created or new businesses formed.

Upon the consultant's completion of the final feasibility assessment and master plan, the CEO will report back to the Board in February 2013.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total net County cost of this agreement shall not exceed $248,353. Funding is included in the DHS Fiscal Year 2012-13 Adopted Budget.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS

The agreement contains negotiated revised insurance provisions. The CEO's Risk Management reviewed the contractor's exceptions to the County's standard general insurance language and found the exceptions to be acceptable, since risk exposure to the County will not increase significantly based on the information provided by the contractor.

County Counsel has reviewed and approved the recommended agreement set forth in Exhibit I as to use and form.

CONTRACTING PROCESS

On February 8, 2012, the CEO released a Request for Proposals (RFP) for a Feasibility Assessment and Master Plan for a Los Angeles Biotechnology Cluster. The solicitation was posted on the County's "Doing Business with Us" website and the DHS' website. In addition, a notice of intent regarding the RFP was sent by electronic mail to six vendors.

Four proposals were received and evaluated. Battelle's proposal was the highest-scoring and lowest-priced.

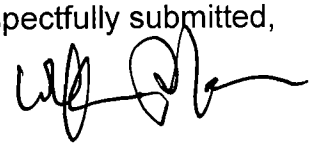
The evaluation committee consisted of both County and non-County subject matter experts. Proposals were evaluated on the following criteria: proposer's qualifications and approach to providing the required services; proposer's organization; and cost.

Debriefings were offered to the three non-selected proposers. Two proposers requested debriefings, which have since been conducted. The period for filing a protest has expired, with no proposers electing to exercise that option.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended agreement will result in a feasibility assessment and master plan for a Los Angeles Biotechnology Cluster.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SAS:MLM
RL:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Health Services
Mental Health
Public Health

071012_HMHS_DHS_BLT_Biotech Consultant

Attachment A

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
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DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

June 29, 2011

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

REPORT ON FEASIBILITY ASSESSMENT FOR A BIOTECHNOLOGY PARTNERSHIP PROGRAM

On February 8, 2011, your Board instructed the Chief Executive Officer (CEO), Director of Health Services (DHS), and other appropriate County departments to conduct a feasibility assessment for developing or supporting a countywide public and private biotechnology partnership program that would promote outstanding public health care delivery, job creation, and research and report back to the Board in writing within 60 days on the progress. The feasibility assessment should identify: a) opportunities for potential private academic and research partnerships at each of the County-owned hospital campuses: LAC+USC Medical Center (LAC+USC), Rancho Los Amigos National Rehabilitation Center (Rancho), Harbor-UCLA Medical Center (Harbor-UCLA), Olive View-UCLA Medical Center (OVMC), and Martin Luther King, Jr. Medical Center (MLK); b) potential existing and upcoming local biotechnology initiatives on which public and private collaboration would be aligned with County Strategic Plan goals; c) potential sources of both public and private resources that could support this effort; d) key potential private and public academic and research partners; e) potential approaches that the County could take to ensure the County realizes tangible benefits from a public and private biotechnology partnership program, including potential performance benchmarks; f) potential challenges; and g) develop a potential implementation schedule.

This is to provide your Board with our report on this matter. A detailed report is attached and includes: background; findings as to partnership opportunities, existing and upcoming initiatives, private and public resources, tangible benefits-benchmarking, and challenges; as well as recommendations. In addition, a summary and recommendations are noted below.

SUMMARY

Biotechnology is the application of scientific and technical advances in life sciences to develop commercial products. The bioscience industry is composed of four sectors and three of these sectors impact our County health departments: drugs and pharmaceuticals; medical devices and equipment; and research, testing, and medical labs.

Many experts believe that the economic growth industry of the 21st century is biotechnology. Biotech jobs are a highly-diverse and growing industry which continues to demonstrate employment growth in spite of our halting economy. More and more jurisdictions, including other countries, are willing to expend extraordinary amounts of funding and provide incentives in order to attract, retain, and expand biotechnology in their area.

In the field of biotechnology, the Los Angeles region has lagged behind other areas of the State, such as San Francisco and San Diego. Although it will take a highly committed and concerted effort, the greater Los Angeles region can emerge as a formidable challenger in the arena. Our findings indicate that a composite of a highly successful, integrated biotechnology cluster includes:

- University Research/Medical Centers – establish and/or expand partnerships with the California Institute of Technology (Caltech) a world leading scientific institution; UCLA and USC, some of the country's best medical schools; LA BioMed, one of the country's leading nonprofit biomedical research institutes; as well as other highly regarded institutions that make the Los Angeles area their home.

- Biotech Investment/Diversity – champion program to bring large and established biotech and pharma companies; early stage and developing companies; and critical service providers, such as contract research organizations. Program should include market diversity by including pharmaceuticals, biologics, medical devices, and diagnostics.

- Research and Development (R&D) – support and expand R&D capacity to encourage commercialization of new discoveries. Establish partnership opportunities with universities in the LA area as well as other local institutions, such as LA Biomed.

- Venture Capital – address early-stage capital for biotech companies by developing program which promotes venture capital investing, angel investors, and other sources.

- Regulatory Environment – create a positive business environment that supports biotech industry including: taxes, regulatory barriers, operating costs, and cost of living.

- Industry Promotion – establish partnerships with the private sector to foster and promote a biotechnology "community" for the LA area.

At the center of this effort is the County of Los Angeles which can serve as the catalyst to energize and bring this highly sought industry to the area. The County can lead the way by developing a master plan that will establish a biotech cluster at the former Medical Center, Rancho, Harbor-UCLA, OVMC, and MLK. Such a master plan will incorporate the recently Board approved full-service incubator for biotechnology start-up companies that is currently underway with Momentum at the former Medical Center, as well as other existing biotech efforts.

RECOMMENDATION

This Office and DHS conducted a feasibility assessment as to the establishment of a countywide public and private biotechnology partnership program that would promote outstanding public health care delivery, job creation, and research; and determined that such a program was feasible. This Phase I assessment has been completed and it is recommended that Phase II be launched. Given the complexity and requisite expertise that will be required for the continuation of this project, we strongly recommend that the County initiate Phase II via the services of a consultant.

A consultant, with the appropriate subject matter expertise, can best assist the County navigate the highly complex field of biotechnology. In addition, a consultant can provide dedicated resources to ensure this project is expedited and completed within a designated timeframe. A recommended schedule and timeline for Phase II of this effort includes:

- CEO and DHS to coordinate with your Board offices and develop a statement of work – within 30 days (July);
- CEO and DHS to engage consultant services and secure an agreement – 45 days (mid-September);
- Consultant to conduct Phase II of the biotechnology program and develop master plan – 60 days (mid-September – mid-November); and
- CEO and DHS to return to your Board with Phase II findings and provide recommendations – 45 days (December).

If you have any questions, please contact me or your staff may contact Sheila Shima, Deputy Chief Executive Officer, at (213) 974-1160.

WTF:SAS
MLM:RL:gl

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Health Services
Mental Health
Public Health

062911_HMHS_MBS_BIOTECHNOLOGY PROGRAM

REPORT ON THE FEASIBILITY ASSESSMENT FOR A BIOTECHNOLOGY PARTNERSHIP PROGRAM

COUNTY OF LOS ANGELES

CHIEF EXECUTIVE OFFICE
JUNE 2011

REPORT ON THE FEASIBILITY ASSESSMENT FOR A BIOTECHNOLOGY PARTNERSHIP PROGRAM COUNTY OF LOS ANGELES

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1. OVERVIEW

On February, 8 2011, the Los Angeles County Board of Supervisors (Board) instructed the Chief Executive Officer (CEO), Director of Health Services (DHS), and other appropriate County departments to conduct a feasibility assessment for developing or supporting a countywide public and private biotechnology partnership program that would promote outstanding public health care delivery, job creation and research; and report back to the Board in writing within 60 days on the progress.

The feasibility assessment should identify:

a) opportunities for potential private academic and research partnerships at each of the County-owned hospital campuses: LAC+USC Medical Center (LAC+USC), Rancho Los Amigos National Rehabilitation Center (Rancho), Harbor-UCLA Medical Center (Harbor-UCLA), Olive View-UCLA Medical Center (OVMC) and Martin Luther King, Jr. Medical Center (MLK);

b) potential existing and upcoming local biotechnology initiatives on which public and private collaboration would be aligned with County Strategic Plan goals;

c) potential sources of both public and private resources that could support this effort;

d) key potential private and public academic and research partners;

e) potential approaches that the County could take to ensure the County realizes tangible benefits from a public and private biotechnology partnership program, including potential performance benchmarks;

f) potential challenges; and

g) develop a potential implementation schedule.

2. BACKGROUND

Biotechnology has been described as the application of scientific and technical advances in life sciences to develop commercial products. The bioscience industry is composed of four sectors and three of these sectors impact our County health departments: drugs and pharmaceuticals; medical devices and equipment; and research, testing, and medical labs. Many experts believe that the economic growth industry of the 21st century is biotechnology.

Part of our review included research of material available in the biotechnology field. We also contacted subject matter experts, met with some of your Board offices, and visited the Los Angeles Biomedical Research Institute (LA BioMed) at Harbor-UCLA. In addition, we conducted an inventory and the following represents the biotech efforts that are currently underway at our County facilities.

2.1. LAC + USC

Founded in 1947, Health Research Association (HRA), is an affiliate of the University of Southern California (USC) and provides clinical trial support services to LAC+USC. HRA provides support to the medical staff in the conduct of biomedical research, providing important access to new drugs, and biological and medical devices. As such, LAC+USC has contributed substantially to medical advancements in many areas. Each year, over 250 new studies are initiated including studies in oncology, gynecology, ophthalmology, neurology, cardiovascular medicine; the activities span all medical disciplines. HRA provides an important avenue for interaction with the biotechnology industry.

A major step in the biotech field was your Board's approval in April 2010 of negotiations with Momentum LA Inc. (Momentum) to establish a full-service incubator for biotechnology start-up companies at LAC+USC. As indicated in our February 25, 2011 report to your Board, the business plan with Momentum has been completed. The remaining documents, including the lease, purchase warrant agreement and incubator program agreement are underway and we anticipate bringing them to your Board shortly.

2.2. RANCHO

The Los Amigos Research and Education Institute, Inc. (LAREI) was established in 1956 as a non-profit organization to work with Rancho. The mission of LAREI is to conduct medical research and education activities at Rancho to continuously improve the care and quality of life of persons with disabilities. In addition, Rancho in collaboration with USC, has a federally funded Rehabilitation Engineering Center on Technologies for Successful Aging with Disability. They are investigating the use of virtual reality and gaming for rehabilitation and exercise after stroke, and influencing wheelchair and automobile designs to improve independence.

2.3. HARBOR-UCLA

Harbor-UCLA has a research partnership with the Los Angeles Biomedical Research Institute (LA BioMed) since 1952. The relationship with this independent research institute on the campus has spawned numerous diagnostic tests, new pharmaceuticals, vaccines, health care delivery systems, as well as other discoveries. This includes collaboration on biotechnology projects on an ongoing basis.

2.4. OVMC

OVMC works with the Olive View-UCLA Education and Research Institute (ERI) and presently conducts about $5 million in biomedical research projects on campus. There are 98 active biomedical research projects currently underway, the majority of which are drug trials. In addition, OVMC partners with California State University-Northridge (CSUN) on more biotech projects.

2.5. MLK

There are no biotech relationships underway at this time at the MLK site.

3. FINDINGS

Our review indicates that a biotechnology partnership program is feasible and that growth opportunities exist not only for the County of Los Angeles, but the Los Angeles region.

While the Los Angeles region has notable biotechnology efforts, it has not distinguished itself in the biotechnology field as well as other California areas. However, the greater Los Angeles region has strong universities and teaching hospitals that are very active in the life sciences and experts indicate that these are key components to a successful biotechnology effort. Although the County of Los Angeles is involved in some promising efforts, it must be recognized that a strong and highly committed effort will be required in order to elevate the ranking of the Los Angeles region in the biotech field. A true concerted effort will require involvement by government (local, State and federal), the private sector, and academia.

3.1. PARTNERSHIP OPPORTUNITIES

Given the County's public hospital and healthcare system, extensive land portfolio, and existing relationships with UCLA and USC, some of the country's best medical schools, the County is uniquely positioned to develop an outstanding biotechnology program. To reach this goal, we must ensure that we leverage our vast land resources and that we develop suitable and appropriate biotech models for our campuses, which complement and support the overall system of care while bringing jobs to the area.

Leading institutions located within the greater Los Angeles (LA) area and the County's real estate portfolio form key resources that can potentially poise the County to emerge as a leading area in the biotechnology field.

The LA area is home to many leading, and often considered "first," institutions of higher learning. The California Institute of Technology (Caltech) is a leading scientific institution, not only in the county, but the world. UCLA and USC are some of the country's best medical schools. LA BioMed is one of the country's leading nonprofit biomedical research institutes and their achievements span five decades. The institute conducts biomedical research, trains young scientists and provides community services, including childhood immunization and nutrition assistance.

As noted, LA BioMed was founded in 1952, and has 150 researchers and more than 1,000 ongoing studies, including: a major effort on the next generation of antibiotics; refining methods for earlier identification of Type II diabetes; development of enhanced breast cancer detection; and preventing blindness in children in developing nations.

The County has four hospitals and two Multi-Service Ambulatory Care Centers (MACCs), representing over 5 million square feet of space. The LAC+USC site, specifically, the "former Medical Center" has available space and negotiations with Momentum to establish a full-service incubator for biotechnology start-up companies is currently underway. In addition, there is available space at the Rancho, Harbor-UCLA, OVMC, and MLK sites.

The following biotech models expand and/or foster the biotechnology field and are typical of the industry. Partnerships can be explored based upon these models. As previously noted, some of these models are present at County sites.

3.1.1. RESEARCH LABORATORIES

The bulk of scientific research is performed by universities and the private sector; the main focus is basic, experimental discovery. Research is generally supported by governmental agencies such as the National Institutes of Health (NIH) and Department of Defense (DoD) as well as corporate research and development departments.

3.1.2. RESEARCH AND DEVELOPENT (R&D)

R&D is usually undertaken by the private sector or universities; the main focus is to develop basic science discoveries. R&D is highly supported by the corporate sector as well as governmental agencies, such as NIH and DoD.

3.1.3. BUSINESS INCUBATORS

These organizations or programs are specifically designed to accelerate the successful development of start-up companies through a full array of business support resources and services. Incubators typically seek out promising academic research and help them grow into successful, viable companies.

The commercialization process takes the discovery (e.g., drugs, diagnostics and medical devices) and delivers it to the market place. A framework for commercialization would provide for scientific, regulatory, and management strategies. The drug commercialization process includes, but is not limited to: a) clinical studies (there are four major clinical phases for drugs); b) FDA approval; c) patents; and d) marketing.

An organization or institution can sponsor one or more of the above three models. Intense efforts to engage deeply in the biotechnology space often manifest through generation of Biotechnology Parks or Biotechnology Clusters.

3.1.4. BIOTECHNOLOGY PARKS

These projects house numerous organizations ranging from academic and government entities to large and small private companies, and may include business incubators. Often based on or near academic institutions, technology parks help foster a community that allows businesses and organizations to focus on innovation and advanced research.

3.1.5. BIOTECHNOLOGY CLUSTERS

These are geographical areas with large and established biotech and pharmaceutical companies, early stage and developing companies, and research organizations. Successful biotech clusters include top level research universities and academic medical centers. The presence of these institutions is highly important as they bring crucial grant funding and talented research individuals required for research and invention, leading to commercialization of products. Academic medical centers also often conduct and lead clinical trials for product approvals.

3.2. REGIONAL ENGAGEMENT AND SUPPORT

Biotech efforts do not need to be limited to the County of Los Angeles. The greater LA area is also uniquely positioned for the biotech field. Though successful initiatives have not taken root within the LA area,local and regional players, such as the Southern California Biomedical Council (SoCalBio or SCBC) and IMPACT initiative (discussed below), should be recognized for their highly committed efforts to expand the biotech industry in Southern California.

Although the LA region lags behind other California areas, the following actions are could help to build biotechnology's presence. Additional analysis as to the development and/or support of these efforts should be explored.

3.2.1. TARGETED BIOTECHNOLOGY INVESTMENTS

As a key driver of economic growth, identify program/s that the County and other public entities can champion to encourage the development and growth of the biotechnology sector in the greater LA area.

3.2.2. OVERALL INDUSTRY PROMOTION

Develop a program, including partnerships with the private sector that establish, foster, and promote a biotechnology "community" for the LA area.

As one example, SoCalBio promotes and supports biomedical and biotechnology research, development, and manufacturing in the greater Los Angeles region with resulting benefits in terms of economic

development and job creation. SoCalBio is a non-profit, membership-based California trade association and is open to members located in Los Angeles, Orange, Riverside, San Bernardino, Ventura, and Santa Barbara counties. The membership is composed of biomed/biotech firms, service providers, public sector agencies, research hospitals, and colleges and universities.

3.2.3. SUPPORT FOR RESEARCH AND DEVELOPMENT (R&D) CAPACITY

Develop program that supports and expands R&D capacity, and which encourages commercialization of new discoveries. Identify partnership opportunities with universities in the LA area to help promote them, as well as other local institutions, to ensure that they are well positioned to compete and obtain R&D grants and awards.

In our discussions with LA Biomed, they indicated their strong support for a continued and expanded partnership with the County.

3.2.4. VENTURE CAPITAL

Develop program to address early-stage capital for biotech companies in the LA area. Although California tends to be a State in which bioscience venture investing is generally concentrated, the LA area is not considered a leader within the State.

3.2.5. LEGISLATION

Develop program that promotes tax policy and other regulatory infrastructure that support the biotechnology industry.

3.3. PRIVATE AND PUBLIC RESOURCES

In addition to the County's real estate portfolio and its existing relationships with major academic institutions such as USC and UCLA, it is essential that LA County utilize additional resources, both private and public, to support the growth of biotechnology in the LA area. Connecting small, promising companies with the necessary start-up funding will allow these companies the ability to mature into successful, viable ventures.

Private funding may be available through several sources, such as venture capital organizations, "Angel" investor groups (i.e., small groups of individual, affluent investors), and philanthropic foundations. Southern California is home to many venture capital organizations, some of which are already involved in the biotech field. However, there remains significant potential for biotech growth in the LA area, which could potentially drive the need for greater involvement from venture capitalists.

Federal funding is available through the U.S. Small Business Administration (SBA) Office of Technology's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, which seek to foster the growth of the nation's small, high-tech, innovative businesses. To date, over $16 billion has been awarded to various small businesses by the SBIR and STTR programs.

IMPACT Initiative – Kristina "Z" Holly, Vice Provost for Innovation, Executive Director, USC Stevens Institute for Innovation, has proposed a pilot initiative for the federal government to invest a small amount of funding ($2 million per year, per university, for five years) at 10 local demonstration sites to identify best practices for coaxing breakthrough ideas out of universities, and to develop objective metrics for measuring results. The initiative "IMPACT: Innovation Model Program for Accelerating the Commercialization of Technologies" notes that university research forms the foundation for some of the most significant U.S. technological advancements. However, many ideas are left on the shelves in the laboratories awaiting discovery.

3.4. TANGIBLE BENEFITS

Successfully fostering the growth of the biotech industry in the greater LA area will lead to many benefits to the County and its residents, such as increasing the number of well paying, high-tech jobs, driving innovation and academic pursuit, and increasing patient access to new and innovative treatments. Biotech jobs are a highly diverse and growing industry which continues to demonstrate employment growth in spite of our halting economy.

The County may choose to implement any of the noted biotech models; however, to build upon already existing efforts, biotech incubators and/or biotech parks would seem the next logical step. Such incubators/parks could be established at the noted County sites.

California is widely recognized as the leading state in the U.S. for biotechnology, and within the state, San Francisco and San Diego are considered the top two regions. In the August 2009 study "The Marketplace for Ideas: Can Los Angeles Build a Successful Biotechnology Cluster? A Report to the John Randolph Haynes Foundation," by Steven Casper, Keck Graduate Institute of Applied Life Sciences, the study noted that in 2000, it was reported that Stanford and UC San Francisco accumulated over twice as many patents developed by UCLA. Collectively, the Los Angeles area universities have commercialized less research than their peers in other parts of California.

The study further notes that a comparison of university spin-offs in the San Diego and Los Angeles area indicates that during the 1980 to 2005 period at least 51 biotech companies located in San Diego can trace their origins to local university science, while only 10 Los Angeles region biotech companies could be linked.

The following are some of the benchmarks that the County could utilize to ensure tangible benefits from public-private biotechnology partnerships are realized.

3.4.1. PATENTS

The development of patents is a strong indicator as to the successful commercialization of biotech research.

3.4.2. SPIN-OUT COMPANIES

Successful biotech companies often lead to new companies, usually when a company's employees leave to start a new venture or when a division separates from a parent company.

3.4.3. INCENTIVES

As part of any future public-private partnerships, the County could substantially benefit in various ways, such as increased patient access to innovative medical treatments or receiving financial interests in any successful biotech ventures.

3.4.4. JOBS

Expanding the biotech industry in the greater LA region would bring new, high-paying, skilled jobs to the local economy.

3.5. BENCHMARKS OF PROGRESS

A variety of successful biotechnology cluster models could be utilized as benchmarks by which to measure LA County's success in enhancing its presence in the biotech field:

3.5.1.

The University of San Diego (UCSD) Science Research Park – 30-acre parcel designed to enhance the university's instructional and research base through programs that provide an opportunity for interaction between outstanding industrial and academic research activities; continue to attract and retain top researchers and scientists; enhance the private support for UCSD research, graduate fellowships, undergraduate and graduate student training, and collaborative faculty and private sector industrial research projects; and create a financial resource.

3.5.2.

Colorado Science + Technology Park at Fitzsimmons (Fitzsimmons Park). Colorado has become home to a highly advanced, fast-growing life science cluster and reports 16,000 workers in more than 400 companies in the bioscience industry. The Fitzsimmons Life Science District (District) area includes 300 square miles within four cities. Project leadership's goal was to transform a former industrial area into a highly connected, sustainable commercial, residential, and lifestyle center for the future.

Within the District, the Fitzsimmons Park, a 170-acre parcel was modeled after successful medical research parks across the country. There are more than six million square feet of corporate and bioresearch facility space. The site is specifically designed for the life science industry and offers, among other things, build-to-suit lab space, turnkey wet-lab facilities, and bioscience incubator.

3.5.3.

San Francisco Mission Bay (MB) Biotech Cluster ("Bay Cluster") – San Francisco (SF) is considered the birthplace of biotech and is home to many of the world's premiere biomedical researchers and scientists. The Bay Cluster is anchored by the 43-acre MB campus of the University of California, SF; QB3, a cooperative effort among three campuses of the UC and private industry; the California Institute for Regenerative Medicine (CIRM), the newly formed $3 billion State agency dedicated to funding stem cell research; a state-of-the-art hospital that will serve women, children and cancer patients; the Gladstone Institute; and numerous cutting-edge biotech companies.

3.6. CHALLENGES

Los Angeles County lacks a vibrant biotech cluster and network and attempting to expand its market share will be extremely challenging given more established biotech sectors. Additionally, biotech jobs are highly coveted and many jurisdictions have expended extraordinary amounts of funding and provided incentives but have not been able to create a concentration of biotech firms.

Indeed, in January 2010, it was reported that a state expended $1.5 billion and provided numerous incentives to eight biotech organizations but it had yet to see the growth of technology clusters in the participating counties. A review of the heavily subsidized effort indicated that the noted state had limited early stage capital for beginning companies. It was suggested that the state shift its focus from attracting research firms to providing early stage money for startup biotech companies.

4. SUMMARY

Many experts believe that the economic growth industry of the 21st century is biotechnology. Biotech jobs are a highly diverse and growing industry which continues to demonstrate employment growth in spite of our halting economy. More and more jurisdictions, including other countries, are willing to expend extraordinary amounts of funding and provide incentives in order to attract, retain, and expand biotechnology in their area.

In the field of biotechnology, the Los Angeles region has lagged behind other areas of the State such as San Francisco and San Diego. Although it will take a highly committed and concerted effort, the greater Los Angeles region can emerge as a formidable challenger in the arena. Our findings indicate that a composite of a highly successful, integrated biotechnology cluster includes:

4.1. UNIVERSITY RESEARCH/MEDICAL CENTERS

Establish and/or expand partnerships with the California Institute of Technology (Caltech) a world leading scientific institution; UCLA and USC, some of the country's best medical schools; LA BioMed one of the country's leading nonprofit biomedical research institutes; as well as other highly regarded institutions that make the Los Angeles area their home.

4.2. BIOTECH INVESTMENT/DIVERSITY

Champion a program to bring large and established biotech and pharma companies, early stage and developing companies, and critical service providers such as contract research organizations. Program should encourage market diversity by including pharmaceuticals, biologics, medical devices, and diagnostics.

4.3. RESEARCH AND DEVELOPMENT (R&D)

Support and expand R&D capacity to encourage commercialization of new discoveries. Establish partnership opportunities with universities in the LA area as well as other local institutions, such as LA Biomed.

4.4. VENTURE CAPITAL

Address early-stage capital for biotech companies by developing program which promotes venture capital investing, angel investors, and other sources.

4.5. REGULATORY ENVIRONMENT

Create a positive business environment that supports the biotech industry, including taxes, regulatory barriers, operating costs and cost of living.

4.6. INDUSTRY PROMOTION

Establish partnerships with the private sector that foster and promote a biotechnology "community" for the LA area.

At the center of this effort is the County of Los Angeles which can serve as the catalyst to energize and bring this highly sought industry to the area. The County can lead the way by developing a master plan that will establish a biotech cluster at the former Medical Center, Rancho, Harbor-UCLA, OVMC, and MLK. Such a master plan will incorporate the recently Board-approved full-service incubator for biotechnology start-up companies that is currently underway with Momentum at the former Medical Center, as well as other existing biotech efforts.

5. RECOMMENDATIONS

The CEO and DHS conducted a feasibility assessment as to the establishment of a countywide public and private biotechnology partnership program that would promote outstanding public health care delivery, job creation and research; and determined that such a program was feasible. This phase I assessment has been completed and it is recommended that phase II be launched. Given the complexity and requisite expertise that will be required for the continuation of this project, we strongly recommend that the County initiate phase II via the services of a consultant.

A consultant, with the appropriate subject matter expertise, can best assist the County navigate the highly complex field of biotechnology. In addition, a consultant can provide dedicated resources to ensure this project is expedited and completed within a designated timeframe. A recommended schedule and timeline for phase II of this effort includes:

- CEO and DHS to coordinate with the Board offices and develop a statement of work – within 30 days (July);
- CEO and DHS to engage consultant services and secure an agreement – 45 days (mid-September);
- Consultant to conduct phase II of the biotechnology program and develop master plan – 60 days (mid-September – mid-November); and
- CEO and DHS to return to the Board with phase II findings and provide recommendations – 45 days (December).

Biotech efforts do not need to be limited to the County of Los Angeles. As with the County, the greater LA area is uniquely positioned for the biotech field. While successful initiatives have not taken root within the LA area, the Southern California Biomedical Council (SoCalBio or SCBC) and IMPACT initiative should be recognized for their highly committed efforts to expand the biotech industry in Southern California.

EXHIBIT I

CHIEF EXECUTIVE OFFICE

AGREEMENT

BY AND BETWEEN

THE COUNTY OF LOS ANGELES

AND

BATTELLE MEMORIAL INSTITUTE

FOR A

FEASIBILITY ASSESSMENT AND MASTER PLAN FOR A LOS ANGELES BIOTECHNOLOGY CLUSTER

AGREEMENT PROVISIONS

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E. County's Administration

F. Contractor's Administration

G. Consultant Employee Acknowledgment and Confidentiality Agreement

H. Consultant Non-Employee Acknowledgment and Confidentiality Agreement

I. Safely Surrendered Baby Law

AGREEMENT BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
BATTELLE MEMORIAL INSTITUTE
FOR A
FEASIBILITY ASSESSMENT AND MASTER PLAN FOR A LOS ANGELES BIOTECHNOLOGY CLUSTER

This AGREEMENT is entered into this _____ day of _____ 20___, by and between the County of Los Angeles (hereafter "COUNTY") and BATTELLE MEMORIAL INSTITUTE (hereafter referred to as "CONTRACTOR" or "CONSULTANT"), to provide COUNTY with consulting services.

RECITALS

WHEREAS, CONTRACTOR desires to provide, and COUNTY desires to acquire from CONTRACTOR, services as a consultant.

WHEREAS, CONTRACTOR is a firm of recognized professionals with extensive experience and training in their specialized field. In rendering these services CONTRACTOR shall at a minimum, exercise the ordinary care and skill expected from the average practitioner in CONTRACTOR's profession acting under similar circumstances.

NOW, THEREFORE, COUNTY and CONTRACTOR agree as follows:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, and I 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.

Standard Exhibits:

1.1 EXHIBIT A – Statement of Work

1.2 EXHIBIT B – Pricing Schedule

1.3 EXHIBIT C – Technical Exhibits

1.4 EXHIBIT D – Contractor's EEO Certification

1.5 EXHIBIT E – County's Administration

1.6 EXHIBIT F – Contractor's Administration

1.7 EXHIBIT G – Consultant Employee Acknowledgement and Confidentiality Agreement

1.8 EXHIBIT H – Consultant Non-Employee Acknowledgement and Confidentiality Agreement

1.9 EXHIBIT I – Safely Surrendered Baby Law

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 sub-paragraph 8.1 - Amendments and signed by both parties.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

2.1 **"Agreement" or "Contract"** shall mean a contract executed between COUNTY and CONTRACTOR. It sets forth the terms and conditions for the issuance and performance of Exhibit A - Statement of Work.

2.2 **"CONTRACTOR" or "CONSULTANT"** shall mean the sole proprietor, partnership, or corporation that has entered into an agreement with the COUNTY to perform or execute the work covered by Exhibit A - Statement of Work.

2.3 **"Day(s)"** shall mean calendar day(s) unless otherwise specified.

2.4 **"Fiscal Year"** shall mean the twelve (12) month period beginning July 1st and ending the following June 30th.

3.0 WORK

3.1 Pursuant to the provisions of this Agreement, the CONTRACTOR shall fully perform, complete and deliver on time, all tasks, deliverables, services

and other work as set forth in this Agreement, including Exhibit A - Statement of Work.

3.2 If the CONTRACTOR provides any tasks, deliverables, goods, services, or other work, other than as specified in this Agreement, the same shall be deemed to be a gratuitous effort on the part of the CONTRACTOR, and the CONTRACTOR shall have no claim whatsoever against the COUNTY.

4.0 TERM OF AGREEMENT

4.1 The term of this Agreement shall commence one day following Board approval of this Agreement, August 1, 2012 and shall expire on January 31, 2013, subject to COUNTY's right to terminate earlier for convenience, non-appropriation of funds, default of CONTRACTOR, substandard performance of CONTRACTOR, non-responsibility of CONTRACTOR, improper consideration given/offered to COUNTY with respect to the award of this Agreement, and breach of warranty to maintain compliance with COUNTY's Child Support Compliance Program.

5.0 AGREEMENT SUM

5.1 The Maximum Amount of this Agreement shall be Two Hundred Forty-Eight Thousand Three Hundred Fifty-Three Dollars ($248,353) for the term of this Agreement as set forth in Paragraph 4.0 - Term of Agreement, above and in accordance with Exhibit B - Pricing Schedule. Any costs incurred to complete this project in excess of the Agreement Sum will be borne by the CONTRACTOR.

5.2 The CONTRACTOR shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the CONTRACTOR's duties, responsibilities, or 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, shall occur only with the COUNTY's express prior written approval.

5.3 The CONTRACTOR shall maintain a system of record keeping that will allow the CONTRACTOR to determine when it has incurred seventy-five percent (75%) of the Agreement Sum under this Agreement. Upon occurrence of this event, the CONTRACTOR shall send written notification to the COUNTY Project Manager at the address herein provided in sub paragraph 8.34 – Notices.

5.4 No Payment for Services Provided Following Expiration/Termination of Agreement

The CONTRACTOR shall have no claim against COUNTY for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the CONTRACTOR after the expiration or other termination of this Agreement. Should the 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 the CONTRACTOR. This provision shall survive the expiration or other termination of this Agreement.

5.5 Invoices and Payments

5.5.1 The CONTRACTOR shall invoice the COUNTY only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A – Statement of Work and elsewhere hereunder. The CONTRACTOR shall prepare invoices, which shall include the charges owed to the CONTRACTOR. Payment to CONTRACTOR shall be in arrears and based upon the approval and acceptance of services/deliverables as set forth in Exhibit A – Statement of Work, not to exceed the amounts reflected in Exhibit B – Pricing Schedule, provided that CONTRACTOR is not in default under any provision of this Agreement and has submitted a complete and accurate statement of payment due. COUNTY acceptance of services/deliverables shall not be unreasonable withheld. CONTRACTOR'S fees shall include all applicable taxes, and any additional taxes that are not included remain the responsibility of the CONTRACTOR.

5.5.2 The CONTRACTOR's invoices shall be priced in accordance with Exhibit B – Pricing Schedule.

5.5.3 The CONTRACTOR's invoices shall contain the information set forth in Exhibit A - Statement of Work describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

5.5.4 The CONTRACTOR shall submit the monthly invoices to the COUNTY by the 15th calendar day of the month following the month of service.

5.5.5 All invoices under this Agreement shall be submitted in two (2) copies to the COUNTY Project Manager.

5.5.6 All invoices submitted by the CONTRACTOR for payment must have the written approval of the COUNTY Contract Manager prior to any payment thereof. In no event shall the COUNTY be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.5.7 Local Small Business Enterprises (SBEs) – Prompt Payment Program *(if applicable)*. Certified Local SBEs will receive prompt payment for services they provide to COUNTY departments. Prompt payment is defined as 15 calendar days after receipt of an undisputed invoice.

6.0 ADMINISTRATION OF AGREEMENT – COUNTY

COUNTY Project Manager – The COUNTY Project Manager shall be responsible for monitoring and evaluating CONTRACTOR's performance in the daily operation of the Agreement and provide direction to CONTRACTOR in the areas relating to policy, procedures and other matters within the purview of this Agreement. The County Project Manager is listed in Exhibit E. All work performed under this Agreement shall be subject to the approval of the COUNTY Project Manager or designee.

7.0 ADMINISTRATION OF AGREEMENT - CONTRACTOR

7.1 Contractor Project Manager

7.1.1 The CONTRACTOR Project Manager shall be responsible for the CONTRACTOR's day-to-day activities as related to this Agreement and shall coordinate with COUNTY Project Manager on a regular basis. The Contractor Project Manager and Contractor Authorized Officials are listed in Exhibit F.

7.1.2 The CONTRACTOR shall notify the COUNTY in writing of any change in the name or address of the CONTRACTOR Project Manager.

7.2 Approval of Contractor's Staff

CONSULTANT shall provide qualified personnel to perform work and provide "work products" (deliverables) as indicated in the Agreement. COUNTY has the absolute right to approve or disapprove all of the CONTRACTOR's staff performing work hereunder and any proposed changes in the CONTRACTOR's staff, including, but not limited to, the CONTRACTOR Project Manager.

7.3 Background and Security Investigations

7.3.1 At any time prior to or during term of this Agreement, the COUNTY may require that all CONTRACTOR's staff performing work under this Agreement undergo and pass, to the satisfaction of COUNTY, a background investigation, as a condition of beginning and continuing to work under this Agreement. COUNTY shall use its discretion in determining the method of background clearance to be used, up to and including a COUNTY performed fingerprint security clearance. The fees associated with obtaining the background information shall be at the expense of the CONTRACTOR, regardless if the CONTRACTOR's staff passes or fails the background clearance investigation.

7.3.2 COUNTY may request that the CONTRACTOR's staff be immediately removed from working on the County Agreement at any time during the term of this Agreement. COUNTY will not provide to the CONTRACTOR nor to the CONTRACTOR's staff any information obtained through the COUNTY conducted background clearance.

7.3.3 COUNTY may immediately, at the sole discretion of the COUNTY, deny or terminate facility access to the CONTRACTOR's staff that do not pass such investigation(s) to the satisfaction of the COUNTY whose background or conduct is incompatible with COUNTY facility access.

7.3.4 Disqualification, if any, of the CONTRACTOR's staff, pursuant to this sub-paragraph 7.3, shall not relieve the CONTRACTOR of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS

8.1.1 Any amendment to this Agreement, including as set forth in Paragraph 4.0 - Term of Agreement, shall be at the mutual consent of the COUNTY and the CONTRACTOR and shall be executed by the Chief Executive Officer, Auditor-Controller, and Executive Officer of the Board of Supervisors, and approved as to form by County Counsel.

8.1.2 For any change which does not materially affect the scope of work or any other term or condition included under this

Agreement, a Change Notice shall be prepared and signed by the COUNTY Project Manager and CONTRACTOR Project Manager.

8.1.3 For any change affecting CONTRACTOR's project personnel, CONTRACTOR shall submit written notification and request to effect the change to the COUNTY Project Manager; the COUNTY Project Manager or designee may accept or reject CONTRACTOR's written notification and request.

8.2 ASSIGNMENTS AND DELEGATION

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

8.2.2 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 an Amendment in accordance with all applicable provisions of this Agreement, including the need for an Amendment.

8.2.3 Any assumption, assignment, delegation, or takeover of any of the 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.

8.3 AUTHORIZATION WARRANTY

The CONTRACTOR represents and warrants that the person executing this Agreement for the CONTRACTOR is an authorized agent who has actual authority to bind the CONTRACTOR to each and every term, condition, and obligation of this Agreement and that all requirements of the CONTRACTOR have been fulfilled to provide such actual authority.

8.4 BUDGET REDUCTIONS

COUNTY retains the right to renegotiate the terms, conditions and fees during the period of the Agreement if such renegotiation is necessitated by budget shortfalls and reductions.

8.5 COMPLIANCE WITH APPLICABLE LAW

8.5.1 The CONTRACTOR shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

8.5.2 The CONTRACTOR shall indemnify and hold harmless the COUNTY from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of the CONTRACTOR or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

8.6 COMPLIANCE WITH CIVIL RIGHTS LAWS

The CONTRACTOR hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement. The CONTRACTOR shall comply with Exhibit D - Contractor's EEO Certification.

8.7 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.7.1 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.

8.7.2 Written Employee Jury Service Policy

8.7.2.1 Unless the CONTRACTOR has demonstrated to the COUNTY's satisfaction either that the CONTRACTOR is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the CONTRACTOR qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the 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 Employee's regular pay the fees received for jury service.

8.7.2.2 For purposes of this sub-paragraph, "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 COUNTY agreements or subcontracts. "Employee" means any California resident who is a full-time employee of the 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 the 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 the CONTRACTOR uses any Subcontractor to perform services for the COUNTY under the Agreement, the Subcontractor shall also be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract Agreement and a copy of the Jury Service Program shall be attached to the Agreement.

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

8.7.2.4 CONTRACTOR's violation of this sub-paragraph 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 the CONTRACTOR from the award of future COUNTY agreements for a period of time consistent with the seriousness of the breach.

8.8 CONFLICT OF INTEREST

8.8.1 No COUNTY employee whose position with the COUNTY enables such employee to influence the award of this Agreement or any competing Agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by the CONTRACTOR or have any other direct or indirect financial interest in this Agreement. No officer or employee of the CONTRACTOR who may financially benefit from the performance of work hereunder shall in any way participate in the COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the COUNTY's approval or ongoing evaluation of such work.

8.8.2 The CONTRACTOR shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. The CONTRACTOR warrants that it is not now aware of any facts that create a conflict

of interest. If the CONTRACTOR hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the COUNTY. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this sub-paragraph shall be a material breach of this Agreement.

8.9 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should the CONTRACTOR require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, the CONTRACTOR shall give first consideration for such employment openings to qualified, permanent COUNTY employees who are targeted for layoff or qualified, former COUNTY employees who are on a re-employment list during the life of this Agreement.

8.10 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

8.10.1 Should the CONTRACTOR require additional or replacement personnel after the effective date of this Agreement, the CONTRACTOR shall give consideration for any such employment openings to participants in the 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 the CONTRACTOR will interview qualified candidates. The COUNTY will refer GAIN/GROW participants by job category to the Contractor.

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

8.11 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.11.1 Responsible CONTRACTOR
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 the COUNTY's policy to conduct business only with responsible CONTRACTORS.

8.11.2 Chapter 2.202 of the County Code

The CONTRACTOR is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the COUNTY acquires information concerning the performance of the CONTRACTOR on this or other agreements which indicates that the CONTRACTOR is not responsible, the COUNTY may, in addition to other remedies provided in the Agreement, debar the 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 the CONTRACTOR may have with the COUNTY.

8.11.3 Non-responsible CONTRACTOR

The 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 an agreement with the COUNTY or a nonprofit corporation created by the COUNTY, (2) committed an act or omission which negatively reflects on the CONTRACTOR's quality, fitness or capacity to perform an agreement with the COUNTY, any other public entity, or a nonprofit corporation created by the 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 the COUNTY or any other public entity.

8.11.4 Contractor Hearing Board

8.11.4.1 If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

8.11.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the 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 the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

8.11.4.3 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.

8.11.4.4 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. The 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 the COUNTY.

8.11.4.5 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.

8.11.4.6 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.

8.11.4.7 Subcontractors of CONTRACTOR

These terms shall also apply to Subcontractors of COUNTY CONTRACTORS.

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

The CONTRACTOR acknowledges that the COUNTY places a high priority on the implementation of the Safely Surrendered Baby Law. The CONTRACTOR understands that it is the COUNTY's policy to encourage all COUNTY CONTRACTORS to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the CONTRACTOR's place of business. The CONTRACTOR will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The COUNTY's Department of Children and Family Services will supply the CONTRACTOR with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

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

8.13.1 The CONTRACTOR acknowledges that the COUNTY has established a goal of ensuring that all individuals who benefit financially from the 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 the COUNTY and its taxpayers.

8.13.2 As required by the COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with all

applicable provisions of law, the 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).

8.14 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

CONTRACTOR acknowledges that COUNTY has established a goal of ensuring that all individuals and businesses that benefit financially from COUNTY through agreement are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon COUNTY and its taxpayers.

Unless CONTRACTOR qualifies for an exemption or exclusion, CONTRACTOR warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles County Code Chapter 2.206.

8.15 COUNTY'S QUALITY ASSURANCE PLAN

COUNTY or its agent will evaluate CONTRACTOR's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing CONTRACTOR's compliance with all Agreement terms and performance standards. CONTRACTOR deficiencies which COUNTY determines are severe or continuing and that may place performance of the Agreement in jeopardy, if it is not corrected, will be reported to the Board of Supervisors. The report will include improvements/corrective action measures taken by COUNTY and CONTRACTOR. If improvement does not occur consistent with the corrective action measures, COUNTY may terminate this Agreement or impose other penalties as specified herein.

8.16 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

8.16.1 The CONTRACTOR shall repair, or cause to be repaired, at its own cost, any and all damage to COUNTY facilities, buildings, or grounds caused by the CONTRACTOR or employees or agents of the CONTRACTOR. Such repairs shall be made immediately

after the CONTRACTOR has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.16.2 If the CONTRACTOR fails to make timely repairs, COUNTY may make any necessary repairs. All costs incurred by COUNTY, as determined by COUNTY, for such repairs shall be repaid by the CONTRACTOR by cash payment upon demand.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

8.17.1 The CONTRACTOR warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The CONTRACTOR shall retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 The CONTRACTOR shall indemnify, defend, and hold harmless, the COUNTY, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the CONTRACTOR or the COUNTY or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement.

8.18 FACSIMILE REPRESENTATIONS

The COUNTY and the CONTRACTOR hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to sub-paragraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Agreement, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.19 FAIR LABOR STANDARDS

The CONTRACTOR shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the COUNTY and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the CONTRACTOR's employees for which the COUNTY may be found jointly or solely liable.

8.20 FORCE MAJEURE

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Agreement, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a subcontractor of CONTRACTOR shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both CONTRACTOR and such subcontractor, and without any fault or negligence of either of them. In such case, CONTRACTOR shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit CONTRACTOR to meet the required performance schedule. As used in this sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

8.20.3 In the event CONTRACTOR's failure to perform arises out of a force majeure event, CONTRACTOR agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 GOVERNING LAW, JURISDICTION, AND VENUE

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The CONTRACTOR agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.22 INDEPENDENT CONTRACTOR STATUS

8.22.1 This Agreement is by and between the COUNTY and the CONTRACTOR and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the COUNTY and the CONTRACTOR. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 The CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. The COUNTY shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the CONTRACTOR.

8.22.3 The CONTRACTOR understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely employees of the CONTRACTOR and not employees of the COUNTY. The CONTRACTOR shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the CONTRACTOR pursuant to this Agreement.

8.22.4 The CONTRACTOR shall adhere to the provisions stated in sub-paragraph 8.35 - Confidentiality.

8.23 INDEMNIFICATION

The CONTRACTOR shall indemnify, defend and hold harmless the COUNTY, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited

to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the CONTRACTOR's acts and/or omissions arising from and/or relating to this Agreement.

8.24 GENERAL INSURANCE REQUIREMENTS

Without limiting CONTRACTOR's indemnification of COUNTY, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, CONTRACTOR shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.24 and 8.25 of this Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon CONTRACTOR pursuant to this Agreement. The COUNTY in no way warrants that the Required Insurance is sufficient to protect the CONTRACTOR for liabilities which may arise from or relate to this Agreement.

8.24.1 Evidence of Coverage and Notice to COUNTY

A certificate(s) of insurance coverage (Certificate) satisfactory to COUNTY, and a copy of an Additional Insured endorsement confirming COUNTY and its Agents (defined below) has been given Insured status under the CONTRACTOR's General Liability policy, shall be delivered to COUNTY at the address shown below and provided prior to commencing services under this Agreement.

Renewal Certificates shall be provided to COUNTY not less than 10 days prior to CONTRACTOR's policy expiration dates. If CONTRACTOR does not provide the COUNTY with a certificate of insurance reasonably satisfactory to the COUNTY, the COUNTY reserves the right to review copies of any required CONTRACTOR and/or Subcontractor insurance policies at any time.

Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the CONTRACTOR identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000.00) dollars, and list any COUNTY required endorsement forms.

Neither the COUNTY's failure to obtain, nor the COUNTY's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the CONTRACTOR, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

Sheila A. Shima, Deputy Chief Executive Officer
County of Los Angeles, Chief Executive Office
726 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

CONTRACTOR also shall promptly report to COUNTY any injury or property damage accident or incident, including any injury to a CONTRACTOR employee occurring on COUNTY property, and any loss, disappearance, destruction, misuse, or theft of COUNTY property, monies or securities entrusted to CONTRACTOR. CONTRACTOR also shall promptly notify COUNTY of any third party claim or suit filed against CONTRACTOR or any of its Subcontractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against CONTRACTOR and/or COUNTY.

8.24.2 Additional Insured Status and Scope of Coverage
The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively COUNTY and its Agents) shall be provided additional insured status under CONTRACTOR's General Liability policy with respect to liability arising out of CONTRACTOR's ongoing and completed operations performed on behalf of the COUNTY. COUNTY and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the CONTRACTOR's acts or omissions, whether such liability is attributable to the CONTRACTOR or to the COUNTY. The full policy limits and scope of protection also shall apply to the COUNTY and its Agents as an additional insured, even if they exceed the COUNTY's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.3 Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this Agreement.

8.24.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement. CONTRACTOR will be given ten (10) days to cure any deficiency identified by COUNTY, after which County may withhold payments due to Contractor, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the COUNTY may purchase the Required Insurance, and without further notice to CONTRACTOR, deduct the premium cost from sums due to CONTRACTOR or pursue Contractor reimbursement.

8.24.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the COUNTY with A.M. Best ratings of not less than A:VII unless otherwise approved by COUNTY.

8.24.6 Contractor's Insurance Shall Be Primary

CONTRACTOR's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to CONTRACTOR. Any COUNTY maintained insurance or self-insurance coverage shall be in excess of and not contribute to any CONTRACTOR coverage.

8.24.7 Waivers of Subrogation

To the fullest extent permitted by law, the CONTRACTOR hereby waives its rights and its insurer(s)' rights of recovery against COUNTY under all the Required Insurance for any loss arising from or relating to this Agreement. The CONTRACTOR shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.8 Subcontractor Insurance Coverage Requirements
CONTRACTOR shall include all Subcontractors as insureds under CONTRACTOR's own policies, or shall provide COUNTY with each Subcontractor's separate evidence of insurance coverage. CONTRACTOR shall be responsible for verifying each Subcontractor complies with the Required Insurance provisions herein, and shall require that each Subcontractor name the COUNTY and CONTRACTOR as additional insureds on the Subcontractor's General Liability policy. CONTRACTOR shall obtain COUNTY's prior review and approval of any Subcontractor request for modification of the Required Insurance.

8.24.9 Deductibles and Self-Insured Retentions (SIRs)
CONTRACTOR's policies shall not obligate the COUNTY to pay any portion of any CONTRACTOR deductible or SIR. CONTRACTOR will include the COUNTY as an additional insured under the CONTRACTOR's general liability, products & completed operations coverage, and auto liability coverage.

8.24.10 Claims Made Coverage
If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. CONTRACTOR understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

8.24.11 Application of Excess Liability Coverage:
CONTRACTOR may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.12 Separation of Insureds
All liability policies shall provide cross liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.13 Alternative Risk Financing Programs
CONTRACTOR's use of risk retention groups, risk purchase groups, and polling arrangements in order to satisfy the insurance required under this Agreement shall be reasonably acceptable to COUNTY. The COUNTY shall be included as an additional

insured under such arrangements as required under this Agreement.

8.24.14 COUNTY Review and Approval of Insurance Requirements
The COUNTY reserves the right to review and adjust the Required Insurance provisions, conditioned upon COUNTY's determination of changes in risk exposures.

8.25 INSURANCE COVERAGE REQUIREMENTS

8.25.1 Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming COUNTY and its Agents as an additional insured, with limits of not less than:

General Aggregate:	$2 million
Products/Completed Operations Aggregate:	$1 million
Personal and Advertising Injury:	$1 million
Each Occurrence:	$1 million

8.25.2 Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than $1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of CONTRACTOR's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than $1 million per accident. If CONTRACTOR will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the COUNTY as the Alternate Employer, and the endorsement form shall be modified to provide that COUNTY will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to CONTRACTOR's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 Professional Liability/Errors and Omissions Insurance covering CONTRACTOR's liability arising from or related to this

Agreement, with limits of not less than $1 million per claim and $2 million aggregate. Further, CONTRACTOR understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

8.26 INTENTIONALLY OMITTED

8.27 APPROVAL OF WORK

All tasks, "work products" (deliverables), services or other work performed by CONTRACTOR are subject to the written approval of the COUNTY Project Manager or designee. Approval or rejection of deliverable(s) will not be unreasonably withheld by COUNTY.

8.28 NONDISCRIMINATION AND AFFIRMATIVE ACTION

8.28.1 The CONTRACTOR certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

8.28.2 The CONTRACTOR shall certify to, and comply with, the provisions of Exhibit D- Contractor's EEO Certification.

8.28.3 The CONTRACTOR shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

8.28.4 The CONTRACTOR certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

8.28.5 The CONTRACTOR certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable

Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

8.28.6 The CONTRACTOR shall allow COUNTY representatives access to the CONTRACTOR's employment records during regular business hours to verify compliance with the provisions of this sub-paragraph 8.28 when so requested by the COUNTY.

8.28.7 If the COUNTY finds that any provisions of this sub-paragraph 8.28 have been violated, such violation shall constitute a material breach of this Agreement upon which the COUNTY may terminate or suspend this Agreement. While the COUNTY reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the CONTRACTOR has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the COUNTY that the CONTRACTOR has violated the anti-discrimination provisions of this Agreement.

8.28.8 The parties agree that in the event the CONTRACTOR violates any of the anti-discrimination provisions of this Agreement, the COUNTY shall, at its sole option, be entitled to the sum of Five Hundred Dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Agreement.

8.29 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the CONTRACTOR. This Agreement shall not restrict the COUNTY from acquiring similar, equal or like goods and/or services from other entities or sources.

8.30 NOTICE OF DELAYS

Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within one

(1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.31 NOTICE OF DISPUTES

The CONTRACTOR shall bring to the attention of the COUNTY Project Manager any dispute between the COUNTY and the CONTRACTOR regarding the performance of services as stated in this Agreement. If the COUNTY Project Manager is not able to resolve the dispute, the Department Head, or designee shall resolve it.

8.32 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The CONTRACTOR shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.33 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The 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 I of this Agreement and is also available on the Internet at www.babysafela.org for printing purposes.

8.34 NOTICES

8.34.1 Notices required or permitted to be given under the terms of this Agreement or by any law now or hereafter in effect may, at the option of the party giving notice, be given by personal delivery or by enclosing the same in a sealed envelope addressed to the party for whom intended and by depositing such envelope with postage prepaid in the United States Post Office or substation thereof, or any public mail box.

The notices and envelopes containing same to COUNTY shall be addressed to:

Sheila A.Shima, Deputy Chief Executive Officer
Chief Executive Office
County of Los Angeles

726 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

The notices and envelopes containing same to CONTRACTOR shall be addressed to:

Don McCarthy
Bldg 11-3-127
505 King Avenue
Columbus, OH 43201-2693

8.34.2. In the event of suspension or termination of this Agreement, notices may also be given upon personal delivery to any person whose actual knowledge of such suspension or termination would be sufficient notice to CONTRACTOR.

8.35 CONFIDENTIALITY

CONTRACTOR shall maintain the confidentiality of all its records, including but not limited to billing, COUNTY records, case records and patient records, in accordance with all applicable Federal, State and local laws, regulations, ordinances and directives relating to confidentiality. CONTRACTOR shall inform all of its officers, employees, and agents providing services hereunder of the confidentiality provisions of this Agreement. As a condition of employment, all employees of CONTRACTOR must sign and adhere to the attached Consultant Employee Acknowledgment and Confidentiality Agreement (Exhibit G). Further, CONTRACTOR shall cause each non-employee performing services covered by this Agreement to sign and adhere to the provisions of the Consultant Non-Employee Acknowledgment and Confidentiality Agreement (Exhibit H). These Confidentiality Agreements shall be filed in CONTRACTOR's personnel records for the employees and agents and CONTRACTOR shall provide a copy to COUNTY upon request.

8.36 PUBLIC RECORDS ACT

8.36.1 Any documents submitted by the CONTRACTOR; all information obtained in connection with the COUNTY's right to audit and inspect the CONTRACTOR's documents, books, and accounting records pursuant to sub-paragraph 8.38 - Record Retention and Inspection/Audit Settlement of this Agreement; as well as any documents which were required to be submitted in response to a Request for Proposals (RFP) if used in the solicitation process for this Agreement, become the exclusive property of the COUNTY. All such documents become a matter of public record and shall be

regarded as public records. Exceptions will be those elements that meet the exceptions set forth in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The COUNTY shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event the COUNTY is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the CONTRACTOR agrees to defend and indemnify the COUNTY from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.37 PUBLICITY

8.37.1 The CONTRACTOR shall not disclose any details in connection with this Agreement to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the COUNTY shall not inhibit the CONTRACTOR from publishing its role under this Agreement within the following conditions:

- The CONTRACTOR shall develop all publicity material in a professional manner; and
- During the term of this Agreement, the CONTRACTOR shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the COUNTY without the prior written consent of the COUNTY's Project Manager. The COUNTY shall not unreasonably withhold written consent.

8.37.2 The CONTRACTOR may, without the prior written consent of COUNTY, indicate in its proposals and sales materials that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this sub-paragraph 8.37 shall apply.

8.38 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

The CONTRACTOR shall maintain accurate and complete financial records of its activities and operations relating to this Agreement in accordance with

generally accepted accounting principles. The CONTRACTOR shall also maintain accurate and complete employment and other records relating to its performance of this Agreement. The CONTRACTOR agrees that the COUNTY, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the CONTRACTOR and shall be made available to the COUNTY during the term of this Agreement and for a period of five (5) years thereafter unless the COUNTY's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the CONTRACTOR at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the COUNTY's option, the CONTRACTOR shall pay the COUNTY for travel, per diem, and other costs incurred by the COUNTY to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1 In the event that an audit of the CONTRACTOR is conducted specifically regarding this Agreement by any Federal or State auditor, or by any auditor or accountant employed by the CONTRACTOR or otherwise, then the CONTRACTOR shall file a copy of such audit report with the COUNTY's Auditor-Controller within thirty (30) days of the CONTRACTOR's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. Subject to applicable law, the COUNTY shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.38.2 Failure on the part of the CONTRACTOR to comply with any of the provisions of this sub-paragraph 8.38 shall constitute a material breach of this Agreement upon which the COUNTY may terminate or suspend this Agreement.

8.38.3 If, at any time during the term of this Agreement or within five (5) years after the expiration or termination of this Agreement, representatives of the COUNTY conduct an audit of the CONTRACTOR regarding the work performed under this Agreement, and if such audit finds that the COUNTY's dollar liability for any such work is less than payments made by the COUNTY to the CONTRACTOR, then the difference shall be either: a) repaid by the CONTRACTOR to the COUNTY by cash payment upon demand or b) at the sole option of the COUNTY's Auditor-Controller, deducted from any amounts due to the

CONTRACTOR from the COUNTY, whether under this Agreement or otherwise. If such audit finds that the COUNTY's dollar liability for such work is more than the payments made by the COUNTY to the CONTRACTOR, then the difference shall be paid to the CONTRACTOR by the COUNTY by cash payment, provided that in no event shall the COUNTY's maximum obligation for this Agreement exceed the funds appropriated by the COUNTY for the purpose of this Agreement.

8.39 RECYCLED BOND PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the COUNTY landfills, the CONTRACTOR agrees to use recycled-content paper to the maximum extent possible on this Agreement.

8.40 SUBCONTRACTING

8.40.1 The requirements of this Agreement may not be subcontracted by the CONTRACTOR without the advance written approval of the COUNTY. Any attempt by the CONTRACTOR to subcontract without first obtaining prior written approval and the prior consent of the COUNTY may be deemed a material breach of this Agreement.

8.40.2 If the CONTRACTOR desires to subcontract, the CONTRACTOR shall provide the following information promptly to the COUNTY:

- A description of the work to be performed by the Subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the COUNTY.

8.40.3 The CONTRACTOR shall indemnify and hold the COUNTY harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the CONTRACTOR employees.

8.40.4 The CONTRACTOR shall remain fully responsible for all performances required of it under this Agreement, including those that the CONTRACTOR has determined to subcontract, notwithstanding the COUNTY's approval of the CONTRACTOR's proposed subcontract.

8.40.5 The COUNTY's consent to subcontract shall not waive the COUNTY's right to prior and continuing approval of any and all

personnel, including Subcontractor employees, providing services under this Agreement. The CONTRACTOR is responsible to notify its Subcontractors of this COUNTY right.

8.40.6 The CONTRACTOR shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the COUNTY's consent to subcontract.

8.40.7 CONTRACTOR shall include all Subcontractors as insureds under Contractor's own policies, or shall provide COUNTY with each Subcontractor's separate evidence of insurance coverage. CONTRACTOR shall be responsible for verifying each Subcontractor complies with the required insurance provisions set forth in this Agreement.

8.41 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 sub-paragraph 8.13 - Contractor's Warranty of Adherence to COUNTY's Child Support Compliance Program, shall constitute default under this Agreement. Without limiting the rights and remedies available to the COUNTY under any other provision of this Agreement, failure of the CONTRACTOR to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the COUNTY may terminate this Agreement pursuant to sub-paragraph 8.44 - Termination for Default and pursue debarment of the CONTRACTOR, pursuant to County Code Chapter 2.202.

8.42 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX PROGRAM

Failure of CONTRACTOR to maintain compliance with the requirements set forth in sub-paragraph 8.14 Contractor's Warranty of Adherence to COUNTY's Defaulted Property Tax Program, shall constitute default 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 10 days of notice shall be grounds upon which COUNTY may terminate this Agreement and/or pursue debarment of CONTRACTOR, pursuant to County Code Chapter 2.206.

8.43 TERMINATION FOR CONVENIENCE

8.43.1 This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by the COUNTY, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the CONTRACTOR specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

8.43.2 After receipt of a notice of termination and except as otherwise directed by the COUNTY, the CONTRACTOR shall:

- Stop work under this Agreement on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.43.3 After receipt of the Notice of Termination, CONTRACTOR shall submit to COUNTY, in the form and with the certifications as may be prescribed by COUNTY, its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than three (3) months from the effective date of termination. Upon failure of CONTRACTOR to submit its termination claim and invoice within the time allowed, COUNTY may determine, on the basis of information available to COUNTY, the amount, if any, due to CONTRACTOR in respect to the termination and such determination shall be final. After such determination is made, COUNTY shall pay CONTRACTOR the amount so determined.

8.43.4 Subject to the provisions of the subparagraphs 8.43.1 and 8.43.2, above, COUNTY and CONTRACTOR shall negotiate an equitable amount to be paid to CONTRACTOR by reason of the total or partial termination of work pursuant to this Paragraph. Said amount may include a reasonable allowance for profit on work done but shall not include an allowance on work terminated. COUNTY shall pay the agreed amount; subject to other limitations and provided that such amount shall not exceed the total funding obligated under this Agreement as reduced by the amount of payments otherwise made and as further reduced by the Agreement price of work not terminated.

8.43.5 All material including books, records, documents, or other evidence bearing on the costs and expenses of the CONTRACTOR under this Agreement shall be maintained by the

CONTRACTOR in accordance with sub-paragraph 8.38, Record Retention & Inspection/Audit Settlement.

8.44 TERMINATION FOR DEFAULT

8.44.1 The COUNTY may, by written notice to the Contractor, terminate the whole or any part of this Agreement, if, in the judgment of COUNTY's Project Manager:

- CONTRACTOR has materially breached this Agreement; or
- CONTRACTOR fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- CONTRACTOR fails to demonstrate a high probability of timely fulfillment of performance requirements under this Agreement, or of any obligations of this Agreement and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the COUNTY may authorize in writing) after receipt of written notice from the COUNTY specifying such failure.

8.44.2 In the event that the COUNTY terminates this Agreement in whole or in part as provided in sub-paragraph 8.44.1, the COUNTY may procure, upon such terms and in such manner as the COUNTY may deem appropriate, goods and services similar to those so terminated. The CONTRACTOR shall be liable to the COUNTY for any and all excess costs incurred by the COUNTY, as determined by the COUNTY, for such similar goods and services. The CONTRACTOR shall continue the performance of this Agreement to the extent not terminated under the provisions of this sub-paragraph.

8.44.3 Except with respect to defaults of any Subcontractor, the CONTRACTOR shall not be liable for any such excess costs of the type identified in sub-paragraph 8.44.2 if its failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the COUNTY in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the CONTRACTOR. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the CONTRACTOR and Subcontractor, and without the fault or

negligence of either of them, the CONTRACTOR shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the required performance schedule. As used in this paragraph 8.44, the terms "Subcontractor" and "Subcontractors" mean Subcontractor(s) at any tier.

8.44.4 If, after the COUNTY has given notice of termination under the provisions of this paragraph 8.44, it is determined by the COUNTY that the CONTRACTOR was not in default under the provisions of this paragraph 8.44, or that the default was excusable under the provisions of sub-paragraph 8.44.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 8.43 - Termination for Convenience.

8.44.5 The rights and remedies of the COUNTY provided in this paragraph 8.44 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.45 TERMINATION FOR IMPROPER CONSIDERATION

8.45.1 The COUNTY may, by written notice to the CONTRACTOR, immediately terminate the right of the CONTRACTOR to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the CONTRACTOR, either directly or through an intermediary, to any COUNTY officer, employee, or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment, or extension of this Agreement or the making of any determinations with respect to the CONTRACTOR's performance pursuant to this Agreement. In the event of such termination, the COUNTY shall be entitled to pursue the same remedies against the CONTRACTOR as it could pursue in the event of default by the Contractor.

8.45.2 The CONTRACTOR shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to the COUNTY manager charged with the supervision of the employee or to the COUNTY Fraud Hotline at (800) 544-6861 or www.lacountyfraud.gov.

8.45.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.46 TERMINATION FOR INSOLVENCY

8.46.1 The COUNTY may terminate this Agreement forthwith in the event of the occurrence of any of the following:

- Insolvency of the CONTRACTOR. The CONTRACTOR shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the CONTRACTOR is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the CONTRACTOR under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the CONTRACTOR; or
- The execution by the CONTRACTOR of a general assignment for the benefit of creditors.

8.46.2 The rights and remedies of the COUNTY provided in this paragraph 8.46 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.47 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

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

8.48 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Agreement, the COUNTY shall not be obligated for the CONTRACTOR's performance hereunder or by any provision of this Agreement during any of the COUNTY's future fiscal years unless and until the COUNTY's Board of Supervisors appropriates funds for this Agreement in the COUNTY's budget for each such future fiscal year. In

the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The COUNTY shall notify the CONTRACTOR in writing of any such non-allocation of funds at the earliest possible date.

8.49 VALIDITY

If any provision of this Agreements or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

8.50 WAIVER

No waiver by the COUNTY of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of the COUNTY to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this paragraph 8.50 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.51 WARRANTY AGAINST CONTINGENT FEES

8.51.1 The CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the CONTRACTOR for the purpose of securing business.

8.51.2 For breach of this warranty, the COUNTY shall have the right to terminate this Agreement and, at its sole discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.52 COUNTY LOBBYISTS

Each County lobbyist as defined in Los Angeles County Code Section 2.160.010, retained by CONTRACTOR, shall fully comply with the COUNTY Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of any COUNTY lobbyist retained by CONTRACTOR to fully comply with the COUNTY Lobbyist Ordinance shall constitute a material breach of this Agreement upon which COUNTY may immediately

terminate or suspend this Agreement. CONTRACTOR shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. CONTRACTOR warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONTRACTOR hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to COUNTY. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

8.53 PROHIBITION FROM INVOLVEMENT IN THE BIDDING PROCESS OF FUTURE RFPs

CONTRACTOR understands and agrees that neither CONTRACTOR nor its subsidiaries shall be involved in any way in the bidding process on any Request for Proposals developed or prepared by or with the assistance of CONTRACTOR's services rendered pursuant to this Agreement, whether as a prime contractor or subconsultant, or as a contractor to any other prime contractor or subconsultant. Any such involvement by CONTRACTOR shall result in the rejection by COUNTY of the bid or proposal by the prime contractor in question.

8.54 PROPRIETARY RIGHTS

All materials, data and other information of any kind obtained from COUNTY personnel, and all materials, data, reports and other information of any kind developed by CONTRACTOR under this Agreement are confidential to and are solely the property of COUNTY. CONTRACTOR shall take all necessary measures to protect the security and confidentiality of all such materials, data, reports and information. The provisions of this Paragraph shall survive the expiration or other termination of this Agreement.

8.55 LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates, if any, required by law, which are applicable to the performance of this Agreement, and shall further ensure that all of its officers, employees and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance of services hereunder.

8.56 COUNTERPARTS

This Agreement may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original, and all such counterparts together shall constitute one and the same instrument.

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IN WITNESS THEREOF, COUNTY has caused this Agreement to be executed by the Chief Executive Officer. CONTRACTOR has caused this Agreement to be executed by its duly authorized representative.

COUNTY OF LOS ANGELES

By_____ Date_____
WILLIAM T FUJIOKA
Chief Executive Officer

By_____
SACHI A. HAMAI
Executive Officer
Board of Supervisors

By_____
WENDY L. WATANABE
Auditor-Controller

APPROVED AS TO FORM:
BY COUNTY COUNSEL

JOHN KRATTLI

By_____
Principal Deputy County Counsel

CONTRACTOR: Battelle Memorial Institute

By_____
(CONTRACTOR Signature)

_____
Title

_____
Taxpayer Identification No

EXHIBIT A

STATEMENT OF WORK

FEASIBILITY ASSESSMENT AND MASTER PLAN FOR A LOS ANGELES BIOTECHNOLOGY CLUSTER

STATEMENT OF WORK

SCOPE OF SERVICES

The CONSULTANT shall conduct a Final Feasibility Assessment of the COUNTY'S opportunities for advancing a biotechnology cluster in the Los Angeles region, and develop a Master Plan, including recommendations that leverage public-private biotechnology partnerships.

CONSULTANT responsibilities include, but are not limited to:

1. Preparation of a Final Feasibility Assessment:

   A. Conducting an analysis of the Los Angeles region's core competencies in the biosciences industry to identify biotechnology-related growth opportunities, which take into account the COUNTY's clinical, research and administrative operations at LAC+USC, Harbor-UCLA, OVMC, Rancho, MLK, and any other COUNTY departments that may present growth opportunities.

      At a minimum, the analysis is to include:

      - Identification of the region's core competencies in the biosciences industry, with an emphasis on the biotechnology field, that must be the focus of future growth efforts.

      - An assessment of the region's current infrastructure, including any infrastructure needs, such as wet lab space, office space, etc.

   B. Conducting an analysis of the Los Angeles region's competitive position in key areas, such as capital formation, the business environment, workforce development and education, early-stage programs, academic institutions and translational research, private research and development and translational opportunities, and commercialization opportunities from both the public and private sector.

      At a minimum, the analysis is to:

      - Identify potential sources of capital, such as venture capital firms, angel investors, federal grants, etc.

      - Assess the region's current business environment, including any conditions not conducive to biotechnology industry growth.

- Evaluate the regional workforce's ability to support the biotechnology industry.

- Assess the availability of early-stage programs and resources available to potential start-up companies, such as business incubator programs.

- Identify models for County involvement in biotechnology partnership initiatives.

- Identify academic and private sector efforts which should be incorporated into any proposed master plan.

2. Preparation of a Master Plan:

   A. As a result of the groundwork laid by the Final Feasibility Assessment, develop a Master Plan and specific recommendations for implementing growth opportunities based on the Los Angeles area's core competencies and current competitive position, and on which public and private collaboration would be aligned with the COUNTY Strategic Plan goals. See Exhibit C-Technical Exhibits, Technical Exhibit 5, County of Los Angeles Strategic Plan.

   At a minimum, the Master Plan must include:

   - Specific actionable strategies to create growth opportunities in the biotechnology industry. This discussion should clearly articulate role(s) for the County to play in successfully implementing said strategies. Additionally, such strategies should take into account any current County planning efforts, including, but not limited to, the executive campus planner services for LAC+USC, Harbor-UCLA, OVMC, and MLK (see Exhibit C-Technical Exhibits, Technical Exhibit 3, Board letter dated November 2, 2010).

   - A work plan and implementation timeline that identifies critical strategic priorities for action

   - Identification of resources to fund the proposed strategies.

   - Identification of potential public and private partners to assist in implementing these strategies.

   - Identification of potential benefits to the County and/or County residents.

- Benchmarks to compare against established, successful biotechnology efforts, such as those in San Francisco and San Diego, including the number of jobs created or new businesses formed.

3. Board of Supervisors Presentations: Upon provisional acceptance by the CEO of the Final Feasibility Assessment and Master Plan, Consultant shall provide a public presentation of the Final Feasibility Assessment and Master Plan to County's Board. In the Board's discretion, Consultant may be required to provide one additional public presentation to the Board.

DELIVERABLES/TIMELINE

- CONSULTANT shall provide up to five (5) briefings and/or presentations as set forth herein. County may request additional meetings, in addition to these briefings and/or presentations, in the Contract Manager's discretion. County's Contract Manager may extend the time provided for the performance of any deliverable.

- Within 75 days of executing an agreement, the CONSULTANT shall provide a draft Final Feasibility Assessment (2 hard copies, as well as one print-ready copy, and one electronic copy) to the COUNTY's Contract Manager.

    - Consultant shall provide a briefing/presentation, as requested by the COUNTY Project Manager, following the submission of the Final Feasibility Assessment in preparation for presentation to the County's Board.
    - As a result of this briefing/presentation, Consultant shall revise the draft Final Feasibility Assessment, as directed by the County's Project Manager, in preparation for presentation to the County's CEO.

- Within 135 days of executing an agreement, the CONSULTANT shall provide a draft Master Plan.

    - Consultant shall provide a briefing/presentation, as requested by the COUNTY Project Manager, following the submission of the draft Master Plan.
    - As a result of this briefing/presentation, Consultant shall revise the draft Master Plan as directed by the County's Project Manager, in preparation for presentation to County's CEO.

- Within 180 days of executing an agreement, CONSULTANT shall provide the Final Feasibility Assessment and Master Plan (6 hard copies, as well as one

print-ready copy, and one electronic copy) to the CEO in preparation for public presentation to the Board.

  - County reserves the right to require a briefing/presentation, as requested by the COUNTY Project Manager, upon submission of the Final Feasibility Assessment and Master Plan.

- CONSULTANT shall present the Final Feasibility Assessment and Master Plan to the COUNTY Board of Supervisors on a date to be specified by the COUNTY Project Manager. In the Board's discretion, Consultant may be required to revise either the Final Feasibility Assessment or Master Plan or both and provide one additional public briefing to the Board.

ACCEPTANCE PROCESS

The County shall evaluate all deliverables prepared by Consultant. If, in County's discretion, a deliverable is satisfactory, County shall provide Consultant with written approval within ten (10) working days of receipt of the deliverable. If County determines that any deliverable is unsatisfactory, County shall provide Consultant, within ten (10) working days of receipt of the deliverable, a written assessment of the deficiencies. Consultant shall, within ten (10) working days of receipt of County's deficiency notification, submit a revised deliverable to remedy the deficiencies, at no additional cost to County. This approval process shall be repeated until the County deems the deliverable in question satisfactory.

EXHIBIT B

PRICING SCHEDULE

FEASIBILITY ASSESSMENT AND MASTER PLAN FOR A LOS ANGELES BIOTECHNOLOGY CLUSTER

CONTRACTOR: BATTELLE MEMORIAL INSTITUTE

	DELIVERABLE	STAFF/HOURS[1]	COST
1	Final Feasibility Assessment	732	$146,981
2	Master Plan	388	$86,867
	Maximum Reimbursable Travel Expenses (if applicable)[2]		$14,505
		Total[3]	$248,353

Maximum Amount: $248,353

[1] Battelle will identify staff for each deliverable and the hours each staff person will work on each deliverable.

[2] Reimbursable travel expenses shall be limited to the following: airfare, hotel/lodging, automobile rental, other transportation or reimbursable mileage, and meals required to perform the services under this Agreement. Reimbursable expenses shall be in accordance with County's Travel Reimbursement Guidelines, Exhibit C - Technical Exhibits, Technical Exhibit 4.

[3] Total pricing includes all draft reports as well as all time required for Consultant to provide up to five (5) meetings and briefings as required under Exhibit A - Statement of Work.

EXHIBIT C

TECHNICAL EXHIBITS
FOR

FEASIBILITY ASSESSMENT AND MASTER PLAN FOR A LOS ANGELES BIOTECHNOLOGY CLUSTER

TECHNICAL EXHIBITS

1 REPORT ON FEASIBILITY ASSESSMENT OF A BIOTECHNOLOGY PARTNERSHIP PROGRAM – JUNE 29, 2011

2 BOARD OF SUPERVISORS MOTION – APRIL 20, 2010

3 EXECUTIVE CAMPUS PLANNER SERVICES: LAC+USC MEDICAL CENTER, HARBOR-UCLA MEDICAL CENTER, OLIVE VIEW MEDICAL CENTER, MARTIN LUTHER KING, JR. MEDICAL CENTER – NOVEMBER 2, 2010

4 AUDITOR-CONTROLLER MEMO DATED JANURY 28, 2011: TRAVEL EXPENSE REIMBURSMENTS EFFECTIVE FEBRURY 1, 2011

5 COUNTY OF LOS ANGELES STRATEGIC PLAN

Technical Exhibit 1

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

June 29, 2011

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

REPORT ON FEASIBILITY ASSESSMENT FOR A BIOTECHNOLOGY PARTNERSHIP PROGRAM

On February 8, 2011, your Board instructed the Chief Executive Officer (CEO), Director of Health Services (DHS), and other appropriate County departments to conduct a feasibility assessment for developing or supporting a countywide public and private biotechnology partnership program that would promote outstanding public health care delivery, job creation, and research and report back to the Board in writing within 60 days on the progress. The feasibility assessment should identify: a) opportunities for potential private academic and research partnerships at each of the County-owned hospital campuses: LAC+USC Medical Center (LAC+USC), Rancho Los Amigos National Rehabilitation Center (Rancho), Harbor-UCLA Medical Center (Harbor-UCLA), Olive View-UCLA Medical Center (OVMC), and Martin Luther King, Jr. Medical Center (MLK); b) potential existing and upcoming local biotechnology initiatives on which public and private collaboration would be aligned with County Strategic Plan goals; c) potential sources of both public and private resources that could support this effort; d) key potential private and public academic and research partners; e) potential approaches that the County could take to ensure the County realizes tangible benefits from a public and private biotechnology partnership program, including potential performance benchmarks; f) potential challenges; and g) develop a potential implementation schedule.

This is to provide your Board with our report on this matter. A detailed report is attached and includes: background; findings as to partnership opportunities, existing and upcoming initiatives, private and public resources, tangible benefits-benchmarking, and challenges; as well as recommendations. In addition, a summary and recommendations are noted below.

SUMMARY

Biotechnology is the application of scientific and technical advances in life sciences to develop commercial products. The bioscience industry is composed of four sectors and three of these sectors impact our County health departments: drugs and pharmaceuticals; medical devices and equipment; and research, testing, and medical labs.

Many experts believe that the economic growth industry of the 21st century is biotechnology. Biotech jobs are a highly-diverse and growing industry which continues to demonstrate employment growth in spite of our halting economy. More and more jurisdictions, including other countries, are willing to expend extraordinary amounts of funding and provide incentives in order to attract, retain, and expand biotechnology in their area.

In the field of biotechnology, the Los Angeles region has lagged behind other areas of the State, such as San Francisco and San Diego. Although it will take a highly committed and concerted effort, the greater Los Angeles region can emerge as a formidable challenger in the arena. Our findings indicate that a composite of a highly successful, integrated biotechnology cluster includes:

- University Research/Medical Centers – establish and/or expand partnerships with the California Institute of Technology (Caltech) a world leading scientific institution; UCLA and USC, some of the country's best medical schools; LA BioMed, one of the country's leading nonprofit biomedical research institutes; as well as other highly regarded institutions that make the Los Angeles area their home.

- Biotech Investment/Diversity – champion program to bring large and established biotech and pharma companies; early stage and developing companies; and critical service providers, such as contract research organizations. Program should include market diversity by including pharmaceuticals, biologics, medical devices, and diagnostics.

- Research and Development (R&D) – support and expand R&D capacity to encourage commercialization of new discoveries. Establish partnership opportunities with universities in the LA area as well as other local institutions, such as LA Biomed.

- Venture Capital – address early-stage capital for biotech companies by developing program which promotes venture capital investing, angel investors, and other sources.

- Regulatory Environment – create a positive business environment that supports biotech industry including: taxes, regulatory barriers, operating costs, and cost of living.

- Industry Promotion – establish partnerships with the private sector to foster and promote a biotechnology "community" for the LA area.

At the center of this effort is the County of Los Angeles which can serve as the catalyst to energize and bring this highly sought industry to the area. The County can lead the way by developing a master plan that will establish a biotech cluster at the former Medical Center, Rancho, Harbor-UCLA, OVMC, and MLK. Such a master plan will incorporate the recently Board approved full-service incubator for biotechnology start-up companies that is currently underway with Momentum at the former Medical Center, as well as other existing biotech efforts.

RECOMMENDATION

This Office and DHS conducted a feasibility assessment as to the establishment of a countywide public and private biotechnology partnership program that would promote outstanding public health care delivery, job creation, and research; and determined that such a program was feasible. This Phase I assessment has been completed and it is recommended that Phase II be launched. Given the complexity and requisite expertise that will be required for the continuation of this project, we strongly recommend that the County initiate Phase II via the services of a consultant.

A consultant, with the appropriate subject matter expertise, can best assist the County navigate the highly complex field of biotechnology. In addition, a consultant can provide dedicated resources to ensure this project is expedited and completed within a designated timeframe. A recommended schedule and timeline for Phase II of this effort includes:

- CEO and DHS to coordinate with your Board offices and develop a statement of work – within 30 days (July);
- CEO and DHS to engage consultant services and secure an agreement – 45 days (mid-September);
- Consultant to conduct Phase II of the biotechnology program and develop master plan – 60 days (mid-September – mid-November); and
- CEO and DHS to return to your Board with Phase II findings and provide recommendations – 45 days (December).

If you have any questions, please contact me or your staff may contact Sheila Shima, Deputy Chief Executive Officer, at (213) 974-1160.

WTF:SAS
MLM:RL:gl

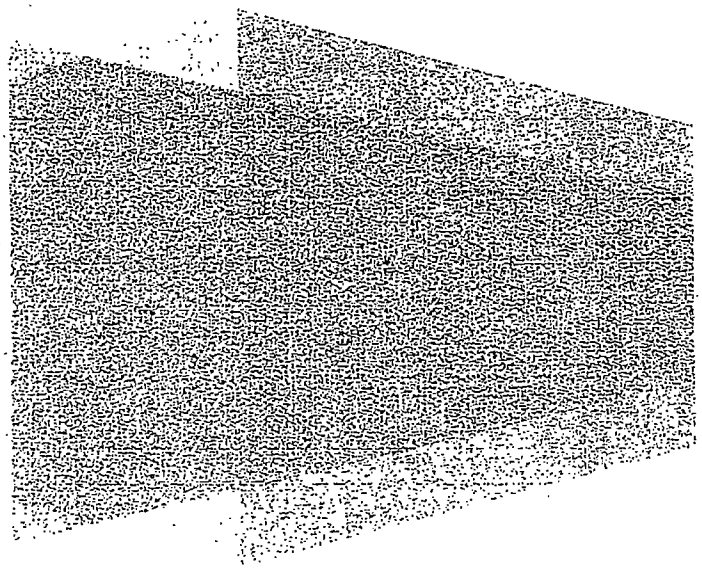
Attachment

c: Executive Office, Board of Supervisors
County Counsel
Health Services
Mental Health
Public Health

062911_HMHS_MBS_BIOTECHNOLOGY PROGRAM

REPORT ON THE FEASIBILITY ASSESSMENT FOR A BIOTECHNOLOGY PARTNERSHIP PROGRAM

COUNTY OF LOS ANGELES



CHIEF EXECUTIVE OFFICE
JUNE 2011

REPORT ON THE FEASIBILITY ASSESSMENT FOR A BIOTECHNOLOGY PARTNERSHIP PROGRAM COUNTY OF LOS ANGELES

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1. OVERVIEW

On February, 8 2011, the Los Angeles County Board of Supervisors (Board) instructed the Chief Executive Officer (CEO), Director of Health Services (DHS), and other appropriate County departments to conduct a feasibility assessment for developing or supporting a countywide public and private biotechnology partnership program that would promote outstanding public health care delivery, job creation and research; and report back to the Board in writing within 60 days on the progress.

The feasibility assessment should identify:

a) opportunities for potential private academic and research partnerships at each of the County-owned hospital campuses: LAC+USC Medical Center (LAC+USC), Rancho Los Amigos National Rehabilitation Center (Rancho), Harbor-UCLA Medical Center (Harbor-UCLA), Olive View-UCLA Medical Center (OVMC) and Martin Luther King, Jr. Medical Center (MLK);

b) potential existing and upcoming local biotechnology initiatives on which public and private collaboration would be aligned with County Strategic Plan goals;

c) potential sources of both public and private resources that could support this effort;

d) key potential private and public academic and research partners;

e) potential approaches that the County could take to ensure the County realizes tangible benefits from a public and private biotechnology partnership program, including potential performance benchmarks;

f) potential challenges; and

g) develop a potential implementation schedule.

2. BACKGROUND

Biotechnology has been described as the application of scientific and technical advances in life sciences to develop commercial products. The bioscience industry is composed of four sectors and three of these sectors impact our County health departments: drugs and pharmaceuticals; medical devices and equipment; and research, testing, and medical labs. Many experts believe that the economic growth industry of the 21st century is biotechnology.

Part of our review included research of material available in the biotechnology field. We also contacted subject matter experts, met with some of your Board offices, and visited the Los Angeles Biomedical Research Institute (LA BioMed) at Harbor-UCLA. In addition, we conducted an inventory and the following represents the biotech efforts that are currently underway at our County facilities.

2.1. LAC + USC

Founded in 1947, Health Research Association (HRA), is an affiliate of the University of Southern California (USC) and provides clinical trial support services to LAC+USC. HRA provides support to the medical staff in the conduct of biomedical research, providing important access to new drugs, and biological and medical devices. As such, LAC+USC has contributed substantially to medical advancements in many areas. Each year, over 250 new studies are initiated including studies in oncology, gynecology, ophthalmology, neurology, cardiovascular medicine; the activities span all medical disciplines. HRA provides an important avenue for interaction with the biotechnology industry.

A major step in the biotech field was your Board's approval in April 2010 of negotiations with Momentum LA Inc. (Momentum) to establish a full-service incubator for biotechnology start-up companies at LAC+USC. As indicated in our February 25, 2011 report to your Board, the business plan with Momentum has been completed. The remaining documents, including the lease, purchase warrant agreement and incubator program agreement are underway and we anticipate bringing them to your Board shortly.

2.2. RANCHO

The Los Amigos Research and Education Institute, Inc. (LAREI) was established in 1956 as a non-profit organization to work with Rancho. The mission of LAREI is to conduct medical research and education activities at Rancho to continuously improve the care and quality of life of persons with disabilities. In addition, Rancho in collaboration with USC, has a federally funded Rehabilitation Engineering Center on Technologies for Successful Aging with Disability. They are investigating the use of virtual reality and gaming for rehabilitation and exercise after stroke, and influencing wheelchair and automobile designs to improve independence.

2.3. HARBOR-UCLA

Harbor-UCLA has a research partnership with the Los Angeles Biomedical Research Institute (LA BioMed) since 1952. The relationship with this independent research institute on the campus has spawned numerous diagnostic tests, new pharmaceuticals, vaccines, health care delivery systems, as well as other discoveries. This includes collaboration on biotechnology projects on an ongoing basis.

2.4. OVMC

OVMC works with the Olive View-UCLA Education and Research Institute (ERI) and presently conducts about $5 million in biomedical research projects on campus. There are 98 active biomedical research projects currently underway, the majority of which are drug trials. In addition, OVMC partners with California State University-Northridge (CSUN) on more biotech projects.

2.5. MLK

There are no biotech relationships underway at this time at the MLK site.

3. FINDINGS

Our review indicates that a biotechnology partnership program is feasible and that growth opportunities exist not only for the County of Los Angeles, but the Los Angeles region.

While the Los Angeles region has notable biotechnology efforts, it has not distinguished itself in the biotechnology field as well as other California areas. However, the greater Los Angeles region has strong universities and teaching hospitals that are very active in the life sciences and experts indicate that these are key components to a successful biotechnology effort. Although the County of Los Angeles is involved in some promising efforts, it must be recognized that a strong and highly committed effort will be required in order to elevate the ranking of the Los Angeles region in the biotech field. A true concerted effort will require involvement by government (local, State and federal), the private sector, and academia.

3.1. PARTNERSHIP OPPORTUNITIES

Given the County's public hospital and healthcare system, extensive land portfolio, and existing relationships with UCLA and USC, some of the country's best medical schools, the County is uniquely positioned to develop an outstanding biotechnology program. To reach this goal, we must ensure that we leverage our vast land resources and that we develop suitable and appropriate biotech models for our campuses, which complement and support the overall system of care while bringing jobs to the area.

Leading institutions located within the greater Los Angeles (LA) area and the County's real estate portfolio form key resources that can potentially poise the County to emerge as a leading area in the biotechnology field.

The LA area is home to many leading, and often considered "first," institutions of higher learning. The California Institute of Technology (Caltech) is a leading scientific institution, not only in the county, but the world. UCLA and USC are some of the country's best medical schools. LA BioMed is one of the country's leading nonprofit biomedical research institutes and their achievements span five decades. The institute conducts biomedical research, trains young scientists and provides community services, including childhood immunization and nutrition assistance.

As noted, LA BioMed was founded in 1952, and has 150 researchers and more than 1,000 ongoing studies, including: a major effort on the next generation of antibiotics; refining methods for earlier identification of Type II diabetes; development of enhanced breast cancer detection; and preventing blindness in children in developing nations.

The County has four hospitals and two Multi-Service Ambulatory Care Centers (MACCs), representing over 5 million square feet of space. The LAC+USC site, specifically, the "former Medical Center" has available space and negotiations with Momentum to establish a full-service incubator for biotechnology start-up companies is currently underway. In addition, there is available space at the Rancho, Harbor-UCLA, OVMC, and MLK sites.

The following biotech models expand and/or foster the biotechnology field and are typical of the industry. Partnerships can be explored based upon these models. As previously noted, some of these models are present at County sites.

3.1.1. RESEARCH LABORATORIES

The bulk of scientific research is performed by universities and the private sector; the main focus is basic, experimental discovery. Research is generally supported by governmental agencies such as the National Institutes of Health (NIH) and Department of Defense (DoD) as well as corporate research and development departments.

3.1.2. RESEARCH AND DEVELOPENT (R&D)

R&D is usually undertaken by the private sector or universities; the main focus is to develop basic science discoveries. R&D is highly supported by the corporate sector as well as governmental agencies, such as NIH and DoD.

3.1.3. BUSINESS INCUBATORS

These organizations or programs are specifically designed to accelerate the successful development of start-up companies through a full array of business support resources and services. Incubators typically seek out promising academic research and help them grow into successful, viable companies.

The commercialization process takes the discovery (e.g., drugs, diagnostics and medical devices) and delivers it to the market place. A framework for commercialization would provide for scientific, regulatory, and management strategies. The drug commercialization process includes, but is not limited to: a) clinical studies (there are four major clinical phases for drugs); b) FDA approval; c) patents; and d) marketing.

An organization or institution can sponsor one or more of the above three models. Intense efforts to engage deeply in the biotechnology space often manifest through generation of Biotechnology Parks or Biotechnology Clusters.

3.1.4. BIOTECHNOLOGY PARKS

These projects house numerous organizations ranging from academic and government entities to large and small private companies, and may include business incubators. Often based on or near academic institutions, technology parks help foster a community that allows businesses and organizations to focus on innovation and advanced research.

3.1.5. BIOTECHNOLOGY CLUSTERS

These are geographical areas with large and established biotech and pharmaceutical companies, early stage and developing companies, and research organizations. Successful biotech clusters include top level research universities and academic medical centers. The presence of these institutions is highly important as they bring crucial grant funding and talented research individuals required for research and invention, leading to commercialization of products. Academic medical centers also often conduct and lead clinical trials for product approvals.

3.2. REGIONAL ENGAGEMENT AND SUPPORT

Biotech efforts do not need to be limited to the County of Los Angeles. The greater LA area is also uniquely positioned for the biotech field. Though successful initiatives have not taken root within the LA area,local and regional players, such as the Southern California Biomedical Council (SoCalBio or SCBC) and IMPACT initiative (discussed below), should be recognized for their highly committed efforts to expand the biotech industry in Southern California.

Although the LA region lags behind other California areas, the following actions are could help to build biotechnology's presence. Additional analysis as to the development and/or support of these efforts should be explored.

3.2.1. TARGETED BIOTECHNOLOGY INVESTMENTS

As a key driver of economic growth, identify program/s that the County and other public entities can champion to encourage the development and growth of the biotechnology sector in the greater LA area.

3.2.2. OVERALL INDUSTRY PROMOTION

Develop a program, including partnerships with the private sector that establish, foster, and promote a biotechnology "community" for the LA area.

As one example, SoCalBio promotes and supports biomedical and biotechnology research, development, and manufacturing in the greater Los Angeles region with resulting benefits in terms of economic

development and job creation. SoCalBio is a non-profit, membership-based California trade association and is open to members located in Los Angeles, Orange, Riverside, San Bernardino, Ventura, and Santa Barbara counties. The membership is composed of biomed/biotech firms, service providers, public sector agencies, research hospitals, and colleges and universities.

3.2.3. SUPPORT FOR RESEARCH AND DEVELOPMENT (R&D) CAPACITY

Develop program that supports and expands R&D capacity, and which encourages commercialization of new discoveries. Identify partnership opportunities with universities in the LA area to help promote them, as well as other local institutions, to ensure that they are well positioned to compete and obtain R&D grants and awards.

In our discussions with LA Biomed, they indicated their strong support for a continued and expanded partnership with the County.

3.2.4. VENTURE CAPITAL

Develop program to address early-stage capital for biotech companies in the LA area. Although California tends to be a State in which bioscience venture investing is generally concentrated, the LA area is not considered a leader within the State.

3.2.5. LEGISLATION

Develop program that promotes tax policy and other regulatory infrastructure that support the biotechnology industry.

3.3. PRIVATE AND PUBLIC RESOURCES

In addition to the County's real estate portfolio and its existing relationships with major academic institutions such as USC and UCLA, it is essential that LA County utilize additional resources, both private and public, to support the growth of biotechnology in the LA area. Connecting small, promising companies with the necessary start-up funding will allow these companies the ability to mature into successful, viable ventures.

Private funding may be available through several sources, such as venture capital organizations, "Angel" investor groups (i.e., small groups of individual, affluent investors), and philanthropic foundations. Southern California is home to many venture capital organizations, some of which are already involved in the biotech field. However, there remains significant potential for biotech growth in the LA area, which could potentially drive the need for greater involvement from venture capitalists.

Federal funding is available through the U.S. Small Business Administration (SBA) Office of Technology's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, which seek to foster the growth of the nation's small, high-tech, innovative businesses. To date, over $16 billion has been awarded to various small businesses by the SBIR and STTR programs.

IMPACT Initiative – Kristina "Z" Holly, Vice Provost for Innovation, Executive Director, USC Stevens Institute for Innovation, has proposed a pilot initiative for the federal government to invest a small amount of funding ($2 million per year, per university, for five years) at 10 local demonstration sites to identify best practices for coaxing breakthrough ideas out of universities, and to develop objective metrics for measuring results. The initiative "IMPACT: Innovation Model Program for Accelerating the Commercialization of Technologies" notes that university research forms the foundation for some of the most significant U.S. technological advancements. However, many ideas are left on the shelves in the laboratories awaiting discovery.

3.4. TANGIBLE BENEFITS

Successfully fostering the growth of the biotech industry in the greater LA area will lead to many benefits to the County and its residents, such as increasing the number of well paying, high-tech jobs, driving innovation and academic pursuit, and increasing patient access to new and innovative treatments. Biotech jobs are a highly diverse and growing industry which continues to demonstrate employment growth in spite of our halting economy.

The County may choose to implement any of the noted biotech models; however, to build upon already existing efforts, biotech incubators and/or biotech parks would seem the next logical step. Such incubators/parks could be established at the noted County sites.

California is widely recognized as the leading state in the U.S. for biotechnology, and within the state, San Francisco and San Diego are considered the top two regions. In the August 2009 study "The Marketplace for Ideas: Can Los Angeles Build a Successful Biotechnology Cluster? A Report to the John Randolph Haynes Foundation," by Steven Casper, Keck Graduate Institute of Applied Life Sciences, the study noted that in 2000, it was reported that Stanford and UC San Francisco accumulated over twice as many patents developed by UCLA. Collectively, the Los Angeles area universities have commercialized less research than their peers in other parts of California.

The study further notes that a comparison of university spin-offs in the San Diego and Los Angeles area indicates that during the 1980 to 2005 period at least 51 biotech companies located in San Diego can trace their origins to local university science, while only 10 Los Angeles region biotech companies could be linked.

The following are some of the benchmarks that the County could utilize to ensure tangible benefits from public-private biotechnology partnerships are realized.

3.4.1. PATENTS

The development of patents is a strong indicator as to the successful commercialization of biotech research.

3.4.2. SPIN-OUT COMPANIES

Successful biotech companies often lead to new companies, usually when a company's employees leave to start a new venture or when a division separates from a parent company.

3.4.3. INCENTIVES

As part of any future public-private partnerships, the County could substantially benefit in various ways, such as increased patient access to innovative medical treatments or receiving financial interests in any successful biotech ventures.

3.4.4. JOBS

Expanding the biotech industry in the greater LA region would bring new, high-paying, skilled jobs to the local economy.

3.5. BENCHMARKS OF PROGRESS

A variety of successful biotechnology cluster models could be utilized as benchmarks by which to measure LA County's success in enhancing its presence in the biotech field:

3.5.1.

The University of San Diego (UCSD) Science Research Park – 30-acre parcel designed to enhance the university's instructional and research base through programs that provide an opportunity for interaction between outstanding industrial and academic research activities; continue to attract and retain top researchers and scientists; enhance the private support for UCSD research, graduate fellowships, undergraduate and graduate student training, and collaborative faculty and private sector industrial research projects; and create a financial resource.

3.5.2.

Colorado Science + Technology Park at Fitzsimmons (Fitzsimmons Park). Colorado has become home to a highly advanced, fast-growing life science cluster and reports 16,000 workers in more than 400 companies in the bioscience industry. The Fitzsimmons Life Science District (District) area includes 300 square miles within four cities. Project leadership's goal was to transform a former industrial area into a highly connected, sustainable commercial, residential, and lifestyle center for the future.

Within the District, the Fitzsimmons Park, a 170-acre parcel was modeled after successful medical research parks across the country. There are more than six million square feet of corporate and bioresearch facility space. The site is specifically designed for the life science industry and offers, among other things, build-to-suit lab space, turnkey wet-lab facilities, and bioscience incubator.

3.5.3.

San Francisco Mission Bay (MB) Biotech Cluster ("Bay Cluster") – San Francisco (SF) is considered the birthplace of biotech and is home to many of the world's premiere biomedical researchers and scientists. The Bay Cluster is anchored by the 43-acre MB campus of the University of California, SF; QB3, a cooperative effort among three campuses of the UC and private industry; the California Institute for Regenerative Medicine (CIRM), the newly formed $3 billion State agency dedicated to funding stem cell research; a state-of-the-art hospital that will serve women, children and cancer patients; the Gladstone Institute; and numerous cutting-edge biotech companies.

3.6. CHALLENGES

Los Angeles County lacks a vibrant biotech cluster and network and attempting to expand its market share will be extremely challenging given more established biotech sectors. Additionally, biotech jobs are highly coveted and many jurisdictions have expended extraordinary amounts of funding and provided incentives but have not been able to create a concentration of biotech firms.

Indeed, in January 2010, it was reported that a state expended $1.5 billion and provided numerous incentives to eight biotech organizations but it had yet to see the growth of technology clusters in the participating counties. A review of the heavily subsidized effort indicated that the noted state had limited early stage capital for beginning companies. It was suggested that the state shift its focus from attracting research firms to providing early stage money for startup biotech companies.

4. SUMMARY

Many experts believe that the economic growth industry of the 21st century is biotechnology. Biotech jobs are a highly diverse and growing industry which continues to demonstrate employment growth in spite of our halting economy. More and more jurisdictions, including other countries, are willing to expend extraordinary amounts of funding and provide incentives in order to attract, retain, and expand biotechnology in their area.

In the field of biotechnology, the Los Angeles region has lagged behind other areas of the State such as San Francisco and San Diego. Although it will take a highly committed and concerted effort, the greater Los Angeles region can emerge as a formidable challenger in the arena. Our findings indicate that a composite of a highly successful, integrated biotechnology cluster includes:

4.1. UNIVERSITY RESEARCH/MEDICAL CENTERS

Establish and/or expand partnerships with the California Institute of Technology (Caltech) a world leading scientific institution; UCLA and USC, some of the country's best medical schools; LA BioMed one of the country's leading nonprofit biomedical research institutes; as well as other highly regarded institutions that make the Los Angeles area their home.

4.2. BIOTECH INVESTMENT/DIVERSITY

Champion a program to bring large and established biotech and pharma companies, early stage and developing companies, and critical service providers such as contract research organizations. Program should encourage market diversity by including pharmaceuticals, biologics, medical devices, and diagnostics.

4.3. RESEARCH AND DEVELOPMENT (R&D)

Support and expand R&D capacity to encourage commercialization of new discoveries. Establish partnership opportunities with universities in the LA area as well as other local institutions, such as LA Biomed.

4.4. VENTURE CAPITAL

Address early-stage capital for biotech companies by developing program which promotes venture capital investing, angel investors, and other sources.

4.5. REGULATORY ENVIRONMENT

Create a positive business environment that supports the biotech industry, including taxes, regulatory barriers, operating costs and cost of living.

4.6. INDUSTRY PROMOTION

Establish partnerships with the private sector that foster and promote a biotechnology "community" for the LA area.

At the center of this effort is the County of Los Angeles which can serve as the catalyst to energize and bring this highly sought industry to the area. The County can lead the way by developing a master plan that will establish a biotech cluster at the former Medical Center, Rancho, Harbor-UCLA, OVMC, and MLK. Such a master plan will incorporate the recently Board-approved full-service incubator for biotechnology start-up companies that is currently underway with Momentum at the former Medical Center, as well as other existing biotech efforts.

5. RECOMMENDATIONS

The CEO and DHS conducted a feasibility assessment as to the establishment of a countywide public and private biotechnology partnership program that would promote outstanding public health care delivery, job creation and research; and determined that such a program was feasible. This phase I assessment has been completed and it is recommended that phase II be launched. Given the complexity and requisite expertise that will be required for the continuation of this project, we strongly recommend that the County initiate phase II via the services of a consultant.

A consultant, with the appropriate subject matter expertise, can best assist the County navigate the highly complex field of biotechnology. In addition, a consultant can provide dedicated resources to ensure this project is expedited and completed within a designated timeframe. A recommended schedule and timeline for phase II of this effort includes:

- CEO and DHS to coordinate with the Board offices and develop a statement of work – within 30 days (July);
- CEO and DHS to engage consultant services and secure an agreement – 45 days (mid-September);
- Consultant to conduct phase II of the biotechnology program and develop master plan – 60 days (mid-September – mid-November); and
- CEO and DHS to return to the Board with phase II findings and provide recommendations – 45 days (December).

Biotech efforts do not need to be limited to the County of Los Angeles. As with the County, the greater LA area is uniquely positioned for the biotech field. While successful initiatives have not taken root within the LA area, the Southern California Biomedical Council (SoCalBio or SCBC) and IMPACT initiative should be recognized for their highly committed efforts to expand the biotech industry in Southern California.

AGN. NO.

MOTION BY SUPERVISOR GLORIA MOLINA April 20, 2010

Over the last decade the Biotechnology sector has grown dramatically. Biotechnology companies have created more than 200 new therapies and vaccines, including products to treat cancer, diabetes, HIV/AIDS and autoimmune disorders. The Los Angeles region has all the necessary elements to sustain local growth in the biotech industry, including: a high concentration of research facilities, existing support infrastructure, public and private financial resources, and a large and qualified employment base. Furthermore, a 2007 study by Battelle Technology and the Association of University Research Parks found that every job in a university-linked incubator generates approximately three jobs in the economy and that less than ten percent of the incubator graduates leave the region.

Momentum LA, Inc. established in 2006, is a non-profit biotech incubator founded by leading UCLA and Caltech Faculty who, working in collaboration with public and private academic institutions and private venture capital groups throughout Los Angeles, are committed to accelerating the transfer of new healthcare technologies

MOTION

Ridley-Thomas _____

Yaroslavsky _____

Knabe _____

Antonovich _____

Molina _____

from the laboratory to the clinical and commercial environment.

Momentum LA, Inc. is interested in establishing a biotech incubator pilot project in existing and unused laboratory space in the old General Hospital facility. If successful in incubating the next generation of biotechnology companies, the entire region will benefit from the jobs, educational opportunities and resources attracted to the region from this important growth industry.

I, THEREFORE, MOVE THAT THE BOARD OF SUPERVISORS instruct and authorize the Chief Executive Office to commence negotiations with Momentum LA, Inc. for a 10-year gratis lease agreement to operate a biotech incubator pilot and return to the Board upon completion of the negotiations for the approval of a lease.

Additionally, the lease will be contingent upon Momentum LA, Inc.'s acceptance of the premises in the current "as is" condition, with Momentum LA, Inc. assuming complete financial and legal responsibility to build-out, maintain and operate the leased space, while providing the County with other tangible benefits. Any such lease shall contain a provision outlining the sharing of any profits for reinvestment in the incubator and/or to expand the biotech park.

MJ/jp

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

November 2, 2010

TO: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: William T Fujioka
Chief Executive Officer

EXECUTIVE CAMPUS PLANNER SERVICES FOR:
HARBOR-UCLA MEDICAL CENTER
LAC+USC MEDICAL CENTER CAMPUS
MARTIN LUTHER KING, JR. MEDICAL CENTER
OLIVE VIEW/UCLA MEDICAL CENTER

On September 28, 2010, your Board approved funding for master planning activities, as part of the Final Supplemental Resolution making sufficient funds available to develop comprehensive and strategic campus plans for the future redevelopment of Harbor-UCLA Medical Center (Harbor-UCLA), LAC+USC Medical Center Campus (LAC+USC), Martin Luther King Jr. Medical Center (MLK), and Olive View/UCLA Medical Center (Olive View). Upon their completion, these campus plans will provide guidelines for:

- the size and configuration of hospital and outpatient facilities to meet the objectives and service levels of the Department of Health Services current and future mission;
- linkages to the needs and priorities of the community based on public outreach to ensure excellent healthcare, space for wellness and prevention education;
- linkages that will stimulate and complement economic opportunities in the region;
- the integration of sustainable design technologies into building and overall site plans that will minimize energy consumption and carbon emissions while extending the useful life of the proposed facilities and site itself;

- site designs that complement and/or enhance the aesthetics of the campus and adjacent communities while minimizing environmental impacts; and

- future land uses, including County and other purposes approved by your Board.

We plan to initiate these master plans during the current fiscal year. Master planning firms will be selected through competitive Request for Qualification (RFQ) processes that will be conducted separately for each campus plan. To date, we have completed RFQ selection processes for the Harbor-UCLA and MLK campuses and are prepared to present recommendations for consultant service agreements to your Board in the near future. We are preparing to initiate the selection process for the LAC+USC master plan later this month and plan to initiate the selection process for the Olive View master plan in Spring 2011. A summary of the status of each campus plan is provided below.

Harbor-UCLA

In 2007 and 2008, your Board approved the Harbor-UCLA Medical Center Senate Bill 1953 and the Surgery/Emergency Projects. In anticipation of future health related services, in July 2009, the Chief Executive Office (CEO) issued the Executive Campus Planner RFQ for architectural/engineering design services for the Harbor-UCLA Medical Center campus to 37 firms in addition to advertising on the County's website. On October 14, 2009, 12 firms submitted qualifications for consideration. The qualifications were evaluated and four firms were shortlisted and requested to interview. Perkins + Will was found to be the best qualified firm to perform these services.

In December 2009, Perkins + Will agreed to perform the Executive Campus Planning Services for Harbor-UCLA for a $2,763,436 not-to-exceed fee. The scope of services and fees have been negotiated and finalized and are scheduled for your Board's approval on the November 16, 2010 Board agenda.

LAC+USC

Although the Replacement Hospital has been completed, currently there is an ongoing historic evaluation of General Hospital. Based on this information, the CEO, in collaboration with the First Supervisorial District, is developing a scope of work for a campus plan. It is anticipated that the scope of work will be completed and an Executive Campus Planner RFQ for architectural/engineering design services will be released in November 2010 for the LAC+USC Medical Center campus. The proposal will be advertised for four weeks and all proposal submissions will be due to the Department of Public Works (DPW) approximately one month later. An evaluation of the submitted proposals will then be completed and the most qualified firms will be shortlisted and interviewed sometime around mid January 2011.

The CEO expects to have the best qualified firm selected by mid February 2011 and the Board Letter requesting approval to execute an Agreement will be scheduled for the end of March 2011 after negotiating the Agreement with the selected firm.

MLK

In 2009 and 2010, your Board approved the Martin Luther King, Jr. Medical Center Inpatient Tower and Multi-Services Ambulatory Care Center Projects, as well as directed the CEO to develop a campus plan.

In December 2009, CEO issued the Executive Campus Planner RFQ for architectural/engineering design services for the Martin Luther King, Jr. Medical Center campus to 184 firms in addition to advertising on the County's website. On April 12, 2010, 10 firms submitted qualifications for consideration. The qualifications were evaluated and four firms were shortlisted and requested to interview. Gensler was found to be the best qualified firm to perform these services.

Gensler agreed to perform the services for a $2,993,520 not-to-exceed fee for the campus plan. The scope of services and fees have been negotiated and finalized, and are scheduled for your Board's approval on the November 16, 2010 Board agenda.

Olive View

An Executive Campus Planner RFQ will be issued in January 2011 for architectural/engineering design services for the Olive View-UCLA Medical Center campus. It is anticipated that recommendations for the award of a master planning agreement will be presented to your Board in May 2011.

I am available to discuss this matter with you at your convenience, or your staff may contact Jan Takata at 974-1360.

WTF:BC
DJT:TF:zu

c: Executive Office, Board of Supervisors
County Counsel
Department of Health Services
Department of Public Works

K:2010Word/Fam/CP/Executive Campus Planner Services Bd memo

Technical Exhibit 4

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE
AUDITOR-CONTROLLER

MARIA M. OMS
CHIEF DEPUTY

ADDRESS ALL CORRESPONDENCE TO
DISBURSEMENTS DIVISION
GENERAL CLAIMS SECTION
500 W. TEMPLE ST., ROOM 502
LOS ANGELES, CA 90012-3873

January 28, 2011

TO: ALL ADMINISTRATIVE DEPUTIES

FROM: Connie K. Chung
Division Chief
Disbursements Division

SUBJECT: TRAVEL EXPENSE REIMBURSEMENTS EFFECTIVE FEBRUARY 1, 2011

Section 5.40.095 of the County Code requires an annual adjustment of maximum travel, meal, lodging and incidental expense reimbursement rates based on annual changes in the National Consumer Price Index (CPI) published by the Bureau of Labor Statistics. This section also stipulates that the annual percentage change in the CPI during the preceding calendar year must exceed 3% to cause a rate adjustment. If the percentage change is less than 3%, then the percentage change shall be accumulated with the percentage change in the following year(s) until such time the cumulative percentage change exceeds 3%. Adjustments are then made to reflect the total cumulative percentage change.

As of December 2010, the cumulative annual percentage change in the CPI is as follows:

Calendar Year	Annual % Change	Cumulative % Change
January 2008 - December 2008	0.1%	0.1%
January 2009 - December 2009	2.7%	2.8%
January 2010 - December 2010	1.5%	4.3%

The cumulative annual percentage change of 4.3% now exceeds the 3% threshold required for a rate adjustment. Therefore, the adjusted maximum reimbursable amounts for lodging and meals incurred on or after February 1, 2011 through January 31, 2012 are as follows:

Lodging: $200.25 plus corresponding taxes included on the receipt for a single occupancy hotel accommodation upon presentation of the receipt to the travel coordinator of your department.

Meals: $12.00 breakfast, $15.75 lunch and $39.00 dinner, or not exceed $66.75 per day when three meals are purchased any one day.

The allowance for incidental expense for travel to certain capital and primary cities is:

Sacramento	$13.75 per day
Atlanta, Boston, Chicago, Dallas, Detroit, Houston, New York, Phoenix, Philadelphia, San Francisco, Seattle, Miami, and Washington D.C.	$ 70.25 per day

Incidental expense is only claimable to the extent incurred, and not claimable for travel to any other city, unless approved by the Auditor-Controller or Chief Executive Officer. Additionally, incidental expense can only be claimed if the business conducted required presence in these cities.

Furthermore, each claim for incidental expense allowance shall be reviewed and approved on its own merits. Spending amounts greater than the normal reimbursement amounts is not sufficient justification for approval of a claim. Generally, employees must demonstrate that increased expenses were unavoidable or necessary for the efficient conduct of business. It is the employee's responsibility to provide reasonable information to support his or her claim for the incidental expense allowance.

The daily amounts recommended for airport parking (receipt required) is listed on Attachment "A".

Reimbursement for Porterage is $1.00 per day.

New Mileage Rate

Effective January 1, 2011 the mileage reimbursement rate is $0.475 (47.5 cents) per mile for all miles driven. This rate applies to all County employees, represented and non-represented, who drive their own vehicles on County business.

If you have any questions, please contact Anthony Kim at (213) 974-8402.

CC:AK:sg
H:\Annual Travel Reimbursement Letters\Travel Reimbursement 2011

Attachment

c: Fiscal Officers
A-C's Executive Management
File

Attachment "A"

AIRPORT LONG TERM PARKING INFORMATION
as of January 28, 2011

LAX (LOS ANGELES AIRPORT)
(310) 646-2911
New South Parking
251 World Way
Los Angeles, CA 90045

Lot B	Closed
Lot C	$12.00/Day

BURBANK-BURBANK AIRPORT AUTHORITY
(818) 840-8838
Central Parking Systems
2627 Hollywood Way
Burbank, CA 91505

Lots A, B and C	$ 9.00/Day
Lot D	$11.00/Day

LONG BEACH AIRPORT
(562) 425-9665
AMPCO System Parking
4103 Donald Douglas Drive
Long Beach, CA 90808

Lot A	$17.00/Day
Lot D	$11.00/Day

ONTARIO AIRPORT
(909) 937-1240
Parking Company of America
Ontario, CA 91716

Lot 3	Closed
Lot 5	$ 9.00/Day

JOHN WAYNE (ORANGE COUNTY) AIRPORT
(949) 252-6260
Parking Concepts
18601 Airport Way
Santa Ana, CA 92707

Lot C	$17.00/Day
Main Street Parking Lot	$14.00/Day

COUNTY OF LOS ANGELES STRATEGIC PLAN
Plan Structure
2012 Update

The County of Los Angeles Strategic Plan consists of the following components, beginning with the broadest and most long-term elements to the most specific, short-range and tactical activities:

Mission Statement: An overarching, timeless expression of the County's purpose and aspiration, addressing both what the County seeks to accomplish and the manner in which the County seeks to accomplish it.

Values: Shared attributes and behaviors that inform and guide our actions in delivering services.

Strategic Plan Goals (Goal Statements): Goals identify the major services or programmatic areas where the County will focus its strategic efforts. Goal Statements are broad, long-range "visions" for a significant area of the County's operations, defining what the County must accomplish to achieve its mission.

Strategic Initiatives: A limited number of high priorities, strategic initiatives under each Goal that have significant impact to the County and will directly drive implementation. Strategic Initiatives under Goal 2 and 3 include a long-term outcome statement that represents the direction the County will undertake.

Priority Focus (only applies to Countywide Goal 1): Areas of focus under each strategic initiative for Goal 1 that include a long-term outcome statement that represents the direction the County will undertake. Priority Focus areas are seen having a three- to five- year time horizon.

The preceding components ***require approval by the Board of Supervisors,*** *including any updates or revisions. As the components below are more business/implementation/action plans and may need to be revised on a more frequent, tactical basis based upon experience or changed circumstances, they are provided for information purposes. Specific enabling actions may require Board action and will be brought forward at the appropriate time of implementation.*

One-Year Action Plan: This includes action steps to be accomplished to help meet the long-term outcome statements under each strategic initiative or priority. The one-year action plan is reviewed regularly and will be updated annually.

Individual Departmental Strategic Plans: Strategic plans at the departmental level that reflect the unique rule of each department, and the specific services each department provides to County residents. Each department is expected to work with the Board to develop and annually review and update, as necessary, a departmental strategic plan.

COUNTY OF LOS ANGELES STRATEGIC PLAN
2012 Update

GOAL 1: OPERATIONAL EFFECTIVENESS:
Maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services.

Strategic Initiative 1: Human Resources Management

Priority Focus 1: Human Resource Architecture

Long-Term Outcome Statement: To implement recommended new Human Resources (HR) Architecture to best accomplish the County's long-term HR strategic goals by eliminating redundant functions and improving quality of HR services countywide (within 2-5 years).

2012 Action Plan

Action Step 1: By June 30, 2012, present to the HR Executive Advisory Subcommittee the key areas identified by the Department of Human Resources (DHR) and addressed by the HR Council to advance the phased plan to implement the proposed HR business model.

Action Step 2: By June 30, 2012, in partnership with the departmental management, develop a shared services model that will deliver high quality human resource services that support business needs and goals; assess feasibility and funding impact of funding.

Action Step 3: By June 30, 2012, pilot the new shared services model in one County department.

Priority Focus 2: Classification/Compensation

Long-Term Outcome Statement: Transform and improve the Classification/Compensation function for the County by consolidating classifications based on a new competency-based model for Human Resources; providing classification and compensation technical training for line and HR staff; and developing and implementing a formal "Multi-Purpose Job Analysis" process that will facilitate the integration of the new competency-based HR model with the major HR functions: classification and compensation, selection, and training.

2012 Action Plan

Action Step 1: By June 30, 2012, complete preliminary analysis of 303 non-represented, administrative professional classes to identify which of these classes can be considered for consolidation into the broader, core, generic ASM series.

Action Step 2: By June 30, 2012, provide core technical training in Classification and Compensation to all County employees assigned to this functional area (approximately 75 staff). The training will cover the first four of eight modules of our new Classification and Compensation Training Program.

Action Step 3: By June 30, 2012, work collaboratively with DHR to develop and implement a formal Multi-Purpose Job Analysis process. This includes finalizing the methodologies and tools (i.e., forms, systems, inter-departmental organization structure, staffing, policies and procedures), and actual completion of formal job analyses for two managerial classes.

Priority Focus 3: Performance Management and Discipline

Long-Term Outcome Statement: Promote a more effective Performance Management and Discipline Program by improving countywide consistency in the application of disciplinary actions and policies.

2012 Action Plan

Action Step 1: By June 30, 2012, considering feedback received from the pilot department and the HR Executive Advisory Subcommittee, assess the feasibility and impact of funding the Countywide Discipline Management System and finalize any enhancements that are required prior to countywide implementation.

Action Step 2: Implement a pilot of the Civil Service Appeal Database in the DHR Civil Service Advocacy Division and, by June 30, 2012, based on the outcome of the pilot, implement the collection of and reporting of this data for all non-safety related County departments.

Action Step 3: Implement the Performance Net System to effectively manage performance evaluations consistently throughout the County. By December 31, 2012, complete the work plans for 10 departments including consultation with unions and training of the users. Workplans will be uploaded and made accessible to the users in the Performance Net System.

Strategic Initiative 2: Risk Management

Priority Focus 1: Workers' compensation cost reduction (including Risk Exposure Cost Avoidance Plan [RECAP] and safety issues)

Long-Term Outcome Statement: Reduce frequency of claims and return more employees to work following accidents.

2012 Action Plan

Action Step 1: By July 31, 2012, implement the countywide leave and absence management system and provide training for departments.

Action Step 2: By December 31, 2012, provide customized training and support to departments related to the management of employees either on Long-Term Leave or those that are currently on a temporary Conditional Assignment and need to be permanently placed, retired, or medically separated from County service.

Action Step 3: By December 31, 2012, expand return-to-work options for employees with temporary work restrictions which cannot be accommodated within their unit of assignment, and assist DHR in evaluating placement options for employees with permanent work restrictions which cannot be accommodated within their department.

Action Step 4: By July 31, 2012, improve distribution of workers' compensation and liability data through Cognos or other data aggregation method.

Action Step 5: By December 31, 2012, compare last and recent fiscal year data for identified loss cost drivers to measure the effects of training and other loss control efforts. Where necessary, consider and implement more effective strategies for controlling identified cost drivers.

Action Step 6: By December 31, 2012, identify successful, measurable solutions that impacted cost reduction and loss control for some departments and consider for implementation in other departments

Priority Focus 2: Vehicle usage and liability

Long-Term Outcome Statement: Reduce accidents and related expenses involving County drivers and their vehicles, and expenses related to third-party damages.

2012 Action Plan

Action Step 1: By June 30, 2012, complete the development of the Motor Vehicle Safety Program template.

Action Step 2: By December 31, 2012, identify available resources, and develop a formal Motor Vehicle Safety Training Program that can be leveraged by all County Departments.

Action Step 3: By December 31, 2012, obtain clarification - and if possible - expand the reach of the County's Employer Pull Notice Program to include all permittee drivers.

Action Step 4: By June 30, 2012, where none exists and where sufficient vehicle accidents occur, establish departmental Vehicle Accident Review Committees to meet, as necessary, to track frequency, severity and root causes of all work-related vehicle accidents.

Priority Focus 3: Employment practices

Long-Term Outcome Statement: Reduce litigation expenses and claim frequency related to employment practices liability.

2012 Action Plan

Action Step 1: Continue LERC sub-committee and Strike Teams. The LERC sub-committee has reconstituted its Wage and Hour Strike Team to allow for the review of overtime polices for various County departments. In addition, a Strike Team has been created to focus on the trends in discrimination, harassment and retaliation litigation that is intended to allow for a "lessons learned" approach to mitigating claims. **December 2012**

Action Step 2: Continue involvement with the Countywide Equity Oversight Panel and the investigations and recommendations that it makes. The Office of County Counsel and the LERC sub-committee will continue to monitor, review and report on the implementation of the new Policy on Equity and its impact on claims and litigation. **December 2012**

Action Step 3: Evaluate department overtime policies to identify problematic issues and develop and provide training to minimize the impact of any issues discovered with regard to particular County departments or job functions. **July 2012**

Action Step 4: Explore legislation as a possible means to reduce litigation exposure. **March 2012**

Action Step 5: Jointly, with DHR, develop and distribute a periodic bulletin to address employment issues and communicate lessons learned. **March 2012**

Action Step 6: Conduct trend analyses seek proactive measures. Determine what, if any, training, policy changes or operational changes should be recommended to minimize litigation exposure by using current and historical case information. **September 2012**

Action Step 7: Continue the early investigation and resolution of complaints and claims in an effort to reduce litigation. By assigning County Counsel attorneys to both department specific and/or subject matter specific areas, it is easier for County departments to seek advice and review of issues at an earlier stage of the process. That early intervention should assist in reducing the number of issues that ultimately reach a litigation phase. **Ongoing**

Action Step 8: Coordinate with DHR and existing committees, as requested, in an effort to provide early advice or review of legal issues. **Ongoing**

Strategic Initiative 3: Budget Management

Priority Focus 1: Contracting

Long-Term Outcome Statement: Streamline and standardize contracts and the contracting process.

2012 Action Plan

Action Step 1: By June 30, 2012, the Internal Services Department (ISD) will continue contracts training for 33% (180 staff) of the current department-identified target population of approximately 550 employees. ISD will work with departments to prioritize the trainee listings to ensure that employees with more significant contracts duties are trained earlier.

Action Step 2: By June 30, 2012, the working group and supporting departments will implement two master agreement pilot areas to pool similar services among various departments, either by leveraging existing departments' master agreements or by initiating new master agreements.

Action Step 3: By June 2012, ISD will review the departments that attend the Countywide Contracting Network meetings, and reach out to departments that do not regularly participate.

Action Step 4: By June 30, 2015, the working group will measure changes in the number of departments using core master agreements, and identify efficiencies or impacts on staff time, contract pricing, etc.

Action Step 5: By June 30, 2015, ISD will schedule contracts training for the remainder of the current department-identified target population, with a goal to reduce or eliminate contracts training waitlists.

Priority Focus 2: Budget Process and Administration

Long-Term Outcome Statement: Ensure a balanced budget and streamline and improve communication and transparency in the budget process.

2012 Action Plan

Action Step 1: By January 31, 2012, implement a more comprehensive report, updated monthly, for analysis of the County's fiscal status base. Relying on the updated department monthly variance reports, prepare a comprehensive report on the County's fiscal position and present recommendations and impact analysis to the County Board of Supervisors on a quarterly basis.

Action Step 2: By April 15, 2012, implement two key budget process improvements: 1) analyze and update salary savings calculations for all departments to reflect four years of budget curtailments and realistic hiring plans; and 2) accelerate the Classification/Compensation and Chief Information Officer (CIO) budget analysis of position changes and information technology requests to include their findings in the Recommended stage of the budget process.

Action Step 3: By March 31, 2012, working with the Executive Office of the Board of Supervisors, design and implement the Integrated Chief Executive Office (CEO) Budget Module, a new computer system which centralizes and tracks recommendations on budget packages for use in developing the Recommended, Final Changes and Supplemental stages of the budget, to make the budget development process easier and more transparent for Board Budget Deputies.

Priority Focus 3: Item Control

Long-Term Outcome Statement: Implement the eHR Position Control system to enable the County to track positions in accordance with authorized appropriations and provide increased budgetary control.

2012 Action Plan

Action Step 1: By April 30, 2012, continue training on eHR Position Control and the new payroll system prior to implementation.

Action Step 2: By April 30, 2012, provide on-going support and guidance to departments to implement the eHR position control system and new payroll system.

Action Step 3: Throughout 2012, work with departments on any reconciliation issues, reorganizations and reclassifications necessary to bring their items into compliance with countywide polices enforced in the new system.

Strategic Initiative 4: Communications

Priority Focus 1: Continuing Media Relations and Social Media Development

Long-Term Outcome Statement: Continue to provide timely and accurate communication to internal and external audiences, leveraging the Internet and social media.

2012 Action Plan

Action Step 1: By June 30, 2012, expand the social media access pilot project by proposing a revised set of policies to the Board of Supervisors regarding social media usage.

Action Step 2: By June 30, 2012, continue regularly scheduled training sessions to County leaders on interacting with the media, and specialized communications training sessions and forums.

Action Step 3: By June 30, 2012, achieve a 100% participation rate by County departments for having some form of presence on social media sites.

Action Step 4: By June 30, 2012, launch robust monitoring system for traditional media, broadcast, print, and social media coverage of the County and its agencies

Priority Focus 2: Reporting County Results

Long-Term Outcome Statement: Continue to reengineer and strengthen existing communications tools in order to more effectively share County's results and progress with our customers.

2012 Action Plan

Action Step 1: By May 31, 2012, continue development of County Channel programming, including expansion and solidifying distribution venues for the Channel.

Action Step 2: By May 31, 2012, successfully launch the new multimedia County Annual Report, including widespread promotion of the new report, with goal of increasing viewership and participation by a minimum of 25% compared to previous hard copy edition.

Action Step 3: By May 31, 2012, provide training sessions for County managers and communicators on successful use of social media, including Twitter, as a primary vehicle for instantly sharing County results with the community.

Action Step 4: By May 31, 2012, leverage soon-to-be-launched media monitoring system to provide County leaders for the first time with quantifiable data about County's relevance in media mentions, including monetary value of this publicity and total viewers and readers of information about the County.

Priority Focus 3: Mobile Applications

Long-Term Outcome Statement: Continue advising in the development of mobile applications to meet customer needs and increase access to County services.

2012 Action Plan

Action Step 1: By December 31, 2012, continue to identify services that would better meet customer needs through a mobile application.

Action Step 2: By December 31, 2012, continue partnership between County Counsel, CEO, CIO, and ISD in identifying and solving routine technical and legal issues related to developments and changes in mobile application landscape.

Action Step 3: By December 31, 2012, measure effectiveness of existing mobile applications that have already been launched, and continue promotion and messaging about these resources to County customers.

COUNTY OF LOS ANGELES STRATEGIC PLAN
2012 Update

GOAL 2: FISCAL SUSTAINABILITY:
Strengthen and enhance the County's capacity to sustain essential County services through proactive and prudent fiscal policies and stewardship.

Strategic Initiative 1: Probation's Balanced Budget

Long-Term Outcome Statement: Deliver probation services that meet clients' needs and that are provided within budget each year.

2012 Action Plan

Balanced Budget

Action Step 1: By June 30, 2012, the Probation Department will operate within the Board-approved budget.

Action Step 2: By April 2012, the Probation Department will strengthen its management of Item Control and related salary savings to achieve 100% accuracy.

Action Step 3: By June 30, 2012, the Probation Department will explore, analyze, and develop options for the use of additional revenue sources.

Employees

Action Step 1: By June 30, 2012, the Probation Department will continue to reduce its labor costs by improving attendance, minimizing safety risks, and reducing over time of its 6,000 employees. To do this, the Probation Department will:

- By June 30, 2012, manage its over-time budget and reduce the over-time hours and costs overall.
- By June 30, 2012, reduce absenteeism rates, particularly at the halls, camps, and field operations, from 19.6% in FY 2010-2011 to 14.0%, which is based on the Auditor-Controller's Productive Hourly Rate (PHR). (Note: Probation's absentee rates have been lower: 12.7% in FY 2008-2009 and 13.1% in FY 2009-2010.)
- By June 30, 2012, implement an enhanced Return-to-Work Program, based on the Sheriff's Department model and anticipated additional resources, which will reduce these overall costs by 5%.
- By October 31, 2012, design and implement an enhanced risk management and safety program, based on anticipated additional resources, focusing on a

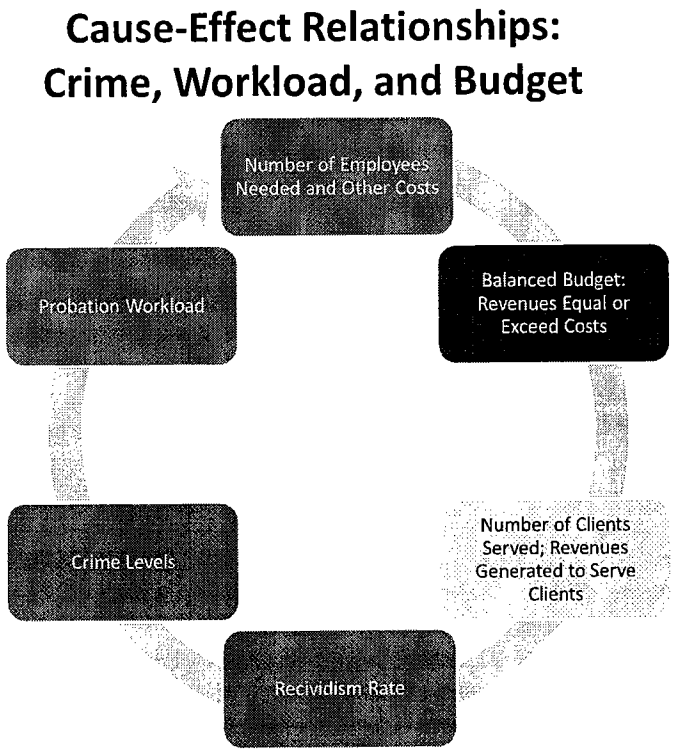
safe work environment and reducing industrial accidents to determine if a reduction in industrial accidents is achievable.

- By October 31, 2013, reduce the cost of employees on 4850 benefits by 10%. (Note: Probation currently has 119 employees on 4850 benefits, which represent 18% of all absent employees.)

Reduced Demand for Services

Action Step 1: By January 31, 2012, the Probation Department will explore other budgeting models that are based on "numbers served" versus "capacity to serve" to avoid historic problems of overstaffing during fluctuations in numbers served.

Action Step 2: By June 2014, the Probation Department will decrease recidivism of its clients served by 5%.



On a simplistic level, reductions in crime and recidivism rates, reduces the number of clients served, which in turn reduces Probation's workload and staffing requirements. Reduced crime results in a safer County.

Strategic Initiative 2: Title Iv-E Waiver Implementation and Renewal

Long-Term Outcome Statement: Complete implementation of the current Title IV-E Waiver to improve outcomes for children and families served and to ensure fewer children and youth are in foster care and for a shorter length of stay, and support the State's effort in securing a five-

year Title-IV E Waiver renewal to support ongoing reforms to the County's child welfare system in the areas of child safety, permanency and self-sufficiency.

2012 Action Plan

Action Step 1: By June 30, 2012, the Department of Children and Family Services (DCFS) will implement the following strategies utilizing reinvestment savings that have resulted from the current Title IV-E Waiver:

- Child safety: Reduce entry into out-of-home care and abuse in out-of-home care through investment in the following programs: Prevention Initiative Demonstration Project (PIDP); Time Limited Family Reunification (TLFR); Adoption Promotion and Support Services (APSS); Child Abuse Prevention, Intervention and Treatment (CAPIT); HUBs to provide comprehensive medical evaluations; Public Health Nurses (PHNs); Parents in Partnership (PIP); and Emergency Response (ER) caseload sustainability.

- Permanency: Improve reunification within 12 months and increase adoption rate within 24 months and improve placement stability through investment in the following programs: Enhanced Specialized Foster Care with Department of Mental Health (DMH) and Upfront Permanency Partners Program (P-3).

- Self Sufficiency: Improve social and emotional well-being and educational attainment of children served by investing in Youth Development Services (YDS), Independent Living Planning Services (ILP), and Countywide Foster Youth Education Program.

Action Step 2: By June 30, 2012, DCFS and Probation will fully participate in the State's final evaluation of the current Title IV-E Waiver which will assess cost-neutrality, utilization of reinvestment funds for FYs 2010-11 and 2011-12, Probation Department's access and use of Child Welfare Services-Case Management System (CWS-CMS), and overall progress towards meeting goals.

Action Step 3: By December 31, 2012, the CEO, DCFS and Probation will develop an education and advocacy program for California's State and Federal legislative delegations on Los Angeles County's achievements under the current Title IV-E Waiver and the benefits to the County's children and families of extending the Waiver for five additional years.

Strategic Initiative 3: California's Section 1115 Medicaid Waiver and Health Care Reform

Long-Term Outcome Statement: To safeguard the Los Angeles health care safety net and provide access to a high-quality, patient-centered, cost-effective health care delivery system by taking full advantage of California's Medicaid Section 1115 Waiver, also known as "the California Bridge to Reform;" achieving all Waiver requirements, and preparing Los Angeles

County for the implementation of coverage aspects of the Patient Protection and Affordable Care Act in 2014.

2012 Action Plan

Action Step 1: Increase patient volume and levels of service to Department of Health Services (DHS) and DMH managed care populations.

- By June 30, 2012, enroll at least 125,000 total eligible patients into Healthy Way LA (HWLA) Program, which provides "bridge coverage" for those populations who will become eligible for traditional Medicaid in 2014.
- By June 30, 2012, empanel at least 30,000 seniors and persons with disabilities (SPD) and 60,000 HWLA patients into DHS primary care medical homes.
- By June 30, 2012, complete a detailed strategic and implementation plan for building DHS capabilities as a Medical Services Organization.
- By December 31, 2012, meet HWLA and SPD specialty care access standards for at least top-five medical/surgical specialties.

Action Step 2: By October 31, 2012, fully achieve milestones and funding for the Delivery System Reform Incentive Pool (DSRIP) Demonstration Year 7 component of the 1115 Waiver, which is designed to support public hospital systems in strengthening and improving safety net health care delivery systems.

Action Step 3: Build out key components of DHS information technology infrastructure to support clinical quality and care coordination, including:

- By December 31, 2012, implement i2i (Disease Management Registry) in >90% of DHS primary care clinics.
- By December 31, 2012, implement an electronic consultation system linking primary care providers and specialists across at least 10 specialties and >75% of all DHS primary care clinic sites.
- By December 31, 2012, complete RFP and contracting process and begin design/build of an Enterprise Electronic Health Record (EHR) capable of meeting "meaningful use" criteria as defined by the Medicare and Medicaid EHR Incentive Program.

Action Step 4: Enhance DHS' ability to measure and improve outpatient patient satisfaction.

- By December 31, 2012, begin use of CG-CAHPS[1] outpatient satisfaction survey tool at all DHS primary care clinics.

[1] Clinician and Group Consumer Assessment of Healthcare Providers and Systems

- By June 30, 2012, complete redesign of customer service training curriculum and begin implementation of new program with outpatient front-line staff.

Action Step 5: By June 30, 2012, improve access and reduce per-visit costs by increasing the number of unique patients seen in DHS primary care and specialty care clinics in FY 2011-12 by 10% in comparison with FY 2010-11.

Action Step 6: Implement new models for the delivery of expanded integrated behavioral health care and primary care under the 1115 Waiver in preparation for health care reform.

- By June 30, 2012, establish co-located DMH programs within six DHS Health Centers.

- By June 30, 2012, enhance integrated behavioral health care and primary care through the establishment of mental health programs within Community Partner agencies by establishing contracts with 20 new providers and implementing all systems required for delivery and claiming of mental health services.

- By June 30, 2012, implement three models of integrated community-based behavioral health care and primary care funded through the Mental Health Services Act Innovation Plan including: Integrated Mobile Health Teams, Integrated Clinic Model and Community-designed Integrated Service Management Model.

Action Step 7: Develop the workforce necessary for health care reform expansion.

- By June 30, 2012, train at least 175 mental health practitioners in the Mental Health Integration Program, an evidence-based practice for the delivery of integrated care in primary care settings.

- By June 30, 2012, develop and implement three models for training of peer counselors in care coordination and care management.

- By June 30, 2012, develop and implement the team-based model of care within the majority of DHS primary care medical homes.

Strategic Initiative 4: County Fiscal and Information Technology (IT) Management, and Cost Efficiencies

Long-Term Outcome Statement: Improve the County's long-term capacity to sustain critical County services within available resources through cost-efficiency savings, leveraging IT resources, improved fiscal forecasting, and diligent monitoring.

2012 Action Plan

Action Step 1: By February 29, 2012, begin a process to identify and implement strategies to achieve savings in the County's purchasing of information technology as part of

the Board approved Business Automation Planning process in FY 2012-13 and beyond in hardware purchases and software licensing. On an ongoing basis, continue and expand efforts to provide one-time and ongoing savings in utilities, purchasing, and other operational costs. It is projected that combined savings from the implementation of the above strategies may be up to $20 million over a multiple year period.

Action Step 1a: By March 31, 2012, complete the purchase and process to deploy the Enterprise License Agreement for Adobe Livecycle Reader Extensions Software countywide to permit the County to create intelligent forms to replace paper-based internal and external processes. Launch training sessions for departments on implementing the software.

Action Step 1b: By April 30, 2012, (CIO, in conjunction with ISD) develop and issue an RFP to establish a Managed Print Services (MPS) Master Services Agreement to optimize desktop printing, to consolidate purchasing and establish and monitor policies to maintain an optimal printing environmental with a goal of realizing potentially savings of $9.7 million annually.

Action Step 1c: By May 31, 2012, implement and begin deployment of a shared Electronic Content Management Infrastructure that will enable consolidation of a stand-alone system infrastructure and provide for an alternative to departmental systems being deployed avoiding costly building, support and staffing expenditures while providing cost-effective disaster recovery to minimize data loss in case of a local power outage or other local event.

Action Step 1d: Throughout 2012, continue working with participating departments to implement enterprise license with IBM/VMware for virtual software and services enabling the County to consolidate multiple servers onto fewer servers with no impact to service or performance, reducing costs, electrical power and cooling requirements. It is projected that the County would save an estimated $3.2 million over a three-year period.

Action Step 2: By February 29, 2012, prepare a "Revenue Book" for the major countywide discretionary revenues. Utilize the "Revenue Book" to improve revenue information provided to the Board and forecasting reliability for major countywide discretionary revenues, such as Property Taxes, Sales Taxes, Vehicle License Fees, Deed Transfer Taxes, Interest Earnings, etc.

Action Step 2a: By July 31, 2012, expand the "Revenue Book to include major departmental revenues to provide a more comprehensive overview of all major County revenues. The Revenue Book will include historical information to support a consistent analytical approach to forecasting revenues and identify potential revenue issues that may impact more than one County department.

Action Step 3: By January 31, 2012, revise the Multi-Year Fiscal Forecast to be a more comprehensive strategic document by providing additional information on major potential issues, not only issues that have a high degree of certainty. This comprehensive outlook will allow management and policy makers to have a much greater perspective on the decisions they are required to make.

Action Step 3a: By November 30, 2012, continue to update the Multi-Year Fiscal Forecast for the next five-year period and reconcile assumptions from the previous forecast to actual events.

Strategic Initiative 5: Collective Bargaining/Employee Benefits and Related Costs

Long-Term Outcome Statement: Reduce and contain current employment costs while promoting health and wellness for all County employees.

2012 Action Plan

Action Step 1: By February 29, 2012, fully prepare for the 2012 labor agreement negotiations including defining negotiation priorities, strategies and resources necessary to support successful negotiation.

Action Step 2: By March 31, 2012, in collaboration with collective bargaining partners, re-evaluate current processes for annual health plan rate renewals. Develop a new approach that separates the long term planning from the rate renewal process. By July 31, 2012, update all benchmark surveys in preparation of 2012 bargaining process and research feasibility of replacing current manual survey process with web-based application to provide a cooperative survey with surrounding agencies.

Action Step 3: By June 30, 2012, determine if it is prudent to develop a written fiscal policy that support's the County's role as fiduciary of the plans to alleviate current inconsistencies in risk assumption, funding methodologies, reserve levels, subsidies between health plans and subsidies within rate tiers

Action Step 4: By September 30, 2012, explore feasibility of offering County health facilities as eligible providers under County employee health programs.

Action Step 5: Ongoing through 2018, proactively lead the planning to address the impacts of Health Care Reform on the County as an employer, including communication and education of County employees as consumers on benefits, and provisions for benefits exchange and tax implications.

Action Step 6: By September 30, 2012, through partnership with Risk Management, evaluate County policies and administrative practices of the Short-Term and Long Term Disability plans, including Code compliance.

COUNTY OF LOS ANGELES STRATEGIC PLAN
2012 Update

GOAL 3: INTEGRATED SERVICES DELIVERY:
Maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services.

Strategic Initiative 1: Katie A. Exit Conditions

Long-Term Outcome Statement: To successfully fulfill the objectives identified in the Katie A. Settlement to: 1) provide stable placements for children under the supervision and care of child welfare, and 2) ensure these children receive care and services consistent with good child welfare and mental health practice and the requirements of law, and exit the Katie A. Settlement as expeditiously as possible.

2012 Action Plan

Action Step 1: By June 30, 2012, implement the Shared Practice Model and Coaching in the Department of Children and Family Services' (DCFS) Compton and Pomona regional offices with emphasis placed on utilizing a child and family team approach to achieve better outcomes for the children and families served.

- By March 31, 2012, all DCFS Supervising Children's Social Workers (SCSWs) in Compton will receive basic coaching training and ongoing mentoring.

- By June 30, 2012, 20 DMH staff co-located in the Compton regional office in Service Area (SA6) and 75% of the 16 DMH contracted provider agencies in SA 6 will have been coached to the key elements of Shared Practice Model.

- By June 30, 2012, complete an implementation evaluation of the Shared Practice Model and Coaching in Compton and rollout refined Prototype to Pomona. All remaining DCFS offices will implement the Shared Practice Model and Coaching no later than June 30, 2013.

Action Step 2: By December 15, 2012, DCFS and DMH will successfully complete Phase III Quality Services Review (QSR) baseline reviews and DCFS will issue a final baseline report.

Action Step 3: By September 30, 2012, DCFS will increase enrollment from 2,100 to 2,600 children in Wraparound services.

Strategic Initiative 2: Youth Self-Sufficiency

Long-Term Outcome Statement: Provide quality foster care for current or future eligible non-minor dependents or wards of the juvenile court, ages 19 through 21, through phased implementation of AB 12 (Fostering Connections to Success and Increasing Adoption Act), while exploring program alternatives to reduce future costs to the County.

2012 Action Plan

Action Step 1: Beginning January 1, 2012, DCFS and Probation will begin enrolling in the first year of AB 12 all eligible youth who choose to remain in Extended Foster Care (EFC).

Action Step 2: By February 15, 2012, DCFS will begin issuing regular program and fiscal reports on AB12/EFC, including net County cost neutrality analyses by closely monitoring AB 12 costs and caseloads, as well as impact of the Realignment Revenue.

Action Step 3: By February 29, 2012, DCFS will issue all departmental policies involving the implementation of AB12/EFC.

Action Step 4: By March 30, 2012, finalize DCFS' plans to implement the Transitional Housing Placement Plus-Foster Care (THP+FC) program for AB12/EFC participating youth, pending the State's issuance of an all County letter on the program to be issued in February 2012.

Action Step 5: By December 15, 2012, DCFS will complete training of all ongoing service CSWs on AB12/EFC.

Strategic Initiative 3: U.S. Department Of Justice Memorandum Of Agreement (DOJ MOA) With The Probation Department

Long-Term Outcome Statement: Ensure the Probation Department's Compliance with the DOJ MOA regarding the camps and mitigate any issues to avoid DOJ MOAs in future years.

2012 Action Plan

Action Step 1: By October 31, 2012, the Probation Department will successfully conclude the monitoring period for 35 DOJ MOA provisions.

Action Step 2: The Probation Department and County Counsel will negotiate to either modify the terms or extend the compliance monitoring deadline for the remaining 6 DOJ MOA provisions. Subsequently, the Probation Department will execute the corresponding action plan to successfully implement the negotiated DOJ MOA

provisions and compliance monitoring period. (Compliance deadline currently being negotiated)

Action Step 3: The Probation Department will continue to provide regular status reports to the Board of Supervisors on the DOJ MOA until full compliance is achieved.

Action Step 4: The Probation Department will sustain compliance with the DOJ MOA after the initial compliance.

Strategic Initiative 4: AB109/117 Public Safety Realignment

Long-Term Outcome Statement: Provide AB109 service requirements while meeting clients' needs within available fiscal resources and State funding.

2012 Action Plan

The following County departments and related agencies in the Public Safety and Health and Mental Health Cluster are affected by AB109/117: Probation; Sheriff; District Attorney; Public Defender; Alternate Public Defender; the Departments of Public Health, Health Services, Public Social Services, and Mental Health; and the Trial Courts.

Action Step 1: By June 30, 2012, the CEO's Intergovernmental and External Affairs Division, working with the Public Safety Cluster, will continue to pursue and obtain legislation with a constitutional guarantee for funding AB109.

Action Step 2: Through July 31, 2014, Public Safety Cluster departments will provide quarterly evaluations and assessments of AB109 workload impacts and take necessary actions to respond to additional workload.

- Public Safety Cluster departments will collect and analyze monthly data resulting from AB106 implementation, such as: clients served, risk and need levels, cost of services, State revenues received, fiscal balance, and workload impact.

- By July 31, 2012, Public Safety Cluster departments will analyze monthly data and revise the AB109 Implementation Plan, as necessary, to meet clients' needs.

- By July 31, 2013, Public Safety Cluster departments will analyze FY 2012-13 data and revise the AB109 Implementation Plan, as necessary to meet clients' needs.

Strategic Initiative 5: Capital Projects Coordination

Long Term Outcome: Efficiently deliver the County's capital projects management through coordinating stakeholders' participation on projects, identifying and implementing opportunities for streamlining, and continuously reviewing of project status. Identify and measure key components of managing countywide capital projects.

2012 Action Plan

Action Step 1: By March 31, 2012, conduct a survey of key departmental and Board staff to determine the perception of capital projects delivery process and to request ideas for solutions to deficiencies. .

Action Step 1a: By April 30, 2012, produce the results of the survey and begin the process of formalizing action steps and timelines toward improvements of the process and enhancement of procedures deemed acceptable. As applicable, convene meetings with stakeholders to clarify concerns and remedies so that steps implemented actually address the issues.

Action Step 2: By February 29, 2012, launch the Capital Projects Status Website that will provide real time status updates on all major capital projects. The system will provide key data such as location, cost, contractor, and timelines, as well as pictures showing progress.

Action Step 3: By June 30, 2012, implement performance goals in line with the survey results and reviews. Develop measures of effectiveness and specific timelines. Illustrate how these goals will provide increased efficiencies and delivery of projects.

Action Step 4: By September 30, 2012, identify the components that address effective management of countywide capital projects. Review of needs assessment, scope, financing, impacted departments, service provision, location and timeframes and how each of these are formulated and implemented and by whom.

EXHIBIT D

CONTRACTOR'S EEO CERTIFICATION

_____
Contractor Name

_____
Address

_____
Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

1.	The Contractor has a written policy statement prohibiting discrimination in all phases of employment.	Yes ☐	No ☐
2.	The Contractor periodically conducts a self analysis or utilization analysis of its work force.	Yes ☐	No ☐
3.	The Contractor has a system for determining if its employment practices are discriminatory against protected groups.	Yes ☐	No ☐
4.	Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.	Yes ☐	No ☐

_____
Authorized Official's Printed Name and Title

_____ _____
Authorized Official's Signature Date

Exhibit E

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY'S PROJECT MANAGER:

Name: Sheila A. Shima

Title: Deputy Chief Executive Officer

Address: Chief Executive Office, County of Los Angeles
726 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Telephone: (213) 974-1160 Facsimile: (213) 620-1381

E-Mail Address: sshima@ceo.lacounty.gov

CONTRACTOR ADMINISTRATION

CONTRACTOR'S NAME:_____

CONTRACT NO: _____

CONTRACTOR'S PROJECT MANAGER:

Name: _____

Title: _____

Address: _____

_____

Telephone: _____

Facsimile: _____

E-Mail Address:_____

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: _____

Title: _____

Address: _____

_____

Telephone: _____ **Facsimile:**_____

E-Mail Address:_____

Name: _____

Title: _____

Address: _____

_____

Telephone: _____ **Facsimile:** _____

E-Mail Address:_____

Notices to Contractor shall be sent to the following:

Name: _____

Title: _____

Address: _____

_____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

CONSULTANT EMPLOYEE ACKNOWLEDGMENT AND CONFIDENTIALITY AGREEMENT

General Information

Your employer, Battelle Memorial Institute, has entered into an Agreement with the County of Los Angeles to provide various services to the County. Therefore, we need your signature on this Consultant Employee Acknowledgment and Confidentially Agreement.

Employer Acknowledgment

I understand that Battelle Memorial Institute is my sole employer for purposes of this Agreement.

I understand and agree that I am not an employee of Los Angeles County for any purpose and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles during the period of this employment.

I understand and agree that I do not have and will not acquire any rights or benefits pursuant to any Agreement between my employer, Battelle Memorial Institute, and the County of Los Angeles.

_____ (Initial and date)

Confidentiality Agreement

As an employee of Battelle Memorial Institute, you may be involved with work pertaining to County services, and, if so, you may have access to confidential data pertaining to persons and/or entities represented by the County of Los Angeles. The County has a legal obligation to protect all confidential data in its possession, especially data concerning health, criminal and welfare recipient as well as that protected by the attorney/client privilege. Consequently, you must sign this Confidentiality Agreement for the County of Los Angeles.

Please read the attached Agreement and take due time to consider it prior to signing.

CONSULTANT EMPLOYEE ACKNOWLEDGMENT AND CONFIDENTIALITY AGREEMENT

I hereby agree that I will not divulge to any unauthorized person, data obtained while performing work pursuant to the Agreement between Battelle Memorial Institute and the County of Los Angeles.

I agree to forward all requests for the release of information received by me to my immediate supervisor.

I have been informed by my employer of Article 9 of Chapter 4 of Division 3 (Commencing with 6150) of the California Business and Professions Code (i.e. State Bar Act provisions regarding unlawful solicitations as a runner or capper for attorneys) which states:

". . . It is unlawful for any person, in his individual capacity or in his capacity as a public or private employee, or for any firm, corporation or partnership or association to act as a runner or capper for any such attorneys to solicit any business for such attorneys. . ."

I have also been informed by my employer of Labor Code Section 3219 (i.e. provisions stating it is a felony to offer compensation to claims adjusters and/or for adjusters to accept compensation) which states:

". . . any person acting individually or through his or her employee or agents, who offers or delivers any rebate, refund, commission, preference, patronage, dividend, discount, or other consideration to any adjuster of claims for compensation, as defined in Section 3207, as compensation, inducement, or reward for the referral or settlement of any claim, is guilty of a felony. . ."

I agree to report any and all violations of the above by any other person and/or by myself to my immediate supervisor, and I agree to ensure that said supervisor reports such violation to the County of Los Angeles, Department of Human Resources. I agree to return all confidential materials to my immediate supervisor upon termination of my employment with Battelle Memorial Institute or upon completion of the presently assigned work task, whichever occurs first.

I acknowledge that violation of this Agreement & Acknowledgment may subject me to civil and/or criminal action and that the County of Los Angeles will seek all possible legal redress.

Signature _____ Dated _____

Printed Name _____

Position/Title _____

CONSULTANT NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

Consultant Name_____ Contract No. _____

Non-Employee Name_____

GENERAL INFORMATION:

The Consultant referenced above has entered into an Agreement with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Consultant Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Consultant referenced above has exclusive control for purposes of the above-referenced Agreement. I understand and agree that I must rely exclusively upon the Consultant referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced Agreement. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any Agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced Agreement is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future Agreement.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Consultant for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced Agreement between the above-referenced Consultant and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Consultant.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Consultant proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced Agreement. I agree to protect these confidential materials against disclosure to other than the above-referenced Consultant or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

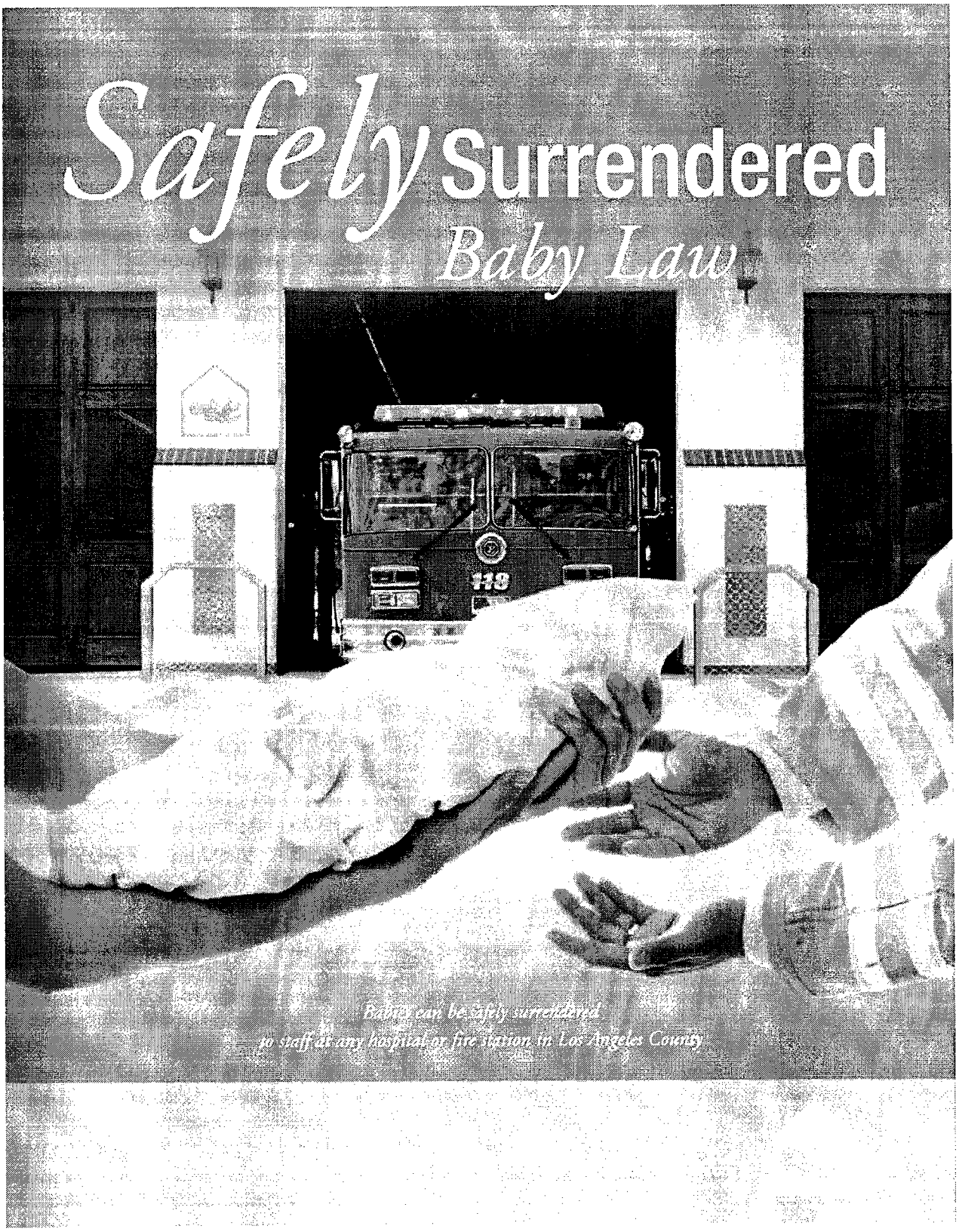
I agree to report to the above-referenced Consultant any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Consultant upon completion of this Agreement or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____

PRINTED NAME: _____

POSITION: _____

EXHIBIT I


Safely Surrendered
Baby Law
Babies can be safely surrendered
to staff at any hospital or fire station in Los Angeles County

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

Safely Surrendered *Baby Law*

Babies can be safely surrendered to staff at any hospital or fire station in Los Angeles County

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a baby, let her know there are other options. For three days (72 hours) after birth, a baby can be surrendered to staff at any hospital or fire station in Los Angeles County.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign 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, staff 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 or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby 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?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a business reply envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

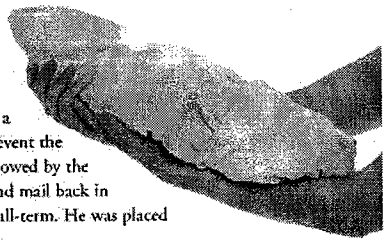
What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents 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 no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

A baby's story



Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.