



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
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DAVID E. JANSSEN
Chief Administrative Officer

August 16, 2005

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:

**COMPENSATION, EMPLOYEE BENEFITS,
AND ACTUARIAL CONSULTING PANEL
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached three-year Agreements with eleven consulting firms for use on an as needed basis to provide compensation, employee benefits, and/or actuarial consulting services and instruct the Chair to execute the agreements. These Agreements also provide for two one-year extensions and up to six month-to-month extensions, thereafter, if additional time is needed to complete work in progress at that point.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommendation is to obtain Board approval of a successor panel of compensation, employee benefits, and actuarial consultants to provide technical assistance to the Chief Administrative Office and the Department of Human Resources on various salary and employee benefit issues. The contracts with the current panel have been in place since 2002 and will expire on August 31, 2005. This recommendation follows the completion of a Request for Proposal ("RFP") competitive selection process to form the new panel.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The technical consulting assistance provided for in these recommendations is directly responsive to the Strategic Plan goal of fiscal responsibility.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

JUSTIFICATION

The support provided by these consultants is critical to the capability of the Chief Administrative Office and the Department of Human Resources to advise your Board on a wide range of salary and employee benefit issues. These consultants provide expertise not available within the County that, in most cases, impacts issues or programs subject to the collective bargaining process, and where significant salary and employee benefit costs may be at stake.

Past use of this panel has provided much needed help on various important compensation and employee benefit issues. We have for example, received assistance regarding the funding and administration of the County's various group insurance programs, including help with the annual premium rate negotiations with the various insurance carriers. We have received actuarial guidance relating to retirement benefit funding issues, and we have received actuarial valuations of the County worker's compensation program. We expect that similar support will be needed from the new panel with regard to these and other issues in the near future.

FISCAL IMPACT

The proposed agreements will create costs only to the extent work is assigned to panel members by the Chief Administrative Office or the Department of Human Resources. During fiscal years 2002-03, 2003-04, and 2004-05, total aggregate costs incurred by the Chief Administrative Office and Department of Human Resources averaged approximately \$182,258 per year. While we cannot be certain what services will be needed, precisely, during the next three years, it is reasonable to assume future costs will be commensurate with past costs.

FINANCING

The 2005-06 budget includes the necessary funding for the current fiscal year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A list of the eleven firms comprising the proposed panel is contained in Attachment A and the proposed contracts are contained in Attachment B. The new contracts would continue the current arrangement whereby the Chief Administrative Officer or the Director of

Personnel may, individually, assign work on an as needed basis to any of the firms in the panel. The nature of the work may vary significantly from project's specific assignments, to day-to-day advice and commentary, including consultations on short notice. We may also ask a consultant to provide information on regional or national salary, or employee benefit trends and practices, including trends related to health care inflation and related health care cost management strategies.

The contracts provide for three-year terms beginning the later of September 1, 2005, or the date the agreements are approved by your Board. The contracts also provide for two one-year extensions and six month-to-month extensions thereafter. Each contract provides for compensation on an hourly time and expense basis at the rates specified in each contract. Where a contract allows for second or third year rate adjustments, the adjustments will be subject to the cost-of-living cap approved by your Board for multiyear service agreements. In addition, each agreement allows the negotiation of special ad hoc expenditure caps on specific projects. Such ad hoc caps limit the total cost for a given piece of work and are useful where the time needed to complete the work may be difficult to accurately predict up-front.

Due to the nature of the work in question, the use of these consultants is not suited to a structured bidding or work order process and, therefore, no such process is expected for this particular panel. In assigning work, however, the Chief Administrative Office and the Department of Human Resources will give due consideration to cost as well as the qualifications and experience of the various consultants.

CONTRACTING PROCESS

The Chief Administrative Office released an RFP on June 14, 2005 and concurrently placed advertisements in the Los Angeles Times, La Opinion, the Sentinel, and Acton-Agua Dulce. Notice was also published on the Internet. We received eleven responses including eight from firms comprising the current panel. Of the eleven responses, all met the minimum qualifications set forth in the RFP.

The RFP requested proposals in three specific consulting areas: 1) compensation, 2) employee benefits, and 3) actuarial consulting. Proposers could respond on any or all of these three areas. Because of the relatively limited response, the fact that six of the eleven responses were limited to only one or two of the three areas, and the fact that all the respondents are well qualified in their respective specialties, it was decided to select all eleven respondents for the panel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This recommendation will not directly affect any current County service or project. However, the expertise provided by the proposed panel of consultants is crucial to the on-going administration of existing compensation and employee benefit programs. The Director of Personnel supports this recommendation. The County Counsel has approved the proposed contracts as to form.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SRH
WGL:MT:df

Attachments (2)

c: Executive Officer, Board of Supervisors
County Counsel
Director of Personnel

**PROPOSED COMPENSATION, EMPLOYEE BENEFITS
AND ACTUARIAL CONSULTING PANEL**

<u>CONSULTING FIRM</u>	<u>CONSULTING SERVICES OFFERED</u>
• AON Consulting	Compensation, Employee Benefits and Actuarial
• Buck Consultants	Compensation, Employee Benefits and Actuarial
• CPS	Compensation
• Fox Lawson & Associates	Compensation
• Garner Consulting	Employee Benefits
• Hay Group	Compensation, Employee Benefits and Actuarial
• KPMG	Compensation and Employee Benefits
• Mercer Human Resource Consulting	Compensation, Employee Benefits and Actuarial
• Reward Strategy Group, Inc.	Compensation
• Segal	Compensation, Employee Benefits and Actuarial
• Valere Consulting	Compensation

ATTACHMENT B

AGREEMENT FOR CONSULTANT SERVICES

CONTRACT NO. _____

This Agreement is made and entered into this _____ day of _____, 2005

by and between County of Los Angeles (hereinafter, the "COUNTY") and AON CONSULTING 707 Wilshire Boulevard, Suite 5700, Los Angeles, CA 90017 (hereinafter, the "CONSULTANT"), based upon the following recitals:

- A. WHEREAS, COUNTY desires to compensate County employees in a manner that attracts, retains, and motivates qualified personnel at the least possible cost; and
- B. WHEREAS, the provision of such compensation requires special skills and expertise in the area of compensation, employee benefit administration and actuarial services; and
- C. WHEREAS, CONSULTANT is specially trained and licensed and possesses skills, experience, education, and competency necessary to assist County with its compensation, employee benefit administration and actuarial needs; and
- D. WHEREAS, COUNTY, in accordance with California Government Code Section 31000, may enter into contracts for special services.

Based upon the foregoing recitals, all of which are hereby incorporated herein by this reference, the COUNTY and CONSULTANT agree as follows:

1.0 TERM

This Agreement shall commence on the later of (1) the date the Agreement is approved by the Los Angeles County Board of Supervisors or (2) September 1, 2005 and shall continue in full force and effect until the earlier of (1) the date occurring three (3) years after the Effective Date, or (2) the date this Agreement is terminated as provided herein. In the event of any early termination of this Agreement as provided herein, or upon expiration of this Agreement, CONSULTANT will assist COUNTY in arranging a smooth transition process; however, CONSULTANT's obligation and the obligation of its affiliates to provide services to COUNTY will cease upon the effective date of termination or expiration. The County shall have the sole option to extend the Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CAO.

2.0 ADMINISTRATION - COUNTY

2.1 COUNTY's Chief Administrative Officer or his authorized designee (hereinafter referred to as "CAO") shall have the authority to administer this Agreement.

2.1.1 COUNTY's Project Manager

2.1.2 COUNTY's Project Manager for this Agreement shall be the following person or his designee:

Manny Talamantes
Compensation Policy
Los Angeles County Chief Administrative Office
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 526
Los Angeles, CA 90012

Business telephone: (213) 974-2529
E-mail: mdtalamantes@cao.co.la.ca.us
Fax: (213) 621-3172

2.1.3 COUNTY shall notify CONSULTANT in writing of any change in the name or address of COUNTY's Project Manager.

2.1.4 COUNTY's Project Manager shall be responsible for COUNTY's performance of its tasks and ensuring CONSULTANT's compliance with this Agreement.

2.1.5 COUNTY's Project Manager shall meet or confer with CONSULTANT's on an as needed basis.

2.1.6 Except as expressly set forth in this Agreement, COUNTY's Project Manager is not authorized to make any changes in any of the terms or conditions of this Agreement and is not authorized to obligate COUNTY in any respect whatsoever.

2.1.7 COUNTY's Project Manager shall have the right at all times to inspect any and all work, tasks, Deliverables, goods, services, and/or other consideration provided by or on behalf of CONSULTANT.

2.1.8 COUNTY's Project Manager shall be responsible for confirming that any technical standards and/or other requirements of CONSULTANT's performance under this Agreement are met.

3.0 ADMINISTRATION - CONSULTANT

3.1 CONSULTANT's shall designate in writing a person who shall have the authority to administer this Agreement.

3.1.1 CONSULTANT's Project Manager shall be responsible for CONSULTANT's performance and assuring CONSULTANT's compliance with this Agreement.

3.1.2 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager as required.

3.1.3 CONSULTANT's Project Manager shall be responsible for CONSULTANT's day-to-day activities as related to this Agreement and for reporting to COUNTY in the manner set forth in Subsection 3.3 (Reports by CONSULTANT).

3.1.4 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager on an as needed basis.

3.2 Approval of CONSULTANT's Staff

3.2.1 COUNTY has the absolute right to approve or disapprove each member or proposed member of CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager, prior to, and during, their performing any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. COUNTY's Project Manager may require replacement of any member of CONSULTANT's staff performing, or offering to perform, work hereunder, including, but not limited to, CONSULTANT's Project Manager.

3.2.2 CONSULTANT represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager.

3.2.3 CONSULTANT shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.2.4 In fulfillment of its responsibilities under this Agreement, CONSULTANT shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, and tasks required by this Agreement.

3.2.5 CONSULTANT shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with the Statements of Work.

3.2.6 In the event CONSULTANT should ever need to remove any staff from performing work under this Agreement, CONSULTANT shall provide COUNTY with notice at least fifteen (15) calendar days in advance, except in circumstances in which such notice is not possible, and shall work with COUNTY on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.3 Reports by CONSULTANT

3.3.1 In order to control expenditures and to provide COUNTY with ongoing information as to all Deliverables, CONSULTANT shall, if specifically requested by COUNTY's Project Manager, provide COUNTY's Project Manager with written reports which shall include but not be limited to, the following information:

- A. Period covered by the report;
- B. Overview of the reporting period;
- C. Any services scheduled for the reporting period which were not completed;
- D. Any services for the reporting period which were completed;
- E. Any services completed in the reporting period which were not scheduled;
- F. Any services to be completed in the next reporting period;
- G. Issues to be resolved;
- H. Issues resolved;
- I. Summary of project status as of reporting date; and
- J. Any other information which COUNTY may from time-to-time require.

3.3.2 CONSULTANT shall deliver one (1) hard copy of each of such report, together with a formal transmittal letter to COUNTY's Project Manager executed by CONSULTANT's Project Manager, and CONSULTANT shall also deliver a second copy of each such report electronically via e-mail.

4.0 STATEMENT OF WORK

CONSULTANT agrees to provide employee benefit consulting services as requested by the CAO, or the Director of Personnel or his or her designee (hereinafter both shall be referred to as "CAO" or "DOP" respectively). Such services may include, but not be limited to the following:

4.1 Part 1 Compensation Consulting

Compensation consulting, will involve day-to-day advice and commentary on a wide variety of wage and salary issues affecting represented and/or non-represented employees, including overtime and other non-base pay issues, and may involve more extensive in-depth consulting on special projects involving wage and salary issues. Part 1 work may include, but not be limited to the following:

- 4.1.1 Advice and commentary on community compensation practices and trends.
- 4.1.2 Advice and commentary on County pay policy for specific benchmark jobs and/or occupational groups.
- 4.1.3 Performance of salary studies for specific benchmark jobs, occupational groups, and/or organizational units, including job evaluation and classification studies.
- 4.1.4 Development of reward systems, including merit pay plans, incentive pay plans, and other special pay plans for specific occupational groups.
- 4.1.5 Development and/or provision of salary survey data for specific occupational benchmarks.
- 4.1.6 Organizational studies, re-engineering studies, evaluation and grading studies, and work systems and methods studies pertinent to the administration of the County's compensation program.
- 4.1.7 Training of County staff on compensation administration practices and techniques.

4.2 Part 2 Employee Benefit Consulting

Part 2 employee benefit consulting will involve both day-to-day advice and commentary and special project consulting on various employee benefit issues affecting represented and/or non-represented employees. Part 2 work may include, but not be limited to the following:

- 4.2.1 Advice and commentary on regional and national employee benefit practices and trends. The consultant selected to provide Part 2 work will be expected to familiarize itself with the existing County employee benefit practices applicable to represented and non-represented employees and be prepared to respond on short notice, if necessary, to questions from the County on virtually any employee benefit issue. This consultant will also be expected to be proactive in informing the County on cost trends, regulatory changes, or other events that could impact the cost of the County's employee benefit program. This type of interaction may be expected to frequently involve quick turnaround telephonic or in-person discussions.
- 4.2.2 Group insurance consulting which may include, but not be limited to the following:
 - 4.2.2.1 Leading County staff in the annual premium rate renewal negotiations with the various insurance carriers for the County's group health and dental plans, a group term life plan, and a group accidental death and dismemberment plan. This effort will involve serving as the point of contact for all insurance carriers, organizing and leading the negotiations meetings, providing necessary actuarial assistance, and working in a collaborative manner with employee representatives and consultants to employee representatives who may participate in this process.
 - 4.2.2.2 Leading the periodic marketing of the County's group insurance plans at the direction of the County.
 - 4.2.2.3 Assisting the County in determining the appropriate plan design and funding methodology for the group health and dental plans.
 - 4.2.2.4 Assisting the County in determining the appropriate plan design, County and employee contribution rates, and level of funding for the County's self-funded short-term and long-term disability plans and survivor income benefit plan.
 - 4.2.2.5 Advising the County regarding Medicare changes and other issues pertaining to the cost of retiree health care.
 - 4.2.2.6 Assisting the County with any issues that may arise concerning insurance programs not currently offered by the County such as universal life insurance and long-term care.
- 4.2.3 Assisting the County with the analysis of State and Federal legislation affecting the employee benefit program.

- 4.2.4 Assisting the County in responding to collective bargaining issues relating to employee benefits. This may entail presenting information and answering related questions at the bargaining table in union negotiation sessions or at other meetings where union representatives are actively involved and working collaboratively outside of formal meetings with union representatives and/or consultants to the unions.
- 4.2.5 Other special project consulting on employee benefit issues including, but not limited to the following:
 - 4.2.5.1 Cafeteria plan design and administration, including regulatory compliance.
 - 4.2.5.2 Paid leave benefit design and administration.
 - 4.2.5.3 Defined benefit retirement plan design and funding.
 - 4.2.5.4 Defined contribution retirement plan design and administration, including advice and commentary on asset management.
 - 4.2.5.5 Employee communications regarding the employee benefit program.

4.3 Part 3 Actuarial Consulting Services

Although actuarial services may be provided as an integral part of the services described under Part 2, the County is desirous of having access to additional actuarial services where independent actuarial estimates or an independent actuarial point of view for a particular issue or project is deemed appropriate by the County. The actuarial specialties included under Part 3 include group insurance, pension, and workers' compensation actuarial consulting.

- 4.4 Consulting services provided pursuant to this Agreement shall be provided only when requested by CAO or DOP. It is mutually understood that COUNTY has not offered and cannot guarantee any minimum level of work under this Agreement.

5.0 **CONSIDERATION**

- 5.1 COUNTY agrees to pay CONSULTANT on a time and expense basis based on:
 - A. The number of hours actually worked by CONSULTANT;
 - B. The type and level of staff who perform the work;

C. The following schedule of hourly rates:

Compensation Consulting Titles	September 1, 2005 through August 31, 2006	September 1, 2006 through August 31, 2007	September 1, 2007 through August 31, 2008
Senior Vice President	\$500	\$520	\$540
Vice President	\$400	\$420	\$440
Assistant Vice President	\$300	\$315	\$330
Consultant	\$220	\$230	\$240
Associate	\$150	\$160	\$170
Administrative Staff	\$100	\$105	\$110

5.1.1 Upon request of the CAO or DOP, CONSULTANT shall provide CAO or DOP with 1) the billing titles and precise hourly billing rates CONSULTANT intends to use for any work requested by CAO or DOP pursuant to this Agreement, and/or 2) the estimated total cost of such work.

5.2 Subject to approval by COUNTY's Project Manager, CONSULTANT may, in addition to the hourly charges set forth in 5.0 (5.1) (A), charge for out-of-pocket costs necessary for a) mail and courier services, b) parking, c) photocopying (other than minor photocopying), and d) out-of-town travel, including air and ground transportation, lodging, meals, and portage. All such costs, if approved, shall be billed at actual cost; provided, however, that, in no event, may out-of-town travel charges exceed the expense limitations imposed by COUNTY on COUNTY employees who travel on COUNTY business. Any other out-of-pocket expenses not otherwise specified in this Subparagraph 5.2 shall not be charged to COUNTY unless specifically approved by COUNTY's Project Manager.

5.3 CONSULTANT shall invoice COUNTY monthly in arrears. Charges for billable time shall be calculated in increments of not less than fifteen (15) minutes. All invoices shall provide the following detail:

- A. The date or dates the services were provided.
- B. The names, billing titles, and hourly billing rates of the individuals who performed the work.
- C. The name of the COUNTY officer or employee who requested the work.
- D. A brief description of the work performed.
- E. Detail on out-of-pocket expenses sufficient to establish such expenses conform with the terms of this Agreement.

- 5.4 In no event shall CONSULTANT charge COUNTY for travel time, including time spent in air or ground transportation unless specifically approved in writing, in advance, by COUNTY's Project Manager.
- 5.5 Upon receipt of an invoice, or further information regarding an invoice, COUNTY's Project Manager may reasonably reject or accept all or any part of invoiced costs. COUNTY shall pay invoiced costs accepted by the COUNTY's Project Manager promptly thereafter. CONSULTANT shall be notified by the COUNTY's Project Manager, in writing, of the invoiced costs rejected, and the reason or reasons for such rejection, and be given an opportunity to provide further information.
- 5.6 Notwithstanding any other provision of this paragraph 5.0, CONSULTANT and CAO, or DOP as the case may be, may mutually agree in advance on a maximum total charge for all services and out-of-pocket expenses related to particular project or other specific work authorized by CAO or DOP pursuant to this Agreement.

6.0 NON-APPROPRIATION OF FUNDS

- 6.1 COUNTY'S obligation is payable only and solely from the funds appropriated for the purpose of this Agreement.
- 6.2 All funds for payments after June 30th of the current fiscal year are subject to COUNTY'S legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action.
- 6.3 In the event that this Agreement extends into a succeeding fiscal year period, and if the governing body appropriating the fund does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30th of the then current fiscal year. The COUNTY's Project Manager shall endeavor to notify CONSULTANT in writing of such non-allocation at the earliest possible date.

7.0 EMPLOYMENT ELIGIBILITY VERIFICATION

- 7.1 CONSULTANT represents and warrants that it fully complies with all applicable statutes and regulations regarding employment eligibility of aliens and others, that all persons performing services under this Contract are eligible for employment in the United States. Any such failure to comply by CONSULTANT shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.
- 7.2 CONSULTANT represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONSULTANT shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.
- 7.3 CONSULTANT shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability

which may be assessed against the COUNTY or CONSULTANT in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens by CONSULTANT while performing services hereunder.

8.0 NONDISCRIMINATION IN EMPLOYMENT

- 8.1 CONSULTANT certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, in compliance with all applicable federal and state anti-discrimination laws and regulations.
- 8.2 CONSULTANT shall certify to, and comply with, the provisions of Exhibit (CONSULTANT's EEO Certification).
- 8.3 CONSULTANT shall ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental disability 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, without limitation, apprenticeship.
- 8.4 CONSULTANT certifies and agrees that it will deal with its bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability.
- 8.5 CONSULTANT certifies and agrees that it, its affiliates, subsidiaries or holding companies under common control, shall comply with all applicable federal and state laws and regulations, including, but not limited to:
- A. Title VII, Civil Rights Act of 1964;
 - B. Section 504, Rehabilitation Act of 1973; C. Age Discrimination Act of 1975;
 - C. Age Discrimination Act of 1975;
 - D. Title IX, Education Amendments of 1973, as applicable; and
 - E. Title 43, Part 17, Code of Federal Regulations, Subparts A & B; and that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.
 - F. California Fair Employment and Housing Act.

- 8.6. CONSULTANT shall allow federal representatives access to CONSULTANT's employment records during regular business hours to verify compliance with the above-referenced laws.
- 8.7. If any provision of this Section 8.0 has been violated, such violation shall, at the election of COUNTY, constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement.
- 8.8. The parties agree that in the event CONSULTANT violates any portion of this Section 8.0 and/or any other anti-discrimination provisions of this Agreement, COUNTY shall, at its option, be entitled to the sum of Five Thousand Dollars (\$5,000) from CONSULTANT for each such violation pursuant to California *Civil Code* Section 1671 as liquidated damages in lieu of terminating this Agreement.

9.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONSULTANT hereby represents and warrants that no persons shall, on the grounds of race, creed, color, religion, ancestry, national origin, political affiliation, marital status, sex, age or disability, be subjected to discrimination under the privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

10.0 FAIR LABOR STANDARDS ACT

CONSULTANT shall comply with all applicable provisions of the Federal Fair Labor Standards Act and State of California Wage and Hour Regulations, and shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents 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 services performed by CONSULTANT's employees.

11.0 COMPLIANCE WITH LAWS

- 11.1 The CONSULTANT shall conform to and abide by all applicable Federal, State, County and Municipal laws, rules, regulations or ordinances, directives and all provisions required thereby to be included herein, are hereby incorporated by reference.
- 11.2 The CONSULTANT agrees to indemnify and hold COUNTY harmless from any loss, damage or liability resulting from a violation by CONSULTANT, its employees, authorized agents or subcontractors of such laws, rules, regulations or ordinances and directives.

12.0 INDEMNIFICATION

Notwithstanding any provision of this Agreement to the contrary, either expressly or by implication, CONSULTANT shall indemnify, defend, and hold harmless COUNTY, its districts administered by COUNTY, and their elected and appointed

officers, employees, and agents, from and against any and all liability, including but not limited to any claim, demand, action, proceeding, damage, loss, fee (including attorney's fees and expert witness fees), costs, and/or expenses, arising from and/or in any way related to any of the act(s) and/or omission(s) of CONSULTANT, CONSULTANT's agent(s), employee(s), and/or any Subcontractor(s).

13.0 INDEPENDENT CONTRACTOR STATUS

13.1 This Agreement is by and between CONSULTANT and COUNTY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CONSULTANT and COUNTY. 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. CONSULTANT shall function as, and in all respects is, an independent contractor.

13.2 CONSULTANT shall be solely liable and responsible for providing to, or on behalf of, all persons performing work for CONSULTANT pursuant to this Agreement all compensation and benefits. 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 CONSULTANT.

13.3 CONSULTANT understands and agrees that all persons performing work for CONSULTANT pursuant to this Agreement are, for all purposes, and in particular for purposes of workers' compensation liability, the sole employees of CONSULTANT and not employees of COUNTY. CONSULTANT 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 CONSULTANT pursuant to this Agreement.

14.0 CHANGES TO KEY PERSONNEL AND SUCCESSOR TO CONSULTANT

CONSULTANT shall immediately notify COUNTY in writing of any changes in key personnel within its organization if such personnel are involved in providing services hereunder. If CONSULTANT is a partnership, CONSULTANT shall promptly notify COUNTY of changes in CONSULTANT's partners. If CONSULTANT is a corporation, CONSULTANT shall promptly notify COUNTY of all material changes in ownership which affect or may affect CONSULTANT's performance hereunder.

15.0 RESTRICTIONS ON LOBBYING

CONSULTANT and each COUNTY lobbyist or COUNTY lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by CONSULTANT, shall fully comply with COUNTY Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of CONSULTANT or any COUNTY lobbyist or COUNTY lobbying firm retained by CONSULTANT to fully comply with COUNTY

Lobbyist Ordinance shall constitute a material breach of this Agreement upon which COUNTY may immediately terminate or suspend this Agreement.

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position with 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 CONSULTANT or have any other direct or indirect financial interest in this Agreement. No officer or employee of CONSULTANT, who may financially benefit from the performance of work hereunder, shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

16.2 CONSULTANT 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. CONSULTANT warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONSULTANT 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.

17.0 DELEGATION AND ASSIGNMENT

CONSULTANT shall not delegate its duties and/or assign its rights under this Agreement, either in whole or in part, without the prior written consent of COUNTY. Any unauthorized delegation and/or assignment by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the agreement.

18.0 RIGHT TO USE WRITINGS AND OTHER WORKS

18.1 COUNTY obtains the right to use, duplicate and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT specifically and exclusively for COUNTY as a result of their activities supported by this Agreement.

18.2 CONSULTANT retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT as a result of its activities supported by this Agreement subject to the ENDORSEMENT paragraph below. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT

during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

19.0 ENDORSEMENT

CONSULTANT shall not, in any manner, advertise, publish or represent that COUNTY endorses the goods or services herein mentioned without the prior written consent of COUNTY's Project Manager. Any published document by CONSULTANT referencing COUNTY in such manner must have prior written consent of COUNTY's Project Manager.

20.0 PROPRIETARY CONSIDERATIONS

- 20.1 COUNTY and CONSULTANT agree that all intellectual property, including but not limited to materials, plans, reports, acceptance test criteria, acceptance test plans, Deliverables, data, and information (hereafter in this Section 20 collectively "Materials") developed under this Agreement for delivery to COUNTY and financed exclusively by COUNTY funds, and all copyrights, patent rights, trade secret rights, title, interest, and other proprietary rights therein (collectively, "Rights") shall be the sole property of COUNTY, and CONSULTANT hereby assigns and transfers to COUNTY all CONSULTANT's Rights to all such Materials developed under this Agreement, provided that notwithstanding such COUNTY ownership, CONSULTANT may retain possession of all working papers prepared by CONSULTANT. During and for a minimum of five (5) years subsequent to the term of this Agreement, CONSULTANT shall retain any and all such Materials. COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.
- 20.2 Upon request of COUNTY, CONSULTANT shall execute all documents requested by COUNTY and shall perform all other acts requested by COUNTY to assign and transfer to, and vest in, COUNTY all CONSULTANT's Rights in and to the Materials. COUNTY shall have the right to register all Rights in the name of the County of Los Angeles. Further, COUNTY shall have the right to assign, license, or otherwise transfer any and all of COUNTY's Rights in and to the Materials.
- 20.3 As requested in writing by COUNTY's Project Manager, CONSULTANT shall affix the following notice to Materials developed under this Agreement: "©Copyright 2002 (or such other date of first publication), County of Los Angeles. All Rights Reserved". CONSULTANT shall affix such notice as directed by COUNTY.
- 20.4 During the term of this Agreement and for five (5) years thereafter, CONSULTANT shall maintain and provide security for all CONSULTANT's working papers prepared under this Agreement.
- 20.5 CONSULTANT shall protect the security of and keep confidential all Materials obtained or developed under this Agreement. Further, CONSULTANT shall use whatever security measures that are reasonably necessary to protect all such Materials from loss or damage by any cause, including, but not limited to, fire and theft.

- 20.6 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.
- 20.7 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any Confidential Material of COUNTY without COUNTY's prior written consent except in furtherance of the services to be provided hereunder, which may include in the normal course of business the release to insurers and other financial institutions of Confidential Material relevant to the underwriting and/or evaluation of COUNTY's risks and the processing of its claims, provided that such insurers and financial institutions consent, in advance, in writing to maintain the confidential nature of such information.
- 20.8 The provisions of Sections 20.0 shall survive the expiration or termination of this Agreement.

21.0 TRADE SECRETS

Recognizing that it may be impractical and/or impossible for COUNTY to safeguard trade secrets, confidential materials, and/or proprietary information of CONSULTANT, if any, CONSULTANT shall and does hereby keep and bear COUNTY harmless from any and all liabilities, damages, costs, and expenses by reason of any legally required disclosure by COUNTY of trade secrets, confidential materials, and/or proprietary information. COUNTY staff shall provide CONSULTANT with reasonable notice prior to such disclosure to enable CONSULTANT to challenge such disclosure.

22.0 CONFIDENTIALITY

- 22.1 CONSULTANT acknowledges and agrees that the following materials, documents, data, and other information of COUNTY (collectively, "Confidential Material") are deemed to be privileged, proprietary, and/or confidential:
- A. Workers' Compensation records;
 - B. Medical records;
 - C. COUNTY Employment records;
 - D. Criminal records;
 - E. Welfare recipient records;
 - F. Data and/or information pertaining to entities and/or persons receiving services from the COUNTY; and

G. Any and all reports developed by CONSULTANT and/or its Subcontractor(s) under this Agreement.

22.2 CONSULTANT shall protect the security of and keep confidential any and all Confidential Material.

22.3 In accordance with all applicable federal, state, and local laws, regulations, ordinances, and directives relating to confidentiality, CONSULTANT shall ensure that its agent(s), representative(s), employee(s), and/or Subcontractor(s) follow such laws to the extent applicable.

22.4 With respect to Confidential Material concerning any child dependency matter that is obtained by CONSULTANT, CONSULTANT shall: (1) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to COUNTY all requests for disclosure of any such information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than COUNTY without COUNTY's prior written authorization that the information is releasable (except for Subcontractors); and (4) at the expiration or termination of this Agreement, return all such information to COUNTY or maintain such information according to the written procedures sent to CONSULTANT by COUNTY for this purpose.

22.5 CONSULTANT warrants and represents that only those CONSULTANT and/or Subcontractor personnel required to perform the Services shall have access to COUNTY Confidential Materials.

22.6 The provisions of this Section 22.0 shall survive the expiration or other termination of this Agreement.

23.0 NOTICE OF DELAYS

CONSULTANT shall have no liability for any failure or delay in performance of its obligation under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, terrorist acts, civil disturbances, sabotage, accidents, unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on CONSULTANT's server, or any inability to transmit or receive information over the internet, nor shall any such failure or delay give COUNTY the right to terminate this Agreement. Whenever CONSULTANT has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Agreement, CONSULTANT shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to COUNTY.

24.0 RESPONSIBILITY FOR DOCUMENTS

- 24.1 All documents, plans, drafts, and final reports, masters, work papers, memoranda, graphics, electronic media and other materials including duplicates thereof generated or compiled specifically and exclusively for COUNTY pursuant to this Agreement which are delivered to COUNTY hereunder are instruments of professional services but shall remain the exclusive Property of COUNTY which the COUNTY may use for any purpose; provided, however, that CONSULTANT may choose, at its option, to retain copies of such materials in accordance with Section 20.0 of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its own proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.
- 24.2 If CONSULTANT requires any information or services from COUNTY to enable CONSULTANT to perform the work covered by this Agreement, CONSULTANT may request the same in writing, to which COUNTY will respond within a reasonable time. Except for any items to be provided and/or other performance required by the COUNTY as specified within this Agreement, there are no matters or items required to be furnished or performed by COUNTY.

25.0 TERMINATION FOR DEFAULT

- 25.1 By written notice of default ("Notice of Default") served upon the other party, the whole or any part of this Agreement may be terminated in any of the following circumstances of default:
- A. By either party if the other party violates a provision of this Agreement which by its terms herein is specified to be a material breach; or
 - B. By either party if the other party fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of thirty (30) calendar days (or such longer period as the party giving such Notice of Default may authorize in writing).
- 25.2 Notwithstanding any provision of this Agreement to the contrary, any and all rights and/or remedies provided in this Section 25.0, as well as throughout this Agreement, shall not be exclusive and are in addition to any and all other rights and/or remedies provided at law, in equity, and/or under this Agreement.

26.0 TERMINATION FOR CONVENIENCE

- 26.1 The COUNTY may terminate this Agreement when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination shall be effected by delivery of a notice of termination to CONSULTANT specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than fifteen (15) calendar days after the notice is sent, provided that in the event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 25.0 (Termination for Default) and it has later been determined that CONSULTANT was not in default, no additional notice shall be required upon such determination.
- 26.2 Upon service of a notice of termination, and except as otherwise directed by COUNTY, the CONSULTANT shall:
- A. Stop work under this Agreement on the date specified in such notice; and
 - B. Transfer to COUNTY, to the extent not previously transferred to COUNTY, all rights to all Materials pursuant to the terms of this Agreement.
- 26.3 Nothing in this Section 26.0 shall be deemed to prejudice any right of CONSULTANT to make a claim against COUNTY in accordance with applicable law and regular COUNTY procedures for payment for any completed Statement of Work through the effective date of COUNTY's termination of this Agreement for convenience.

27.0 TERMINATION FOR IMPROPER CONSIDERATION

- 27.1 COUNTY may, by written notice to CONSULTANT, immediately terminate the right of CONSULTANT to proceed under this Agreement if consideration in any form was offered or given by CONSULTANT, 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 CONSULTANT's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONSULTANT as it could pursue in the event of default of CONSULTANT.
- 27.2 CONSULTANT shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controllers Employee Fraud Hotline at (213) 974-0914.
- 27.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

28.0 AUTHORIZATION WARRANTY

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

29.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Agreement shall be construed in accordance with and governed by the substantive and procedural laws of the State of California. Any action and/or proceeding arising out of and/or relating to this Agreement shall be filed and maintained exclusively in the County of Los Angeles, State of California, except for those matters over which the Federal District Court may have jurisdiction, which may be filed and maintained in the Federal District Court, Central District, State of California.

30.0 WAIVER

No waiver of any breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

31.0 SEVERABILITY

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

32.0 COVENANT AGAINST CONTINGENT FEES

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

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

33.0 RECORD RETENTION AND INSPECTION

CONSULTANT agrees that COUNTY's Project Manager or any duly authorized representative shall have access to and the right to examine, audit, excerpt, copy, or transcribe in a reasonable manner any pertinent transaction, activity, time card, or other records relating to this Agreement. Such material, including all pertinent cost, accounting, financial records, and proprietary data, must be kept and maintained by CONSULTANT for a period of three (3) years after completion of the Agreement unless CAO's written permission is given to dispose of material prior to this time.

34.0 COUNTY'S QUALITY ASSURANCE PLAN

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

35.0 SUBCONTRACTING

No performance of this Agreement or any portion thereof may be subcontracted by CONSULTANT without the express written consent of the COUNTY. Any unauthorized subcontracting by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

36.0 CONSIDERATION OF COUNTY EMPLOYEES IN HIRING

Should CONSULTANT require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONSULTANT shall give fair 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.

37.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should CONSULTANT require additional or replacement personnel after the Effective Date, CONSULTANT shall give consideration for any such employment opening to participants in COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet CONSULTANT's minimum qualifications for the open position. COUNTY will refer GAIN participants by job category to CONSULTANT.

38.0 INSURANCE REQUIREMENTS

38.1 Without limiting CONSULTANT's obligations of indemnification and defense of COUNTY, and during the term of this Agreement, CONSULTANT shall maintain, and shall require any of its subcontractors to maintain, the programs of insurance specified in Section 38.8, below. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be maintained at CONSULTANT's own expense.

38.2 Evidence of Insurance: Certificate(s) of insurance shall be delivered to the following COUNTY contract manager prior to commencing services under this Agreement:

County of Los Angeles
Chief Administrative Officer
500 West Temple Street, Room 526
Los Angeles, CA 90012
Attention: Manny Talamantes

Such certificates shall:

- A. Specifically identify this Agreement.
- B. Clearly evidence all coverages required in this Agreement.
- C. Contain the express condition that COUNTY are to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
- D. Evidence that the COUNTY, its special districts, officials, officers, fiduciaries, and employees are included as additional insureds on the commercial general liability policy as insured for all activities for their vicarious liability arising from CONSULTANT's provision of services under this Agreement.
- E. Identify any deductibles or self-insured retentions. All such deductibles or self-insured retentions shall be the responsibility of CONSULTANT.

38.3 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.

38.4 Failure to Maintain Coverage: Failure by CONSULTANT to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONSULTANT resulting from said breach.

38.5 Notification of Incidents, Claims or Suits: CONSULTANT shall report to COUNTY:

- A. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONSULTANT and/or COUNTY. Such report shall be made in writing within 24 hours of CONSULTANT's first knowledge of the accident or incident;
- B. Any third party claim or lawsuit filed against CONSULTANT arising from or related to services performed by CONSULTANT under this Agreement;
- C. Any injury to a CONSULTANT employee which occurs on COUNTY property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager; and
- D. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONSULTANT under the terms of this Agreement.

38.6 Compensation for County Costs: In the event that CONSULTANT fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONSULTANT shall pay full compensation for all costs incurred by COUNTY.

38.7 Insurance Coverage Requirements for Sub-contractors: CONSULTANT shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- A. CONSULTANT providing evidence of insurance covering the activities of subcontractors, or
- B. CONSULTANT providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

38.8 Specific Insurance Coverage Requirements:

- A. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

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

- B. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."

C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONSULTANT is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONSULTANT, its officers or employees with limits of not less than \$1 million per claim and \$3 million aggregate. The coverage also shall provide an extended one year reporting period commencing upon termination or cancellation of this Agreement.

E. Basic Health Insurance and Benefits - CONSULTANT will provide basic health coverage for employees of CONSULTANT who perform work under the provisions of this Agreement.

39.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement any licenses, permits, registrations, accreditations, and certificates required by any federal, state, and local laws, ordinances, rules, regulations, guidelines, and directives, which are applicable to CONSULTANT for its services under this Agreement. CONSULTANT further warrants and represents that all of its officers, employees, agents, and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to them for their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines, and directives shall be provided, in duplicate, to COUNTY's Project Manager as specifically requested by COUNTY.

40.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

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

40.2 CONSULTANT is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of CONSULTANT on this or other contracts which indicates that CONSULTANT is not responsible, COUNTY may, in addition to other remedies provided in this

Agreement, debar CONSULTANT from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONSULTANT may have with COUNTY.

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

40.4 If there is evidence that CONSULTANT may be subject to debarment, COUNTY's CAO and/or COUNTY's Internal Services Department will notify CONSULTANT in writing of the evidence which is the basis for the proposed debarment and will advise CONSULTANT of the scheduled date for a debarment hearing before COUNTY's Contractor Hearing Board.

40.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONSULTANT and/or CONSULTANT's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONSULTANT should be debarred, and if so, the appropriate length of time of the debarment. If CONSULTANT fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, CONSULTANT may be deemed to have waived all rights of appeal.

40.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to COUNTY's Board of Supervisors. COUNTY's Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

40.7 These terms shall also apply to any and all subcontractors of COUNTY contractors.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONSULTANT 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 1015.

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

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

42.2 As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONSULTANT's duty under this Agreement to comply with all applicable provisions of law, CONSULTANT warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653 (a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706-031 and Family Code Section 5246 (b).

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

Failure of CONSULTANT to maintain compliance with the requirements set forth in Section 42.0 (CONSULTANT's Warranty of Adherence to COUNTY's Child Support Compliance Program) shall constitute a default by CONSULTANT under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be grounds upon which COUNTY's Board of Supervisors may terminate this Agreement pursuant to Section 25.0 (Termination for Default).

44.0 CONSULTANT'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONSULTANT acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONSULTANT understands that it is COUNTY's policy to encourage all COUNTY contractors to voluntarily post COUNTY's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at CONSULTANT's place of business. COUNTY's District Attorney will supply CONSULTANT with the poster to be used.

45.0 MERGER CLAUSE

45.1 This base document, along with Exhibits A and B, described in Subsection 45.2, but not attached hereto, collectively form, and are throughout referred to as the "Agreement."

45.2 In the event of any conflict and/or inconsistency in the definition and/or interpretation of any word, responsibility, schedule, and/or the contents and/or description of any task, subtask, deliverable, service, and/or otherwise, between and/or among this based document and the Exhibits, such conflict and/or

inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:

- A. COUNTY's Request for Proposal, dated June 14, 2005.
- B. CONSULTANT's Proposal, received on or before June 22, 2005.

45.3 This Agreement constitutes the complete and exclusive statement of understanding between the parties, which supersedes any and all previous agreements, whether written or oral, and all prior and/or contemporaneous other communications between the parties and/or writings relating to the subject matter of this Agreement. Any changes and/or modifications to this Agreement must be in writing and formally adopted and executed in the same manner as this Agreement to be enforceable.

46.0 ARMS' LENGTH NEGOTIATIONS

This Agreement is the product of COUNTY's competitive procurement and an arms' length negotiation between COUNTY and CONSULTANT, during which each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly between the parties, and not more strictly construed against either party as the drafter.

47.0 COMPLIANCE WITH JURY SERVICE PROGRAM

- A. Jury Service Program.

This Contract 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.

- B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from 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.
2. For purposes of this section, "contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "employee" means any California resident who is a full time

employee of contractor. "full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by 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 contractor uses any subcontractor to perform services for the county under the contract, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such subcontract agreement and a copy of the jury service program shall be attached to the agreement.

3. If contractor is not required to comply with the jury service program when the contract commences, contractor shall have a continuing obligation to review the applicability of its "exception status" from the jury service program, and contractor shall immediately notify county if contractor at any time either comes within the jury service program's definition of "contractor" or if contractor no longer qualifies for an exception to the program. In either event, contractor shall immediately implement a written policy consistent with the jury service program. The county may also require, at any time during the contract and at its sole discretion, that contractor demonstrate to the county's satisfaction that contractor either continues to remain outside of the jury service program's definition of "contractor" and/or that contractor continues to qualify for an exception to the program.
4. Contractor's violation of this section of the contract may constitute a material breach of the contract. In the event of such material breach, county may, in its sole discretion, terminate the contract and/or bar contractor from the award of future county contracts for a period of time consistent with the seriousness of the breach.

AUTHORIZATION
CONSULTING SERVICE AGREEMENT

IN WITNESS WHEREOF, the COUNTY's Board of Supervisors and CONSULTANT have each caused this Agreement to be executed by its duly authorized officer(s) and/or representative(s).

COUNTY OF LOS ANGELES

AON CONSULTING

By _____
Gloria Molina
Chair

By  _____
Title  _____

AON consulting represents and warrants that the signatory to this Agreement is fully authorized to obligate AON consulting hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

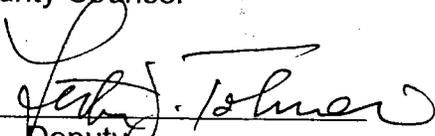
ATTEST:

VIOLET VARUNA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By  _____
Deputy

AGREEMENT FOR CONSULTANT SERVICES

CONTRACT NO. _____

This Agreement is made and entered into this _____ day of _____, 2005

by and between County of Los Angeles (hereinafter, the "COUNTY") and BUCK CONSULTANTS, LLC 1801 Century Park East, Suite 500, Los Angeles, CA 90067

(hereinafter, the "CONSULTANT"), based upon the following recitals:

- A. WHEREAS, COUNTY desires to compensate County employees in a manner that attracts, retains, and motivates qualified personnel at the least possible cost; and
- B. WHEREAS, the provision of such compensation requires special skills and expertise in the area of compensation, employee benefit administration and actuarial services; and
- C. WHEREAS, CONSULTANT is specially trained and licensed and possesses skills, experience, education, and competency necessary to assist County with its compensation, employee benefit administration and actuarial needs; and
- D. WHEREAS, COUNTY, in accordance with California Government Code Section 31000, may enter into contracts for special services.

Based upon the foregoing recitals, all of which are hereby incorporated herein by this reference, the COUNTY and CONSULTANT agree as follows:

1.0 TERM

This Agreement shall commence on the later of (1) the date the Agreement is approved by the Los Angeles County Board of Supervisors or (2) September 1, 2005 and shall continue in full force and effect until the earlier of (1) the date occurring three (3) years after the Effective Date, or (2) the date this Agreement is terminated as provided herein. In the event of any early termination of this Agreement as provided herein, or upon expiration of this Agreement, CONSULTANT will assist COUNTY in arranging a smooth transition process; however, CONSULTANT's obligation and the obligation of its affiliates to provide services to COUNTY will cease upon the effective date of termination or expiration. The County shall have the sole option to extend the Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CAO.

2.0 ADMINISTRATION - COUNTY

2.1 COUNTY's Chief Administrative Officer or his authorized designee (hereinafter referred to as "CAO") shall have the authority to administer this Agreement.

2.1.1 COUNTY's Project Manager

2.1.2 COUNTY's Project Manager for this Agreement shall be the following person or his designee:

Manny Talamantes
Compensation Policy
Los Angeles County Chief Administrative Office
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 526
Los Angeles, CA 90012

Business telephone: (213) 974-2529
E-mail: mdtalamantes@cao.co.la.ca.us
Fax: (213) 621-3172

2.1.3 COUNTY shall notify CONSULTANT in writing of any change in the name or address of COUNTY's Project Manager.

2.1.4 COUNTY's Project Manager shall be responsible for COUNTY's performance of its tasks and ensuring CONSULTANT's compliance with this Agreement.

2.1.5 COUNTY's Project Manager shall meet or confer with CONSULTANT's on an as needed basis.

2.1.6 Except as expressly set forth in this Agreement, COUNTY's Project Manager is not authorized to make any changes in any of the terms or conditions of this Agreement and is not authorized to obligate COUNTY in any respect whatsoever.

2.1.7 COUNTY's Project Manager shall have the right at all times to inspect any and all work, tasks, Deliverables, goods, services, and/or other consideration provided by or on behalf of CONSULTANT.

2.1.8 COUNTY's Project Manager shall be responsible for confirming that any technical standards and/or other requirements of CONSULTANT's performance under this Agreement are met.

3.0 ADMINISTRATION - CONSULTANT

3.1 CONSULTANT's shall designate in writing a person who shall have the authority to administer this Agreement.

3.1.1 CONSULTANT's Project Manager shall be responsible for CONSULTANT's performance and assuring CONSULTANT's compliance with this Agreement.

3.1.2 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager as required.

3.1.3 CONSULTANT's Project Manager shall be responsible for CONSULTANT's day-to-day activities as related to this Agreement and for reporting to COUNTY in the manner set forth in Subsection 3.3 (Reports by CONSULTANT).

3.1.4 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager on an as needed basis.

3.2 Approval of CONSULTANT's Staff

3.2.1 COUNTY has the absolute right to approve or disapprove each member or proposed member of CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager, prior to, and during, their performing any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. COUNTY's Project Manager may require replacement of any member of CONSULTANT's staff performing, or offering to perform, work hereunder, including, but not limited to, CONSULTANT's Project Manager.

3.2.2 CONSULTANT represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager.

3.2.3 CONSULTANT shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.2.4 In fulfillment of its responsibilities under this Agreement, CONSULTANT shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, and tasks required by this Agreement.

3.2.5 CONSULTANT shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with the Statements of Work.

3.2.6 In the event CONSULTANT should ever need to remove any staff from performing work under this Agreement, CONSULTANT shall provide COUNTY with notice at least fifteen (15) calendar days in advance, except in circumstances in which such notice is not possible, and shall work with COUNTY on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.3 Reports by CONSULTANT

3.3.1 In order to control expenditures and to provide COUNTY with ongoing information as to all Deliverables, CONSULTANT shall, if specifically requested by COUNTY's Project Manager, provide COUNTY's Project Manager with written reports which shall include but not be limited to, the following information:

- A. Period covered by the report;
- B. Overview of the reporting period;
- C. Any services scheduled for the reporting period which were not completed;
- D. Any services for the reporting period which were completed;
- E. Any services completed in the reporting period which were not scheduled;
- F. Any services to be completed in the next reporting period;
- G. Issues to be resolved;
- H. Issues resolved;
- I. Summary of project status as of reporting date; and
- J. Any other information which COUNTY may from time-to-time require.

3.3.2 CONSULTANT shall deliver one (1) hard copy of each of such report, together with a formal transmittal letter to COUNTY's Project Manager executed by CONSULTANT's Project Manager, and CONSULTANT shall also deliver a second copy of each such report electronically via e-mail.

4.0 STATEMENT OF WORK

CONSULTANT agrees to provide employee benefit consulting services as requested by the CAO, or the Director of Personnel or his or her designee (hereinafter both shall be referred to as "CAO" or "DOP" respectively). Such services may include, but not be limited to the following:

4.1 Part 1 Compensation Consulting

Compensation consulting, will involve day-to-day advice and commentary on a wide variety of wage and salary issues affecting represented and/or non-represented employees, including overtime and other non-base pay issues, and may involve more extensive in-depth consulting on special projects involving wage and salary issues. Part 1 work may include, but not be limited to the following:

- 4.1.1 Advice and commentary on community compensation practices and trends.
- 4.1.2 Advice and commentary on County pay policy for specific benchmark jobs and/or occupational groups.
- 4.1.3 Performance of salary studies for specific benchmark jobs, occupational groups, and/or organizational units, including job evaluation and classification studies.
- 4.1.4 Development of reward systems, including merit pay plans, incentive pay plans, and other special pay plans for specific occupational groups.
- 4.1.5 Development and/or provision of salary survey data for specific occupational benchmarks.
- 4.1.6 Organizational studies, re-engineering studies, evaluation and grading studies, and work systems and methods studies pertinent to the administration of the County's compensation program.
- 4.1.7 Training of County staff on compensation administration practices and techniques.

4.2 Part 2 Employee Benefit Consulting

Part 2 employee benefit consulting will involve both day-to-day advice and commentary and special project consulting on various employee benefit issues affecting represented and/or non-represented employees. Part 2 work may include, but not be limited to the following:

- 4.2.1 Advice and commentary on regional and national employee benefit practices and trends. The consultant selected to provide Part 2 work will be expected to familiarize itself with the existing County employee benefit practices applicable to represented and non-represented employees and be prepared to respond on short notice, if necessary, to questions from the County on virtually any employee benefit issue. This consultant will also be expected to be proactive in informing the County on cost trends, regulatory changes, or other events that could impact the cost of the County's employee benefit program. This type of interaction may be expected to frequently involve quick turnaround telephonic or in-person discussions.
- 4.2.2 Group insurance consulting which may include, but not be limited to the following:
 - 4.2.2.1 Leading County staff in the annual premium rate renewal negotiations with the various insurance carriers for the County's group health and dental plans, a group term life plan, and a group accidental death and dismemberment plan. This effort will involve serving as the point of contact for all insurance carriers, organizing and leading the negotiations meetings, providing necessary actuarial assistance, and working in a collaborative manner with employee representatives and consultants to employee representatives who may participate in this process.
 - 4.2.2.2 Leading the periodic marketing of the County's group insurance plans at the direction of the County.
 - 4.2.2.3 Assisting the County in determining the appropriate plan design and funding methodology for the group health and dental plans.
 - 4.2.2.4 Assisting the County in determining the appropriate plan design, County and employee contribution rates, and level of funding for the County's self-funded short-term and long-term disability plans and survivor income benefit plan.
 - 4.2.2.5 Advising the County regarding Medicare changes and other issues pertaining to the cost of retiree health care.
 - 4.2.2.6 Assisting the County with any issues that may arise concerning insurance programs not currently offered by the County such as universal life insurance and long-term care.
- 4.2.3 Assisting the County with the analysis of State and Federal legislation affecting the employee benefit program.

4.2.4 Assisting the County in responding to collective bargaining issues relating to employee benefits. This may entail presenting information and answering related questions at the bargaining table in union negotiation sessions or at other meetings where union representatives are actively involved and working collaboratively outside of formal meetings with union representatives and/or consultants to the unions.

4.2.5 Other special project consulting on employee benefit issues including, but not limited to the following:

4.2.5.1 Cafeteria plan design and administration, including regulatory compliance.

4.2.5.2 Paid leave benefit design and administration.

4.2.5.3 Defined benefit retirement plan design and funding.

4.2.5.4 Defined contribution retirement plan design and administration, including advice and commentary on asset management.

4.2.5.5 Employee communications regarding the employee benefit program.

4.3 Part 3 Actuarial Consulting Services

Although actuarial services may be provided as an integral part of the services described under Part 2, the County is desirous of having access to additional actuarial services where independent actuarial estimates or an independent actuarial point of view for a particular issue or project is deemed appropriate by the County. The actuarial specialties included under Part 3 include group insurance, pension, and workers' compensation actuarial consulting.

4.4 Consulting services provided pursuant to this Agreement shall be provided only when requested by CAO or DOP. It is mutually understood that COUNTY has not offered and cannot guarantee any minimum level of work under this Agreement.

5.0 **CONSIDERATION**

5.1 COUNTY agrees to pay CONSULTANT on a time and expense basis based on:

A. The number of hours actually worked by CONSULTANT;

B. The type and level of staff who perform the work;

C. The following schedule of hourly rates:

Job Title	Hourly Rates
	9/1/2005 – 8/31/2008
Principal	\$360-470
Director	\$290-\$350
Senior Consultant	\$210-\$280
Consultant	\$190-\$210
Senior Associate	\$150-\$180
Associate	\$110-\$150
Administrative	\$110

5.1.1 Upon request of the CAO or DOP, CONSULTANT shall provide CAO or DOP with 1) the billing titles and precise hourly billing rates CONSULTANT intends to use for any work requested by CAO or DOP pursuant to this Agreement, and/or 2) the estimated total cost of such work.

5.2 Subject to approval by COUNTY's Project Manager, CONSULTANT may, in addition to the hourly charges set forth in 5.0 (5.1) (A), charge for out-of-pocket costs necessary for a) mail and courier services, b) parking, c) photocopying (other than minor photocopying), and d) out-of-town travel, including air and ground transportation, lodging, meals, and portage. All such costs, if approved, shall be billed at actual cost; provided, however, that, in no event, may out-of-town travel charges exceed the expense limitations imposed by COUNTY on COUNTY employees who travel on COUNTY business. Any other out-of-pocket expenses not otherwise specified in this Subparagraph 5.2 shall not be charged to COUNTY unless specifically approved by COUNTY's Project Manager.

5.3 CONSULTANT shall invoice COUNTY monthly in arrears. Charges for billable time shall be calculated in increments of not less than fifteen (15) minutes. All invoices shall provide the following detail:

- A. The date or dates the services were provided.
- B. The names, billing titles, and hourly billing rates of the individuals who performed the work.
- C. The name of the COUNTY officer or employee who requested the work.
- D. A brief description of the work performed.
- E. Detail on out-of-pocket expenses sufficient to establish such expenses conform with the terms of this Agreement.

- 5.4 In no event shall CONSULTANT charge COUNTY for travel time, including time spent in air or ground transportation unless specifically approved in writing, in advance, by COUNTY's Project Manager.
- 5.5 Upon receipt of an invoice, or further information regarding an invoice, COUNTY's Project Manager may reasonably reject or accept all or any part of invoiced costs. COUNTY shall pay invoiced costs accepted by the COUNTY's Project Manager promptly thereafter. CONSULTANT shall be notified by the COUNTY's Project Manager, in writing, of the invoiced costs rejected, and the reason or reasons for such rejection, and be given an opportunity to provide further information.
- 5.6 Notwithstanding any other provision of this paragraph 5.0, CONSULTANT and CAO, or DOP as the case may be, may mutually agree in advance on a maximum total charge for all services and out-of-pocket expenses related to particular project or other specific work authorized by CAO or DOP pursuant to this Agreement.

6.0 NON-APPROPRIATION OF FUNDS

- 6.1 COUNTY'S obligation is payable only and solely from the funds appropriated for the purpose of this Agreement.
- 6.2 All funds for payments after June 30th of the current fiscal year are subject to COUNTY'S legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action.
- 6.3 In the event that this Agreement extends into a succeeding fiscal year period, and if the governing body appropriating the fund does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30th of the then current fiscal year. The COUNTY's Project Manager shall endeavor to notify CONSULTANT in writing of such non-allocation at the earliest possible date.

7.0 EMPLOYMENT ELIGIBILITY VERIFICATION

- 7.1 CONSULTANT represents and warrants that it fully complies with all applicable statutes and regulations regarding employment eligibility of aliens and others, that all persons performing services under this Contract are eligible for employment in the United States. Any such failure to comply by CONSULTANT shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.
- 7.2 CONSULTANT represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONSULTANT shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.
- 7.3 CONSULTANT shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability

which may be assessed against the COUNTY or CONSULTANT in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens by CONSULTANT while performing services hereunder.

8.0 NONDISCRIMINATION IN EMPLOYMENT

- 8.1 CONSULTANT certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, in compliance with all applicable federal and state anti-discrimination laws and regulations.
- 8.2 CONSULTANT shall certify to, and comply with, the provisions of Exhibit (CONSULTANT's EEO Certification).
- 8.3 CONSULTANT shall ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental disability 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, without limitation, apprenticeship.
- 8.4 CONSULTANT certifies and agrees that it will deal with its bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability.
- 8.5 CONSULTANT certifies and agrees that it, its affiliates, subsidiaries or holding companies under common control, shall comply with all applicable federal and state laws and regulations, including, but not limited to:
- A. Title VII, Civil Rights Act of 1964;
 - B. Section 504, Rehabilitation Act of 1973; C. Age Discrimination Act of 1975;
 - C. Age Discrimination Act of 1975;
 - D. Title IX, Education Amendments of 1973, as applicable; and
 - E. Title 43, Part 17, Code of Federal Regulations, Subparts A & B; and that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.
 - F. California Fair Employment and Housing Act.

- 8.6. CONSULTANT shall allow federal representatives access to CONSULTANT's employment records during regular business hours to verify compliance with the above-referenced laws.
- 8.7 If any provision of this Section 8.0 has been violated, such violation shall, at the election of COUNTY, constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement.
- 8.8 The parties agree that in the event CONSULTANT violates any portion of this Section 8.0 and/or any other anti-discrimination provisions of this Agreement, COUNTY shall, at its option, be entitled to the sum of Five Thousand Dollars (\$5,000) from CONSULTANT for each such violation pursuant to California *Civil Code* Section 1671 as liquidated damages in lieu of terminating this Agreement.

9.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONSULTANT hereby represents and warrants that no persons shall, on the grounds of race, creed, color, religion, ancestry, national origin, political affiliation, marital status, sex, age or disability, be subjected to discrimination under the privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

10.0 FAIR LABOR STANDARDS ACT

CONSULTANT shall comply with all applicable provisions of the Federal Fair Labor Standards Act and State of California Wage and Hour Regulations, and shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents 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 services performed by CONSULTANT's employees.

11.0 COMPLIANCE WITH LAWS

- 11.1 The CONSULTANT shall conform to and abide by all applicable Federal, State, County and Municipal laws, rules, regulations or ordinances, directives and all provisions required thereby to be included herein, are hereby incorporated by reference.
- 11.2 The CONSULTANT agrees to indemnify and hold COUNTY harmless from any loss, damage or liability resulting from a violation by CONSULTANT, its employees, authorized agents or subcontractors of such laws, rules, regulations or ordinances and directives.

12.0 INDEMNIFICATION

Notwithstanding any provision of this Agreement to the contrary, either expressly or by implication, CONSULTANT shall indemnify, defend, and hold harmless COUNTY, its districts administered by COUNTY, and their elected and appointed

officers, employees, and agents, from and against any and all liability, including but not limited to any claim, demand, action, proceeding, damage, loss, fee (including attorney's fees and expert witness fees), costs, and/or expenses, arising from and/or in any way related to any of the act(s) and/or omission(s) of CONSULTANT, CONSULTANT's agent(s), employee(s), and/or any Subcontractor(s).

13.0 INDEPENDENT CONTRACTOR STATUS

13.1 This Agreement is by and between CONSULTANT and COUNTY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CONSULTANT and COUNTY. 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. CONSULTANT shall function as, and in all respects is, an independent contractor.

13.2 CONSULTANT shall be solely liable and responsible for providing to, or on behalf of, all persons performing work for CONSULTANT pursuant to this Agreement all compensation and benefits. 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 CONSULTANT.

13.3 CONSULTANT understands and agrees that all persons performing work for CONSULTANT pursuant to this Agreement are, for all purposes, and in particular for purposes of workers' compensation liability, the sole employees of CONSULTANT and not employees of COUNTY. CONSULTANT 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 CONSULTANT pursuant to this Agreement.

14.0 CHANGES TO KEY PERSONNEL AND SUCCESSOR TO CONSULTANT

CONSULTANT shall immediately notify COUNTY in writing of any changes in key personnel within its organization if such personnel are involved in providing services hereunder. If CONSULTANT is a partnership, CONSULTANT shall promptly notify COUNTY of changes in CONSULTANT's partners. If CONSULTANT is a corporation, CONSULTANT shall promptly notify COUNTY of all material changes in ownership which affect or may affect CONSULTANT's performance hereunder.

15.0 RESTRICTIONS ON LOBBYING

CONSULTANT and each COUNTY lobbyist or COUNTY lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by CONSULTANT, shall fully comply with COUNTY Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of CONSULTANT or any COUNTY lobbyist or COUNTY lobbying firm retained by CONSULTANT to fully comply with COUNTY

Lobbyist Ordinance shall constitute a material breach of this Agreement upon which COUNTY may immediately terminate or suspend this Agreement.

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position with 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 CONSULTANT or have any other direct or indirect financial interest in this Agreement. No officer or employee of CONSULTANT, who may financially benefit from the performance of work hereunder, shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

16.2 CONSULTANT 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. CONSULTANT warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONSULTANT 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.

17.0 DELEGATION AND ASSIGNMENT

CONSULTANT shall not delegate its duties and/or assign its rights under this Agreement, either in whole or in part, without the prior written consent of COUNTY. Any unauthorized delegation and/or assignment by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the agreement.

18.0 RIGHT TO USE WRITINGS AND OTHER WORKS

18.1 COUNTY obtains the right to use, duplicate and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions; or other graphical representations and works of a similar nature produced by CONSULTANT specifically and exclusively for COUNTY as a result of their activities supported by this Agreement.

18.2 CONSULTANT retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT as a result of its activities supported by this Agreement subject to the ENDORSEMENT paragraph below. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT

during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

19.0 ENDORSEMENT

CONSULTANT shall not, in any manner, advertise, publish or represent that COUNTY endorses the goods or services herein mentioned without the prior written consent of COUNTY's Project Manager. Any published document by CONSULTANT referencing COUNTY in such manner must have prior written consent of COUNTY's Project Manager.

20.0 PROPRIETARY CONSIDERATIONS

20.1 COUNTY and CONSULTANT agree that all intellectual property, including but not limited to materials, plans, reports, acceptance test criteria, acceptance test plans, Deliverables, data, and information (hereafter in this Section 20 collectively "Materials") developed under this Agreement for delivery to COUNTY and financed exclusively by COUNTY funds, and all copyrights, patent rights, trade secret rights, title, interest, and other proprietary rights therein (collectively, "Rights") shall be the sole property of COUNTY, and CONSULTANT hereby assigns and transfers to COUNTY all CONSULTANT's Rights to all such Materials developed under this Agreement, provided that notwithstanding such COUNTY ownership, CONSULTANT may retain possession of all working papers prepared by CONSULTANT. During and for a minimum of five (5) years subsequent to the term of this Agreement, CONSULTANT shall retain any and all such Materials. COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

20.2 Upon request of COUNTY, CONSULTANT shall execute all documents requested by COUNTY and shall perform all other acts requested by COUNTY to assign and transfer to, and vest in, COUNTY all CONSULTANT's Rights in and to the Materials. COUNTY shall have the right to register all Rights in the name of the County of Los Angeles. Further, COUNTY shall have the right to assign, license, or otherwise transfer any and all of COUNTY's Rights in and to the Materials.

20.3 As requested in writing by COUNTY's Project Manager, CONSULTANT shall affix the following notice to Materials developed under this Agreement: "©Copyright 2002 (or such other date of first publication), County of Los Angeles. All Rights Reserved". CONSULTANT shall affix such notice as directed by COUNTY.

20.4 During the term of this Agreement and for five (5) years thereafter, CONSULTANT shall maintain and provide security for all CONSULTANT's working papers prepared under this Agreement.

20.5 CONSULTANT shall protect the security of and keep confidential all Materials obtained or developed under this Agreement. Further, CONSULTANT shall use whatever security measures that are reasonably necessary to protect all such Materials from loss or damage by any cause, including, but not limited to, fire and theft.

- 20.6 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.
- 20.7 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any Confidential Material of COUNTY without COUNTY's prior written consent except in furtherance of the services to be provided hereunder, which may include in the normal course of business the release to insurers and other financial institutions of Confidential Material relevant to the underwriting and/or evaluation of COUNTY's risks and the processing of its claims, provided that such insurers and financial institutions consent, in advance, in writing to maintain the confidential nature of such information.
- 20.8 The provisions of Sections 20.0 shall survive the expiration or termination of this Agreement.

21.0 TRADE SECRETS

Recognizing that it may be impractical and/or impossible for COUNTY to safeguard trade secrets, confidential materials, and/or proprietary information of CONSULTANT, if any, CONSULTANT shall and does hereby keep and bear COUNTY harmless from any and all liabilities, damages, costs, and expenses by reason of any legally required disclosure by COUNTY of trade secrets, confidential materials, and/or proprietary information. COUNTY staff shall provide CONSULTANT with reasonable notice prior to such disclosure to enable CONSULTANT to challenge such disclosure.

22.0 CONFIDENTIALITY

22.1 CONSULTANT acknowledges and agrees that the following materials, documents, data, and other information of COUNTY (collectively, "Confidential Material") are deemed to be privileged, proprietary, and/or confidential:

- A. Workers' Compensation records;
- B. Medical records;
- C. COUNTY Employment records;
- D. Criminal records;
- E. Welfare recipient records;
- F. Data and/or information pertaining to entities and/or persons receiving services from the COUNTY; and

G. Any and all reports developed by CONSULTANT and/or its Subcontractor(s) under this Agreement.

22.2 CONSULTANT shall protect the security of and keep confidential any and all Confidential Material.

22.3 In accordance with all applicable federal, state, and local laws, regulations, ordinances, and directives relating to confidentiality, CONSULTANT shall ensure that its agent(s), representative(s), employee(s), and/or Subcontractor(s) follow such laws to the extent applicable.

22.4 With respect to Confidential Material concerning any child dependency matter that is obtained by CONSULTANT, CONSULTANT shall: (1) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to COUNTY all requests for disclosure of any such information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than COUNTY without COUNTY's prior written authorization that the information is releasable (except for Subcontractors); and (4) at the expiration or termination of this Agreement, return all such information to COUNTY or maintain such information according to the written procedures sent to CONSULTANT by COUNTY for this purpose.

22.5 CONSULTANT warrants and represents that only those CONSULTANT and/or Subcontractor personnel required to perform the Services shall have access to COUNTY Confidential Materials.

22.6 The provisions of this Section 22.0 shall survive the expiration or other termination of this Agreement.

23.0 NOTICE OF DELAYS

CONSULTANT shall have no liability for any failure or delay in performance of its obligation under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, terrorist acts, civil disturbances, sabotage, accidents, unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on CONSULTANT's server, or any inability to transmit or receive information over the internet, nor shall any such failure or delay give COUNTY the right to terminate this Agreement. Whenever CONSULTANT has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Agreement, CONSULTANT shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to COUNTY.

24.0 RESPONSIBILITY FOR DOCUMENTS

- 24.1 All documents, plans, drafts, and final reports, masters, work papers, memoranda, graphics, electronic media and other materials including duplicates thereof generated or compiled specifically and exclusively for COUNTY pursuant to this Agreement which are delivered to COUNTY hereunder are instruments of professional services but shall remain the exclusive Property of COUNTY which the COUNTY may use for any purpose; provided, however, that CONSULTANT may choose, at its option, to retain copies of such materials in accordance with Section 20.0 of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its own proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.
- 24.2 If CONSULTANT requires any information or services from COUNTY to enable CONSULTANT to perform the work covered by this Agreement, CONSULTANT may request the same in writing, to which COUNTY will respond within a reasonable time. Except for any items to be provided and/or other performance required by the COUNTY as specified within this Agreement, there are no matters or items required to be furnished or performed by COUNTY.

25.0 TERMINATION FOR DEFAULT

- 25.1 By written notice of default ("Notice of Default") served upon the other party, the whole or any part of this Agreement may be terminated in any of the following circumstances of default:
- A. By either party if the other party violates a provision of this Agreement which by its terms herein is specified to be a material breach; or
 - B. By either party if the other party fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of thirty (30) calendar days (or such longer period as the party giving such Notice of Default may authorize in writing).
- 25.2 Notwithstanding any provision of this Agreement to the contrary, any and all rights and/or remedies provided in this Section 25.0, as well as throughout this Agreement, shall not be exclusive and are in addition to any and all other rights and/or remedies provided at law, in equity, and/or under this Agreement.

26.0 TERMINATION FOR CONVENIENCE

26.1 The COUNTY may terminate this Agreement when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination shall be effected by delivery of a notice of termination to CONSULTANT specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than fifteen (15) calendar days after the notice is sent, provided that in the event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 25.0 (Termination for Default) and it has later been determined that CONSULTANT was not in default, no additional notice shall be required upon such determination.

26.2 Upon service of a notice of termination, and except as otherwise directed by COUNTY, the CONSULTANT shall:

- A. Stop work under this Agreement on the date specified in such notice; and
- B. Transfer to COUNTY, to the extent not previously transferred to COUNTY, all rights to all Materials pursuant to the terms of this Agreement.

26.3 Nothing in this Section 26.0 shall be deemed to prejudice any right of CONSULTANT to make a claim against COUNTY in accordance with applicable law and regular COUNTY procedures for payment for any completed Statement of Work through the effective date of COUNTY's termination of this Agreement for convenience.

27.0 TERMINATION FOR IMPROPER CONSIDERATION

27.1 COUNTY may, by written notice to CONSULTANT, immediately terminate the right of CONSULTANT to proceed under this Agreement if consideration in any form was offered or given by CONSULTANT, 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 CONSULTANT's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONSULTANT as it could pursue in the event of default of CONSULTANT.

27.2 CONSULTANT shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controllers Employee Fraud Hotline at (213) 974-0914.

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

28.0 AUTHORIZATION WARRANTY

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

29.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Agreement shall be construed in accordance with and governed by the substantive and procedural laws of the State of California. Any action and/or proceeding arising out of and/or relating to this Agreement shall be filed and maintained exclusively in the County of Los Angeles, State of California, except for those matters over which the Federal District Court may have jurisdiction, which may be filed and maintained in the Federal District Court, Central District, State of California.

30.0 WAIVER

No waiver of any breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

31.0 SEVERABILITY

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

32.0 COVENANT AGAINST CONTINGENT FEES

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

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

33.0 RECORD RETENTION AND INSPECTION

CONSULTANT agrees that COUNTY's Project Manager or any duly authorized representative shall have access to and the right to examine, audit, excerpt, copy, or transcribe in a reasonable manner any pertinent transaction, activity, time card, or other records relating to this Agreement. Such material, including all pertinent cost, accounting, financial records, and proprietary data, must be kept and maintained by CONSULTANT for a period of three (3) years after completion of the Agreement unless CAO's written permission is given to dispose of material prior to this time.

34.0 COUNTY'S QUALITY ASSURANCE PLAN

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

35.0 SUBCONTRACTING

No performance of this Agreement or any portion thereof may be subcontracted by CONSULTANT without the express written consent of the COUNTY. Any unauthorized subcontracting by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

36.0 CONSIDERATION OF COUNTY EMPLOYEES IN HIRING

Should CONSULTANT require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONSULTANT shall give fair 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.

37.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should CONSULTANT require additional or replacement personnel after the Effective Date, CONSULTANT shall give consideration for any such employment opening to participants in COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet CONSULTANT's minimum qualifications for the open position. COUNTY will refer GAIN participants by job category to CONSULTANT.

38.0 INSURANCE REQUIREMENTS

38.1 Without limiting CONSULTANT's obligations of indemnification and defense of COUNTY, and during the term of this Agreement, CONSULTANT shall maintain, and shall require any of its subcontractors to maintain, the programs of insurance specified in Section 38.8, below. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be maintained at CONSULTANT's own expense.

38.2 Evidence of Insurance: Certificate(s) of insurance shall be delivered to the following COUNTY contract manager prior to commencing services under this Agreement:

County of Los Angeles
Chief Administrative Officer
500 West Temple Street, Room 526
Los Angeles, CA 90012
Attention: Manny Talamantes

Such certificates shall:

- A. Specifically identify this Agreement.
- B. Clearly evidence all coverages required in this Agreement.
- C. Contain the express condition that COUNTY are to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
- D. Evidence that the COUNTY, its special districts, officials, officers, fiduciaries, and employees are included as additional insureds on the commercial general liability policy as insured for all activities for their vicarious liability arising from CONSULTANT's provision of services under this Agreement.
- E. Identify any deductibles or self-insured retentions. All such deductibles or self-insured retentions shall be the responsibility of CONSULTANT.

38.3 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.

38.4 Failure to Maintain Coverage: Failure by CONSULTANT to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONSULTANT resulting from said breach.

38.5 Notification of Incidents, Claims or Suits: CONSULTANT shall report to COUNTY:

- A. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONSULTANT and/or COUNTY. Such report shall be made in writing within 24 hours of CONSULTANT's first knowledge of the accident or incident;
- B. Any third party claim or lawsuit filed against CONSULTANT arising from or related to services performed by CONSULTANT under this Agreement;
- C. Any injury to a CONSULTANT employee which occurs on COUNTY property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager; and
- D. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONSULTANT under the terms of this Agreement.

38.6 Compensation for County Costs: In the event that CONSULTANT fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONSULTANT shall pay full compensation for all costs incurred by COUNTY.

38.7 Insurance Coverage Requirements for Sub-contractors: CONSULTANT shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- A. CONSULTANT providing evidence of insurance covering the activities of subcontractors, or
- B. CONSULTANT providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

38.8 Specific Insurance Coverage Requirements:

- A. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

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

- B. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."

C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONSULTANT is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONSULTANT, its officers or employees with limits of not less than \$1 million per claim and \$3 million aggregate. The coverage also shall provide an extended one year reporting period commencing upon termination or cancellation of this Agreement.

E. Basic Health Insurance and Benefits - CONSULTANT will provide basic health coverage for employees of CONSULTANT who perform work under the provisions of this Agreement.

39.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement any licenses, permits, registrations, accreditations, and certificates required by any federal, state, and local laws, ordinances, rules, regulations, guidelines, and directives, which are applicable to CONSULTANT for its services under this Agreement. CONSULTANT further warrants and represents that all of its officers, employees, agents, and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to them for their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines, and directives shall be provided, in duplicate, to COUNTY's Project Manager as specifically requested by COUNTY.

40.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

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

40.2 CONSULTANT is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of CONSULTANT on this or other contracts which indicates that CONSULTANT is not responsible, COUNTY may, in addition to other remedies provided in this

Agreement, debar CONSULTANT from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONSULTANT may have with COUNTY.

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

40.4 If there is evidence that CONSULTANT may be subject to debarment, COUNTY's CAO and/or COUNTY's Internal Services Department will notify CONSULTANT in writing of the evidence which is the basis for the proposed debarment and will advise CONSULTANT of the scheduled date for a debarment hearing before COUNTY's Contractor Hearing Board.

40.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONSULTANT and/or CONSULTANT's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONSULTANT should be debarred, and if so, the appropriate length of time of the debarment. If CONSULTANT fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, CONSULTANT may be deemed to have waived all rights of appeal.

40.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to COUNTY's Board of Supervisors. COUNTY's Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

40.7 These terms shall also apply to any and all subcontractors of COUNTY contractors.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONSULTANT 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 1015.

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

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

42.2 As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONSULTANT's duty under this Agreement to comply with all applicable provisions of law, CONSULTANT warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653 (a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706-031 and Family Code Section 5246 (b).

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

Failure of CONSULTANT to maintain compliance with the requirements set forth in Section 42.0 (CONSULTANT's Warranty of Adherence to COUNTY's Child Support Compliance Program) shall constitute a default by CONSULTANT under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be grounds upon which COUNTY's Board of Supervisors may terminate this Agreement pursuant to Section 25.0 (Termination for Default).

44.0 CONSULTANT'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONSULTANT acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONSULTANT understands that it is COUNTY's policy to encourage all COUNTY contractors to voluntarily post COUNTY's "L.A's Most Wanted: Delinquent Parents" poster in a prominent position at CONSULTANT's place of business. COUNTY's District Attorney will supply CONSULTANT with the poster to be used.

45.0 MERGER CLAUSE

45.1 This base document, along with Exhibits A and B, described in Subsection 45.2, but not attached hereto, collectively form, and are throughout referred to as the "Agreement."

45.2 In the event of any conflict and/or inconsistency in the definition and/or interpretation of any word, responsibility, schedule, and/or the contents and/or description of any task, subtask, deliverable, service, and/or otherwise, between and/or among this based document and the Exhibits, such conflict and/or

inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:

- A. COUNTY's Request for Proposal, dated June 14, 2005.
- B. CONSULTANT's Proposal, received on or before June 22, 2005.

45.3 This Agreement constitutes the complete and exclusive statement of understanding between the parties, which supersedes any and all previous agreements, whether written or oral, and all prior and/or contemporaneous other communications between the parties and/or writings relating to the subject matter of this Agreement. Any changes and/or modifications to this Agreement must be in writing and formally adopted and executed in the same manner as this Agreement to be enforceable.

46.0 ARMS' LENGTH NEGOTIATIONS

This Agreement is the product of COUNTY's competitive procurement and an arms' length negotiation between COUNTY and CONSULTANT, during which each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly between the parties, and not more strictly construed against either party as the drafter.

47.0 COMPLIANCE WITH JURY SERVICE PROGRAM

- A. Jury Service Program.

This Contract 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.

- B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from 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.
2. For purposes of this section, "contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "employee" means any California resident who is a full time

employee of contractor. "full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by 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 contractor uses any subcontractor to perform services for the county under the contract, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such subcontract agreement and a copy of the jury service program shall be attached to the agreement.

3. If contractor is not required to comply with the jury service program when the contract commences, contractor shall have a continuing obligation to review the applicability of its "exception status" from the jury service program, and contractor shall immediately notify county if contractor at any time either comes within the jury service program's definition of "contractor" or if contractor no longer qualifies for an exception to the program. In either event, contractor shall immediately implement a written policy consistent with the jury service program. The county may also require, at any time during the contract and at its sole discretion, that contractor demonstrate to the county's satisfaction that contractor either continues to remain outside of the jury service program's definition of "contractor" and/or that contractor continues to qualify for an exception to the program.
4. Contractor's violation of this section of the contract may constitute a material breach of the contract. In the event of such material breach, county may, in its sole discretion, terminate the contract and/or bar contractor from the award of future county contracts for a period of time consistent with the seriousness of the breach.

**AUTHORIZATION
CONSULTING SERVICE AGREEMENT**

IN WITNESS WHEREOF, the COUNTY's Board of Supervisors and CONSULTANT have each caused this Agreement to be executed by its duly authorized officer(s) and/or representative(s).

COUNTY OF LOS ANGELES

BUCK CONSULTANTS, LLC

By _____

By



Gloria Molina
Chair

Title

Principal

Buck Consultants represents and warrants that the signatory to this Agreement is fully authorized to obligate Buck Consultants hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

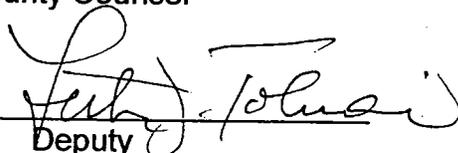
ATTEST:

VIOLET VARUNA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By 
Deputy

AGREEMENT FOR CONSULTANT SERVICES

CONTRACT NO. _____

This Agreement is made and entered into this _____ day of _____, 2005

by and between County of Los Angeles (hereinafter, the "COUNTY") and CPS HUMAN RESOURCE SERVICES 241 Lathrop Way, Sacramento, CA 95815 (hereinafter, the "CONSULTANT"), based upon the following recitals:

- A. WHEREAS, COUNTY desires to compensate County employees in a manner that attracts, retains, and motivates qualified personnel at the least possible cost; and
- B. WHEREAS, the provision of such compensation requires special skills and expertise in the area of compensation; and
- C. WHEREAS, CONSULTANT is specially trained and licensed and possesses skills, experience, education, and competency necessary to assist County with its compensation needs; and
- D. WHEREAS, COUNTY, in accordance with California Government Code Section 31000, may enter into contracts for special services.

Based upon the foregoing recitals, all of which are hereby incorporated herein by this reference, the COUNTY and CONSULTANT agree as follows:

1.0 TERM

This Agreement shall commence on the later of (1) the date the Agreement is approved by the Los Angeles County Board of Supervisors or (2) September 1, 2005 and shall continue in full force and effect until the earlier of (1) the date occurring three (3) years after the Effective Date, or (2) the date this Agreement is terminated as provided herein. In the event of any early termination of this Agreement as provided herein, or upon expiration of this Agreement, CONSULTANT will assist COUNTY in arranging a smooth transition process; however, CONSULTANT's obligation and the obligation of its affiliates to provide services to COUNTY will cease upon the effective date of termination or expiration. The County shall have the sole option to extend the Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CAO.

2.0 ADMINISTRATION - COUNTY

2.1 COUNTY's Chief Administrative Officer or his authorized designee (hereinafter referred to as "CAO") shall have the authority to administer this Agreement.

2.1.1 COUNTY's Project Manager

2.1.2 COUNTY's Project Manager for this Agreement shall be the following person or his designee:

Manny Talamantes
Compensation Policy
Los Angeles County Chief Administrative Office
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 526
Los Angeles, CA 90012

Business telephone: (213) 974-2529
E-mail: mdtalamantes@cao.co.la.ca.us
Fax: (213) 621-3172

2.1.3 COUNTY shall notify CONSULTANT in writing of any change in the name or address of COUNTY's Project Manager.

2.1.4 COUNTY's Project Manager shall be responsible for COUNTY's performance of its tasks and ensuring CONSULTANT's compliance with this Agreement.

2.1.5 COUNTY's Project Manager shall meet or confer with CONSULTANT's on an as needed basis.

2.1.6 Except as expressly set forth in this Agreement, COUNTY's Project Manager is not authorized to make any changes in any of the terms or conditions of this Agreement and is not authorized to obligate COUNTY in any respect whatsoever.

2.1.7 COUNTY's Project Manager shall have the right at all times to inspect any and all work, tasks, Deliverables, goods, services, and/or other consideration provided by or on behalf of CONSULTANT.

2.1.8 COUNTY's Project Manager shall be responsible for confirming that any technical standards and/or other requirements of CONSULTANT's performance under this Agreement are met.

3.0 ADMINISTRATION - CONSULTANT

3.1 CONSULTANT's shall designate in writing a person who shall have the authority to administer this Agreement.

3.1.1 CONSULTANT's Project Manager shall be responsible for CONSULTANT's performance and assuring CONSULTANT's compliance with this Agreement.

3.1.2 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager as required.

3.1.3 CONSULTANT's Project Manager shall be responsible for CONSULTANT's day-to-day activities as related to this Agreement and for reporting to COUNTY in the manner set forth in Subsection 3.3 (Reports by CONSULTANT).

3.1.4 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager on an as needed basis.

3.2 Approval of CONSULTANT's Staff

3.2.1 COUNTY has the absolute right to approve or disapprove each member or proposed member of CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager, prior to, and during, their performing any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. COUNTY's Project Manager may require replacement of any member of CONSULTANT's staff performing, or offering to perform, work hereunder, including, but not limited to, CONSULTANT's Project Manager.

3.2.2 CONSULTANT represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager.

3.2.3 CONSULTANT shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.2.4 In fulfillment of its responsibilities under this Agreement, CONSULTANT shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, and tasks required by this Agreement.

3.2.5 CONSULTANT shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with the Statements of Work.

3.2.6 In the event CONSULTANT should ever need to remove any staff from performing work under this Agreement, CONSULTANT shall provide COUNTY with notice at least fifteen (15) calendar days in advance, except in circumstances in which such notice is not possible, and shall work with COUNTY on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.3 Reports by CONSULTANT

3.3.1 In order to control expenditures and to provide COUNTY with ongoing information as to all Deliverables, CONSULTANT shall, if specifically requested by COUNTY's Project Manager, provide COUNTY's Project Manager with written reports which shall include but not be limited to, the following information:

- A. Period covered by the report;
- B. Overview of the reporting period;
- C. Any services scheduled for the reporting period which were not completed;
- D. Any services for the reporting period which were completed;
- E. Any services completed in the reporting period which were not scheduled;
- F. Any services to be completed in the next reporting period;
- G. Issues to be resolved;
- H. Issues resolved;
- I. Summary of project status as of reporting date; and
- J. Any other information which COUNTY may from time-to-time require.

3.3.2 CONSULTANT shall deliver one (1) hard copy of each of such report, together with a formal transmittal letter to COUNTY's Project Manager executed by CONSULTANT's Project Manager, and CONSULTANT shall also deliver a second copy of each such report electronically via e-mail.

4.0 STATEMENT OF WORK

CONSULTANT agrees to provide employee benefit consulting services as requested by the CAO, or the Director of Personnel or his or her designee (hereinafter both shall be referred to as "CAO" or "DOP" respectively). Such services may include, but not be limited to the following:

4.1 Part 1 Compensation Consulting

Compensation consulting, will involve day-to-day advice and commentary on a wide variety of wage and salary issues affecting represented and/or non-represented employees, including overtime and other non-base pay issues, and may involve more extensive in-depth consulting on special projects involving wage and salary issues. Part 1 work may include, but not be limited to the following:

- 4.1.1 Advice and commentary on community compensation practices and trends.
- 4.1.2 Advice and commentary on County pay policy for specific benchmark jobs and/or occupational groups.
- 4.1.3 Performance of salary studies for specific benchmark jobs, occupational groups, and/or organizational units, including job evaluation and classification studies.
- 4.1.4 Development of reward systems, including merit pay plans, incentive pay plans, and other special pay plans for specific occupational groups.
- 4.1.5 Development and/or provision of salary survey data for specific occupational benchmarks.
- 4.1.6 Organizational studies, re-engineering studies, evaluation and grading studies, and work systems and methods studies pertinent to the administration of the County's compensation program.
- 4.1.7 Training of County staff on compensation administration practices and techniques.

4.2 Consulting services provided pursuant to this Agreement shall be provided only when requested by CAO or DOP. It is mutually understood that COUNTY has not offered and cannot guarantee any minimum level of work under this Agreement.

5.0 CONSIDERATION

5.1 COUNTY agrees to pay CONSULTANT on a time and expense basis based on:

- A. The number of hours actually worked by CONSULTANT;

B. The type and level of staff who perform the work;

C. The following schedule of hourly rates:

Staff	Hourly Rates 9/1/2006- 8/31/2006
Project Manager	\$150-160 per hour
Senior Project Consultants	\$90-105 per hour
Project Consultants	\$80-95 per hour
Technical	\$55-65 per hour
Clerical	\$35-45 per hour

- 5.1.1 Upon request of the CAO or DOP, CONSULTANT shall provide CAO or DOP with 1) the billing titles and precise hourly billing rates CONSULTANT intends to use for any work requested by CAO or DOP pursuant to this Agreement, and/or 2) the estimated total cost of such work.
- 5.1.2 Where the hourly billing rate may be any rate within a range of rates set forth in Section 5.1(C) CONSULTANT shall not, with regard to the second and third years of this Agreement, charge at rates that exceed the limitations set forth in Section 5.1.3 unless it is determined by the CAO that the difference between the rates CONSULTANT intends to charge in the second and third years of this Agreement and the maximum rates permitted by Section 5.1.3 is warranted based on changes in the qualifications of the personnel used by the CONSULTANT or other changes in the level or quality of service provided by CONSULTANT.
- 5.1.3 The adjustment in hourly billing rates during the second and third years of this Agreement shall not exceed the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County Area (CPI-U) for the most recently published 12 month period preceding the contract anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to COUNTY employees as determined by the Chief Administrative Office as of each July 1 for the prior 12 months period. Should fiscal circumstances ultimately prevent the Board of Supervisors from approving any increase in COUNTY employee salaries, no cost of living adjustments will be granted. In addition, in the event the CPI-U experiences a percentage decrease during said 12 months period,

the hourly billing rates set forth in Section 5.1(C) may, at the discretion of COUNTY, be decreased by such percentage.

- 5.2 Subject to approval by COUNTY's Project Manager, CONSULTANT may, in addition to the hourly charges set forth in 5.0 (5.1) (A), charge for out-of-pocket costs necessary for a) mail and courier services, b) parking, c) photocopying (other than minor photocopying), and d) out-of-town travel, including air and ground transportation, lodging, meals, and portage. All such costs, if approved, shall be billed at actual cost; provided, however, that, in no event, may out-of-town travel charges exceed the expense limitations imposed by COUNTY on COUNTY employees who travel on COUNTY business. Any other out-of-pocket expenses not otherwise specified in this Subparagraph 5.2 shall not be charged to COUNTY unless specifically approved by COUNTY's Project Manager.
- 5.3 CONSULTANT shall invoice COUNTY monthly in arrears. Charges for billable time shall be calculated in increments of not less than fifteen (15) minutes. All invoices shall provide the following detail:
- A. The date or dates the services were provided.
 - B. The names, billing titles, and hourly billing rates of the individuals who performed the work.
 - C. The name of the COUNTY officer or employee who requested the work.
 - D. A brief description of the work performed.
 - E. Detail on out-of-pocket expenses sufficient to establish such expenses conform with the terms of this Agreement.
- 5.4 In no event shall CONSULTANT charge COUNTY for travel time, including time spent in air or ground transportation unless specifically approved in writing, in advance, by COUNTY's Project Manager.
- 5.5 Upon receipt of an invoice, or further information regarding an invoice, COUNTY's Project Manager may reasonably reject or accept all or any part of invoiced costs. COUNTY shall pay invoiced costs accepted by the COUNTY's Project Manager promptly thereafter. CONSULTANT shall be notified by the COUNTY's Project Manager, in writing, of the invoiced costs rejected, and the reason or reasons for such rejection, and be given an opportunity to provide further information.
- 5.6 Notwithstanding any other provision of this paragraph 5.0, CONSULTANT and CAO, or DOP as the case may be, may mutually agree in advance on a maximum total charge for all services and out-of-pocket expenses related to particular project or other specific work authorized by CAO or DOP pursuant to this Agreement.

6.0 NON-APPROPRIATION OF FUNDS

- 6.1 COUNTY'S obligation is payable only and solely from the funds appropriated for the purpose of this Agreement.
- 6.2 All funds for payments after June 30th of the current fiscal year are subject to COUNTY'S legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action.
- 6.3 In the event that this Agreement extends into a succeeding fiscal year period, and if the governing body appropriating the fund does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30th of the then current fiscal year. The COUNTY's Project Manager shall endeavor to notify CONSULTANT in writing of such non-allocation at the earliest possible date.

7.0 EMPLOYMENT ELIGIBILITY VERIFICATION

- 7.1 CONSULTANT represents and warrants that it fully complies with all applicable statutes and regulations regarding employment eligibility of aliens and others, that all persons performing services under this Contract are eligible for employment in the United States. Any such failure to comply by CONSULTANT shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.
- 7.2 CONSULTANT represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONSULTANT shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.
- 7.3 CONSULTANT shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability which may be assessed against the COUNTY or CONSULTANT in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens by CONSULTANT while performing services hereunder.

8.0 NONDISCRIMINATION IN EMPLOYMENT

- 8.1 CONSULTANT certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, in compliance with all applicable federal and state anti-discrimination laws and regulations.
- 8.2 CONSULTANT shall certify to, and comply with, the provisions of Exhibit (CONSULTANT's EEO Certification).
- 8.3 CONSULTANT shall ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry,

national origin, sex, age, or physical or mental disability 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, without limitation, apprenticeship.

8.4 CONSULTANT certifies and agrees that it will deal with its bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability.

8.5 CONSULTANT certifies and agrees that it, its affiliates, subsidiaries or holding companies under common control, shall comply with all applicable federal and state laws and regulations, including, but not limited to:

A. Title VII, Civil Rights Act of 1964;

B. Section 504, Rehabilitation Act of 1973; C. Age Discrimination Act of 1975;

C. Age Discrimination Act of 1975;

D. Title IX, Education Amendments of 1973, as applicable; and

E. Title 43, Part 17, Code of Federal Regulations, Subparts A & B; and that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

F. California Fair Employment and Housing Act.

8.6. CONSULTANT shall allow federal representatives access to CONSULTANT's employment records during regular business hours to verify compliance with the above-referenced laws.

8.7 If any provision of this Section 8.0 has been violated, such violation shall, at the election of COUNTY, constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement.

8.8 The parties agree that in the event CONSULTANT violates any portion of this Section 8.0 and/or any other anti-discrimination provisions of this Agreement, COUNTY shall, at its option, be entitled to the sum of Five Thousand Dollars (\$5,000) from CONSULTANT for each such violation pursuant to California *Civil Code* Section 1671 as liquidated damages in lieu of terminating this Agreement.

9.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONSULTANT hereby represents and warrants that no persons shall, on the grounds of race, creed, color, religion, ancestry, national origin, political affiliation, marital status, sex, age or disability, be subjected to discrimination under the

privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

10.0 FAIR LABOR STANDARDS ACT

CONSULTANT shall comply with all applicable provisions of the Federal Fair Labor Standards Act and State of California Wage and Hour Regulations, and shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents 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 services performed by CONSULTANT's employees.

11.0 COMPLIANCE WITH LAWS

11.1 The CONSULTANT shall conform to and abide by all applicable Federal, State, County and Municipal laws, rules, regulations or ordinances, directives and all provisions required thereby to be included herein, are hereby incorporated by reference.

11.2 The CONSULTANT agrees to indemnify and hold COUNTY harmless from any loss, damage or liability resulting from a violation by CONSULTANT, its employees, authorized agents or subcontractors of such laws, rules, regulations or ordinances and directives.

12.0 INDEMNIFICATION

Notwithstanding any provision of this Agreement to the contrary, either expressly or by implication, CONSULTANT shall indemnify, defend, and hold harmless COUNTY, its districts administered by COUNTY, and their elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to any claim, demand, action, proceeding, damage, loss, fee (including attorney's fees and expert witness fees), costs, and/or expenses, arising from and/or in any way related to any of the act(s) and/or omission(s) of CONSULTANT, CONSULTANT's agent(s), employee(s), and/or any Subcontractor(s).

13.0 INDEPENDENT CONTRACTOR STATUS

13.1 This Agreement is by and between CONSULTANT and COUNTY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CONSULTANT and COUNTY. 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. CONSULTANT shall function as, and in all respects is, an independent contractor.

13.2 CONSULTANT shall be solely liable and responsible for providing to, or on behalf of, all persons performing work for CONSULTANT pursuant to this Agreement all

compensation and benefits. 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 CONSULTANT.

13.3 CONSULTANT understands and agrees that all persons performing work for CONSULTANT pursuant to this Agreement are, for all purposes, and in particular for purposes of workers' compensation liability, the sole employees of CONSULTANT and not employees of COUNTY. CONSULTANT 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 CONSULTANT pursuant to this Agreement.

14.0 CHANGES TO KEY PERSONNEL AND SUCCESSOR TO CONSULTANT

CONSULTANT shall immediately notify COUNTY in writing of any changes in key personnel within its organization if such personnel are involved in providing services hereunder. If CONSULTANT is a partnership, CONSULTANT shall promptly notify COUNTY of changes in CONSULTANT's partners. If CONSULTANT is a corporation, CONSULTANT shall promptly notify COUNTY of all material changes in ownership which affect or may affect CONSULTANT's performance hereunder.

15.0 RESTRICTIONS ON LOBBYING

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

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position with 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 CONSULTANT or have any other direct or indirect financial interest in this Agreement. No officer or employee of CONSULTANT, who may financially benefit from the performance of work hereunder, shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

16.2 CONSULTANT 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. CONSULTANT warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONSULTANT 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.

17.0 DELEGATION AND ASSIGNMENT

CONSULTANT shall not delegate its duties and/or assign its rights under this Agreement, either in whole or in part, without the prior written consent of COUNTY. Any unauthorized delegation and/or assignment by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the agreement.

18.0 RIGHT TO USE WRITINGS AND OTHER WORKS

18.1 COUNTY obtains the right to use, duplicate and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT specifically and exclusively for COUNTY as a result of their activities supported by this Agreement.

18.2 CONSULTANT retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT as a result of its activities supported by this Agreement subject to the ENDORSEMENT paragraph below. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

19.0 ENDORSEMENT

CONSULTANT shall not, in any manner, advertise, publish or represent that COUNTY endorses the goods or services herein mentioned without the prior written consent of COUNTY's Project Manager. Any published document by CONSULTANT referencing COUNTY in such manner must have prior written consent of COUNTY's Project Manager.

20.0 PROPRIETARY CONSIDERATIONS

20.1 COUNTY and CONSULTANT agree that all intellectual property, including but not limited to materials, plans, reports, acceptance test criteria, acceptance test plans, Deliverables, data, and information (hereafter in this Section 20 collectively "Materials") developed under this Agreement for delivery to COUNTY and financed exclusively by COUNTY funds, and all copyrights, patent rights, trade secret rights, title, interest, and other proprietary rights therein (collectively,

"Rights") shall be the sole property of COUNTY, and CONSULTANT hereby assigns and transfers to COUNTY all CONSULTANT's Rights to all such Materials developed under this Agreement, provided that notwithstanding such COUNTY ownership, CONSULTANT may retain possession of all working papers prepared by CONSULTANT. During and for a minimum of five (5) years subsequent to the term of this Agreement, CONSULTANT shall retain any and all such Materials. COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

- 20.2 Upon request of COUNTY, CONSULTANT shall execute all documents requested by COUNTY and shall perform all other acts requested by COUNTY to assign and transfer to, and vest in, COUNTY all CONSULTANT's Rights in and to the Materials. COUNTY shall have the right to register all Rights in the name of the County of Los Angeles. Further, COUNTY shall have the right to assign, license, or otherwise transfer any and all of COUNTY's Rights in and to the Materials.
- 20.3 As requested in writing by COUNTY's Project Manager, CONSULTANT shall affix the following notice to Materials developed under this Agreement: "©Copyright 2002 (or such other date of first publication), County of Los Angeles. All Rights Reserved". CONSULTANT shall affix such notice as directed by COUNTY.
- 20.4 During the term of this Agreement and for five (5) years thereafter, CONSULTANT shall maintain and provide security for all CONSULTANT's working papers prepared under this Agreement.
- 20.5 CONSULTANT shall protect the security of and keep confidential all Materials obtained or developed under this Agreement. Further, CONSULTANT shall use whatever security measures that are reasonably necessary to protect all such Materials from loss or damage by any cause, including, but not limited to, fire and theft.
- 20.6 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.
- 20.7 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any Confidential Material of COUNTY without COUNTY's prior written consent except in furtherance of the services to be provided hereunder, which may include in the normal course of business the release to insurers and other financial institutions of Confidential Material relevant to the underwriting and/or evaluation of COUNTY's risks and the processing of its claims, provided that such insurers and financial institutions consent, in advance, in writing to maintain the confidential nature of such information.
- 20.8 The provisions of Sections 20.0 shall survive the expiration or termination of this Agreement.

21.0 TRADE SECRETS

Recognizing that it may be impractical and/or impossible for COUNTY to safeguard trade secrets, confidential materials, and/or proprietary information of CONSULTANT, if any, CONSULTANT shall and does hereby keep and bear COUNTY harmless from any and all liabilities, damages, costs, and expenses by reason of any legally required disclosure by COUNTY of trade secrets, confidential materials, and/or proprietary information. COUNTY staff shall provide CONSULTANT with reasonable notice prior to such disclosure to enable CONSULTANT to challenge such disclosure.

22.0 CONFIDENTIALITY

22.1 CONSULTANT acknowledges and agrees that the following materials, documents, data, and other information of COUNTY (collectively, "Confidential Material") are deemed to be privileged, proprietary, and/or confidential:

- A. Workers' Compensation records;
- B. Medical records;
- C. COUNTY Employment records;
- D. Criminal records;
- E. Welfare recipient records;
- F. Data and/or information pertaining to entities and/or persons receiving services from the COUNTY; and
- G. Any and all reports developed by CONSULTANT and/or its Subcontractor(s) under this Agreement.

22.2 CONSULTANT shall protect the security of and keep confidential any and all Confidential Material.

22.3 In accordance with all applicable federal, state, and local laws, regulations, ordinances, and directives relating to confidentiality, CONSULTANT shall ensure that its agent(s), representative(s), employee(s), and/or Subcontractor(s) follow such laws to the extent applicable.

22.4 With respect to Confidential Material concerning any child dependency matter that is obtained by CONSULTANT, CONSULTANT shall: (1) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to COUNTY all requests for disclosure of any such information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than COUNTY without COUNTY's prior written authorization that the information is releasable (except for Subcontractors); and (4) at the expiration or termination of

this Agreement, return all such information to COUNTY or maintain such information according to the written procedures sent to CONSULTANT by COUNTY for this purpose.

22.5. CONSULTANT warrants and represents that only those CONSULTANT and/or Subcontractor personnel required to perform the Services shall have access to COUNTY Confidential Materials.

22.6 The provisions of this Section 22.0 shall survive the expiration or other termination of this Agreement.

23.0 NOTICE OF DELAYS

CONSULTANT shall have no liability for any failure or delay in performance of its obligation under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, terrorist acts, civil disturbances, sabotage, accidents, unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on CONSULTANT's server, or any inability to transmit or receive information over the internet, nor shall any such failure or delay give COUNTY the right to terminate this Agreement. Whenever CONSULTANT has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Agreement, CONSULTANT shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to COUNTY.

24.0 RESPONSIBILITY FOR DOCUMENTS

24.1 All documents, plans, drafts, and final reports, masters, work papers, memoranda, graphics, electronic media and other materials including duplicates thereof generated or compiled specifically and exclusively for COUNTY pursuant to this Agreement which are delivered to COUNTY hereunder are instruments of professional services but shall remain the exclusive Property of COUNTY which the COUNTY may use for any purpose; provided, however, that CONSULTANT may choose, at its option, to retain copies of such materials in accordance with Section 20.0 of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its own proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

24.2 If CONSULTANT requires any information or services from COUNTY to enable CONSULTANT to perform the work covered by this Agreement, CONSULTANT may request the same in writing, to which COUNTY will respond within a reasonable time. Except for any items to be provided and/or other performance

required by the COUNTY as specified within this Agreement, there are no matters or items required to be furnished or performed by COUNTY.

25.0 TERMINATION FOR DEFAULT

25.1 By written notice of default ("Notice of Default") served upon the other party, the whole or any part of this Agreement may be terminated in any of the following circumstances of default:

- A. By either party if the other party violates a provision of this Agreement which by its terms herein is specified to be a material breach; or
- B. By either party if the other party fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of thirty (30) calendar days (or such longer period as the party giving such Notice of Default may authorize in writing).

25.2 Notwithstanding any provision of this Agreement to the contrary, any and all rights and/or remedies provided in this Section 25.0, as well as throughout this Agreement, shall not be exclusive and are in addition to any and all other rights and/or remedies provided at law, in equity, and/or under this Agreement.

26.0 TERMINATION FOR CONVENIENCE

26.1 The COUNTY may terminate this Agreement when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination shall be effected by delivery of a notice of termination to CONSULTANT specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than fifteen (15) calendar days after the notice is sent, provided that in the event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 25.0 (Termination for Default) and it has later been determined that CONSULTANT was not in default, no additional notice shall be required upon such determination.

26.2 Upon service of a notice of termination, and except as otherwise directed by COUNTY, the CONSULTANT shall:

- A. Stop work under this Agreement on the date specified in such notice; and
- B. Transfer to COUNTY, to the extent not previously transferred to COUNTY, all rights to all Materials pursuant to the terms of this Agreement.

26.3 Nothing in this Section 26.0 shall be deemed to prejudice any right of CONSULTANT to make a claim against COUNTY in accordance with applicable law and regular COUNTY procedures for payment for any completed Statement of Work through the effective date of COUNTY's termination of this Agreement for convenience.

27.0 TERMINATION FOR IMPROPER CONSIDERATION

- 27.1 COUNTY may, by written notice to CONSULTANT, immediately terminate the right of CONSULTANT to proceed under this Agreement if consideration in any form was offered or given by CONSULTANT, 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 CONSULTANT's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONSULTANT as it could pursue in the event of default of CONSULTANT.
- 27.2 CONSULTANT shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controllers Employee Fraud Hotline at (213) 974-0914.
- 27.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

28.0 AUTHORIZATION WARRANTY

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

29.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Agreement shall be construed in accordance with and governed by the substantive and procedural laws of the State of California. Any action and/or proceeding arising out of and/or relating to this Agreement shall be filed and maintained exclusively in the County of Los Angeles, State of California, except for those matters over which the Federal District Court may have jurisdiction, which may be filed and maintained in the Federal District Court, Central District, State of California.

30.0 WAIVER

No waiver of any breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

31.0 SEVERABILITY

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

32.0 COVENANT AGAINST CONTINGENT FEES

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

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

33.0 RECORD RETENTION AND INSPECTION

CONSULTANT agrees that COUNTY's Project Manager or any duly authorized representative shall have access to and the right to examine, audit, excerpt, copy, or transcribe in a reasonable manner any pertinent transaction, activity, time card, or other records relating to this Agreement. Such material, including all pertinent cost, accounting, financial records, and proprietary data, must be kept and maintained by CONSULTANT for a period of three (3) years after completion of the Agreement unless CAO's written permission is given to dispose of material prior to this time.

34.0 COUNTY'S QUALITY ASSURANCE PLAN

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

35.0 SUBCONTRACTING

No performance of this Agreement or any portion thereof may be subcontracted by CONSULTANT without the express written consent of the COUNTY. Any

unauthorized subcontracting by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

36.0 CONSIDERATION OF COUNTY EMPLOYEES IN HIRING

Should CONSULTANT require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONSULTANT shall give fair 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.

37.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should CONSULTANT require additional or replacement personnel after the Effective Date, CONSULTANT shall give consideration for any such employment opening to participants in COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet CONSULTANT's minimum qualifications for the open position. COUNTY will refer GAIN participants by job category to CONSULTANT.

38.0 INSURANCE REQUIREMENTS

38.1 Without limiting CONSULTANT's obligations of indemnification and defense of COUNTY, and during the term of this Agreement, CONSULTANT shall maintain, and shall require any of its subcontractors to maintain, the programs of insurance specified in Section 38.8, below. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be maintained at CONSULTANT's own expense.

38.2 Evidence of Insurance: Certificate(s) of insurance shall be delivered to the following COUNTY contract manager prior to commencing services under this Agreement:

County of Los Angeles
Chief Administrative Officer
500 West Temple Street, Room 526
Los Angeles, CA 90012
Attention: Manny Talamantes

Such certificates shall:

- A. Specifically identify this Agreement.
- B. Clearly evidence all coverages required in this Agreement.

- C. Contain the express condition that COUNTY are to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
 - D. Evidence that the COUNTY, its special districts, officials, officers, fiduciaries, and employees are included as additional insureds on the commercial general liability policy as insured for all activities for their vicarious liability arising from CONSULTANT's provision of services under this Agreement.
 - E. Identify any deductibles or self-insured retentions. All such deductibles or self-insured retentions shall be the responsibility of CONSULTANT.
- 38.3 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.
- 38.4 Failure to Maintain Coverage: Failure by CONSULTANT to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONSULTANT resulting from said breach.
- 38.5 Notification of Incidents, Claims or Suits: CONSULTANT shall report to COUNTY:
- A. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONSULTANT and/or COUNTY. Such report shall be made in writing within 24 hours of CONSULTANT's first knowledge of the accident or incident;
 - B. Any third party claim or lawsuit filed against CONSULTANT arising from or related to services performed by CONSULTANT under this Agreement;
 - C. Any injury to a CONSULTANT employee which occurs on COUNTY property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager; and
 - D. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONSULTANT under the terms of this Agreement.
- 38.6 Compensation for County Costs: In the event that CONSULTANT fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONSULTANT shall pay full compensation for all costs incurred by COUNTY.
- 38.7 Insurance Coverage Requirements for Sub-contractors: CONSULTANT shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- A. CONSULTANT providing evidence of insurance covering the activities of subcontractors, or
- B. CONSULTANT providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

38.8 Specific Insurance Coverage Requirements:

- A. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

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

- B. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."

- C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONSULTANT is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

- D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONSULTANT, its officers or employees with limits of not less than \$1 million per claim and \$3 million aggregate. The coverage also shall provide an extended one year reporting period commencing upon termination or cancellation of this Agreement.
- E. Basic Health Insurance and Benefits - CONSULTANT will provide basic health coverage for employees of CONSULTANT who perform work under the provisions of this Agreement.

39.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement any licenses, permits, registrations, accreditations, and certificates required by any federal, state, and local laws, ordinances, rules, regulations,

guidelines, and directives, which are applicable to CONSULTANT for its services under this Agreement. CONSULTANT further warrants and represents that all of its officers, employees, agents, and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to them for their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines, and directives shall be provided, in duplicate, to COUNTY's Project Manager as specifically requested by COUNTY.

40.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

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

40.2 CONSULTANT is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of CONSULTANT on this or other contracts which indicates that CONSULTANT is not responsible, COUNTY may, in addition to other remedies provided in this Agreement, debar CONSULTANT from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONSULTANT may have with COUNTY.

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

40.4 If there is evidence that CONSULTANT may be subject to debarment, COUNTY's CAO and/or COUNTY's Internal Services Department will notify CONSULTANT in writing of the evidence which is the basis for the proposed debarment and will advise CONSULTANT of the scheduled date for a debarment hearing before COUNTY's Contractor Hearing Board.

40.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONSULTANT and/or CONSULTANT's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONSULTANT should be debarred, and if so, the appropriate length of time of the debarment. If CONSULTANT fails to avail itself of the opportunity to submit evidence to the

Contractor Hearing Board, CONSULTANT may be deemed to have waived all rights of appeal.

40.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to COUNTY's Board of Supervisors. COUNTY's Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

40.7 These terms shall also apply to any and all subcontractors of COUNTY contractors.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONSULTANT 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 1015.

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

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

42.2 As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONSULTANT's duty under this Agreement to comply with all applicable provisions of law, CONSULTANT warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653 (a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706-031 and Family Code Section 5246 (b).

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

Failure of CONSULTANT to maintain compliance with the requirements set forth in Section 42.0 (CONSULTANT's Warranty of Adherence to COUNTY's Child Support Compliance Program) shall constitute a default by CONSULTANT under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be

grounds upon which COUNTY's Board of Supervisors may terminate this Agreement pursuant to Section 25.0 (Termination for Default).

44.0 CONSULTANT'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONSULTANT acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONSULTANT understands that it is COUNTY's policy to encourage all COUNTY contractors to voluntarily post COUNTY's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at CONSULTANT's place of business. COUNTY's District Attorney will supply CONSULTANT with the poster to be used.

45.0 MERGER CLAUSE

45.1 This base document, along with Exhibits A and B, described in Subsection 45.2, but not attached hereto, collectively form, and are throughout referred to as the "Agreement."

45.2 In the event of any conflict and/or inconsistency in the definition and/or interpretation of any word, responsibility, schedule, and/or the contents and/or description of any task, subtask, deliverable, service, and/or otherwise, between and/or among this based document and the Exhibits, such conflict and/or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:

A. COUNTY's Request for Proposal, dated June 14, 2005.

B. CONSULTANT's Proposal, received on or before June 22, 2005.

45.3 This Agreement constitutes the complete and exclusive statement of understanding between the parties, which supersedes any and all previous agreements, whether written or oral, and all prior and/or contemporaneous other communications between the parties and/or writings relating to the subject matter of this Agreement. Any changes and/or modifications to this Agreement must be in writing and formally adopted and executed in the same manner as this Agreement to be enforceable.

46.0 ARMS' LENGTH NEGOTIATIONS

This Agreement is the product of COUNTY's competitive procurement and an arms' length negotiation between COUNTY and CONSULTANT, during which each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly between the parties, and not more strictly construed against either party as the drafter.

47.0 COMPLIANCE WITH JURY SERVICE PROGRAM

A. Jury Service Program.

This Contract 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.

B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from 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.
2. For purposes of this section, "contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "employee" means any California resident who is a full time employee of contractor. "full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by 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 contractor uses any subcontractor to perform services for the county under the contract, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such subcontract agreement and a copy of the jury service program shall be attached to the agreement.
3. If contractor is not required to comply with the jury service program when the contract commences, contractor shall have a continuing obligation to review the applicability of its "exception status" from the jury service program, and contractor shall immediately notify county if contractor at any time either comes within the jury service program's definition of "contractor" or if contractor no longer qualifies for an exception to the program. In either event, contractor shall immediately implement a written policy consistent with the jury service program. The county may also require, at any time during the contract and at its sole discretion, that contractor demonstrate to the county's satisfaction that contractor either continues to remain outside of the jury service program's definition of "contractor" and/or that contractor continues to qualify for an exception to the program.

4. Contractor's violation of this section of the contract may constitute a material breach of the contract. In the event of such material breach, county may, in its sole discretion, terminate the contract and/or bar contractor from the award of future county contracts for a period of time consistent with the seriousness of the breach.

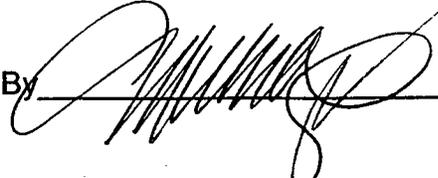
AUTHORIZATION
CONSULTING SERVICE AGREEMENT

IN WITNESS WHEREOF, the COUNTY's Board of Supervisors and CONSULTANT have each caused this Agreement to be executed by its duly authorized officer(s) and/or representative(s).

COUNTY OF LOS ANGELES

By _____
Gloria Molina
Chair

CPS Human Resource Services

By  _____
Title Senior Manager
Local Government Services

CPS Human Resource Services represents and warrants that the signatory to this Agreement is fully authorized to obligate CPS Human Resource Services hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

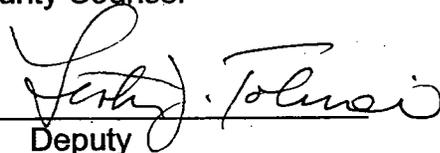
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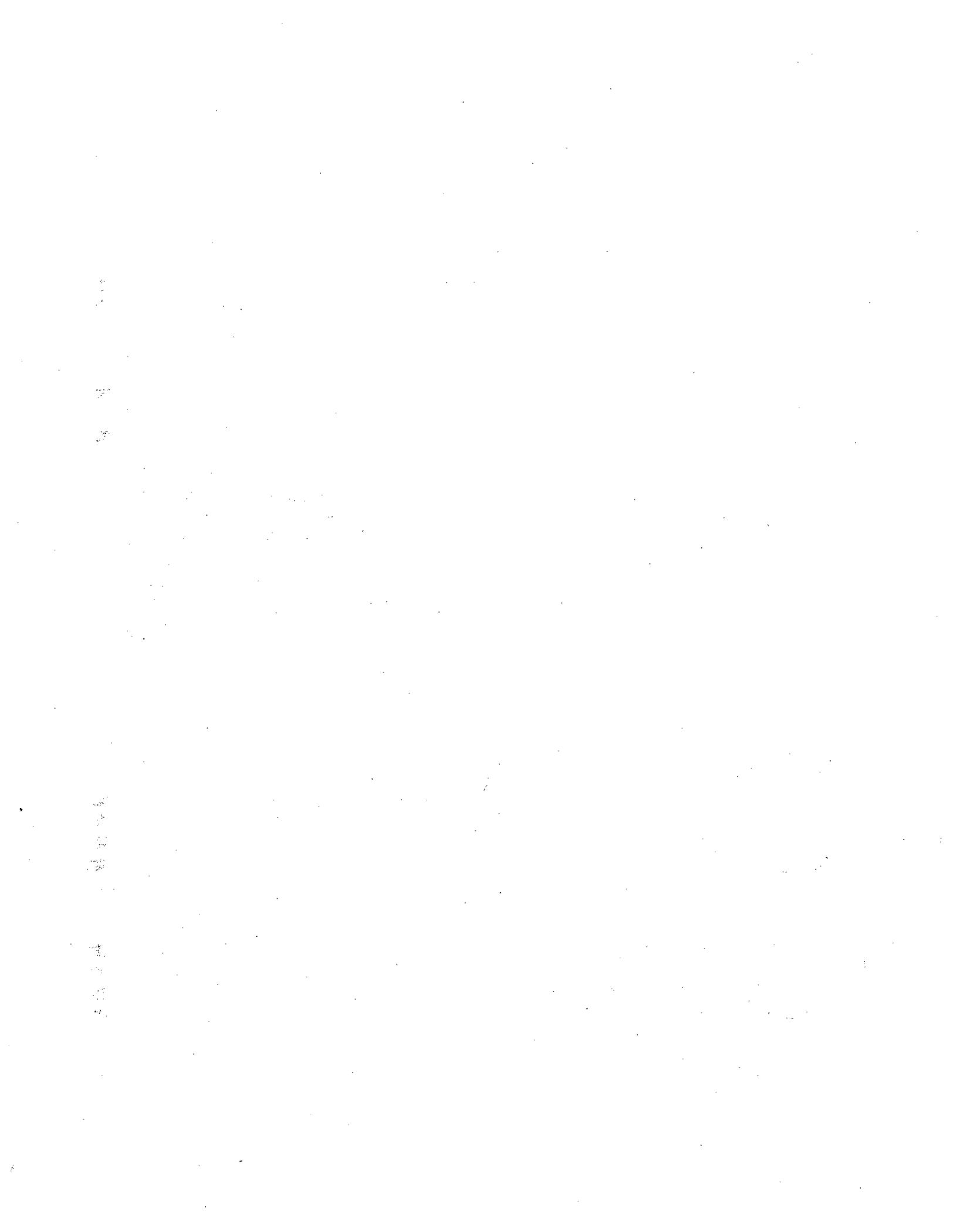
VIOLET VARUNA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By  _____
Deputy



AGREEMENT FOR CONSULTANT SERVICES

CONTRACT NO. _____

This Agreement is made and entered into this _____ day of _____, 2005

by and between County of Los Angeles (hereinafter, the "COUNTY") and FOX LAWSON & ASSOCIATES LLC, P.O. Box 32985, Phoenix, AZ 86064-2985 (hereinafter, the "CONSULTANT"), based upon the following recitals:

- A. WHEREAS, COUNTY desires to compensate County employees in a manner that attracts, retains, and motivates qualified personnel at the least possible cost; and
- B. WHEREAS, the provision of such compensation requires special skills and expertise in the area of compensation; and
- C. WHEREAS, CONSULTANT is specially trained and licensed and possesses skills, experience, education, and competency necessary to assist County with its compensation needs; and
- D. WHEREAS, COUNTY, in accordance with California Government Code Section 31000, may enter into contracts for special services.

Based upon the foregoing recitals, all of which are hereby incorporated herein by this reference, the COUNTY and CONSULTANT agree as follows:

1.0 TERM

This Agreement shall commence on the later of (1) the date the Agreement is approved by the Los Angeles County Board of Supervisors or (2) September 1, 2005 and shall continue in full force and effect until the earlier of (1) the date occurring three (3) years after the Effective Date, or (2) the date this Agreement is terminated as provided herein. In the event of any early termination of this Agreement as provided herein, or upon expiration of this Agreement, CONSULTANT will assist COUNTY in arranging a smooth transition process; however, CONSULTANT's obligation and the obligation of its affiliates to provide services to COUNTY will cease upon the effective date of termination or expiration. The County shall have the sole option to extend the Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CAO.

2.0 ADMINISTRATION - COUNTY

2.1 COUNTY's Chief Administrative Officer or his authorized designee (hereinafter referred to as "CAO") shall have the authority to administer this Agreement.

2.1.1 COUNTY's Project Manager

2.1.2 COUNTY's Project Manager for this Agreement shall be the following person or his designee:

Manny Talamantes
Compensation Policy
Los Angeles County Chief Administrative Office
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 526
Los Angeles, CA 90012

Business telephone: (213) 974-2529
E-mail: mdtalamantes@cao.co.la.ca.us
Fax: (213) 621-3172

2.1.3 COUNTY shall notify CONSULTANT in writing of any change in the name or address of COUNTY's Project Manager.

2.1.4 COUNTY's Project Manager shall be responsible for COUNTY's performance of its tasks and ensuring CONSULTANT's compliance with this Agreement.

2.1.5 COUNTY's Project Manager shall meet or confer with CONSULTANT's on an as needed basis.

2.1.6 Except as expressly set forth in this Agreement, COUNTY's Project Manager is not authorized to make any changes in any of the terms or conditions of this Agreement and is not authorized to obligate COUNTY in any respect whatsoever.

2.1.7 COUNTY's Project Manager shall have the right at all times to inspect any and all work, tasks, Deliverables, goods, services, and/or other consideration provided by or on behalf of CONSULTANT.

2.1.8 COUNTY's Project Manager shall be responsible for confirming that any technical standards and/or other requirements of CONSULTANT's performance under this Agreement are met.

3.0 ADMINISTRATION - CONSULTANT

3.1 CONSULTANT's shall designate in writing a person who shall have the authority to administer this Agreement.

3.1.1 CONSULTANT's Project Manager shall be responsible for CONSULTANT's performance and assuring CONSULTANT's compliance with this Agreement.

3.1.2 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager as required.

3.1.3 CONSULTANT's Project Manager shall be responsible for CONSULTANT's day-to-day activities as related to this Agreement and for reporting to COUNTY in the manner set forth in Subsection 3.3 (Reports by CONSULTANT).

3.1.4 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager on an as needed basis.

3.2 Approval of CONSULTANT's Staff

3.2.1 COUNTY has the absolute right to approve or disapprove each member or proposed member of CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager, prior to, and during, their performing any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. COUNTY's Project Manager may require replacement of any member of CONSULTANT's staff performing, or offering to perform, work hereunder, including, but not limited to, CONSULTANT's Project Manager.

3.2.2 CONSULTANT represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager.

3.2.3 CONSULTANT shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.2.4 In fulfillment of its responsibilities under this Agreement, CONSULTANT shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, and tasks required by this Agreement.

3.2.5 CONSULTANT shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with the Statements of Work.

3.2.6 In the event CONSULTANT should ever need to remove any staff from performing work under this Agreement, CONSULTANT shall provide COUNTY with notice at least fifteen (15) calendar days in advance, except in circumstances in which such notice is not possible, and shall work with COUNTY on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.3 Reports by CONSULTANT

3.3.1 In order to control expenditures and to provide COUNTY with ongoing information as to all Deliverables, CONSULTANT shall, if specifically requested by COUNTY's Project Manager, provide COUNTY's Project Manager with written reports which shall include but not be limited to, the following information:

- A. Period covered by the report;
- B. Overview of the reporting period;
- C. Any services scheduled for the reporting period which were not completed;
- D. Any services for the reporting period which were completed;
- E. Any services completed in the reporting period which were not scheduled;
- F. Any services to be completed in the next reporting period;
- G. Issues to be resolved;
- H. Issues resolved;
- I. Summary of project status as of reporting date; and
- J. Any other information which COUNTY may from time-to-time require.

3.3.2 CONSULTANT shall deliver one (1) hard copy of each of such report, together with a formal transmittal letter to COUNTY's Project Manager executed by CONSULTANT's Project Manager, and CONSULTANT shall also deliver a second copy of each such report electronically via e-mail.

4.0 STATEMENT OF WORK

CONSULTANT agrees to provide employee benefit consulting services as requested by the CAO, or the Director of Personnel or his or her designee (hereinafter both shall be referred to as "CAO" or "DOP" respectively). Such services may include, but not be limited to the following:

4.1 Part 1 Compensation Consulting

Compensation consulting, will involve day-to-day advice and commentary on a wide variety of wage and salary issues affecting represented and/or non-represented employees, including overtime and other non-base pay issues, and may involve more extensive in-depth consulting on special projects involving wage and salary issues. Part 1 work may include, but not be limited to the following:

- 4.1.1 Advice and commentary on community compensation practices and trends.
- 4.1.2 Advice and commentary on County pay policy for specific benchmark jobs and/or occupational groups.
- 4.1.3 Performance of salary studies for specific benchmark jobs, occupational groups, and/or organizational units, including job evaluation and classification studies.
- 4.1.4 Development of reward systems, including merit pay plans, incentive pay plans, and other special pay plans for specific occupational groups.
- 4.1.5 Development and/or provision of salary survey data for specific occupational benchmarks.
- 4.1.6 Organizational studies, re-engineering studies, evaluation and grading studies, and work systems and methods studies pertinent to the administration of the County's compensation program.
- 4.1.7 Training of County staff on compensation administration practices and techniques.

4.2 Consulting services provided pursuant to this Agreement shall be provided only when requested by CAO or DOP. It is mutually understood that COUNTY has not offered and cannot guarantee any minimum level of work under this Agreement.

5.0 CONSIDERATION

5.1 COUNTY agrees to pay CONSULTANT on a time and expense basis based on:

- A. The number of hours actually worked by CONSULTANT;
- B. The type and level of staff who perform the work;
- C. The following schedule of hourly rates:

HOURLY RATES	9/1/2005 8/31/2006	9/1/2006 8/31/2007	9/1/2007 8/31/2008
PARTNER (OWNER/PRINCIPAL)	\$295	\$310	\$325
SENIOR CONSULTANT	\$150-\$195	\$155-\$200	\$160-\$205
CONSULTANT	\$125	\$130	\$135
PARAPROFESSIONAL	\$75	\$80	\$85

5.1.1 Upon request of the CAO or DOP, CONSULTANT shall provide CAO or DOP with 1) the billing titles and precise hourly billing rates CONSULTANT intends to use for any work requested by CAO or DOP pursuant to this Agreement, and/or 2) the estimated total cost of such work.

5.2 Subject to approval by COUNTY's Project Manager, CONSULTANT may, in addition to the hourly charges set forth in 5.0 (5.1) (A), charge for out-of-pocket costs necessary for a) mail and courier services, b) parking, c) photocopying (other than minor photocopying), and d) out-of-town travel, including air and ground transportation, lodging, meals, and portage. All such costs, if approved, shall be billed at actual cost; provided, however, that, in no event, may out-of-town travel charges exceed the expense limitations imposed by COUNTY on COUNTY employees who travel on COUNTY business. Any other out-of-pocket expenses not otherwise specified in this Subparagraph 5.2 shall not be charged to COUNTY unless specifically approved by COUNTY's Project Manager.

5.3 CONSULTANT shall invoice COUNTY monthly in arrears. Charges for billable time shall be calculated in increments of not less than fifteen (15) minutes. All invoices shall provide the following detail:

- A. The date or dates the services were provided.

- B. The names, billing titles, and hourly billing rates of the individuals who performed the work.
- C. The name of the COUNTY officer or employee who requested the work.
- D. A brief description of the work performed.
- E. Detail on out-of-pocket expenses sufficient to establish such expenses conform with the terms of this Agreement.

5.4 In no event shall CONSULTANT charge COUNTY for travel time, including time spent in air or ground transportation unless specifically approved in writing, in advance, by COUNTY's Project Manager.

5.5 Upon receipt of an invoice, or further information regarding an invoice, COUNTY's Project Manager may reasonably reject or accept all or any part of invoiced costs. COUNTY shall pay invoiced costs accepted by the COUNTY's Project Manager promptly thereafter. CONSULTANT shall be notified by the COUNTY's Project Manager, in writing, of the invoiced costs rejected, and the reason or reasons for such rejection, and be given an opportunity to provide further information.

5.6 Notwithstanding any other provision of this paragraph 5.0, CONSULTANT and CAO, or DOP as the case may be, may mutually agree in advance on a maximum total charge for all services and out-of-pocket expenses related to particular project or other specific work authorized by CAO or DOP pursuant to this Agreement.

6.0 NON-APPROPRIATION OF FUNDS

6.1 COUNTY'S obligation is payable only and solely from the funds appropriated for the purpose of this Agreement.

6.2 All funds for payments after June 30th of the current fiscal year are subject to COUNTY'S legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action.

6.3 In the event that this Agreement extends into a succeeding fiscal year period, and if the governing body appropriating the fund does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30th of the then current fiscal year. The COUNTY's Project Manager shall endeavor to notify CONSULTANT in writing of such non-allocation at the earliest possible date.

7.0 EMPLOYMENT ELIGIBILITY VERIFICATION

7.1 CONSULTANT represents and warrants that it fully complies with all applicable statutes and regulations regarding employment eligibility of aliens and others, that all persons performing services under this Contract are eligible for employment in the United States. Any such failure to comply by CONSULTANT shall constitute a

material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

7.2 CONSULTANT represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONSULTANT shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.

7.3 CONSULTANT shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability which may be assessed against the COUNTY or CONSULTANT in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens by CONSULTANT while performing services hereunder.

8.0 NONDISCRIMINATION IN EMPLOYMENT

8.1 CONSULTANT certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, in compliance with all applicable federal and state anti-discrimination laws and regulations.

8.2 CONSULTANT shall certify to, and comply with, the provisions of Exhibit (CONSULTANT's EEO Certification).

8.3 CONSULTANT shall ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental disability 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, without limitation, apprenticeship.

8.4 CONSULTANT certifies and agrees that it will deal with its bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability.

8.5 CONSULTANT certifies and agrees that it, its affiliates, subsidiaries or holding companies under common control, shall comply with all applicable federal and state laws and regulations, including, but not limited to:

- A. Title VII, Civil Rights Act of 1964;
- B. Section 504, Rehabilitation Act of 1973; C. Age Discrimination Act of 1975;
- C. Age Discrimination Act of 1975;
- D. Title IX, Education Amendments of 1973, as applicable; and

E. Title 43, Part 17, Code of Federal Regulations, Subparts A & B; and that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

F. California Fair Employment and Housing Act.

8.6. CONSULTANT shall allow federal representatives access to CONSULTANT's employment records during regular business hours to verify compliance with the above-referenced laws.

8.7 If any provision of this Section 8.0 has been violated, such violation shall, at the election of COUNTY, constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement.

8.8 The parties agree that in the event CONSULTANT violates any portion of this Section 8.0 and/or any other anti-discrimination provisions of this Agreement, COUNTY shall, at its option, be entitled to the sum of Five Thousand Dollars (\$5,000) from CONSULTANT for each such violation pursuant to California *Civil Code* Section 1671 as liquidated damages in lieu of terminating this Agreement.

9.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONSULTANT hereby represents and warrants that no persons shall, on the grounds of race, creed, color, religion, ancestry, national origin, political affiliation, marital status, sex, age or disability, be subjected to discrimination under the privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

10.0 FAIR LABOR STANDARDS ACT

CONSULTANT shall comply with all applicable provisions of the Federal Fair Labor Standards Act and State of California Wage and Hour Regulations, and shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents 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 services performed by CONSULTANT's employees.

11.0 COMPLIANCE WITH LAWS

11.1 The CONSULTANT shall conform to and abide by all applicable Federal, State, County and Municipal laws, rules, regulations or ordinances, directives and all provisions required thereby to be included herein, are hereby incorporated by reference.

11.2 The CONSULTANT agrees to indemnify and hold COUNTY harmless from any loss, damage or liability resulting from a violation by CONSULTANT, its

employees, authorized agents or subcontractors of such laws, rules, regulations or ordinances and directives.

12.0 INDEMNIFICATION

Notwithstanding any provision of this Agreement to the contrary, either expressly or by implication, CONSULTANT shall indemnify, defend, and hold harmless COUNTY, its districts administered by COUNTY, and their elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to any claim, demand, action, proceeding, damage, loss, fee (including attorney's fees and expert witness fees), costs, and/or expenses, arising from and/or in any way related to any of the act(s) and/or omission(s) of CONSULTANT, CONSULTANT's agent(s), employee(s), and/or any Subcontractor(s).

13.0 INDEPENDENT CONTRACTOR STATUS

13.1 This Agreement is by and between CONSULTANT and COUNTY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CONSULTANT and COUNTY. 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. CONSULTANT shall function as, and in all respects is, an independent contractor.

13.2 CONSULTANT shall be solely liable and responsible for providing to, or on behalf of, all persons performing work for CONSULTANT pursuant to this Agreement all compensation and benefits. 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 CONSULTANT.

13.3 CONSULTANT understands and agrees that all persons performing work for CONSULTANT pursuant to this Agreement are, for all purposes, and in particular for purposes of workers' compensation liability, the sole employees of CONSULTANT and not employees of COUNTY. CONSULTANT 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 CONSULTANT pursuant to this Agreement.

14.0 CHANGES TO KEY PERSONNEL AND SUCCESSOR TO CONSULTANT

CONSULTANT shall immediately notify COUNTY in writing of any changes in key personnel within its organization if such personnel are involved in providing services hereunder. If CONSULTANT is a partnership, CONSULTANT shall promptly notify COUNTY of changes in CONSULTANT's partners. If CONSULTANT is a corporation, CONSULTANT shall promptly notify COUNTY of all material changes in ownership which affect or may affect CONSULTANT's performance hereunder.

15.0 RESTRICTIONS ON LOBBYING

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

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position with 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 CONSULTANT or have any other direct or indirect financial interest in this Agreement. No officer or employee of CONSULTANT, who may financially benefit from the performance of work hereunder, shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

16.2 CONSULTANT 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. CONSULTANT warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONSULTANT 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.

17.0 DELEGATION AND ASSIGNMENT

CONSULTANT shall not delegate its duties and/or assign its rights under this Agreement, either in whole or in part, without the prior written consent of COUNTY. Any unauthorized delegation and/or assignment by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the agreement.

18.0 RIGHT TO USE WRITINGS AND OTHER WORKS

18.1 COUNTY obtains the right to use, duplicate and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT specifically and exclusively for COUNTY as a result of their activities supported by this Agreement.

18.2 CONSULTANT retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial

reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT as a result of its activities supported by this Agreement subject to the ENDORSEMENT paragraph below. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

19.0 ENDORSEMENT

CONSULTANT shall not, in any manner, advertise, publish or represent that COUNTY endorses the goods or services herein mentioned without the prior written consent of COUNTY's Project Manager. Any published document by CONSULTANT referencing COUNTY in such manner must have prior written consent of COUNTY's Project Manager.

20.0 PROPRIETARY CONSIDERATIONS

- 20.1 COUNTY and CONSULTANT agree that all intellectual property, including but not limited to materials, plans, reports, acceptance test criteria, acceptance test plans, Deliverables, data, and information (hereafter in this Section 20 collectively "Materials") developed under this Agreement for delivery to COUNTY and financed exclusively by COUNTY funds, and all copyrights, patent rights, trade secret rights, title, interest, and other proprietary rights therein (collectively, "Rights") shall be the sole property of COUNTY, and CONSULTANT hereby assigns and transfers to COUNTY all CONSULTANT's Rights to all such Materials developed under this Agreement, provided that notwithstanding such COUNTY ownership, CONSULTANT may retain possession of all working papers prepared by CONSULTANT. During and for a minimum of five (5) years subsequent to the term of this Agreement, CONSULTANT shall retain any and all such Materials. COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.
- 20.2 Upon request of COUNTY, CONSULTANT shall execute all documents requested by COUNTY and shall perform all other acts requested by COUNTY to assign and transfer to, and vest in, COUNTY all CONSULTANT's Rights in and to the Materials. COUNTY shall have the right to register all Rights in the name of the County of Los Angeles. Further, COUNTY shall have the right to assign, license, or otherwise transfer any and all of COUNTY's Rights in and to the Materials.
- 20.3 As requested in writing by COUNTY's Project Manager, CONSULTANT shall affix the following notice to Materials developed under this Agreement: "©Copyright 2002 (or such other date of first publication), County of Los Angeles. All Rights Reserved". CONSULTANT shall affix such notice as directed by COUNTY.

- 20.4 During the term of this Agreement and for five (5) years thereafter, CONSULTANT shall maintain and provide security for all CONSULTANT's working papers prepared under this Agreement.
- 20.5 CONSULTANT shall protect the security of and keep confidential all Materials obtained or developed under this Agreement. Further, CONSULTANT shall use whatever security measures that are reasonably necessary to protect all such Materials from loss or damage by any cause, including, but not limited to, fire and theft.
- 20.6 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.
- 20.7 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any Confidential Material of COUNTY without COUNTY's prior written consent except in furtherance of the services to be provided hereunder, which may include in the normal course of business the release to insurers and other financial institutions of Confidential Material relevant to the underwriting and/or evaluation of COUNTY's risks and the processing of its claims, provided that such insurers and financial institutions consent, in advance, in writing to maintain the confidential nature of such information.
- 20.8 The provisions of Sections 20.0 shall survive the expiration or termination of this Agreement.

21.0 TRADE SECRETS

Recognizing that it may be impractical and/or impossible for COUNTY to safeguard trade secrets, confidential materials, and/or proprietary information of CONSULTANT, if any, CONSULTANT shall and does hereby keep and bear COUNTY harmless from any and all liabilities, damages, costs, and expenses by reason of any legally required disclosure by COUNTY of trade secrets, confidential materials, and/or proprietary information. COUNTY staff shall provide CONSULTANT with reasonable notice prior to such disclosure to enable CONSULTANT to challenge such disclosure.

22.0 CONFIDENTIALITY

22.1 CONSULTANT acknowledges and agrees that the following materials, documents, data, and other information of COUNTY (collectively, "Confidential Material") are deemed to be privileged, proprietary, and/or confidential:

- A. Workers' Compensation records;
- B. Medical records;

- C. COUNTY Employment records;
- D. Criminal records;
- E. Welfare recipient records;
- F. Data and/or information pertaining to entities and/or persons receiving services from the COUNTY; and
- G. Any and all reports developed by CONSULTANT and/or its Subcontractor(s) under this Agreement.

22.2 CONSULTANT shall protect the security of and keep confidential any and all Confidential Material.

22.3 In accordance with all applicable federal, state, and local laws, regulations, ordinances, and directives relating to confidentiality, CONSULTANT shall ensure that its agent(s), representative(s), employee(s), and/or Subcontractor(s) follow such laws to the extent applicable.

22.4 With respect to Confidential Material concerning any child dependency matter that is obtained by CONSULTANT, CONSULTANT shall: (1) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to COUNTY all requests for disclosure of any such information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than COUNTY without COUNTY's prior written authorization that the information is releasable (except for Subcontractors); and (4) at the expiration or termination of this Agreement, return all such information to COUNTY or maintain such information according to the written procedures sent to CONSULTANT by COUNTY for this purpose.

22.5 CONSULTANT warrants and represents that only those CONSULTANT and/or Subcontractor personnel required to perform the Services shall have access to COUNTY Confidential Materials.

22.6 The provisions of this Section 22.0 shall survive the expiration or other termination of this Agreement.

23.0 NOTICE OF DELAYS

CONSULTANT shall have no liability for any failure or delay in performance of its obligation under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, terrorist acts, civil disturbances, sabotage, accidents, unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on

CONSULTANT's server, or any inability to transmit or receive information over the internet, nor shall any such failure or delay give COUNTY the right to terminate this Agreement. Whenever CONSULTANT has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Agreement, CONSULTANT shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to COUNTY.

24.0 RESPONSIBILITY FOR DOCUMENTS

- 24.1 All documents, plans, drafts, and final reports, masters, work papers, memoranda, graphics, electronic media and other materials including duplicates thereof generated or compiled specifically and exclusively for COUNTY pursuant to this Agreement which are delivered to COUNTY hereunder are instruments of professional services but shall remain the exclusive Property of COUNTY which the COUNTY may use for any purpose; provided, however, that CONSULTANT may choose, at its option, to retain copies of such materials in accordance with Section 20.0 of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its own proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.
- 24.2 If CONSULTANT requires any information or services from COUNTY to enable CONSULTANT to perform the work covered by this Agreement, CONSULTANT may request the same in writing, to which COUNTY will respond within a reasonable time. Except for any items to be provided and/or other performance required by the COUNTY as specified within this Agreement, there are no matters or items required to be furnished or performed by COUNTY.

25.0 TERMINATION FOR DEFAULT

- 25.1 By written notice of default ("Notice of Default") served upon the other party, the whole or any part of this Agreement may be terminated in any of the following circumstances of default:
- A. By either party if the other party violates a provision of this Agreement which by its terms herein is specified to be a material breach; or
 - B. By either party if the other party fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of thirty (30) calendar days (or such longer period as the party giving such Notice of Default may authorize in writing).

25.2 Notwithstanding any provision of this Agreement to the contrary, any and all rights and/or remedies provided in this Section 25.0, as well as throughout this Agreement, shall not be exclusive and are in addition to any and all other rights and/or remedies provided at law, in equity, and/or under this Agreement.

26.0 TERMINATION FOR CONVENIENCE

26.1 The COUNTY may terminate this Agreement when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination shall be effected by delivery of a notice of termination to CONSULTANT specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than fifteen (15) calendar days after the notice is sent, provided that in the event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 25.0 (Termination for Default) and it has later been determined that CONSULTANT was not in default, no additional notice shall be required upon such determination.

26.2 Upon service of a notice of termination, and except as otherwise directed by COUNTY, the CONSULTANT shall:

- A. Stop work under this Agreement on the date specified in such notice; and
- B. Transfer to COUNTY, to the extent not previously transferred to COUNTY, all rights to all Materials pursuant to the terms of this Agreement.

26.3 Nothing in this Section 26.0 shall be deemed to prejudice any right of CONSULTANT to make a claim against COUNTY in accordance with applicable law and regular COUNTY procedures for payment for any completed Statement of Work through the effective date of COUNTY's termination of this Agreement for convenience.

27.0 TERMINATION FOR IMPROPER CONSIDERATION

27.1 COUNTY may, by written notice to CONSULTANT, immediately terminate the right of CONSULTANT to proceed under this Agreement if consideration in any form was offered or given by CONSULTANT, 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 CONSULTANT's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONSULTANT as it could pursue in the event of default of CONSULTANT.

27.2 CONSULTANT shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controllers Employee Fraud Hotline at (213) 974-0914.

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

28.0 AUTHORIZATION WARRANTY

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

29.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Agreement shall be construed in accordance with and governed by the substantive and procedural laws of the State of California. Any action and/or proceeding arising out of and/or relating to this Agreement shall be filed and maintained exclusively in the County of Los Angeles, State of California, except for those matters over which the Federal District Court may have jurisdiction, which may be filed and maintained in the Federal District Court, Central District, State of California.

30.0 WAIVER

No waiver of any breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

31.0 SEVERABILITY

If any provision of this Agreement 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, unless the essential purposes of this Agreement shall be materially impaired thereby.

32.0 COVENANT AGAINST CONTINGENT FEES

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

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

33.0 RECORD RETENTION AND INSPECTION

CONSULTANT agrees that COUNTY's Project Manager or any duly authorized representative shall have access to and the right to examine, audit, excerpt, copy, or transcribe in a reasonable manner any pertinent transaction, activity, time card, or other records relating to this Agreement. Such material, including all pertinent cost, accounting, financial records, and proprietary data, must be kept and maintained by CONSULTANT for a period of three (3) years after completion of the Agreement unless CAO's written permission is given to dispose of material prior to this time.

34.0 COUNTY'S QUALITY ASSURANCE PLAN

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

35.0 SUBCONTRACTING

No performance of this Agreement or any portion thereof may be subcontracted by CONSULTANT without the express written consent of the COUNTY. Any unauthorized subcontracting by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

36.0 CONSIDERATION OF COUNTY EMPLOYEES IN HIRING

Should CONSULTANT require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONSULTANT shall give fair 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.

37.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should CONSULTANT require additional or replacement personnel after the Effective Date, CONSULTANT shall give consideration for any such employment opening to participants in COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet CONSULTANT's

minimum qualifications for the open position. COUNTY will refer GAIN participants by job category to CONSULTANT.

38.0 INSURANCE REQUIREMENTS

38.1 Without limiting CONSULTANT's obligations of indemnification and defense of COUNTY, and during the term of this Agreement, CONSULTANT shall maintain, and shall require any of its subcontractors to maintain, the programs of insurance specified in Section 38.8, below. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be maintained at CONSULTANT's own expense.

38.2 Evidence of Insurance: Certificate(s) of insurance shall be delivered to the following COUNTY contract manager prior to commencing services under this Agreement:

County of Los Angeles
Chief Administrative Officer
500 West Temple Street, Room 526
Los Angeles, CA 90012
Attention: Manny Talamantes

Such certificates shall:

- A. Specifically identify this Agreement.
- B. Clearly evidence all coverages required in this Agreement.
- C. Contain the express condition that COUNTY are to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
- D. Evidence that the COUNTY, its special districts, officials, officers, fiduciaries, and employees are included as additional insureds on the commercial general liability policy as insured for all activities for their vicarious liability arising from CONSULTANT's provision of services under this Agreement.
- E. Identify any deductibles or self-insured retentions. All such deductibles or self-insured retentions shall be the responsibility of CONSULTANT.

38.3 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.

38.4 Failure to Maintain Coverage: Failure by CONSULTANT to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may

immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONSULTANT resulting from said breach.

38.5 Notification of Incidents, Claims or Suits: CONSULTANT shall report to COUNTY:

- A. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONSULTANT and/or COUNTY. Such report shall be made in writing within 24 hours of CONSULTANT's first knowledge of the accident or incident;
- B. Any third party claim or lawsuit filed against CONSULTANT arising from or related to services performed by CONSULTANT under this Agreement;
- C. Any injury to a CONSULTANT employee which occurs on COUNTY property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager; and
- D. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONSULTANT under the terms of this Agreement.

38.6 Compensation for County Costs: In the event that CONSULTANT fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONSULTANT shall pay full compensation for all costs incurred by COUNTY.

38.7 Insurance Coverage Requirements for Sub-contractors: CONSULTANT shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- A. CONSULTANT providing evidence of insurance covering the activities of subcontractors, or
- B. CONSULTANT providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

38.8 Specific Insurance Coverage Requirements:

- A. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

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

- B. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."
- C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONSULTANT is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million
- D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONSULTANT, its officers or employees with limits of not less than \$1 million per claim and \$3 million aggregate. The coverage also shall provide an extended one year reporting period commencing upon termination or cancellation of this Agreement.
- E. Basic Health Insurance and Benefits - CONSULTANT will provide basic health coverage for employees of CONSULTANT who perform work under the provisions of this Agreement.

39.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement any licenses, permits, registrations, accreditations, and certificates required by any federal, state, and local laws, ordinances, rules, regulations, guidelines, and directives, which are applicable to CONSULTANT for its services under this Agreement. CONSULTANT further warrants and represents that all of its officers, employees, agents, and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to them for their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines, and directives shall be provided, in duplicate, to COUNTY's Project Manager as specifically requested by COUNTY.

40.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

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

40.2 CONSULTANT is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of CONSULTANT on this or other contracts which indicates that CONSULTANT is not responsible, COUNTY may, in addition to other remedies provided in this Agreement, debar CONSULTANT from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONSULTANT may have with COUNTY.

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

40.4 If there is evidence that CONSULTANT may be subject to debarment, COUNTY's CAO and/or COUNTY's Internal Services Department will notify CONSULTANT in writing of the evidence which is the basis for the proposed debarment and will advise CONSULTANT of the scheduled date for a debarment hearing before COUNTY's Contractor Hearing Board.

40.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONSULTANT and/or CONSULTANT's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONSULTANT should be debarred, and if so, the appropriate length of time of the debarment. If CONSULTANT fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, CONSULTANT may be deemed to have waived all rights of appeal.

40.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to COUNTY's Board of Supervisors. COUNTY's Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

40.7 These terms shall also apply to any and all subcontractors of COUNTY contractors.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONSULTANT 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 1015.

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

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

42.2 As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONSULTANT's duty under this Agreement to comply with all applicable provisions of law, CONSULTANT warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653 (a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706-031 and Family Code Section 5246 (b).

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

Failure of CONSULTANT to maintain compliance with the requirements set forth in Section 42.0 (CONSULTANT's Warranty of Adherence to COUNTY's Child Support Compliance Program) shall constitute a default by CONSULTANT under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be grounds upon which COUNTY's Board of Supervisors may terminate this Agreement pursuant to Section 25.0 (Termination for Default).

44.0 CONSULTANT'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONSULTANT acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONSULTANT understands that it is COUNTY's policy to encourage all COUNTY contractors to voluntarily post COUNTY's "L.A's Most Wanted: Delinquent Parents" poster in a prominent position at CONSULTANT's place of business. COUNTY's District Attorney will supply CONSULTANT with the poster to be used.

45.0 MERGER CLAUSE

45.1 This base document, along with Exhibits A and B, described in Subsection 45.2, but not attached hereto, collectively form, and are throughout referred to as the "Agreement."

45.2 In the event of any conflict and/or inconsistency in the definition and/or interpretation of any word, responsibility, schedule, and/or the contents and/or description of any task, subtask, deliverable, service, and/or otherwise, between and/or among this based document and the Exhibits, such conflict and/or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:

- A. COUNTY's Request for Proposal, dated June 14, 2005.
- B. CONSULTANT's Proposal, received on or before June 22, 2005.

45.3 This Agreement constitutes the complete and exclusive statement of understanding between the parties, which supersedes any and all previous agreements, whether written or oral, and all prior and/or contemporaneous other communications between the parties and/or writings relating to the subject matter of this Agreement. Any changes and/or modifications to this Agreement must be in writing and formally adopted and executed in the same manner as this Agreement to be enforceable.

46.0 ARMS' LENGTH NEGOTIATIONS

This Agreement is the product of COUNTY's competitive procurement and an arms' length negotiation between COUNTY and CONSULTANT, during which each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly between the parties, and not more strictly construed against either party as the drafter.

47.0 COMPLIANCE WITH JURY SERVICE PROGRAM

- A. Jury Service Program.

This Contract 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.

- B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from 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.

2. For purposes of this section, "contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "employee" means any California resident who is a full time employee of contractor. "full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by 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 contractor uses any subcontractor to perform services for the county under the contract, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such subcontract agreement and a copy of the jury service program shall be attached to the agreement.
3. If contractor is not required to comply with the jury service program when the contract commences, contractor shall have a continuing obligation to review the applicability of its "exception status" from the jury service program, and contractor shall immediately notify county if contractor at any time either comes within the jury service program's definition of "contractor" or if contractor no longer qualifies for an exception to the program. In either event, contractor shall immediately implement a written policy consistent with the jury service program. The county may also require, at any time during the contract and at its sole discretion, that contractor demonstrate to the county's satisfaction that contractor either continues to remain outside of the jury service program's definition of "contractor" and/or that contractor continues to qualify for an exception to the program.
4. Contractor's violation of this section of the contract may constitute a material breach of the contract. In the event of such material breach, county may, in its sole discretion, terminate the contract and/or bar contractor from the award of future county contracts for a period of time consistent with the seriousness of the breach.

AUTHORIZATION
CONSULTING SERVICE AGREEMENT

IN WITNESS WHEREOF, the COUNTY's Board of Supervisors and CONSULTANT have each caused this Agreement to be executed by its duly authorized officer(s) and/or representative(s).

COUNTY OF LOS ANGELES

FOX LAWSON & ASSOCIATES
LLC

By _____
Gloria Molina
Chair

By 
Title President

Fox Lawson & Associates LLC represents and warrants that the signatory to this Agreement is fully authorized to obligate Fox Lawson & Associates LLC hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

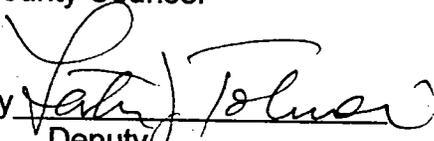
ATTEST:

VIOLET VARUNA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By 
Deputy

AGREEMENT FOR CONSULTANT SERVICES

CONTRACT NO. _____

This Agreement is made and entered into this _____ day of _____, 2005

by and between County of Los Angeles (hereinafter, the "COUNTY") and GARNER CONSULTING, 35 North Lake Avenue Suite 720, Pasadena, CA 91101 (hereinafter, the "CONSULTANT"), based upon the following recitals:

- A. WHEREAS, COUNTY desires to compensate County employees in a manner that attracts, retains, and motivates qualified personnel at the least possible cost; and
- B. WHEREAS, the provision of such compensation requires special skills and expertise in the area of employee benefit administration; and
- C. WHEREAS, CONSULTANT is specially trained and licensed and possesses skills, experience, education, and competency necessary to assist County with its employee benefit administration needs; and
- D. WHEREAS, COUNTY, in accordance with California Government Code Section 31000, may enter into contracts for special services.

Based upon the foregoing recitals, all of which are hereby incorporated herein by this reference, the COUNTY and CONSULTANT agree as follows:

1.0 TERM

This Agreement shall commence on the later of (1) the date the Agreement is approved by the Los Angeles County Board of Supervisors or (2) September 1, 2005 and shall continue in full force and effect until the earlier of (1) the date occurring three (3) years after the Effective Date, or (2) the date this Agreement is terminated as provided herein. In the event of any early termination of this Agreement as provided herein, or upon expiration of this Agreement, CONSULTANT will assist COUNTY in arranging a smooth transition process; however, CONSULTANT's obligation and the obligation of its affiliates to provide services to COUNTY will cease upon the effective date of termination or expiration. The County shall have the sole option to extend the Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CAO.

2.0 ADMINISTRATION - COUNTY

2.1 COUNTY's Chief Administrative Officer or his authorized designee (hereinafter referred to as "CAO") shall have the authority to administer this Agreement.

2.1.1 COUNTY's Project Manager

2.1.2 COUNTY's Project Manager for this Agreement shall be the following person or his designee:

Manny Talamantes
Compensation Policy
Los Angeles County Chief Administrative Office
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 526
Los Angeles, CA 90012

Business telephone: (213) 974-2529
E-mail: mdtalamantes@cao.co.la.ca.us
Fax: (213) 621-3172

2.1.3 COUNTY shall notify CONSULTANT in writing of any change in the name or address of COUNTY's Project Manager.

2.1.4 COUNTY's Project Manager shall be responsible for COUNTY's performance of its tasks and ensuring CONSULTANT's compliance with this Agreement.

2.1.5 COUNTY's Project Manager shall meet or confer with CONSULTANT's on an as needed basis.

2.1.6 Except as expressly set forth in this Agreement, COUNTY's Project Manager is not authorized to make any changes in any of the terms or conditions of this Agreement and is not authorized to obligate COUNTY in any respect whatsoever.

2.1.7 COUNTY's Project Manager shall have the right at all times to inspect any and all work, tasks, Deliverables, goods, services, and/or other consideration provided by or on behalf of CONSULTANT.

2.1.8 COUNTY's Project Manager shall be responsible for confirming that any technical standards and/or other requirements of CONSULTANT's performance under this Agreement are met.

3.0 ADMINISTRATION - CONSULTANT

3.1 CONSULTANT's shall designate in writing a person who shall have the authority to administer this Agreement.

3.1.1 CONSULTANT's Project Manager shall be responsible for CONSULTANT's performance and assuring CONSULTANT's compliance with this Agreement.

3.1.2 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager as required.

3.1.3 CONSULTANT's Project Manager shall be responsible for CONSULTANT's day-to-day activities as related to this Agreement and for reporting to COUNTY in the manner set forth in Subsection 3.3 (Reports by CONSULTANT).

3.1.4 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager on an as needed basis.

3.2 Approval of CONSULTANT's Staff

3.2.1 COUNTY has the absolute right to approve or disapprove each member or proposed member of CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager, prior to, and during, their performing any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. COUNTY's Project Manager may require replacement of any member of CONSULTANT's staff performing, or offering to perform, work hereunder, including, but not limited to, CONSULTANT's Project Manager.

3.2.2 CONSULTANT represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager.

3.2.3 CONSULTANT shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.2.4 In fulfillment of its responsibilities under this Agreement, CONSULTANT shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, and tasks required by this Agreement.

3.2.5 CONSULTANT shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with the Statements of Work.

3.2.6 In the event CONSULTANT should ever need to remove any staff from performing work under this Agreement, CONSULTANT shall provide COUNTY with notice at least fifteen (15) calendar days in advance, except in circumstances in which such notice is not possible, and shall work with COUNTY on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.3 Reports by CONSULTANT

3.3.1 In order to control expenditures and to provide COUNTY with ongoing information as to all Deliverables, CONSULTANT shall, if specifically requested by COUNTY's Project Manager, provide COUNTY's Project Manager with written reports which shall include but not be limited to, the following information:

- A. Period covered by the report;
- B. Overview of the reporting period;
- C. Any services scheduled for the reporting period which were not completed;
- D. Any services for the reporting period which were completed;
- E. Any services completed in the reporting period which were not scheduled;
- F. Any services to be completed in the next reporting period;
- G. Issues to be resolved;
- H. Issues resolved;
- I. Summary of project status as of reporting date; and
- J. Any other information which COUNTY may from time-to-time require.

3.3.2 CONSULTANT shall deliver one (1) hard copy of each of such report, together with a formal transmittal letter to COUNTY's Project Manager executed by CONSULTANT's Project Manager, and CONSULTANT shall also deliver a second copy of each such report electronically via e-mail.

4.0 STATEMENT OF WORK

CONSULTANT agrees to provide employee benefit consulting services as requested by the CAO, or the Director of Personnel or his or her designee (hereinafter both shall be referred to as "CAO" or "DOP" respectively). Such services may include, but not be limited to the following:

4.1 Part 2 Employee Benefit Consulting

Part 2 employee benefit consulting will involve both day-to-day advice and commentary and special project consulting on various employee benefit issues affecting represented and/or non-represented employees. Part 2 work may include, but not be limited to the following:

- 4.1.1 Advice and commentary on regional and national employee benefit practices and trends. The consultant selected to provide Part 2 work will be expected to familiarize itself with the existing County employee benefit practices applicable to represented and non-represented employees and be prepared to respond on short notice, if necessary, to questions from the County on virtually any employee benefit issue. This consultant will also be expected to be proactive in informing the County on cost trends, regulatory changes, or other events that could impact the cost of the County's employee benefit program. This type of interaction may be expected to frequently involve quick turnaround telephonic or in-person discussions.
- 4.1.2 Group insurance consulting which may include, but not be limited to the following:
 - 4.1.2.1 Leading County staff in the annual premium rate renewal negotiations with the various insurance carriers for the County's group health and dental plans, a group term life plan, and a group accidental death and dismemberment plan. This effort will involve serving as the point of contact for all insurance carriers, organizing and leading the negotiations meetings, providing necessary actuarial assistance, and working in a collaborative manner with employee representatives and consultants to employee representatives who may participate in this process.
 - 4.1.2.2 Leading the periodic marketing of the County's group insurance plans at the direction of the County.
 - 4.1.2.3 Assisting the County in determining the appropriate plan design and funding methodology for the group health and dental plans.
 - 4.1.2.4 Assisting the County in determining the appropriate plan design, County and employee contribution rates, and level of funding for

the County's self-funded short-term and long-term disability plans and survivor income benefit plan.

4.1.2.5 Advising the County regarding Medicare changes and other issues pertaining to the cost of retiree health care.

4.1.2.6 Assisting the County with any issues that may arise concerning insurance programs not currently offered by the County such as universal life insurance and long-term care.

4.1.3 Assisting the County with the analysis of State and Federal legislation affecting the employee benefit program.

4.1.4 Assisting the County in responding to collective bargaining issues relating to employee benefits. This may entail presenting information and answering related questions at the bargaining table in union negotiation sessions or at other meetings where union representatives are actively involved and working collaboratively outside of formal meetings with union representatives and/or consultants to the unions.

4.1.5 Other special project consulting on employee benefit issues including, but not limited to the following:

4.1.5.1 Cafeteria plan design and administration, including regulatory compliance.

4.1.5.2 Paid leave benefit design and administration.

4.1.5.3 Defined benefit retirement plan design and funding.

4.1.5.4 Defined contribution retirement plan design and administration, including advice and commentary on asset management.

4.1.5.5 Employee communications regarding the employee benefit program.

4.2 Consulting services provided pursuant to this Agreement shall be provided only when requested by CAO or DOP. It is mutually understood that COUNTY has not offered and cannot guarantee any minimum level of work under this Agreement.

5.0 CONSIDERATION

5.1 COUNTY agrees to pay CONSULTANT on a time and expense basis based on:

A. The number of hours actually worked by CONSULTANT;

B. The type and level of staff who perform the work;

C. The following schedule of hourly rates:

HOURLY RATES	9/1/2005 8/31/2006	9/1/2006 8/31/2007	9/1/2007 8/31/2008
Principals	\$290	\$305	\$320
Consultants	\$165	\$170	\$180
Associates	\$110	\$115	\$125
Administrative Assistants	\$55	\$55	\$55

- 5.1.1 Upon request of the CAO or DOP, CONSULTANT shall provide CAO or DOP with 1) the billing titles and precise hourly billing rates CONSULTANT intends to use for any work requested by CAO or DOP pursuant to this Agreement, and/or 2) the estimated total cost of such work.
- 5.2 Subject to approval by COUNTY's Project Manager, CONSULTANT may, in addition to the hourly charges set forth in 5.0 (5.1) (A), charge for out-of-pocket costs necessary for a) mail and courier services, b) parking, c) photocopying (other than minor photocopying), and d) out-of-town travel, including air and ground transportation, lodging, meals, and portage. All such costs, if approved, shall be billed at actual cost; provided, however, that, in no event, may out-of-town travel charges exceed the expense limitations imposed by COUNTY on COUNTY employees who travel on COUNTY business. Any other out-of-pocket expenses not otherwise specified in this Subparagraph 5.2 shall not be charged to COUNTY unless specifically approved by COUNTY's Project Manager.
- 5.3 CONSULTANT shall invoice COUNTY monthly in arrears. Charges for billable time shall be calculated in increments of not less than fifteen (15) minutes. All invoices shall provide the following detail:
- A. The date or dates the services were provided.
 - B. The names, billing titles, and hourly billing rates of the individuals who performed the work.
 - C. The name of the COUNTY officer or employee who requested the work.
 - D. A brief description of the work performed.
 - E. Detail on out-of-pocket expenses sufficient to establish such expenses conform with the terms of this Agreement.
- 5.4 In no event shall CONSULTANT charge COUNTY for travel time, including time spent in air or ground transportation unless specifically approved in writing, in advance, by COUNTY's Project Manager.
- 5.5 Upon receipt of an invoice, or further information regarding an invoice, COUNTY's Project Manager may reasonably reject or accept all or any part of invoiced costs. COUNTY shall pay invoiced costs accepted by the COUNTY's Project Manager promptly thereafter. CONSULTANT shall be notified by the COUNTY's Project

Manager, in writing, of the invoiced costs rejected, and the reason or reasons for such rejection, and be given an opportunity to provide further information.

5.6 Notwithstanding any other provision of this paragraph 5.0, CONSULTANT and CAO, or DOP as the case may be, may mutually agree in advance on a maximum total charge for all services and out-of-pocket expenses related to particular project or other specific work authorized by CAO or DOP pursuant to this Agreement.

6.0 NON-APPROPRIATION OF FUNDS

6.1 COUNTY'S obligation is payable only and solely from the funds appropriated for the purpose of this Agreement.

6.2 All funds for payments after June 30th of the current fiscal year are subject to COUNTY'S legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action.

6.3 In the event that this Agreement extends into a succeeding fiscal year period, and if the governing body appropriating the fund does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30th of the then current fiscal year. The COUNTY's Project Manager shall endeavor to notify CONSULTANT in writing of such non-allocation at the earliest possible date.

7.0 EMPLOYMENT ELIGIBILITY VERIFICATION

7.1 CONSULTANT represents and warrants that it fully complies with all applicable statutes and regulations regarding employment eligibility of aliens and others, that all persons performing services under this Contract are eligible for employment in the United States. Any such failure to comply by CONSULTANT shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

7.2 CONSULTANT represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONSULTANT shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.

7.3 CONSULTANT shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability which may be assessed against the COUNTY or CONSULTANT in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens by CONSULTANT while performing services hereunder.

8.0 NONDISCRIMINATION IN EMPLOYMENT

- 8.1 CONSULTANT certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, in compliance with all applicable federal and state anti-discrimination laws and regulations.
- 8.2 CONSULTANT shall certify to, and comply with, the provisions of Exhibit (CONSULTANT's EEO Certification).
- 8.3 CONSULTANT shall ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental disability 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, without limitation, apprenticeship.
- 8.4 CONSULTANT certifies and agrees that it will deal with its bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability.
- 8.5 CONSULTANT certifies and agrees that it, its affiliates, subsidiaries or holding companies under common control, shall comply with all applicable federal and state laws and regulations, including, but not limited to:
- A. Title VII, Civil Rights Act of 1964;
 - B. Section 504, Rehabilitation Act of 1973; C. Age Discrimination Act of 1975;
 - C. Age Discrimination Act of 1975;
 - D. Title IX, Education Amendments of 1973, as applicable; and
 - E. Title 43, Part 17, Code of Federal Regulations, Subparts A & B; and that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.
 - F. California Fair Employment and Housing Act.
- 8.6. CONSULTANT shall allow federal representatives access to CONSULTANT's employment records during regular business hours to verify compliance with the above-referenced laws.

8.7 If any provision of this Section 8.0 has been violated, such violation shall, at the election of COUNTY, constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement.

8.8 The parties agree that in the event CONSULTANT violates any portion of this Section 8.0 and/or any other anti-discrimination provisions of this Agreement, COUNTY shall, at its option, be entitled to the sum of Five Thousand Dollars (\$5,000) from CONSULTANT for each such violation pursuant to California *Civil Code* Section 1671 as liquidated damages in lieu of terminating this Agreement.

9.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONSULTANT hereby represents and warrants that no persons shall, on the grounds of race, creed, color, religion, ancestry, national origin, political affiliation, marital status, sex, age or disability, be subjected to discrimination under the privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

10.0 FAIR LABOR STANDARDS ACT

CONSULTANT shall comply with all applicable provisions of the Federal Fair Labor Standards Act and State of California Wage and Hour Regulations, and shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents 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 services performed by CONSULTANT's employees.

11.0 COMPLIANCE WITH LAWS

11.1 The CONSULTANT shall conform to and abide by all applicable Federal, State, County and Municipal laws, rules, regulations or ordinances, directives and all provisions required thereby to be included herein, are hereby incorporated by reference.

11.2 The CONSULTANT agrees to indemnify and hold COUNTY harmless from any loss, damage or liability resulting from a violation by CONSULTANT, its employees, authorized agents or subcontractors of such laws, rules, regulations or ordinances and directives.

12.0 INDEMNIFICATION

Notwithstanding any provision of this Agreement to the contrary, either expressly or by implication, CONSULTANT shall indemnify, defend, and hold harmless COUNTY, its districts administered by COUNTY, and their elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to any claim, demand, action, proceeding, damage, loss, fee (including attorney's fees and expert witness fees), costs, and/or expenses, arising from and/or in any way related to any of the act(s) and/or omission(s) of CONSULTANT, CONSULTANT's agent(s), employee(s), and/or any Subcontractor(s).

13.0 INDEPENDENT CONTRACTOR STATUS

13.1 This Agreement is by and between CONSULTANT and COUNTY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CONSULTANT and COUNTY. 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. CONSULTANT shall function as, and in all respects is, an independent contractor.

13.2 CONSULTANT shall be solely liable and responsible for providing to, or on behalf of, all persons performing work for CONSULTANT pursuant to this Agreement all compensation and benefits. 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 CONSULTANT.

13.3 CONSULTANT understands and agrees that all persons performing work for CONSULTANT pursuant to this Agreement are, for all purposes, and in particular for purposes of workers' compensation liability, the sole employees of CONSULTANT and not employees of COUNTY. CONSULTANT 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 CONSULTANT pursuant to this Agreement.

14.0 CHANGES TO KEY PERSONNEL AND SUCCESSOR TO CONSULTANT

CONSULTANT shall immediately notify COUNTY in writing of any changes in key personnel within its organization if such personnel are involved in providing services hereunder. If CONSULTANT is a partnership, CONSULTANT shall promptly notify COUNTY of changes in CONSULTANT's partners. If CONSULTANT is a corporation, CONSULTANT shall promptly notify COUNTY of all material changes in ownership which affect or may affect CONSULTANT's performance hereunder.

15.0 RESTRICTIONS ON LOBBYING

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

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position with 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 CONSULTANT or have any other direct or indirect financial interest in this Agreement. No officer or employee of CONSULTANT, who may financially benefit from the performance of work hereunder, shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

16.2 CONSULTANT 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. CONSULTANT warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONSULTANT 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.

17.0 DELEGATION AND ASSIGNMENT

CONSULTANT shall not delegate its duties and/or assign its rights under this Agreement, either in whole or in part, without the prior written consent of COUNTY. Any unauthorized delegation and/or assignment by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the agreement.

18.0 RIGHT TO USE WRITINGS AND OTHER WORKS

18.1 COUNTY obtains the right to use, duplicate and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT specifically and exclusively for COUNTY as a result of their activities supported by this Agreement.

18.2 CONSULTANT retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature

produced by CONSULTANT as a result of its activities supported by this Agreement subject to the ENDORSEMENT paragraph below. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

19.0 ENDORSEMENT

CONSULTANT shall not, in any manner, advertise, publish or represent that COUNTY endorses the goods or services herein mentioned without the prior written consent of COUNTY's Project Manager. Any published document by CONSULTANT referencing COUNTY in such manner must have prior written consent of COUNTY's Project Manager.

20.0 PROPRIETARY CONSIDERATIONS

- 20.1 COUNTY and CONSULTANT agree that all intellectual property, including but not limited to materials, plans, reports, acceptance test criteria, acceptance test plans, Deliverables, data, and information (hereafter in this Section 20 collectively "Materials") developed under this Agreement for delivery to COUNTY and financed exclusively by COUNTY funds, and all copyrights, patent rights, trade secret rights, title, interest, and other proprietary rights therein (collectively, "Rights") shall be the sole property of COUNTY, and CONSULTANT hereby assigns and transfers to COUNTY all CONSULTANT's Rights to all such Materials developed under this Agreement, provided that notwithstanding such COUNTY ownership, CONSULTANT may retain possession of all working papers prepared by CONSULTANT. During and for a minimum of five (5) years subsequent to the term of this Agreement, CONSULTANT shall retain any and all such Materials. COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.
- 20.2 Upon request of COUNTY, CONSULTANT shall execute all documents requested by COUNTY and shall perform all other acts requested by COUNTY to assign and transfer to, and vest in, COUNTY all CONSULTANT's Rights in and to the Materials. COUNTY shall have the right to register all Rights in the name of the County of Los Angeles. Further, COUNTY shall have the right to assign, license, or otherwise transfer any and all of COUNTY's Rights in and to the Materials.
- 20.3 As requested in writing by COUNTY's Project Manager, CONSULTANT shall affix the following notice to Materials developed under this Agreement: "©Copyright 2002 (or such other date of first publication), County of Los Angeles. All Rights Reserved". CONSULTANT shall affix such notice as directed by COUNTY.

- 20.4 During the term of this Agreement and for five (5) years thereafter, CONSULTANT shall maintain and provide security for all CONSULTANT's working papers prepared under this Agreement.
- 20.5 CONSULTANT shall protect the security of and keep confidential all Materials obtained or developed under this Agreement. Further, CONSULTANT shall use whatever security measures that are reasonably necessary to protect all such Materials from loss or damage by any cause, including, but not limited to, fire and theft.
- 20.6 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.
- 20.7 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any Confidential Material of COUNTY without COUNTY's prior written consent except in furtherance of the services to be provided hereunder, which may include in the normal course of business the release to insurers and other financial institutions of Confidential Material relevant to the underwriting and/or evaluation of COUNTY's risks and the processing of its claims, provided that such insurers and financial institutions consent, in advance, in writing to maintain the confidential nature of such information.
- 20.8 The provisions of Sections 20.0 shall survive the expiration or termination of this Agreement.

21.0 TRADE SECRETS

Recognizing that it may be impractical and/or impossible for COUNTY to safeguard trade secrets, confidential materials, and/or proprietary information of CONSULTANT, if any, CONSULTANT shall and does hereby keep and bear COUNTY harmless from any and all liabilities, damages, costs, and expenses by reason of any legally required disclosure by COUNTY of trade secrets, confidential materials, and/or proprietary information. COUNTY staff shall provide CONSULTANT with reasonable notice prior to such disclosure to enable CONSULTANT to challenge such disclosure.

22.0 CONFIDENTIALITY

22.1 CONSULTANT acknowledges and agrees that the following materials, documents, data, and other information of COUNTY (collectively, "Confidential Material") are deemed to be privileged, proprietary, and/or confidential:

- A. Workers' Compensation records;
- B. Medical records;

- C. COUNTY Employment records;
- D. Criminal records;
- E. Welfare recipient records;
- F. Data and/or information pertaining to entities and/or persons receiving services from the COUNTY; and
- G. Any and all reports developed by CONSULTANT and/or its Subcontractor(s) under this Agreement.

22.2 CONSULTANT shall protect the security of and keep confidential any and all Confidential Material.

22.3 In accordance with all applicable federal, state, and local laws, regulations, ordinances, and directives relating to confidentiality, CONSULTANT shall ensure that its agent(s), representative(s), employee(s), and/or Subcontractor(s) follow such laws to the extent applicable.

22.4 With respect to Confidential Material concerning any child dependency matter that is obtained by CONSULTANT, CONSULTANT shall: (1) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to COUNTY all requests for disclosure of any such information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than COUNTY without COUNTY's prior written authorization that the information is releasable (except for Subcontractors); and (4) at the expiration or termination of this Agreement, return all such information to COUNTY or maintain such information according to the written procedures sent to CONSULTANT by COUNTY for this purpose.

22.5 CONSULTANT warrants and represents that only those CONSULTANT and/or Subcontractor personnel required to perform the Services shall have access to COUNTY Confidential Materials.

22.6 The provisions of this Section 22.0 shall survive the expiration or other termination of this Agreement.

23.0 NOTICE OF DELAYS

CONSULTANT shall have no liability for any failure or delay in performance of its obligation under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, terrorist acts, civil disturbances, sabotage, accidents, unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on

CONSULTANT's server, or any inability to transmit or receive information over the internet, nor shall any such failure or delay give COUNTY the right to terminate this Agreement. Whenever CONSULTANT has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Agreement, CONSULTANT shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to COUNTY.

24.0 RESPONSIBILITY FOR DOCUMENTS

24.1 All documents, plans, drafts, and final reports, masters, work papers, memoranda, graphics, electronic media and other materials including duplicates thereof generated or compiled specifically and exclusively for COUNTY pursuant to this Agreement which are delivered to COUNTY hereunder are instruments of professional services but shall remain the exclusive Property of COUNTY which the COUNTY may use for any purpose; provided, however, that CONSULTANT may choose, at its option, to retain copies of such materials in accordance with Section 20.0 of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its own proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

24.2 If CONSULTANT requires any information or services from COUNTY to enable CONSULTANT to perform the work covered by this Agreement, CONSULTANT may request the same in writing, to which COUNTY will respond within a reasonable time. Except for any items to be provided and/or other performance required by the COUNTY as specified within this Agreement, there are no matters or items required to be furnished or performed by COUNTY.

25.0 TERMINATION FOR DEFAULT

25.1 By written notice of default ("Notice of Default") served upon the other party, the whole or any part of this Agreement may be terminated in any of the following circumstances of default:

- A. By either party if the other party violates a provision of this Agreement which by its terms herein is specified to be a material breach; or
- B. By either party if the other party fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of thirty (30) calendar days (or such longer period as the party giving such Notice of Default may authorize in writing).

25.2 Notwithstanding any provision of this Agreement to the contrary, any and all rights and/or remedies provided in this Section 25.0, as well as throughout this Agreement, shall not be exclusive and are in addition to any and all other rights and/or remedies provided at law, in equity, and/or under this Agreement.

26.0 TERMINATION FOR CONVENIENCE

26.1 The COUNTY may terminate this Agreement when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination shall be effected by delivery of a notice of termination to CONSULTANT specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than fifteen (15) calendar days after the notice is sent, provided that in the event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 25.0 (Termination for Default) and it has later been determined that CONSULTANT was not in default, no additional notice shall be required upon such determination.

26.2 Upon service of a notice of termination, and except as otherwise directed by COUNTY, the CONSULTANT shall:

A. Stop work under this Agreement on the date specified in such notice; and

B. Transfer to COUNTY, to the extent not previously transferred to COUNTY, all rights to all Materials pursuant to the terms of this Agreement.

26.3 Nothing in this Section 26.0 shall be deemed to prejudice any right of CONSULTANT to make a claim against COUNTY in accordance with applicable law and regular COUNTY procedures for payment for any completed Statement of Work through the effective date of COUNTY's termination of this Agreement for convenience.

27.0 TERMINATION FOR IMPROPER CONSIDERATION

27.1 COUNTY may, by written notice to CONSULTANT, immediately terminate the right of CONSULTANT to proceed under this Agreement if consideration in any form was offered or given by CONSULTANT, 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 CONSULTANT's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONSULTANT as it could pursue in the event of default of CONSULTANT.

27.2 CONSULTANT shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controllers Employee Fraud Hotline at (213) 974-0914.

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

28.0 AUTHORIZATION WARRANTY

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

29.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Agreement shall be construed in accordance with and governed by the substantive and procedural laws of the State of California. Any action and/or proceeding arising out of and/or relating to this Agreement shall be filed and maintained exclusively in the County of Los Angeles, State of California, except for those matters over which the Federal District Court may have jurisdiction, which may be filed and maintained in the Federal District Court, Central District, State of California.

30.0 WAIVER

No waiver of any breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

31.0 SEVERABILITY

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

32.0 COVENANT AGAINST CONTINGENT FEES

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

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

33.0 RECORD RETENTION AND INSPECTION

CONSULTANT agrees that COUNTY's Project Manager or any duly authorized representative shall have access to and the right to examine, audit, excerpt, copy, or transcribe in a reasonable manner any pertinent transaction, activity, time card, or other records relating to this Agreement. Such material, including all pertinent cost, accounting, financial records, and proprietary data, must be kept and maintained by CONSULTANT for a period of three (3) years after completion of the Agreement unless CAO's written permission is given to dispose of material prior to this time.

34.0 COUNTY'S QUALITY ASSURANCE PLAN

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

35.0 SUBCONTRACTING

No performance of this Agreement or any portion thereof may be subcontracted by CONSULTANT without the express written consent of the COUNTY. Any unauthorized subcontracting by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

36.0 CONSIDERATION OF COUNTY EMPLOYEES IN HIRING

Should CONSULTANT require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONSULTANT shall give fair 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.

37.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should CONSULTANT require additional or replacement personnel after the Effective Date, CONSULTANT shall give consideration for any such employment opening to participants in COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet CONSULTANT's minimum qualifications for the open position. COUNTY will refer GAIN participants by job category to CONSULTANT.

38.0 INSURANCE REQUIREMENTS

38.1 Without limiting CONSULTANT's obligations of indemnification and defense of COUNTY, and during the term of this Agreement, CONSULTANT shall maintain, and shall require any of its subcontractors to maintain, the programs of insurance specified in Section 38.8, below. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be maintained at CONSULTANT's own expense.

38.2 Evidence of Insurance: Certificate(s) of insurance shall be delivered to the following COUNTY contract manager prior to commencing services under this Agreement:

County of Los Angeles
Chief Administrative Officer
500 West Temple Street, Room 526
Los Angeles, CA 90012
Attention: Manny Talamantes

Such certificates shall:

- A. Specifically identify this Agreement.
- B. Clearly evidence all coverages required in this Agreement.
- C. Contain the express condition that COUNTY are to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
- D. Evidence that the COUNTY, its special districts, officials, officers, fiduciaries, and employees are included as additional insureds on the commercial general liability policy as insured for all activities for their vicarious liability arising from CONSULTANT's provision of services under this Agreement.
- E. Identify any deductibles or self-insured retentions. All such deductibles or self-insured retentions shall be the responsibility of CONSULTANT.

38.3 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.

38.4 Failure to Maintain Coverage: Failure by CONSULTANT to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONSULTANT resulting from said breach.

38.5 Notification of Incidents, Claims or Suits: CONSULTANT shall report to COUNTY:

- A. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONSULTANT and/or COUNTY. Such report shall be made in writing within 24 hours of CONSULTANT's first knowledge of the accident or incident;
- B. Any third party claim or lawsuit filed against CONSULTANT arising from or related to services performed by CONSULTANT under this Agreement;
- C. Any injury to a CONSULTANT employee which occurs on COUNTY property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager; and
- D. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONSULTANT under the terms of this Agreement.

38.6 Compensation for County Costs: In the event that CONSULTANT fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONSULTANT shall pay full compensation for all costs incurred by COUNTY.

38.7 Insurance Coverage Requirements for Sub-contractors: CONSULTANT shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- A. CONSULTANT providing evidence of insurance covering the activities of subcontractors, or
- B. CONSULTANT providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

38.8 Specific Insurance Coverage Requirements:

- A. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

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

- B. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."

- C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONSULTANT is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

- D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONSULTANT, its officers or employees with limits of not less than \$1 million per claim and \$3 million aggregate. The coverage also shall provide an extended one year reporting period commencing upon termination or cancellation of this Agreement.

- E. Basic Health Insurance and Benefits - CONSULTANT will provide basic health coverage for employees of CONSULTANT who perform work under the provisions of this Agreement.

39.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement any licenses, permits, registrations, accreditations, and certificates required by any federal, state, and local laws, ordinances, rules, regulations, guidelines, and directives, which are applicable to CONSULTANT for its services under this Agreement. CONSULTANT further warrants and represents that all of its officers, employees, agents, and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to them for their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines, and directives

shall be provided, in duplicate, to COUNTY's Project Manager as specifically requested by COUNTY.

40.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

- 40.1 A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is COUNTY's policy to conduct business only with responsible contractors.
- 40.2 CONSULTANT is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of CONSULTANT on this or other contracts which indicates that CONSULTANT is not responsible, COUNTY may, in addition to other remedies provided in this Agreement, debar CONSULTANT from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONSULTANT may have with COUNTY.
- 40.3 COUNTY may debar a contractor if COUNTY's Board of Supervisors finds, in its discretion, that CONSULTANT has done any of the following: (1) violated any term of a contract with COUNTY, (2) committed any act or omission which negatively reflects on CONSULTANT's quality, fitness or capacity to perform a contract with COUNTY or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against COUNTY or any other public entity.
- 40.4 If there is evidence that CONSULTANT may be subject to debarment, COUNTY's CAO and/or COUNTY's Internal Services Department will notify CONSULTANT in writing of the evidence which is the basis for the proposed debarment and will advise CONSULTANT of the scheduled date for a debarment hearing before COUNTY's Contractor Hearing Board.
- 40.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONSULTANT and/or CONSULTANT's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONSULTANT should be debarred, and if so, the appropriate length of time of the debarment. If CONSULTANT fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, CONSULTANT may be deemed to have waived all rights of appeal.
- 40.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to COUNTY's Board of Supervisors. COUNTY's Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

40.7 These terms shall also apply to any and all subcontractors of COUNTY contractors.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONSULTANT 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 1015.

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

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

42.2 As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONSULTANT's duty under this Agreement to comply with all applicable provisions of law, CONSULTANT warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653 (a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706-031 and Family Code Section 5246 (b).

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

Failure of CONSULTANT to maintain compliance with the requirements set forth in Section 42.0 (CONSULTANT's Warranty of Adherence to COUNTY's Child Support Compliance Program) shall constitute a default by CONSULTANT under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be grounds upon which COUNTY's Board of Supervisors may terminate this Agreement pursuant to Section 25.0 (Termination for Default).

44.0 CONSULTANT'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONSULTANT acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONSULTANT understands that it is COUNTY's policy to encourage all COUNTY

contractors to voluntarily post COUNTY's "L.A's Most Wanted: Delinquent Parents" poster in a prominent position at CONSULTANT's place of business. COUNTY's District Attorney will supply CONSULTANT with the poster to be used.

45.0 MERGER CLAUSE

45.1 This base document, along with Exhibits A and B, described in Subsection 45.2, but not attached hereto, collectively form, and are throughout referred to as the "Agreement."

45.2 In the event of any conflict and/or inconsistency in the definition and/or interpretation of any word, responsibility, schedule, and/or the contents and/or description of any task, subtask, deliverable, service, and/or otherwise, between and/or among this based document and the Exhibits, such conflict and/or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:

A. COUNTY's Request for Proposal, dated June 14, 2005.

B. CONSULTANT's Proposal, received on or before June 22, 2005.

45.3 This Agreement constitutes the complete and exclusive statement of understanding between the parties, which supersedes any and all previous agreements, whether written or oral, and all prior and/or contemporaneous other communications between the parties and/or writings relating to the subject matter of this Agreement. Any changes and/or modifications to this Agreement must be in writing and formally adopted and executed in the same manner as this Agreement to be enforceable.

46.0 ARMS' LENGTH NEGOTIATIONS

This Agreement is the product of COUNTY's competitive procurement and an arms' length negotiation between COUNTY and CONSULTANT, during which each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly between the parties, and not more strictly construed against either party as the drafter.

47.0 COMPLIANCE WITH JURY SERVICE PROGRAM

A. Jury Service Program.

This Contract 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.

B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from 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.
2. For purposes of this section, "contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "employee" means any California resident who is a full time employee of contractor. "full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by 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 contractor uses any subcontractor to perform services for the county under the contract, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such subcontract agreement and a copy of the jury service program shall be attached to the agreement.
3. If contractor is not required to comply with the jury service program when the contract commences, contractor shall have a continuing obligation to review the applicability of its "exception status" from the jury service program, and contractor shall immediately notify county if contractor at any time either comes within the jury service program's definition of "contractor" or if contractor no longer qualifies for an exception to the program. In either event, contractor shall immediately implement a written policy consistent with the jury service program. The county may also require, at any time during the contract and at its sole discretion, that contractor demonstrate to the county's satisfaction that contractor either continues to remain outside of the jury service program's definition of "contractor" and/or that contractor continues to qualify for an exception to the program.
4. Contractor's violation of this section of the contract may constitute a material breach of the contract. In the event of such material breach, county may, in its sole discretion, terminate the contract and/or bar contractor from the award of future county contracts for a period of time consistent with the seriousness of the breach.

AUTHORIZATION
CONSULTING SERVICE AGREEMENT

IN WITNESS WHEREOF, the COUNTY's Board of Supervisors and CONSULTANT have each caused this Agreement to be executed by its duly authorized officer(s) and/or representative(s).

COUNTY OF LOS ANGELES

GARNER CONSULTING

By _____
Gloria Molina
Chair

By *John C. Garner*

Title CEO

Garner Consulting represents and warrants that the signatory to this Agreement is fully authorized to obligate Garner Consulting hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

ATTEST:

VIOLET VARUNA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By *Raymond G. Fortner, Jr.*
Deputy

AGREEMENT FOR CONSULTANT SERVICES

CONTRACT NO. _____

This Agreement is made and entered into this _____ day of _____, 2005

by and between County of Los Angeles (hereinafter, the "COUNTY") and HAY GROUP 915 Wilshire Boulevard, Suite 1910, Los Angeles, CA 90017 (hereinafter, the "CONSULTANT"), based upon the following recitals:

- A. WHEREAS, COUNTY desires to compensate County employees in a manner that attracts, retains, and motivates qualified personnel at the least possible cost; and
- B. WHEREAS, the provision of such compensation requires special skills and expertise in the area of compensation, employee benefit administration and actuarial services; and
- C. WHEREAS, CONSULTANT is specially trained and licensed and possesses skills, experience, education, and competency necessary to assist County with its compensation, employee benefit administration and actuarial needs; and
- D. WHEREAS, COUNTY, in accordance with California Government Code Section 31000, may enter into contracts for special services.

Based upon the foregoing recitals, all of which are hereby incorporated herein by this reference, the COUNTY and CONSULTANT agree as follows:

1.0 TERM

This Agreement shall commence on the later of (1) the date the Agreement is approved by the Los Angeles County Board of Supervisors or (2) September 1, 2005 and shall continue in full force and effect until the earlier of (1) the date occurring three (3) years after the Effective Date, or (2) the date this Agreement is terminated as provided herein. In the event of any early termination of this Agreement as provided herein, or upon expiration of this Agreement, CONSULTANT will assist COUNTY in arranging a smooth transition process; however, CONSULTANT's obligation and the obligation of its affiliates to provide services to COUNTY will cease upon the effective date of termination or expiration. The County shall have the sole option to extend the Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CAO.

2.0 ADMINISTRATION - COUNTY

2.1 COUNTY's Chief Administrative Officer or his authorized designee (hereinafter referred to as "CAO") shall have the authority to administer this Agreement.

2.1.1 COUNTY's Project Manager

2.1.2 COUNTY's Project Manager for this Agreement shall be the following person or his designee:

Manny Talamantes
Compensation Policy
Los Angeles County Chief Administrative Office
Kenneth Hahn Hall of Administration
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Los Angeles, CA 90012

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2.1.3 COUNTY shall notify CONSULTANT in writing of any change in the name or address of COUNTY's Project Manager.

2.1.4 COUNTY's Project Manager shall be responsible for COUNTY's performance of its tasks and ensuring CONSULTANT's compliance with this Agreement.

2.1.5 COUNTY's Project Manager shall meet or confer with CONSULTANT's on an as needed basis.

2.1.6 Except as expressly set forth in this Agreement, COUNTY's Project Manager is not authorized to make any changes in any of the terms or conditions of this Agreement and is not authorized to obligate COUNTY in any respect whatsoever.

2.1.7 COUNTY's Project Manager shall have the right at all times to inspect any and all work, tasks, Deliverables, goods, services, and/or other consideration provided by or on behalf of CONSULTANT.

2.1.8 COUNTY's Project Manager shall be responsible for confirming that any technical standards and/or other requirements of CONSULTANT's performance under this Agreement are met.

3.0 ADMINISTRATION - CONSULTANT

3.1 CONSULTANT's shall designate in writing a person who shall have the authority to administer this Agreement.

3.1.1 CONSULTANT's Project Manager shall be responsible for CONSULTANT's performance and assuring CONSULTANT's compliance with this Agreement.

3.1.2 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager as required.

3.1.3 CONSULTANT's Project Manager shall be responsible for CONSULTANT's day-to-day activities as related to this Agreement and for reporting to COUNTY in the manner set forth in Subsection 3.3 (Reports by CONSULTANT).

3.1.4 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager on an as needed basis.

3.2 Approval of CONSULTANT's Staff

3.2.1 COUNTY has the absolute right to approve or disapprove each member or proposed member of CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager, prior to, and during, their performing any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. COUNTY's Project Manager may require replacement of any member of CONSULTANT's staff performing, or offering to perform, work hereunder, including, but not limited to, CONSULTANT's Project Manager.

3.2.2 CONSULTANT represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager.

3.2.3 CONSULTANT shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.2.4 In fulfillment of its responsibilities under this Agreement, CONSULTANT shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, and tasks required by this Agreement.

3.2.5 CONSULTANT shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with the Statements of Work.

3.2.6 In the event CONSULTANT should ever need to remove any staff from performing work under this Agreement, CONSULTANT shall provide COUNTY with notice at least fifteen (15) calendar days in advance, except in circumstances in which such notice is not possible, and shall work with COUNTY on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.3 Reports by CONSULTANT

3.3.1 In order to control expenditures and to provide COUNTY with ongoing information as to all Deliverables, CONSULTANT shall, if specifically requested by COUNTY's Project Manager, provide COUNTY's Project Manager with written reports which shall include but not be limited to, the following information:

- A. Period covered by the report;
- B. Overview of the reporting period;
- C. Any services scheduled for the reporting period which were not completed;
- D. Any services for the reporting period which were completed;
- E. Any services completed in the reporting period which were not scheduled;
- F. Any services to be completed in the next reporting period;
- G. Issues to be resolved;
- H. Issues resolved;
- I. Summary of project status as of reporting date; and
- J. Any other information which COUNTY may from time-to-time require.

3.3.2 CONSULTANT shall deliver one (1) hard copy of each of such report, together with a formal transmittal letter to COUNTY's Project Manager executed by CONSULTANT's Project Manager, and CONSULTANT shall also deliver a second copy of each such report electronically via e-mail.

4.0 STATEMENT OF WORK

CONSULTANT agrees to provide employee benefit consulting services as requested by the CAO, or the Director of Personnel or his or her designee (hereinafter both shall be referred to as "CAO" or "DOP" respectively). Such services may include, but not be limited to the following:

4.1 Part 1 Compensation Consulting

Compensation consulting, will involve day-to-day advice and commentary on a wide variety of wage and salary issues affecting represented and/or non-represented employees, including overtime and other non-base pay issues, and may involve more extensive in-depth consulting on special projects involving wage and salary issues. Part 1 work may include, but not be limited to the following:

- 4.1.1 Advice and commentary on community compensation practices and trends.
- 4.1.2 Advice and commentary on County pay policy for specific benchmark jobs and/or occupational groups.
- 4.1.3 Performance of salary studies for specific benchmark jobs, occupational groups, and/or organizational units, including job evaluation and classification studies.
- 4.1.4 Development of reward systems, including merit pay plans, incentive pay plans, and other special pay plans for specific occupational groups.
- 4.1.5 Development and/or provision of salary survey data for specific occupational benchmarks.
- 4.1.6 Organizational studies, re-engineering studies, evaluation and grading studies, and work systems and methods studies pertinent to the administration of the County's compensation program.
- 4.1.7 Training of County staff on compensation administration practices and techniques.

4.2 Part 2 Employee Benefit Consulting

Part 2 employee benefit consulting will involve both day-to-day advice and commentary and special project consulting on various employee benefit issues affecting represented and/or non-represented employees. Part 2 work may include, but not be limited to the following:

- 4.2.1 Advice and commentary on regional and national employee benefit practices and trends. The consultant selected to provide Part 2 work will be expected to familiarize itself with the existing County employee benefit practices applicable to represented and non-represented employees and be prepared to respond on short notice, if necessary, to questions from the County on virtually any employee benefit issue. This consultant will also be expected to be proactive in informing the County on cost trends, regulatory changes, or other events that could impact the cost of the County's employee benefit program. This type of interaction may be expected to frequently involve quick turnaround telephonic or in-person discussions.
- 4.2.2 Group insurance consulting which may include, but not be limited to the following:
 - 4.2.2.1 Leading County staff in the annual premium rate renewal negotiations with the various insurance carriers for the County's group health and dental plans, a group term life plan, and a group accidental death and dismemberment plan. This effort will involve serving as the point of contact for all insurance carriers, organizing and leading the negotiations meetings, providing necessary actuarial assistance, and working in a collaborative manner with employee representatives and consultants to employee representatives who may participate in this process.
 - 4.2.2.2 Leading the periodic marketing of the County's group insurance plans at the direction of the County.
 - 4.2.2.3 Assisting the County in determining the appropriate plan design and funding methodology for the group health and dental plans.
 - 4.2.2.4 Assisting the County in determining the appropriate plan design, County and employee contribution rates, and level of funding for the County's self-funded short-term and long-term disability plans and survivor income benefit plan.
 - 4.2.2.5 Advising the County regarding Medicare changes and other issues pertaining to the cost of retiree health care.
 - 4.2.2.6 Assisting the County with any issues that may arise concerning insurance programs not currently offered by the County such as universal life insurance and long-term care.
- 4.2.3 Assisting the County with the analysis of State and Federal legislation affecting the employee benefit program.

4.2.4 Assisting the County in responding to collective bargaining issues relating to employee benefits. This may entail presenting information and answering related questions at the bargaining table in union negotiation sessions or at other meetings where union representatives are actively involved and working collaboratively outside of formal meetings with union representatives and/or consultants to the unions.

4.2.5 Other special project consulting on employee benefit issues including, but not limited to the following:

4.2.5.1 Cafeteria plan design and administration, including regulatory compliance.

4.2.5.2 Paid leave benefit design and administration.

4.2.5.3 Defined benefit retirement plan design and funding.

4.2.5.4 Defined contribution retirement plan design and administration, including advice and commentary on asset management.

4.2.5.5 Employee communications regarding the employee benefit program.

4.3 Part 3 Actuarial Consulting Services

Although actuarial services may be provided as an integral part of the services described under Part 2, the County is desirous of having access to additional actuarial services where independent actuarial estimates or an independent actuarial point of view for a particular issue or project is deemed appropriate by the County. The actuarial specialties included under Part 3 include group insurance, pension, and workers' compensation actuarial consulting.

4.4 Consulting services provided pursuant to this Agreement shall be provided only when requested by CAO or DOP. It is mutually understood that COUNTY has not offered and cannot guarantee any minimum level of work under this Agreement.

5.0 CONSIDERATION

5.1 COUNTY agrees to pay CONSULTANT on a time and expense basis based on:

A. The number of hours actually worked by CONSULTANT;

B. The type and level of staff who perform the work;

C. The following schedule of hourly rates:

	Hourly Rates 9/1/2005 – 8/31/2006	Hourly Rates 9/1/2006 – 8/31/2007	Hourly Rates 9/1/2007 – 8/31/2008
Client Relationship Manager	\$500	\$500	\$525
Project Manager	\$425	\$425	\$450
Actuary	\$400	\$400	\$425
Consultant	\$350	\$350	\$375
Associate Consultant	\$270	\$270	\$300
Analyst	\$200	\$200	\$200
Administrative Support	\$40	\$40	\$40

5.1.1 Upon request of the CAO or DOP, CONSULTANT shall provide CAO or DOP with 1) the billing titles and precise hourly billing rates CONSULTANT intends to use for any work requested by CAO or DOP pursuant to this Agreement, and/or 2) the estimated total cost of such work.

5.2 Subject to approval by COUNTY's Project Manager, CONSULTANT may, in addition to the hourly charges set forth in 5.0 (5.1) (A), charge for out-of-pocket costs necessary for a) mail and courier services, b) parking, c) photocopying (other than minor photocopying), and d) out-of-town travel, including air and ground transportation, lodging, meals, and portage. All such costs, if approved, shall be billed at actual cost; provided, however, that, in no event, may out-of-town travel charges exceed the expense limitations imposed by COUNTY on COUNTY employees who travel on COUNTY business. Any other out-of-pocket expenses not otherwise specified in this Subparagraph 5.2 shall not be charged to COUNTY unless specifically approved by COUNTY's Project Manager.

5.3 CONSULTANT shall invoice COUNTY monthly in arrears. Charges for billable time shall be calculated in increments of not less than fifteen (15) minutes. All invoices shall provide the following detail:

- A. The date or dates the services were provided.
- B. The names, billing titles, and hourly billing rates of the individuals who performed the work.
- C. The name of the COUNTY officer or employee who requested the work.
- D. A brief description of the work performed.

E. Detail on out-of-pocket expenses sufficient to establish such expenses conform with the terms of this Agreement.

5.4 In no event shall CONSULTANT charge COUNTY for travel time, including time spent in air or ground transportation unless specifically approved in writing, in advance, by COUNTY's Project Manager.

5.5 Upon receipt of an invoice, or further information regarding an invoice, COUNTY's Project Manager may reasonably reject or accept all or any part of invoiced costs. COUNTY shall pay invoiced costs accepted by the COUNTY's Project Manager promptly thereafter. CONSULTANT shall be notified by the COUNTY's Project Manager, in writing, of the invoiced costs rejected, and the reason or reasons for such rejection, and be given an opportunity to provide further information.

5.6 Notwithstanding any other provision of this paragraph 5.0, CONSULTANT and CAO, or DOP as the case may be, may mutually agree in advance on a maximum total charge for all services and out-of-pocket expenses related to particular project or other specific work authorized by CAO or DOP pursuant to this Agreement.

6.0 NON-APPROPRIATION OF FUNDS

6.1 COUNTY'S obligation is payable only and solely from the funds appropriated for the purpose of this Agreement.

6.2 All funds for payments after June 30th of the current fiscal year are subject to COUNTY'S legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action.

6.3 In the event that this Agreement extends into a succeeding fiscal year period, and if the governing body appropriating the fund does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30th of the then current fiscal year. The COUNTY's Project Manager shall endeavor to notify CONSULTANT in writing of such non-allocation at the earliest possible date.

7.0 EMPLOYMENT ELIGIBILITY VERIFICATION

7.1 CONSULTANT represents and warrants that it fully complies with all applicable statutes and regulations regarding employment eligibility of aliens and others, that all persons performing services under this Contract are eligible for employment in the United States. Any such failure to comply by CONSULTANT shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

7.2 CONSULTANT represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONSULTANT shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.

7.3 CONSULTANT shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability which may be assessed against the COUNTY or CONSULTANT in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens by CONSULTANT while performing services hereunder.

8.0 NONDISCRIMINATION IN EMPLOYMENT

8.1 CONSULTANT certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, in compliance with all applicable federal and state anti-discrimination laws and regulations.

8.2 CONSULTANT shall certify to, and comply with, the provisions of Exhibit (CONSULTANT's EEO Certification).

8.3 CONSULTANT shall ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental disability 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, without limitation, apprenticeship.

8.4 CONSULTANT certifies and agrees that it will deal with its bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability.

8.5 CONSULTANT certifies and agrees that it, its affiliates, subsidiaries or holding companies under common control, shall comply with all applicable federal and state laws and regulations, including, but not limited to:

A. Title VII, Civil Rights Act of 1964;

B. Section 504, Rehabilitation Act of 1973; C. Age Discrimination Act of 1975;

C. Age Discrimination Act of 1975;

D. Title IX, Education Amendments of 1973, as applicable; and

E. Title 43, Part 17, Code of Federal Regulations, Subparts A & B; and that no person shall, on the grounds of race, color, religion, ancestry, national origin,

sex, age, or physical or mental disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

F. California Fair Employment and Housing Act.

- 8.6. CONSULTANT shall allow federal representatives access to CONSULTANT's employment records during regular business hours to verify compliance with the above-referenced laws.
- 8.7 If any provision of this Section 8.0 has been violated, such violation shall, at the election of COUNTY, constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement.
- 8.8 The parties agree that in the event CONSULTANT violates any portion of this Section 8.0 and/or any other anti-discrimination provisions of this Agreement, COUNTY shall, at its option, be entitled to the sum of Five Thousand Dollars (\$5,000) from CONSULTANT for each such violation pursuant to California *Civil Code* Section 1671 as liquidated damages in lieu of terminating this Agreement.

9.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONSULTANT hereby represents and warrants that no persons shall, on the grounds of race, creed, color, religion, ancestry, national origin, political affiliation, marital status, sex, age or disability, be subjected to discrimination under the privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

10.0 FAIR LABOR STANDARDS ACT

CONSULTANT shall comply with all applicable provisions of the Federal Fair Labor Standards Act and State of California Wage and Hour Regulations, and shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents 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 services performed by CONSULTANT's employees.

11.0 COMPLIANCE WITH LAWS

- 11.1 The CONSULTANT shall conform to and abide by all applicable Federal, State, County and Municipal laws, rules, regulations or ordinances, directives and all provisions required thereby to be included herein, are hereby incorporated by reference.
- 11.2 The CONSULTANT agrees to indemnify and hold COUNTY harmless from any loss, damage or liability resulting from a violation by CONSULTANT, its employees, authorized agents or subcontractors of such laws, rules, regulations or ordinances and directives.

12.0 INDEMNIFICATION

Notwithstanding any provision of this Agreement to the contrary, either expressly or by implication, CONSULTANT shall indemnify, defend, and hold harmless COUNTY, its districts administered by COUNTY, and their elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to any claim, demand, action, proceeding, damage, loss, fee (including attorney's fees and expert witness fees), costs, and/or expenses, arising from and/or in any way related to any of the act(s) and/or omission(s) of CONSULTANT, CONSULTANT's agent(s), employee(s), and/or any Subcontractor(s).

13.0 INDEPENDENT CONTRACTOR STATUS

13.1 This Agreement is by and between CONSULTANT and COUNTY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CONSULTANT and COUNTY. 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. CONSULTANT shall function as, and in all respects is, an independent contractor.

13.2 CONSULTANT shall be solely liable and responsible for providing to, or on behalf of, all persons performing work for CONSULTANT pursuant to this Agreement all compensation and benefits. 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 CONSULTANT.

13.3 CONSULTANT understands and agrees that all persons performing work for CONSULTANT pursuant to this Agreement are, for all purposes, and in particular for purposes of workers' compensation liability, the sole employees of CONSULTANT and not employees of COUNTY. CONSULTANT 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 CONSULTANT pursuant to this Agreement.

14.0 CHANGES TO KEY PERSONNEL AND SUCCESSOR TO CONSULTANT

CONSULTANT shall immediately notify COUNTY in writing of any changes in key personnel within its organization if such personnel are involved in providing services hereunder. If CONSULTANT is a partnership, CONSULTANT shall promptly notify COUNTY of changes in CONSULTANT's partners. If CONSULTANT is a corporation, CONSULTANT shall promptly notify COUNTY of all material changes in ownership which affect or may affect CONSULTANT's performance hereunder.

15.0 RESTRICTIONS ON LOBBYING

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

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position with 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 CONSULTANT or have any other direct or indirect financial interest in this Agreement. No officer or employee of CONSULTANT, who may financially benefit from the performance of work hereunder, shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

16.2 CONSULTANT 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. CONSULTANT warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONSULTANT 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.

17.0 DELEGATION AND ASSIGNMENT

CONSULTANT shall not delegate its duties and/or assign its rights under this Agreement, either in whole or in part, without the prior written consent of COUNTY. Any unauthorized delegation and/or assignment by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the agreement.

18.0 RIGHT TO USE WRITINGS AND OTHER WORKS

18.1 COUNTY obtains the right to use, duplicate and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT specifically and exclusively for COUNTY as a result of their activities supported by this Agreement.

18.2 CONSULTANT retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature

produced by CONSULTANT as a result of its activities supported by this Agreement subject to the ENDORSEMENT paragraph below. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

19.0 ENDORSEMENT

CONSULTANT shall not, in any manner, advertise, publish or represent that COUNTY endorses the goods or services herein mentioned without the prior written consent of COUNTY's Project Manager. Any published document by CONSULTANT referencing COUNTY in such manner must have prior written consent of COUNTY's Project Manager.

20.0 PROPRIETARY CONSIDERATIONS

20.1 COUNTY and CONSULTANT agree that all intellectual property, including but not limited to materials, plans, reports, acceptance test criteria, acceptance test plans, Deliverables, data, and information (hereafter in this Section 20 collectively "Materials") developed under this Agreement for delivery to COUNTY and financed exclusively by COUNTY funds, and all copyrights, patent rights, trade secret rights, title, interest, and other proprietary rights therein (collectively, "Rights") shall be the sole property of COUNTY, and CONSULTANT hereby assigns and transfers to COUNTY all CONSULTANT's Rights to all such Materials developed under this Agreement, provided that notwithstanding such COUNTY ownership, CONSULTANT may retain possession of all working papers prepared by CONSULTANT. During and for a minimum of five (5) years subsequent to the term of this Agreement, CONSULTANT shall retain any and all such Materials. COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

20.2 Upon request of COUNTY, CONSULTANT shall execute all documents requested by COUNTY and shall perform all other acts requested by COUNTY to assign and transfer to, and vest in, COUNTY all CONSULTANT's Rights in and to the Materials. COUNTY shall have the right to register all Rights in the name of the County of Los Angeles. Further, COUNTY shall have the right to assign, license, or otherwise transfer any and all of COUNTY's Rights in and to the Materials.

20.3 As requested in writing by COUNTY's Project Manager, CONSULTANT shall affix the following notice to Materials developed under this Agreement: "©Copyright 2002 (or such other date of first publication), County of Los Angeles. All Rights Reserved". CONSULTANT shall affix such notice as directed by COUNTY.

- 20.4 During the term of this Agreement and for five (5) years thereafter, CONSULTANT shall maintain and provide security for all CONSULTANT's working papers prepared under this Agreement.
- 20.5 CONSULTANT shall protect the security of and keep confidential all Materials obtained or developed under this Agreement. Further, CONSULTANT shall use whatever security measures that are reasonably necessary to protect all such Materials from loss or damage by any cause, including, but not limited to, fire and theft.
- 20.6 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.
- 20.7 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any Confidential Material of COUNTY without COUNTY's prior written consent except in furtherance of the services to be provided hereunder, which may include in the normal course of business the release to insurers and other financial institutions of Confidential Material relevant to the underwriting and/or evaluation of COUNTY's risks and the processing of its claims, provided that such insurers and financial institutions consent, in advance, in writing to maintain the confidential nature of such information.
- 20.8 The provisions of Sections 20.0 shall survive the expiration or termination of this Agreement.

21.0 TRADE SECRETS

Recognizing that it may be impractical and/or impossible for COUNTY to safeguard trade secrets, confidential materials, and/or proprietary information of CONSULTANT, if any, CONSULTANT shall and does hereby keep and bear COUNTY harmless from any and all liabilities, damages, costs, and expenses by reason of any legally required disclosure by COUNTY of trade secrets, confidential materials, and/or proprietary information. COUNTY staff shall provide CONSULTANT with reasonable notice prior to such disclosure to enable CONSULTANT to challenge such disclosure.

22.0 CONFIDENTIALITY

- 22.1 CONSULTANT acknowledges and agrees that the following materials, documents, data, and other information of COUNTY (collectively, "Confidential Material") are deemed to be privileged, proprietary, and/or confidential:
- A. Workers' Compensation records;
 - B. Medical records;

- C. COUNTY Employment records;
- D. Criminal records;
- E. Welfare recipient records;
- F. Data and/or information pertaining to entities and/or persons receiving services from the COUNTY; and
- G. Any and all reports developed by CONSULTANT and/or its Subcontractor(s) under this Agreement.

22.2 CONSULTANT shall protect the security of and keep confidential any and all Confidential Material.

22.3 In accordance with all applicable federal, state, and local laws, regulations, ordinances, and directives relating to confidentiality, CONSULTANT shall ensure that its agent(s), representative(s), employee(s), and/or Subcontractor(s) follow such laws to the extent applicable.

22.4 With respect to Confidential Material concerning any child dependency matter that is obtained by CONSULTANT, CONSULTANT shall: (1) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to COUNTY all requests for disclosure of any such information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than COUNTY without COUNTY's prior written authorization that the information is releasable (except for Subcontractors); and (4) at the expiration or termination of this Agreement, return all such information to COUNTY or maintain such information according to the written procedures sent to CONSULTANT by COUNTY for this purpose.

22.5 CONSULTANT warrants and represents that only those CONSULTANT and/or Subcontractor personnel required to perform the Services shall have access to COUNTY Confidential Materials.

22.6 The provisions of this Section 22.0 shall survive the expiration or other termination of this Agreement.

23.0 NOTICE OF DELAYS

CONSULTANT shall have no liability for any failure or delay in performance of its obligation under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, terrorist acts, civil disturbances, sabotage, accidents, unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on

CONSULTANT's server, or any inability to transmit or receive information over the internet, nor shall any such failure or delay give COUNTY the right to terminate this Agreement. Whenever CONSULTANT has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Agreement, CONSULTANT shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to COUNTY.

24.0 RESPONSIBILITY FOR DOCUMENTS

24.1 All documents, plans, drafts, and final reports, masters, work papers, memoranda, graphics, electronic media and other materials including duplicates thereof generated or compiled specifically and exclusively for COUNTY pursuant to this Agreement which are delivered to COUNTY hereunder are instruments of professional services but shall remain the exclusive Property of COUNTY which the COUNTY may use for any purpose; provided, however, that CONSULTANT may choose, at its option, to retain copies of such materials in accordance with Section 20.0 of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its own proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

24.2 If CONSULTANT requires any information or services from COUNTY to enable CONSULTANT to perform the work covered by this Agreement, CONSULTANT may request the same in writing, to which COUNTY will respond within a reasonable time. Except for any items to be provided and/or other performance required by the COUNTY as specified within this Agreement, there are no matters or items required to be furnished or performed by COUNTY.

25.0 TERMINATION FOR DEFAULT

25.1 By written notice of default ("Notice of Default") served upon the other party, the whole or any part of this Agreement may be terminated in any of the following circumstances of default:

- A. By either party if the other party violates a provision of this Agreement which by its terms herein is specified to be a material breach; or
- B. By either party if the other party fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of thirty (30) calendar days (or such longer period as the party giving such Notice of Default may authorize in writing).

25.2 Notwithstanding any provision of this Agreement to the contrary, any and all rights and/or remedies provided in this Section 25.0, as well as throughout this Agreement, shall not be exclusive and are in addition to any and all other rights and/or remedies provided at law, in equity, and/or under this Agreement.

26.0 TERMINATION FOR CONVENIENCE

26.1 The COUNTY may terminate this Agreement when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination shall be effected by delivery of a notice of termination to CONSULTANT specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than fifteen (15) calendar days after the notice is sent, provided that in the event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 25.0 (Termination for Default) and it has later been determined that CONSULTANT was not in default, no additional notice shall be required upon such determination.

26.2 Upon service of a notice of termination, and except as otherwise directed by COUNTY, the CONSULTANT shall:

- A. Stop work under this Agreement on the date specified in such notice; and
- B. Transfer to COUNTY, to the extent not previously transferred to COUNTY, all rights to all Materials pursuant to the terms of this Agreement.

26.3 Nothing in this Section 26.0 shall be deemed to prejudice any right of CONSULTANT to make a claim against COUNTY in accordance with applicable law and regular COUNTY procedures for payment for any completed Statement of Work through the effective date of COUNTY's termination of this Agreement for convenience.

27.0 TERMINATION FOR IMPROPER CONSIDERATION

27.1 COUNTY may, by written notice to CONSULTANT, immediately terminate the right of CONSULTANT to proceed under this Agreement if consideration in any form was offered or given by CONSULTANT, 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 CONSULTANT's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONSULTANT as it could pursue in the event of default of CONSULTANT.

27.2 CONSULTANT shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controllers Employee Fraud Hotline at (213) 974-0914.

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

28.0 AUTHORIZATION WARRANTY

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

29.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Agreement shall be construed in accordance with and governed by the substantive and procedural laws of the State of California. Any action and/or proceeding arising out of and/or relating to this Agreement shall be filed and maintained exclusively in the County of Los Angeles, State of California, except for those matters over which the Federal District Court may have jurisdiction, which may be filed and maintained in the Federal District Court, Central District, State of California.

30.0 WAIVER

No waiver of any breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

31.0 SEVERABILITY

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

32.0 COVENANT AGAINST CONTINGENT FEES

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

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

33.0 RECORD RETENTION AND INSPECTION

CONSULTANT agrees that COUNTY's Project Manager or any duly authorized representative shall have access to and the right to examine, audit, excerpt, copy, or transcribe in a reasonable manner any pertinent transaction, activity, time card, or other records relating to this Agreement. Such material, including all pertinent cost, accounting, financial records, and proprietary data, must be kept and maintained by CONSULTANT for a period of three (3) years after completion of the Agreement unless CAO's written permission is given to dispose of material prior to this time.

34.0 COUNTY'S QUALITY ASSURANCE PLAN

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

35.0 SUBCONTRACTING

No performance of this Agreement or any portion thereof may be subcontracted by CONSULTANT without the express written consent of the COUNTY. Any unauthorized subcontracting by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

36.0 CONSIDERATION OF COUNTY EMPLOYEES IN HIRING

Should CONSULTANT require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONSULTANT shall give fair 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.

37.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should CONSULTANT require additional or replacement personnel after the Effective Date, CONSULTANT shall give consideration for any such employment opening to participants in COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet CONSULTANT's minimum qualifications for the open position. COUNTY will refer GAIN participants by job category to CONSULTANT.

38.0 INSURANCE REQUIREMENTS

38.1 Without limiting CONSULTANT's obligations of indemnification and defense of COUNTY, and during the term of this Agreement, CONSULTANT shall maintain, and shall require any of its subcontractors to maintain, the programs of insurance specified in Section 38.8, below. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be maintained at CONSULTANT's own expense.

38.2 Evidence of Insurance: Certificate(s) of insurance shall be delivered to the following COUNTY contract manager prior to commencing services under this Agreement:

County of Los Angeles
Chief Administrative Officer
500 West Temple Street, Room 526
Los Angeles, CA 90012
Attention: Manny Talamantes

Such certificates shall:

- A. Specifically identify this Agreement.
- B. Clearly evidence all coverages required in this Agreement.
- C. Contain the express condition that COUNTY are to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
- D. Evidence that the COUNTY, its special districts, officials, officers, fiduciaries, and employees are included as additional insureds on the commercial general liability policy as insured for all activities for their vicarious liability arising from CONSULTANT's provision of services under this Agreement.
- E. Identify any deductibles or self-insured retentions. All such deductibles or self-insured retentions shall be the responsibility of CONSULTANT.

38.3 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.

38.4 Failure to Maintain Coverage: Failure by CONSULTANT to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONSULTANT resulting from said breach.

38.5 Notification of Incidents, Claims or Suits: CONSULTANT shall report to COUNTY:

- A. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONSULTANT and/or COUNTY. Such report shall be made in writing within 24 hours of CONSULTANT's first knowledge of the accident or incident;
- B. Any third party claim or lawsuit filed against CONSULTANT arising from or related to services performed by CONSULTANT under this Agreement;
- C. Any injury to a CONSULTANT employee which occurs on COUNTY property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager; and
- D. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONSULTANT under the terms of this Agreement.

38.6 Compensation for County Costs: In the event that CONSULTANT fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONSULTANT shall pay full compensation for all costs incurred by COUNTY.

38.7 Insurance Coverage Requirements for Sub-contractors: CONSULTANT shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- A. CONSULTANT providing evidence of insurance covering the activities of subcontractors, or
- B. CONSULTANT providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

38.8 Specific Insurance Coverage Requirements:

- A. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

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

- B. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident.

Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."

- C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONSULTANT is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

- D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONSULTANT, its officers or employees with limits of not less than \$1 million per claim and \$3 million aggregate. The coverage also shall provide an extended one year reporting period commencing upon termination or cancellation of this Agreement.
- E. Basic Health Insurance and Benefits - CONSULTANT will provide basic health coverage for employees of CONSULTANT who perform work under the provisions of this Agreement.

39.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement any licenses, permits, registrations, accreditations, and certificates required by any federal, state, and local laws, ordinances, rules, regulations, guidelines, and directives, which are applicable to CONSULTANT for its services under this Agreement. CONSULTANT further warrants and represents that all of its officers, employees, agents, and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to them for their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines, and directives shall be provided, in duplicate, to COUNTY's Project Manager as specifically requested by COUNTY.

40.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

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

40.2 CONSULTANT is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of

CONSULTANT on this or other contracts which indicates that CONSULTANT is not responsible, COUNTY may, in addition to other remedies provided in this Agreement, debar CONSULTANT from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONSULTANT may have with COUNTY.

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

40.4 If there is evidence that CONSULTANT may be subject to debarment, COUNTY's CAO and/or COUNTY's Internal Services Department will notify CONSULTANT in writing of the evidence which is the basis for the proposed debarment and will advise CONSULTANT of the scheduled date for a debarment hearing before COUNTY's Contractor Hearing Board.

40.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONSULTANT and/or CONSULTANT's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONSULTANT should be debarred, and if so, the appropriate length of time of the debarment. If CONSULTANT fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, CONSULTANT may be deemed to have waived all rights of appeal.

40.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to COUNTY's Board of Supervisors. COUNTY's Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

40.7 These terms shall also apply to any and all subcontractors of COUNTY contractors.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONSULTANT 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 1015.

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

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

42.2 As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONSULTANT's duty under this Agreement to comply with all applicable provisions of law, CONSULTANT warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653 (a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706-031 and Family Code Section 5246 (b).

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

Failure of CONSULTANT to maintain compliance with the requirements set forth in Section 42.0 (CONSULTANT's Warranty of Adherence to COUNTY's Child Support Compliance Program) shall constitute a default by CONSULTANT under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be grounds upon which COUNTY's Board of Supervisors may terminate this Agreement pursuant to Section 25.0 (Termination for Default).

44.0 CONSULTANT'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONSULTANT acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONSULTANT understands that it is COUNTY's policy to encourage all COUNTY contractors to voluntarily post COUNTY's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at CONSULTANT's place of business. COUNTY's District Attorney will supply CONSULTANT with the poster to be used.

45.0 MERGER CLAUSE

45.1 This base document, along with Exhibits A and B, described in Subsection 45.2, but not attached hereto, collectively form, and are throughout referred to as the "Agreement."

45.2 In the event of any conflict and/or inconsistency in the definition and/or interpretation of any word, responsibility, schedule, and/or the contents and/or description of any task, subtask, deliverable, service, and/or otherwise, between and/or among this based document and the Exhibits, such conflict and/or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:

- A. COUNTY's Request for Proposal, dated June 14, 2005.
- B. CONSULTANT's Proposal, received on or before June 22, 2005.

45.3 This Agreement constitutes the complete and exclusive statement of understanding between the parties, which supersedes any and all previous agreements, whether written or oral, and all prior and/or contemporaneous other communications between the parties and/or writings relating to the subject matter of this Agreement. Any changes and/or modifications to this Agreement must be in writing and formally adopted and executed in the same manner as this Agreement to be enforceable.

46.0 ARMS' LENGTH NEGOTIATIONS

This Agreement is the product of COUNTY's competitive procurement and an arms' length negotiation between COUNTY and CONSULTANT, during which each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly between the parties, and not more strictly construed against either party as the drafter.

47.0 COMPLIANCE WITH JURY SERVICE PROGRAM

- A. Jury Service Program.

This Contract 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.

- B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from 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.

2. For purposes of this section, "contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "employee" means any California resident who is a full time employee of contractor. "full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by 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 contractor uses any subcontractor to perform services for the county under the contract, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such subcontract agreement and a copy of the jury service program shall be attached to the agreement.

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

4. Contractor's violation of this section of the contract may constitute a material breach of the contract. In the event of such material breach, county may, in its sole discretion, terminate the contract and/or bar contractor from the award of future county contracts for a period of time consistent with the seriousness of the breach.

**AUTHORIZATION
CONSULTING SERVICE AGREEMENT**

IN WITNESS WHEREOF, the COUNTY's Board of Supervisors and CONSULTANT have each caused this Agreement to be executed by its duly authorized officer(s) and/or representative(s).

COUNTY OF LOS ANGELES

HAY GROUP

By _____
Gloria Molina
Chair

By 
GARRY N. TEESDALE
Title VICE PRESIDENT

Hay Group represents and warrants that the signatory to this Agreement is fully authorized to obligate Hay Group hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

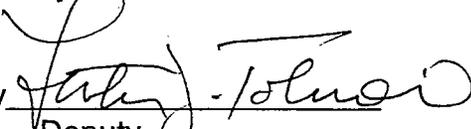
ATTEST:

VIOLET VARUNA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By 
Deputy

AGREEMENT FOR CONSULTANT SERVICES

CONTRACT NO. _____

This Agreement is made and entered into this _____ day of _____, 2005

by and between County of Los Angeles (hereinafter, the "COUNTY") and KPMG LLP, 355 South Grand Avenue, Los Angeles, CA 90022 (hereinafter, the "CONSULTANT"), based upon the following recitals:

- A. WHEREAS, COUNTY desires to compensate County employees in a manner that attracts, retains, and motivates qualified personnel at the least possible cost; and
- B. WHEREAS, the provision of such compensation requires special skills and expertise in the area of compensation, employee benefit administration; and
- C. WHEREAS, CONSULTANT is specially trained and licensed and possesses skills, experience, education, and competency necessary to assist County with its compensation and employee benefit administration needs; and
- D. WHEREAS, COUNTY, in accordance with California Government Code Section 31000, may enter into contracts for special services.

Based upon the foregoing recitals, all of which are hereby incorporated herein by this reference, the COUNTY and CONSULTANT agree as follows:

1.0 TERM

This Agreement shall commence on the later of (1) the date the Agreement is approved by the Los Angeles County Board of Supervisors or (2) September 1, 2005 and shall continue in full force and effect until the earlier of (1) the date occurring three (3) years after the Effective Date, or (2) the date this Agreement is terminated as provided herein. In the event of any early termination of this Agreement as provided herein, or upon expiration of this Agreement, CONSULTANT will assist COUNTY in arranging a smooth transition process; however, CONSULTANT's obligation and the obligation of its affiliates to provide services to COUNTY will cease upon the effective date of termination or expiration. The County shall have the sole option to extend the Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CAO.

2.0 ADMINISTRATION - COUNTY

2.1 COUNTY's Chief Administrative Officer or his authorized designee (hereinafter referred to as "CAO") shall have the authority to administer this Agreement.

2.1.1 COUNTY's Project Manager

2.1.2 COUNTY's Project Manager for this Agreement shall be the following person or his designee:

Manny Talamantes
Compensation Policy
Los Angeles County Chief Administrative Office
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 526
Los Angeles, CA 90012

Business telephone: (213) 974-2529
E-mail: mdtalamantes@cao.co.la.ca.us
Fax: (213) 621-3172

2.1.3 COUNTY shall notify CONSULTANT in writing of any change in the name or address of COUNTY's Project Manager.

2.1.4 COUNTY's Project Manager shall be responsible for COUNTY's performance of its tasks and ensuring CONSULTANT's compliance with this Agreement.

2.1.5 COUNTY's Project Manager shall meet or confer with CONSULTANT's on an as needed basis.

2.1.6 Except as expressly set forth in this Agreement, COUNTY's Project Manager is not authorized to make any changes in any of the terms or conditions of this Agreement and is not authorized to obligate COUNTY in any respect whatsoever.

2.1.7 COUNTY's Project Manager shall have the right at all times to inspect any and all work, tasks, Deliverables, goods, services, and/or other consideration provided by or on behalf of CONSULTANT.

2.1.8 COUNTY's Project Manager shall be responsible for confirming that any technical standards and/or other requirements of CONSULTANT's performance under this Agreement are met.

3.0 ADMINISTRATION - CONSULTANT

3.1 CONSULTANT's shall designate in writing a person who shall have the authority to administer this Agreement.

3.1.1 CONSULTANT's Project Manager shall be responsible for CONSULTANT's performance and assuring CONSULTANT's compliance with this Agreement.

3.1.2 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager as required.

3.1.3 CONSULTANT's Project Manager shall be responsible for CONSULTANT's day-to-day activities as related to this Agreement and for reporting to COUNTY in the manner set forth in Subsection 3.3 (Reports by CONSULTANT).

3.1.4 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager on an as needed basis.

3.2 Approval of CONSULTANT's Staff

3.2.1 COUNTY has the absolute right to approve or disapprove each member or proposed member of CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager, prior to, and during, their performing any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. COUNTY's Project Manager may require replacement of any member of CONSULTANT's staff performing, or offering to perform, work hereunder, including, but not limited to, CONSULTANT's Project Manager.

3.2.2 CONSULTANT represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager.

3.2.3 CONSULTANT shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.2.4 In fulfillment of its responsibilities under this Agreement, CONSULTANT shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, and tasks required by this Agreement.

3.2.5 CONSULTANT shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with the Statements of Work.

3.2.6 In the event CONSULTANT should ever need to remove any staff from performing work under this Agreement, CONSULTANT shall provide COUNTY with notice at least fifteen (15) calendar days in advance, except in circumstances in which such notice is not possible, and shall work with COUNTY on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.3 Reports by CONSULTANT

3.3.1 In order to control expenditures and to provide COUNTY with ongoing information as to all Deliverables, CONSULTANT shall, if specifically requested by COUNTY's Project Manager, provide COUNTY's Project Manager with written reports which shall include but not be limited to, the following information:

- A. Period covered by the report;
- B. Overview of the reporting period;
- C. Any services scheduled for the reporting period which were not completed;
- D. Any services for the reporting period which were completed;
- E. Any services completed in the reporting period which were not scheduled;
- F. Any services to be completed in the next reporting period;
- G. Issues to be resolved;
- H. Issues resolved;
- I. Summary of project status as of reporting date; and
- J. Any other information which COUNTY may from time-to-time require.

3.3.2 CONSULTANT shall deliver one (1) hard copy of each of such report, together with a formal transmittal letter to COUNTY's Project Manager executed by CONSULTANT's Project Manager, and CONSULTANT shall also deliver a second copy of each such report electronically via e-mail.

4.0 STATEMENT OF WORK

CONSULTANT agrees to provide employee benefit consulting services as requested by the CAO, or the Director of Personnel or his or her designee (hereinafter both shall be referred to as "CAO" or "DOP" respectively). Such services may include, but not be limited to the following:

4.1 Part 1 Compensation Consulting

Compensation consulting, will involve day-to-day advice and commentary on a wide variety of wage and salary issues affecting represented and/or non-represented employees, including overtime and other non-base pay issues, and may involve more extensive in-depth consulting on special projects involving wage and salary issues. Part 1 work may include, but not be limited to the following:

- 4.1.1 Advice and commentary on community compensation practices and trends.
- 4.1.2 Advice and commentary on County pay policy for specific benchmark jobs and/or occupational groups.
- 4.1.3 Performance of salary studies for specific benchmark jobs, occupational groups, and/or organizational units, including job evaluation and classification studies.
- 4.1.4 Development of reward systems, including merit pay plans, incentive pay plans, and other special pay plans for specific occupational groups.
- 4.1.5 Development and/or provision of salary survey data for specific occupational benchmarks.
- 4.1.6 Organizational studies, re-engineering studies, evaluation and grading studies, and work systems and methods studies pertinent to the administration of the County's compensation program.
- 4.1.7 Training of County staff on compensation administration practices and techniques.

4.2 Part 2 Employee Benefit Consulting

Part 2 employee benefit consulting will involve both day-to-day advice and commentary and special project consulting on various employee benefit issues affecting represented and/or non-represented employees. Part 2 work may include, but not be limited to the following:

- 4.2.1 Advice and commentary on regional and national employee benefit practices and trends. The consultant selected to provide Part 2 work will be expected to familiarize itself with the existing County employee benefit practices applicable to represented and non-represented employees and be prepared to respond on short notice, if necessary, to questions from the County on virtually any employee benefit issue. This consultant will also be expected to be proactive in informing the County on cost trends, regulatory changes, or other events that could impact the cost of the County's employee benefit program. This type of interaction may be expected to frequently involve quick turnaround telephonic or in-person discussions.
- 4.2.2 Group insurance consulting which may include, but not be limited to the following:
- 4.2.2.1 Leading County staff in the annual premium rate renewal negotiations with the various insurance carriers for the County's group health and dental plans, a group term life plan, and a group accidental death and dismemberment plan. This effort will involve serving as the point of contact for all insurance carriers, organizing and leading the negotiations meetings, providing necessary actuarial assistance, and working in a collaborative manner with employee representatives and consultants to employee representatives who may participate in this process.
 - 4.2.2.2 Leading the periodic marketing of the County's group insurance plans at the direction of the County.
 - 4.2.2.3 Assisting the County in determining the appropriate plan design and funding methodology for the group health and dental plans.
 - 4.2.2.4 Assisting the County in determining the appropriate plan design, County and employee contribution rates, and level of funding for the County's self-funded short-term and long-term disability plans and survivor income benefit plan.
 - 4.2.2.5 Advising the County regarding Medicare changes and other issues pertaining to the cost of retiree health care.
 - 4.2.2.6 Assisting the County with any issues that may arise concerning insurance programs not currently offered by the County such as universal life insurance and long-term care.
- 4.2.3 Assisting the County with the analysis of State and Federal legislation affecting the employee benefit program.

4.2.4 Assisting the County in responding to collective bargaining issues relating to employee benefits. This may entail presenting information and answering related questions at the bargaining table in union negotiation sessions or at other meetings where union representatives are actively involved and working collaboratively outside of formal meetings with union representatives and/or consultants to the unions.

4.2.5 Other special project consulting on employee benefit issues including, but not limited to the following:

4.2.5.1 Cafeteria plan design and administration, including regulatory compliance.

4.2.5.2 Paid leave benefit design and administration.

4.2.5.3 Defined benefit retirement plan design and funding.

4.2.5.4 Defined contribution retirement plan design and administration, including advice and commentary on asset management.

4.2.5.5 Employee communications regarding the employee benefit program.

4.3 Consulting services provided pursuant to this Agreement shall be provided only when requested by CAO or DOP. It is mutually understood that COUNTY has not offered and cannot guarantee any minimum level of work under this Agreement.

5.0 CONSIDERATION

5.1 COUNTY agrees to pay CONSULTANT on a time and expense basis based on:

A. The number of hours actually worked by CONSULTANT;

B. The type and level of staff who perform the work;

C. The following schedule of hourly rates:

<u>Job Classification</u>	<u>9/01/05 8/31/06</u>	<u>9/01/06 8/31/07</u>	<u>9/01/07 8/31/08</u>
Consultants	\$125	\$135	\$150
Senior Consultants	\$175	\$185	\$200
Managers	\$275	\$285	\$300
Partners	\$375	\$385	\$400

5.1.1 Upon request of the CAO or DOP, CONSULTANT shall provide CAO or DOP with 1) the billing titles and precise hourly billing rates CONSULTANT intends to use for any work requested by CAO or DOP pursuant to this Agreement, and/or 2) the estimated total cost of such work.

5.2 Subject to approval by COUNTY's Project Manager, CONSULTANT may, in addition to the hourly charges set forth in 5.0 (5.1) (A), charge for out-of-pocket costs necessary for a) mail and courier services, b) parking, c) photocopying (other than minor photocopying), and d) out-of-town travel, including air and ground transportation, lodging, meals, and portage. All such costs, if approved, shall be billed at actual cost; provided, however, that, in no event, may out-of-town travel charges exceed the expense limitations imposed by COUNTY on COUNTY employees who travel on COUNTY business. Any other out-of-pocket expenses not otherwise specified in this Subparagraph 5.2 shall not be charged to COUNTY unless specifically approved by COUNTY's Project Manager.

5.3 CONSULTANT shall invoice COUNTY monthly in arrears. Charges for billable time shall be calculated in increments of not less than fifteen (15) minutes. All invoices shall provide the following detail:

A. The date or dates the services were provided.

B. The names, billing titles, and hourly billing rates of the individuals who performed the work.

C. The name of the COUNTY officer or employee who requested the work.

D. A brief description of the work performed.

E. Detail on out-of-pocket expenses sufficient to establish such expenses conform with the terms of this Agreement.

5.4 In no event shall CONSULTANT charge COUNTY for travel time, including time spent in air or ground transportation unless specifically approved in writing, in advance, by COUNTY's Project Manager.

5.5 Upon receipt of an invoice, or further information regarding an invoice, COUNTY's Project Manager may reasonably reject or accept all or any part of invoiced costs. COUNTY shall pay invoiced costs accepted by the COUNTY's Project Manager promptly thereafter. CONSULTANT shall be notified by the COUNTY's Project Manager, in writing, of the invoiced costs rejected, and the reason or reasons for such rejection, and be given an opportunity to provide further information.

5.6 Notwithstanding any other provision of this paragraph 5.0, CONSULTANT and CAO, or DOP as the case may be, may mutually agree in advance on a maximum total charge for all services and out-of-pocket expenses related to particular project or other specific work authorized by CAO or DOP pursuant to this Agreement.

6.0 NON-APPROPRIATION OF FUNDS

- 6.1 COUNTY'S obligation is payable only and solely from the funds appropriated for the purpose of this Agreement.
- 6.2 All funds for payments after June 30th of the current fiscal year are subject to COUNTY'S legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action.
- 6.3 In the event that this Agreement extends into a succeeding fiscal year period, and if the governing body appropriating the fund does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30th of the then current fiscal year. The COUNTY's Project Manager shall endeavor to notify CONSULTANT in writing of such non-allocation at the earliest possible date.

7.0 EMPLOYMENT ELIGIBILITY VERIFICATION

- 7.1 CONSULTANT represents and warrants that it fully complies with all applicable statutes and regulations regarding employment eligibility of aliens and others, that all persons performing services under this Contract are eligible for employment in the United States. Any such failure to comply by CONSULTANT shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.
- 7.2 CONSULTANT represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONSULTANT shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.
- 7.3 CONSULTANT shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability which may be assessed against the COUNTY or CONSULTANT in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens by CONSULTANT while performing services hereunder.

8.0 NONDISCRIMINATION IN EMPLOYMENT

- 8.1 CONSULTANT certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, in compliance with all applicable federal and state anti-discrimination laws and regulations.
- 8.2 CONSULTANT shall certify to, and comply with, the provisions of Exhibit (CONSULTANT's EEO Certification).
- 8.3 CONSULTANT shall ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry,

national origin, sex, age, or physical or mental disability 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, without limitation, apprenticeship.

8.4 CONSULTANT certifies and agrees that it will deal with its bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability.

8.5 CONSULTANT certifies and agrees that it, its affiliates, subsidiaries or holding companies under common control, shall comply with all applicable federal and state laws and regulations, including, but not limited to:

A. Title VII, Civil Rights Act of 1964;

B. Section 504, Rehabilitation Act of 1973; C. Age Discrimination Act of 1975;

C. Age Discrimination Act of 1975;

D. Title IX, Education Amendments of 1973, as applicable; and

E. Title 43, Part 17, Code of Federal Regulations, Subparts A & B; and that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

F. California Fair Employment and Housing Act.

8.6. CONSULTANT shall allow federal representatives access to CONSULTANT's employment records during regular business hours to verify compliance with the above-referenced laws.

8.7 If any provision of this Section 8.0 has been violated, such violation shall, at the election of COUNTY, constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement.

8.8 The parties agree that in the event CONSULTANT violates any portion of this Section 8.0 and/or any other anti-discrimination provisions of this Agreement, COUNTY shall, at its option, be entitled to the sum of Five Thousand Dollars (\$5,000) from CONSULTANT for each such violation pursuant to California *Civil Code* Section 1671 as liquidated damages in lieu of terminating this Agreement.

9.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONSULTANT hereby represents and warrants that no persons shall, on the grounds of race, creed, color, religion, ancestry, national origin, political affiliation, marital status, sex, age or disability, be subjected to discrimination under the

privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

10.0 FAIR LABOR STANDARDS ACT

CONSULTANT shall comply with all applicable provisions of the Federal Fair Labor Standards Act and State of California Wage and Hour Regulations, and shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents 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 services performed by CONSULTANT's employees.

11.0 COMPLIANCE WITH LAWS

11.1 The CONSULTANT shall conform to and abide by all applicable Federal, State, County and Municipal laws, rules, regulations or ordinances, directives and all provisions required thereby to be included herein, are hereby incorporated by reference.

11.2 The CONSULTANT agrees to indemnify and hold COUNTY harmless from any loss, damage or liability resulting from a violation by CONSULTANT, its employees, authorized agents or subcontractors of such laws, rules, regulations or ordinances and directives.

12.0 INDEMNIFICATION

Notwithstanding any provision of this Agreement to the contrary, either expressly or by implication, CONSULTANT shall indemnify, defend, and hold harmless COUNTY, its districts administered by COUNTY, and their elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to any claim, demand, action, proceeding, damage, loss, fee (including attorney's fees and expert witness fees), costs, and/or expenses, arising from and/or in any way related to any of the act(s) and/or omission(s) of CONSULTANT, CONSULTANT's agent(s), employee(s), and/or any Subcontractor(s).

13.0 INDEPENDENT CONTRACTOR STATUS

13.1 This Agreement is by and between CONSULTANT and COUNTY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CONSULTANT and COUNTY. 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. CONSULTANT shall function as, and in all respects is, an independent contractor.

13.2 CONSULTANT shall be solely liable and responsible for providing to, or on behalf of, all persons performing work for CONSULTANT pursuant to this Agreement all

compensation and benefits. 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 CONSULTANT.

13.3 CONSULTANT understands and agrees that all persons performing work for CONSULTANT pursuant to this Agreement are, for all purposes, and in particular for purposes of workers' compensation liability, the sole employees of CONSULTANT and not employees of COUNTY. CONSULTANT 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 CONSULTANT pursuant to this Agreement.

14.0 CHANGES TO KEY PERSONNEL AND SUCCESSOR TO CONSULTANT

CONSULTANT shall immediately notify COUNTY in writing of any changes in key personnel within its organization if such personnel are involved in providing services hereunder. If CONSULTANT is a partnership, CONSULTANT shall promptly notify COUNTY of changes in CONSULTANT's partners. If CONSULTANT is a corporation, CONSULTANT shall promptly notify COUNTY of all material changes in ownership which affect or may affect CONSULTANT's performance hereunder.

15.0 RESTRICTIONS ON LOBBYING

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

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position with 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 CONSULTANT or have any other direct or indirect financial interest in this Agreement. No officer or employee of CONSULTANT, who may financially benefit from the performance of work hereunder, shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

16.2 CONSULTANT 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. CONSULTANT warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONSULTANT 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.

17.0 DELEGATION AND ASSIGNMENT

CONSULTANT shall not delegate its duties and/or assign its rights under this Agreement, either in whole or in part, without the prior written consent of COUNTY. Any unauthorized delegation and/or assignment by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the agreement.

18.0 RIGHT TO USE WRITINGS AND OTHER WORKS

18.1 COUNTY obtains the right to use, duplicate and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT specifically and exclusively for COUNTY as a result of their activities supported by this Agreement.

18.2 CONSULTANT retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT as a result of its activities supported by this Agreement subject to the ENDORSEMENT paragraph below. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

19.0 ENDORSEMENT

CONSULTANT shall not, in any manner, advertise, publish or represent that COUNTY endorses the goods or services herein mentioned without the prior written consent of COUNTY's Project Manager. Any published document by CONSULTANT referencing COUNTY in such manner must have prior written consent of COUNTY's Project Manager.

20.0 PROPRIETARY CONSIDERATIONS

20.1 COUNTY and CONSULTANT agree that all intellectual property, including but not limited to materials, plans, reports, acceptance test criteria, acceptance test plans, Deliverables, data, and information (hereafter in this Section 20 collectively "Materials") developed under this Agreement for delivery to COUNTY and financed exclusively by COUNTY funds, and all copyrights, patent rights, trade secret rights, title, interest, and other proprietary rights therein (collectively,

"Rights") shall be the sole property of COUNTY, and CONSULTANT hereby assigns and transfers to COUNTY all CONSULTANT's Rights to all such Materials developed under this Agreement, provided that notwithstanding such COUNTY ownership, CONSULTANT may retain possession of all working papers prepared by CONSULTANT. During and for a minimum of five (5) years subsequent to the term of this Agreement, CONSULTANT shall retain any and all such Materials. COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

- 20.2 Upon request of COUNTY, CONSULTANT shall execute all documents requested by COUNTY and shall perform all other acts requested by COUNTY to assign and transfer to, and vest in, COUNTY all CONSULTANT's Rights in and to the Materials. COUNTY shall have the right to register all Rights in the name of the County of Los Angeles. Further, COUNTY shall have the right to assign, license, or otherwise transfer any and all of COUNTY's Rights in and to the Materials.
- 20.3 As requested in writing by COUNTY's Project Manager, CONSULTANT shall affix the following notice to Materials developed under this Agreement: "©Copyright 2002 (or such other date of first publication), County of Los Angeles. All Rights Reserved". CONSULTANT shall affix such notice as directed by COUNTY.
- 20.4 During the term of this Agreement and for five (5) years thereafter, CONSULTANT shall maintain and provide security for all CONSULTANT's working papers prepared under this Agreement.
- 20.5 CONSULTANT shall protect the security of and keep confidential all Materials obtained or developed under this Agreement. Further, CONSULTANT shall use whatever security measures that are reasonably necessary to protect all such Materials from loss or damage by any cause, including, but not limited to, fire and theft.
- 20.6 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.
- 20.7 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any Confidential Material of COUNTY without COUNTY's prior written consent except in furtherance of the services to be provided hereunder, which may include in the normal course of business the release to insurers and other financial institutions of Confidential Material relevant to the underwriting and/or evaluation of COUNTY's risks and the processing of its claims, provided that such insurers and financial institutions consent, in advance, in writing to maintain the confidential nature of such information.
- 20.8 The provisions of Sections 20.0 shall survive the expiration or termination of this Agreement.

21.0 TRADE SECRETS

Recognizing that it may be impractical and/or impossible for COUNTY to safeguard trade secrets, confidential materials, and/or proprietary information of CONSULTANT, if any, CONSULTANT shall and does hereby keep and bear COUNTY harmless from any and all liabilities, damages, costs, and expenses by reason of any legally required disclosure by COUNTY of trade secrets, confidential materials, and/or proprietary information. COUNTY staff shall provide CONSULTANT with reasonable notice prior to such disclosure to enable CONSULTANT to challenge such disclosure.

22.0 CONFIDENTIALITY

22.1 CONSULTANT acknowledges and agrees that the following materials, documents, data, and other information of COUNTY (collectively, "Confidential Material") are deemed to be privileged, proprietary, and/or confidential:

- A. Workers' Compensation records;
- B. Medical records;
- C. COUNTY Employment records;
- D. Criminal records;
- E. Welfare recipient records;
- F. Data and/or information pertaining to entities and/or persons receiving services from the COUNTY; and
- G. Any and all reports developed by CONSULTANT and/or its Subcontractor(s) under this Agreement.

22.2 CONSULTANT shall protect the security of and keep confidential any and all Confidential Material.

22.3 In accordance with all applicable federal, state, and local laws, regulations, ordinances, and directives relating to confidentiality, CONSULTANT shall ensure that its agent(s), representative(s), employee(s), and/or Subcontractor(s) follow such laws to the extent applicable.

22.4 With respect to Confidential Material concerning any child dependency matter that is obtained by CONSULTANT, CONSULTANT shall: (1) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to COUNTY all requests for disclosure of any such information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than COUNTY without COUNTY's prior written authorization that the information is releasable (except for Subcontractors); and (4) at the expiration or termination of

this Agreement, return all such information to COUNTY or maintain such information according to the written procedures sent to CONSULTANT by COUNTY for this purpose.

22.5 CONSULTANT warrants and represents that only those CONSULTANT and/or Subcontractor personnel required to perform the Services shall have access to COUNTY Confidential Materials.

22.6 The provisions of this Section 22.0 shall survive the expiration or other termination of this Agreement.

23.0 NOTICE OF DELAYS

CONSULTANT shall have no liability for any failure or delay in performance of its obligation under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, terrorist acts, civil disturbances, sabotage, accidents, unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on CONSULTANT's server, or any inability to transmit or receive information over the internet, nor shall any such failure or delay give COUNTY the right to terminate this Agreement. Whenever CONSULTANT has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Agreement, CONSULTANT shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to COUNTY.

24.0 RESPONSIBILITY FOR DOCUMENTS

24.1 All documents, plans, drafts, and final reports, masters, work papers, memoranda, graphics, electronic media and other materials including duplicates thereof generated or compiled specifically and exclusively for COUNTY pursuant to this Agreement which are delivered to COUNTY hereunder are instruments of professional services but shall remain the exclusive Property of COUNTY which the COUNTY may use for any purpose; provided, however, that CONSULTANT may choose, at its option, to retain copies of such materials in accordance with Section 20.0 of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its own proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

24.2 If CONSULTANT requires any information or services from COUNTY to enable CONSULTANT to perform the work covered by this Agreement, CONSULTANT may request the same in writing, to which COUNTY will respond within a reasonable time. Except for any items to be provided and/or other performance

required by the COUNTY as specified within this Agreement, there are no matters or items required to be furnished or performed by COUNTY.

25.0 TERMINATION FOR DEFAULT

25.1 By written notice of default ("Notice of Default") served upon the other party, the whole or any part of this Agreement may be terminated in any of the following circumstances of default:

- A. By either party if the other party violates a provision of this Agreement which by its terms herein is specified to be a material breach; or
- B. By either party if the other party fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of thirty (30) calendar days (or such longer period as the party giving such Notice of Default may authorize in writing).

25.2 Notwithstanding any provision of this Agreement to the contrary, any and all rights and/or remedies provided in this Section 25.0, as well as throughout this Agreement, shall not be exclusive and are in addition to any and all other rights and/or remedies provided at law, in equity, and/or under this Agreement.

26.0 TERMINATION FOR CONVENIENCE

26.1 The COUNTY may terminate this Agreement when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination shall be effected by delivery of a notice of termination to CONSULTANT specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than fifteen (15) calendar days after the notice is sent, provided that in the event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 25.0 (Termination for Default) and it has later been determined that CONSULTANT was not in default, no additional notice shall be required upon such determination.

26.2 Upon service of a notice of termination, and except as otherwise directed by COUNTY, the CONSULTANT shall:

- A. Stop work under this Agreement on the date specified in such notice; and
- B. Transfer to COUNTY, to the extent not previously transferred to COUNTY, all rights to all Materials pursuant to the terms of this Agreement.

26.3 Nothing in this Section 26.0 shall be deemed to prejudice any right of CONSULTANT to make a claim against COUNTY in accordance with applicable law and regular COUNTY procedures for payment for any completed Statement of Work through the effective date of COUNTY's termination of this Agreement for convenience.

27.0 TERMINATION FOR IMPROPER CONSIDERATION

- 27.1 COUNTY may, by written notice to CONSULTANT, immediately terminate the right of CONSULTANT to proceed under this Agreement if consideration in any form was offered or given by CONSULTANT, 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 CONSULTANT's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONSULTANT as it could pursue in the event of default of CONSULTANT.
- 27.2 CONSULTANT shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controllers Employee Fraud Hotline at (213) 974-0914.
- 27.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

28.0 AUTHORIZATION WARRANTY

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

29.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Agreement shall be construed in accordance with and governed by the substantive and procedural laws of the State of California. Any action and/or proceeding arising out of and/or relating to this Agreement shall be filed and maintained exclusively in the County of Los Angeles, State of California, except for those matters over which the Federal District Court may have jurisdiction, which may be filed and maintained in the Federal District Court, Central District, State of California.

30.0 WAIVER

No waiver of any breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

31.0 SEVERABILITY

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

32.0 COVENANT AGAINST CONTINGENT FEES

- 32.1 The CONSULTANT warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fees, excepting bona fide employees or bona fide established commercial or selling agencies maintained by CONSULTANT for the purpose of securing business.
- 32.2 For breach or violation, of this warranty, the COUNTY shall have the right to terminate this Agreement and, in its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage or contingent fees.

33.0 RECORD RETENTION AND INSPECTION

CONSULTANT agrees that COUNTY's Project Manager or any duly authorized representative shall have access to and the right to examine, audit, excerpt, copy, or transcribe in a reasonable manner any pertinent transaction, activity, time card, or other records relating to this Agreement. Such material, including all pertinent cost, accounting, financial records, and proprietary data, must be kept and maintained by CONSULTANT for a period of three (3) years after completion of the Agreement unless CAO's written permission is given to dispose of material prior to this time.

34.0 COUNTY'S QUALITY ASSURANCE PLAN

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

35.0 SUBCONTRACTING

No performance of this Agreement or any portion thereof may be subcontracted by CONSULTANT without the express written consent of the COUNTY. Any unauthorized subcontracting by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

36.0 CONSIDERATION OF COUNTY EMPLOYEES IN HIRING

Should CONSULTANT require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONSULTANT shall give fair 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.

37.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should CONSULTANT require additional or replacement personnel after the Effective Date, CONSULTANT shall give consideration for any such employment opening to participants in COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet CONSULTANT's minimum qualifications for the open position. COUNTY will refer GAIN participants by job category to CONSULTANT.

38.0 INSURANCE REQUIREMENTS

38.1 Without limiting CONSULTANT's obligations of indemnification and defense of COUNTY, and during the term of this Agreement, CONSULTANT shall maintain, and shall require any of its subcontractors to maintain, the programs of insurance specified in Section 38.8, below. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be maintained at CONSULTANT's own expense.

38.2 Evidence of Insurance: Certificate(s) of insurance shall be delivered to the following COUNTY contract manager prior to commencing services under this Agreement:

County of Los Angeles
Chief Administrative Officer
500 West Temple Street, Room 526
Los Angeles, CA 90012
Attention: Manny Talamantes

Such certificates shall:

A. Specifically identify this Agreement.

- B. Clearly evidence all coverages required in this Agreement.
 - C. Contain the express condition that COUNTY are to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
 - D. Evidence that the COUNTY, its special districts, officials, officers, fiduciaries, and employees are included as additional insureds on the commercial general liability policy as insured for all activities for their vicarious liability arising from CONSULTANT's provision of services under this Agreement.
 - E. Identify any deductibles or self-insured retentions. All such deductibles or self-insured retentions shall be the responsibility of CONSULTANT.
- 38.3 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.
- 38.4 Failure to Maintain Coverage: Failure by CONSULTANT to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONSULTANT resulting from said breach.
- 38.5 Notification of Incidents, Claims or Suits: CONSULTANT shall report to COUNTY:
- A. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONSULTANT and/or COUNTY. Such report shall be made in writing within 24 hours of CONSULTANT's first knowledge of the accident or incident;
 - B. Any third party claim or lawsuit filed against CONSULTANT arising from or related to services performed by CONSULTANT under this Agreement;
 - C. Any injury to a CONSULTANT employee which occurs on COUNTY property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager; and
 - D. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONSULTANT under the terms of this Agreement.
- 38.6 Compensation for County Costs: In the event that CONSULTANT fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONSULTANT shall pay full compensation for all costs incurred by COUNTY.

38.7 Insurance Coverage Requirements for Sub-contractors: CONSULTANT shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- A. CONSULTANT providing evidence of insurance covering the activities of subcontractors, or
- B. CONSULTANT providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

38.8 Specific Insurance Coverage Requirements:

- A. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

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

- B. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."

- C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONSULTANT is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

- D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONSULTANT, its officers or employees with limits of not less than \$1 million per claim and \$3 million aggregate. The coverage also shall provide an extended one year reporting period commencing upon termination or cancellation of this Agreement.
- E. Basic Health Insurance and Benefits - CONSULTANT will provide basic health coverage for employees of CONSULTANT who perform work under the provisions of this Agreement.

39.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement any licenses, permits, registrations, accreditations, and certificates required by any federal, state, and local laws, ordinances, rules, regulations, guidelines, and directives, which are applicable to CONSULTANT for its services under this Agreement. CONSULTANT further warrants and represents that all of its officers, employees, agents, and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to them for their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines, and directives shall be provided, in duplicate, to COUNTY's Project Manager as specifically requested by COUNTY.

40.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

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

40.2 CONSULTANT is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of CONSULTANT on this or other contracts which indicates that CONSULTANT is not responsible, COUNTY may, in addition to other remedies provided in this Agreement, debar CONSULTANT from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONSULTANT may have with COUNTY.

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

40.4 If there is evidence that CONSULTANT may be subject to debarment, COUNTY's CAO and/or COUNTY's Internal Services Department will notify CONSULTANT in writing of the evidence which is the basis for the proposed debarment and will advise CONSULTANT of the scheduled date for a debarment hearing before COUNTY's Contractor Hearing Board.

40.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONSULTANT and/or CONSULTANT's

representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONSULTANT should be debarred, and if so, the appropriate length of time of the debarment. If CONSULTANT fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, CONSULTANT may be deemed to have waived all rights of appeal.

40.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to COUNTY's Board of Supervisors. COUNTY's Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

40.7 These terms shall also apply to any and all subcontractors of COUNTY contractors.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONSULTANT 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 1015.

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

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

42.2 As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONSULTANT's duty under this Agreement to comply with all applicable provisions of law, CONSULTANT warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653 (a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706-031 and Family Code Section 5246 (b).

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

Failure of CONSULTANT to maintain compliance with the requirements set forth in Section 42.0 (CONSULTANT's Warranty of Adherence to COUNTY's Child Support Compliance Program) shall constitute a default by CONSULTANT under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be grounds upon which COUNTY's Board of Supervisors may terminate this Agreement pursuant to Section 25.0 (Termination for Default).

44.0 CONSULTANT'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONSULTANT acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONSULTANT understands that it is COUNTY's policy to encourage all COUNTY contractors to voluntarily post COUNTY's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at CONSULTANT's place of business. COUNTY's District Attorney will supply CONSULTANT with the poster to be used.

45.0 MERGER CLAUSE

45.1 This base document, along with Exhibits A and B, described in Subsection 45.2, but not attached hereto, collectively form, and are throughout referred to as the "Agreement."

45.2 In the event of any conflict and/or inconsistency in the definition and/or interpretation of any word, responsibility, schedule, and/or the contents and/or description of any task, subtask, deliverable, service, and/or otherwise, between and/or among this based document and the Exhibits, such conflict and/or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:

A. COUNTY's Request for Proposal, dated June 14, 2005.

B. CONSULTANT's Proposal, received on or before June 22, 2005.

45.3 This Agreement constitutes the complete and exclusive statement of understanding between the parties, which supersedes any and all previous agreements, whether written or oral, and all prior and/or contemporaneous other communications between the parties and/or writings relating to the subject matter of this Agreement. Any changes and/or modifications to this Agreement must be in writing and formally adopted and executed in the same manner as this Agreement to be enforceable.

46.0 ARMS' LENGTH NEGOTIATIONS

This Agreement is the product of COUNTY's competitive procurement and an arms' length negotiation between COUNTY and CONSULTANT, during which each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly between the parties, and not more strictly construed against either party as the drafter.

47.0 COMPLIANCE WITH JURY SERVICE PROGRAM

A. Jury Service Program.

This Contract 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.

B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from 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.
2. For purposes of this section, "contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "employee" means any California resident who is a full time employee of contractor. "full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by 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 contractor uses any subcontractor to perform services for the county under the contract, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such subcontract agreement and a copy of the jury service program shall be attached to the agreement.
3. If contractor is not required to comply with the jury service program when the contract commences, contractor shall have a continuing obligation to review the applicability of its "exception status" from the jury service program, and contractor

shall immediately notify county if contractor at any time either comes within the jury service program's definition of "contractor" or if contractor no longer qualifies for an exception to the program. In either event, contractor shall immediately implement a written policy consistent with the jury service program. The county may also require, at any time during the contract and at its sole discretion, that contractor demonstrate to the county's satisfaction that contractor either continues to remain outside of the jury service program's definition of "contractor" and/or that contractor continues to qualify for an exception to the program.

4. Contractor's violation of this section of the contract may constitute a material breach of the contract. In the event of such material breach, county may, in its sole discretion, terminate the contract and/or bar contractor from the award of future county contracts for a period of time consistent with the seriousness of the breach.

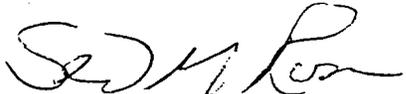
**AUTHORIZATION
CONSULTING SERVICE AGREEMENT**

IN WITNESS WHEREOF, the COUNTY's Board of Supervisors and CONSULTANT have each caused this Agreement to be executed by its duly authorized officer(s) and/or representative(s).

COUNTY OF LOS ANGELES

By _____
Gloria Molina
Chair

KPMG LLP

By 

Title Principal

KPMG LLP represents and warrants that the signatory to this Agreement is fully authorized to obligate KPMG LLP hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

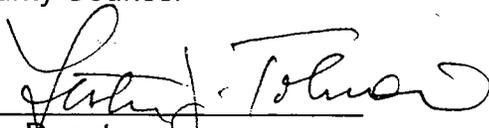
ATTEST:

VIOLET VARUNA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By 
Deputy

AGREEMENT FOR CONSULTANT SERVICES

CONTRACT NO. _____

This Agreement is made and entered into this _____ day of _____, 2005

by and between County of Los Angeles (hereinafter, the "COUNTY") and MERCER HUMAN RESOURCE CONSULTING, 777 South Figueroa Street, suite 1900, Los Angeles, CA 90017 (hereinafter, the "CONSULTANT"), based upon the following recitals:

- A. WHEREAS, COUNTY desires to compensate County employees in a manner that attracts, retains, and motivates qualified personnel at the least possible cost; and
- B. WHEREAS, the provision of such compensation requires special skills and expertise in the area of compensation, employee benefit administration and actuarial services; and
- C. WHEREAS, CONSULTANT is specially trained and licensed and possesses skills, experience, education, and competency necessary to assist County with its compensation, employee benefit administration and actuarial needs; and
- D. WHEREAS, COUNTY, in accordance with California Government Code Section 31000, may enter into contracts for special services.

Based upon the foregoing recitals, all of which are hereby incorporated herein by this reference, the COUNTY and CONSULTANT agree as follows:

1.0 TERM

This Agreement shall commence on the later of (1) the date the Agreement is approved by the Los Angeles County Board of Supervisors or (2) September 1, 2005 and shall continue in full force and effect until the earlier of (1) the date occurring three (3) years after the Effective Date, or (2) the date this Agreement is terminated as provided herein. In the event of any early termination of this Agreement as provided herein, or upon expiration of this Agreement, CONSULTANT will assist COUNTY in arranging a smooth transition process; however, CONSULTANT's obligation and the obligation of its affiliates to provide services to COUNTY will cease upon the effective date of termination or expiration. The County shall have the sole option to extend the Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CAO.

2.0 ADMINISTRATION - COUNTY

2.1 COUNTY's Chief Administrative Officer or his authorized designee (hereinafter referred to as "CAO") shall have the authority to administer this Agreement.

2.1.1 COUNTY's Project Manager

2.1.2 COUNTY's Project Manager for this Agreement shall be the following person or his designee:

Manny Talamantes
Compensation Policy
Los Angeles County Chief Administrative Office
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 526
Los Angeles, CA 90012

Business telephone: (213) 974-2529
E-mail: mdtalamantes@cao.co.la.ca.us
Fax: (213) 621-3172

- 2.1.3 COUNTY shall notify CONSULTANT in writing of any change in the name or address of COUNTY's Project Manager.
- 2.1.4 COUNTY's Project Manager shall be responsible for COUNTY's performance of its tasks and ensuring CONSULTANT's compliance with this Agreement.
- 2.1.5 COUNTY's Project Manager shall meet or confer with CONSULTANT's on an as needed basis.
- 2.1.6 Except as expressly set forth in this Agreement, COUNTY's Project Manager is not authorized to make any changes in any of the terms or conditions of this Agreement and is not authorized to obligate COUNTY in any respect whatsoever.
- 2.1.7 COUNTY's Project Manager shall have the right at all times to inspect any and all work, tasks, Deliverables, goods, services, and/or other consideration provided by or on behalf of CONSULTANT.
- 2.1.8 COUNTY's Project Manager shall be responsible for confirming that any technical standards and/or other requirements of CONSULTANT's performance under this Agreement are met.

3.0 ADMINISTRATION - CONSULTANT

3.1 CONSULTANT's shall designate in writing a person who shall have the authority to administer this Agreement.

3.1.1 CONSULTANT's Project Manager shall be responsible for CONSULTANT's performance and assuring CONSULTANT's compliance with this Agreement.

3.1.2 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager as required.

3.1.3 CONSULTANT's Project Manager shall be responsible for CONSULTANT's day-to-day activities as related to this Agreement and for reporting to COUNTY in the manner set forth in Subsection 3.3 (Reports by CONSULTANT).

3.1.4 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager on an as needed basis.

3.2 Approval of CONSULTANT's Staff

3.2.1 COUNTY has the absolute right to approve or disapprove each member or proposed member of CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager, prior to, and during, their performing any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. COUNTY's Project Manager may require replacement of any member of CONSULTANT's staff performing, or offering to perform, work hereunder, including, but not limited to, CONSULTANT's Project Manager.

3.2.2 CONSULTANT represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager.

3.2.3 CONSULTANT shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.2.4 In fulfillment of its responsibilities under this Agreement, CONSULTANT shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, and tasks required by this Agreement.

3.2.5 CONSULTANT shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with the Statements of Work.

3.2.6 In the event CONSULTANT should ever need to remove any staff from performing work under this Agreement, CONSULTANT shall provide COUNTY with notice at least fifteen (15) calendar days in advance, except in circumstances in which such notice is not possible, and shall work with COUNTY on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.3 Reports by CONSULTANT

3.3.1 In order to control expenditures and to provide COUNTY with ongoing information as to all Deliverables, CONSULTANT shall, if specifically requested by COUNTY's Project Manager, provide COUNTY's Project Manager with written reports which shall include but not be limited to, the following information:

- A. Period covered by the report;
- B. Overview of the reporting period;
- C. Any services scheduled for the reporting period which were not completed;
- D. Any services for the reporting period which were completed;
- E. Any services completed in the reporting period which were not scheduled;
- F. Any services to be completed in the next reporting period;
- G. Issues to be resolved;
- H. Issues resolved;
- I. Summary of project status as of reporting date; and
- J. Any other information which COUNTY may from time-to-time require.

3.3.2 CONSULTANT shall deliver one (1) hard copy of each of such report, together with a formal transmittal letter to COUNTY's Project Manager executed by CONSULTANT's Project Manager, and CONSULTANT shall also deliver a second copy of each such report electronically via e-mail.

4.0 STATEMENT OF WORK

CONSULTANT agrees to provide employee benefit consulting services as requested by the CAO, or the Director of Personnel or his or her designee (hereinafter both shall be referred to as "CAO" or "DOP" respectively). Such services may include, but not be limited to the following:

4.1 Part 1 Compensation Consulting

Compensation consulting, will involve day-to-day advice and commentary on a wide variety of wage and salary issues affecting represented and/or non-represented employees, including overtime and other non-base pay issues, and may involve more extensive in-depth consulting on special projects involving wage and salary issues. Part 1 work may include, but not be limited to the following:

- 4.1.1 Advice and commentary on community compensation practices and trends.
- 4.1.2 Advice and commentary on County pay policy for specific benchmark jobs and/or occupational groups.
- 4.1.3 Performance of salary studies for specific benchmark jobs, occupational groups, and/or organizational units, including job evaluation and classification studies.
- 4.1.4 Development of reward systems, including merit pay plans, incentive pay plans, and other special pay plans for specific occupational groups.
- 4.1.5 Development and/or provision of salary survey data for specific occupational benchmarks.
- 4.1.6 Organizational studies, re-engineering studies, evaluation and grading studies, and work systems and methods studies pertinent to the administration of the County's compensation program.
- 4.1.7 Training of County staff on compensation administration practices and techniques.

4.2 Part 2 Employee Benefit Consulting

Part 2 employee benefit consulting will involve both day-to-day advice and commentary and special project consulting on various employee benefit issues affecting represented and/or non-represented employees. Part 2 work may include, but not be limited to the following:

- 4.2.1 Advice and commentary on regional and national employee benefit practices and trends. The consultant selected to provide Part 2 work will be expected to familiarize itself with the existing County employee benefit practices applicable to represented and non-represented employees and be prepared to respond on short notice, if necessary, to questions from the County on virtually any employee benefit issue. This consultant will also be expected to be proactive in informing the County on cost trends, regulatory changes, or other events that could impact the cost of the County's employee benefit program. This type of interaction may be expected to frequently involve quick turnaround telephonic or in-person discussions.
- 4.2.2 Group insurance consulting which may include, but not be limited to the following:
- 4.2.2.1 Leading County staff in the annual premium rate renewal negotiations with the various insurance carriers for the County's group health and dental plans, a group term life plan, and a group accidental death and dismemberment plan. This effort will involve serving as the point of contact for all insurance carriers, organizing and leading the negotiations meetings, providing necessary actuarial assistance, and working in a collaborative manner with employee representatives and consultants to employee representatives who may participate in this process.
 - 4.2.2.2 Leading the periodic marketing of the County's group insurance plans at the direction of the County.
 - 4.2.2.3 Assisting the County in determining the appropriate plan design and funding methodology for the group health and dental plans.
 - 4.2.2.4 Assisting the County in determining the appropriate plan design, County and employee contribution rates, and level of funding for the County's self-funded short-term and long-term disability plans and survivor income benefit plan.
 - 4.2.2.5 Advising the County regarding Medicare changes and other issues pertaining to the cost of retiree health care.
 - 4.2.2.6 Assisting the County with any issues that may arise concerning insurance programs not currently offered by the County such as universal life insurance and long-term care.
- 4.2.3 Assisting the County with the analysis of State and Federal legislation affecting the employee benefit program.

4.2.4 Assisting the County in responding to collective bargaining issues relating to employee benefits. This may entail presenting information and answering related questions at the bargaining table in union negotiation sessions or at other meetings where union representatives are actively involved and working collaboratively outside of formal meetings with union representatives and/or consultants to the unions.

4.2.5 Other special project consulting on employee benefit issues including, but not limited to the following:

4.2.5.1 Cafeteria plan design and administration, including regulatory compliance.

4.2.5.2 Paid leave benefit design and administration.

4.2.5.3 Defined benefit retirement plan design and funding.

4.2.5.4 Defined contribution retirement plan design and administration, including advice and commentary on asset management.

4.2.5.5 Employee communications regarding the employee benefit program.

4.3 Part 3 Actuarial Consulting Services

Although actuarial services may be provided as an integral part of the services described under Part 2, the County is desirous of having access to additional actuarial services where independent actuarial estimates or an independent actuarial point of view for a particular issue or project is deemed appropriate by the County. The actuarial specialties included under Part 3 include group insurance, pension, and workers' compensation actuarial consulting.

4.4 Consulting services provided pursuant to this Agreement shall be provided only when requested by CAO or DOP. It is mutually understood that COUNTY has not offered and cannot guarantee any minimum level of work under this Agreement.

5.0 **CONSIDERATION**

5.1 COUNTY agrees to pay CONSULTANT on a time and expense basis based on:

A. The number of hours actually worked by CONSULTANT;

B. The type and level of staff who perform the work;

C. The following schedule of hourly rates:

	HOURLY RATES 9/1/2005-8/31/2008
Principals	\$350 - \$450
Associates	\$275 - \$370
Consultants	\$200 - \$275
Analysts	\$150 - \$200
Administrative Support Staff	6% of consulting fees
Technology Support	7% of consulting fees

5.1.1 Upon request of the CAO or DOP, CONSULTANT shall provide CAO or DOP with 1) the billing titles and precise hourly billing rates CONSULTANT intends to use for any work requested by CAO or DOP pursuant to this Agreement, and/or 2) the estimated total cost of such work.

5.2 Subject to approval by COUNTY's Project Manager, CONSULTANT may, in addition to the hourly charges set forth in 5.0 (5.1) (A), charge for out-of-pocket costs necessary for a) mail and courier services, b) parking, c) photocopying (other than minor photocopying), and d) out-of-town travel, including air and ground transportation, lodging, meals, and portage. All such costs, if approved, shall be billed at actual cost; provided, however, that, in no event, may out-of-town travel charges exceed the expense limitations imposed by COUNTY on COUNTY employees who travel on COUNTY business. Any other out-of-pocket expenses not otherwise specified in this Subparagraph 5.2 shall not be charged to COUNTY unless specifically approved by COUNTY's Project Manager.

5.3 CONSULTANT shall invoice COUNTY monthly in arrears. Charges for billable time shall be calculated in increments of not less than fifteen (15) minutes. All invoices shall provide the following detail:

- A. The date or dates the services were provided.
- B. The names, billing titles, and hourly billing rates of the individuals who performed the work.
- C. The name of the COUNTY officer or employee who requested the work.
- D. A brief description of the work performed.
- E. Detail on out-of-pocket expenses sufficient to establish such expenses conform with the terms of this Agreement.

5.4 In no event shall CONSULTANT charge COUNTY for travel time, including time spent in air or ground transportation unless specifically approved in writing, in advance, by COUNTY's Project Manager.

5.5 Upon receipt of an invoice, or further information regarding an invoice, COUNTY's Project Manager may reasonably reject or accept all or any part of invoiced costs. COUNTY shall pay invoiced costs accepted by the COUNTY's Project Manager promptly thereafter. CONSULTANT shall be notified by the COUNTY's Project Manager, in writing, of the invoiced costs rejected, and the reason or reasons for such rejection, and be given an opportunity to provide further information.

5.6 Notwithstanding any other provision of this paragraph 5.0, CONSULTANT and CAO, or DOP as the case may be, may mutually agree in advance on a maximum total charge for all services and out-of-pocket expenses related to particular project or other specific work authorized by CAO or DOP pursuant to this Agreement.

6.0 NON-APPROPRIATION OF FUNDS

6.1 COUNTY'S obligation is payable only and solely from the funds appropriated for the purpose of this Agreement.

6.2 All funds for payments after June 30th of the current fiscal year are subject to COUNTY'S legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action.

6.3 In the event that this Agreement extends into a succeeding fiscal year period, and if the governing body appropriating the fund does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30th of the then current fiscal year. The COUNTY's Project Manager shall endeavor to notify CONSULTANT in writing of such non-allocation at the earliest possible date.

7.0 EMPLOYMENT ELIGIBILITY VERIFICATION

7.1 CONSULTANT represents and warrants that it fully complies with all applicable statutes and regulations regarding employment eligibility of aliens and others, that all persons performing services under this Contract are eligible for employment in the United States. Any such failure to comply by CONSULTANT shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

7.2 CONSULTANT represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONSULTANT shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.

7.3 CONSULTANT shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability

which may be assessed against the COUNTY or CONSULTANT in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens by CONSULTANT while performing services hereunder.

8.0 NONDISCRIMINATION IN EMPLOYMENT

8.1 CONSULTANT certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, in compliance with all applicable federal and state anti-discrimination laws and regulations.

8.2 CONSULTANT shall certify to, and comply with, the provisions of Exhibit (CONSULTANT's EEO Certification).

8.3 CONSULTANT shall ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental disability 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, without limitation, apprenticeship.

8.4 CONSULTANT certifies and agrees that it will deal with its bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability.

8.5 CONSULTANT certifies and agrees that it, its affiliates, subsidiaries or holding companies under common control, shall comply with all applicable federal and state laws and regulations, including, but not limited to:

A. Title VII, Civil Rights Act of 1964;

B. Section 504, Rehabilitation Act of 1973; C. Age Discrimination Act of 1975;

C. Age Discrimination Act of 1975;

D. Title IX, Education Amendments of 1973, as applicable; and

E. Title 43, Part 17, Code of Federal Regulations, Subparts A & B; and that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

F. California Fair Employment and Housing Act.

- 8.6. CONSULTANT shall allow federal representatives access to CONSULTANT's employment records during regular business hours to verify compliance with the above-referenced laws.
- 8.7 If any provision of this Section 8.0 has been violated, such violation shall, at the election of COUNTY, constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement.
- 8.8 The parties agree that in the event CONSULTANT violates any portion of this Section 8.0 and/or any other anti-discrimination provisions of this Agreement, COUNTY shall, at its option, be entitled to the sum of Five Thousand Dollars (\$5,000) from CONSULTANT for each such violation pursuant to California *Civil Code* Section 1671 as liquidated damages in lieu of terminating this Agreement.

9.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONSULTANT hereby represents and warrants that no persons shall, on the grounds of race, creed, color, religion, ancestry, national origin, political affiliation, marital status, sex, age or disability, be subjected to discrimination under the privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

10.0 FAIR LABOR STANDARDS ACT

CONSULTANT shall comply with all applicable provisions of the Federal Fair Labor Standards Act and State of California Wage and Hour Regulations, and shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents 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 services performed by CONSULTANT's employees.

11.0 COMPLIANCE WITH LAWS

- 11.1 The CONSULTANT shall conform to and abide by all applicable Federal, State, County and Municipal laws, rules, regulations or ordinances, directives and all provisions required thereby to be included herein, are hereby incorporated by reference.
- 11.2 The CONSULTANT agrees to indemnify and hold COUNTY harmless from any loss, damage or liability resulting from a violation by CONSULTANT, its employees, authorized agents or subcontractors of such laws, rules, regulations or ordinances and directives.

12.0 INDEMNIFICATION

Notwithstanding any provision of this Agreement to the contrary, either expressly or by implication, CONSULTANT shall indemnify, defend, and hold harmless COUNTY, its districts administered by COUNTY, and their elected and appointed

officers, employees, and agents, from and against any and all liability, including but not limited to any claim, demand, action, proceeding, damage, loss, fee (including attorney's fees and expert witness fees), costs, and/or expenses, arising from and/or in any way related to any of the act(s) and/or omission(s) of CONSULTANT, CONSULTANT's agent(s), employee(s), and/or any Subcontractor(s).

13.0 INDEPENDENT CONTRACTOR STATUS

13.1 This Agreement is by and between CONSULTANT and COUNTY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CONSULTANT and COUNTY. 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. CONSULTANT shall function as, and in all respects is, an independent contractor.

13.2 CONSULTANT shall be solely liable and responsible for providing to, or on behalf of, all persons performing work for CONSULTANT pursuant to this Agreement all compensation and benefits. 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 CONSULTANT.

13.3 CONSULTANT understands and agrees that all persons performing work for CONSULTANT pursuant to this Agreement are, for all purposes, and in particular for purposes of workers' compensation liability, the sole employees of CONSULTANT and not employees of COUNTY. CONSULTANT 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 CONSULTANT pursuant to this Agreement.

14.0 CHANGES TO KEY PERSONNEL AND SUCCESSOR TO CONSULTANT

CONSULTANT shall immediately notify COUNTY in writing of any changes in key personnel within its organization if such personnel are involved in providing services hereunder. If CONSULTANT is a partnership, CONSULTANT shall promptly notify COUNTY of changes in CONSULTANT's partners. If CONSULTANT is a corporation, CONSULTANT shall promptly notify COUNTY of all material changes in ownership which affect or may affect CONSULTANT's performance hereunder.

15.0 RESTRICTIONS ON LOBBYING

CONSULTANT and each COUNTY lobbyist or COUNTY lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by CONSULTANT, shall fully comply with COUNTY Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of CONSULTANT or any COUNTY lobbyist or COUNTY lobbying firm retained by CONSULTANT to fully comply with COUNTY

Lobbyist Ordinance shall constitute a material breach of this Agreement upon which COUNTY may immediately terminate or suspend this Agreement.

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position with 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 CONSULTANT or have any other direct or indirect financial interest in this Agreement. No officer or employee of CONSULTANT, who may financially benefit from the performance of work hereunder, shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

16.2 CONSULTANT 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. CONSULTANT warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONSULTANT 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.

17.0 DELEGATION AND ASSIGNMENT

CONSULTANT shall not delegate its duties and/or assign its rights under this Agreement, either in whole or in part, without the prior written consent of COUNTY. Any unauthorized delegation and/or assignment by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the agreement.

18.0 RIGHT TO USE WRITINGS AND OTHER WORKS

18.1 COUNTY obtains the right to use, duplicate and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT specifically and exclusively for COUNTY as a result of their activities supported by this Agreement.

18.2 CONSULTANT retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT as a result of its activities supported by this Agreement subject to the ENDORSEMENT paragraph below. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT

during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

19.0 ENDORSEMENT

CONSULTANT shall not, in any manner, advertise, publish or represent that COUNTY endorses the goods or services herein mentioned without the prior written consent of COUNTY's Project Manager. Any published document by CONSULTANT referencing COUNTY in such manner must have prior written consent of COUNTY's Project Manager.

20.0 PROPRIETARY CONSIDERATIONS

- 20.1 COUNTY and CONSULTANT agree that all intellectual property, including but not limited to materials, plans, reports, acceptance test criteria, acceptance test plans, Deliverables, data, and information (hereafter in this Section 20 collectively "Materials") developed under this Agreement for delivery to COUNTY and financed exclusively by COUNTY funds, and all copyrights, patent rights, trade secret rights, title, interest, and other proprietary rights therein (collectively, "Rights") shall be the sole property of COUNTY, and CONSULTANT hereby assigns and transfers to COUNTY all CONSULTANT's Rights to all such Materials developed under this Agreement, provided that notwithstanding such COUNTY ownership, CONSULTANT may retain possession of all working papers prepared by CONSULTANT. During and for a minimum of five (5) years subsequent to the term of this Agreement, CONSULTANT shall retain any and all such Materials. COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.
- 20.2 Upon request of COUNTY, CONSULTANT shall execute all documents requested by COUNTY and shall perform all other acts requested by COUNTY to assign and transfer to, and vest in, COUNTY all CONSULTANT's Rights in and to the Materials. COUNTY shall have the right to register all Rights in the name of the County of Los Angeles. Further, COUNTY shall have the right to assign, license, or otherwise transfer any and all of COUNTY's Rights in and to the Materials.
- 20.3 As requested in writing by COUNTY's Project Manager, CONSULTANT shall affix the following notice to Materials developed under this Agreement: "©Copyright 2002 (or such other date of first publication), County of Los Angeles. All Rights Reserved". CONSULTANT shall affix such notice as directed by COUNTY.
- 20.4 During the term of this Agreement and for five (5) years thereafter, CONSULTANT shall maintain and provide security for all CONSULTANT's working papers prepared under this Agreement.
- 20.5 CONSULTANT shall protect the security of and keep confidential all Materials obtained or developed under this Agreement. Further, CONSULTANT shall use whatever security measures that are reasonably necessary to protect all such Materials from loss or damage by any cause, including, but not limited to, fire and theft.

20.6 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.

20.7 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any Confidential Material of COUNTY without COUNTY's prior written consent except in furtherance of the services to be provided hereunder, which may include in the normal course of business the release to insurers and other financial institutions of Confidential Material relevant to the underwriting and/or evaluation of COUNTY's risks and the processing of its claims, provided that such insurers and financial institutions consent, in advance, in writing to maintain the confidential nature of such information.

20.8 The provisions of Sections 20.0 shall survive the expiration or termination of this Agreement.

21.0 TRADE SECRETS

Recognizing that it may be impractical and/or impossible for COUNTY to safeguard trade secrets, confidential materials, and/or proprietary information of CONSULTANT, if any, CONSULTANT shall and does hereby keep and bear COUNTY harmless from any and all liabilities, damages, costs, and expenses by reason of any legally required disclosure by COUNTY of trade secrets, confidential materials, and/or proprietary information. COUNTY staff shall provide CONSULTANT with reasonable notice prior to such disclosure to enable CONSULTANT to challenge such disclosure.

22.0 CONFIDENTIALITY

22.1 CONSULTANT acknowledges and agrees that the following materials, documents, data, and other information of COUNTY (collectively, "Confidential Material") are deemed to be privileged, proprietary, and/or confidential:

- A. Workers' Compensation records;
- B. Medical records;
- C. COUNTY Employment records;
- D. Criminal records;
- E. Welfare recipient records;
- F. Data and/or information pertaining to entities and/or persons receiving services from the COUNTY; and

G. Any and all reports developed by CONSULTANT and/or its Subcontractor(s) under this Agreement.

22.2 CONSULTANT shall protect the security of and keep confidential any and all Confidential Material.

22.3 In accordance with all applicable federal, state, and local laws, regulations, ordinances, and directives relating to confidentiality, CONSULTANT shall ensure that its agent(s), representative(s), employee(s), and/or Subcontractor(s) follow such laws to the extent applicable.

22.4 With respect to Confidential Material concerning any child dependency matter that is obtained by CONSULTANT, CONSULTANT shall: (1) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to COUNTY all requests for disclosure of any such information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than COUNTY without COUNTY's prior written authorization that the information is releasable (except for Subcontractors); and (4) at the expiration or termination of this Agreement, return all such information to COUNTY or maintain such information according to the written procedures sent to CONSULTANT by COUNTY for this purpose.

22.5 CONSULTANT warrants and represents that only those CONSULTANT and/or Subcontractor personnel required to perform the Services shall have access to COUNTY Confidential Materials.

22.6 The provisions of this Section 22.0 shall survive the expiration or other termination of this Agreement.

23.0 NOTICE OF DELAYS

CONSULTANT shall have no liability for any failure or delay in performance of its obligation under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, terrorist acts, civil disturbances, sabotage, accidents, unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on CONSULTANT's server, or any inability to transmit or receive information over the internet, nor shall any such failure or delay give COUNTY the right to terminate this Agreement. Whenever CONSULTANT has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Agreement, CONSULTANT shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to COUNTY.

24.0 RESPONSIBILITY FOR DOCUMENTS

- 24.1 All documents, plans, drafts, and final reports, masters, work papers, memoranda, graphics, electronic media and other materials including duplicates thereof generated or compiled specifically and exclusively for COUNTY pursuant to this Agreement which are delivered to COUNTY hereunder are instruments of professional services but shall remain the exclusive Property of COUNTY which the COUNTY may use for any purpose; provided, however, that CONSULTANT may choose, at its option, to retain copies of such materials in accordance with Section 20.0 of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its own proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.
- 24.2 If CONSULTANT requires any information or services from COUNTY to enable CONSULTANT to perform the work covered by this Agreement, CONSULTANT may request the same in writing, to which COUNTY will respond within a reasonable time. Except for any items to be provided and/or other performance required by the COUNTY as specified within this Agreement, there are no matters or items required to be furnished or performed by COUNTY. CONSULTANT should be permitted to assume the information COUNTY supplies (or which is supplied on its behalf) is accurate and complete. Consultant's responsibilities (and the associated project fees) should not include independent verification of required information. Problems with information quality and/or delays in providing such information may result in a delay in the project delivery date or an increase in fees as mutually agreed between the parties.

25.0 TERMINATION FOR DEFAULT

- 25.1 By written notice of default ("Notice of Default") served upon the other party, the whole or any part of this Agreement may be terminated in any of the following circumstances of default:
- A. By either party if the other party violates a provision of this Agreement which by its terms herein is specified to be a material breach; or
 - B. By either party if the other party fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of thirty (30) calendar days (or such longer period as the party giving such Notice of Default may authorize in writing).
- 25.2 Notwithstanding any provision of this Agreement to the contrary, any and all rights and/or remedies provided in this Section 25.0, as well as throughout this

Agreement, shall not be exclusive and are in addition to any and all other rights and/or remedies provided at law, in equity, and/or under this Agreement.

26.0 TERMINATION FOR CONVENIENCE

26.1 The COUNTY may terminate this Agreement when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination shall be effected by delivery of a notice of termination to CONSULTANT specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than fifteen (15) calendar days after the notice is sent, provided that in the event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 25.0 (Termination for Default) and it has later been determined that CONSULTANT was not in default, no additional notice shall be required upon such determination.

26.2 Upon service of a notice of termination, and except as otherwise directed by COUNTY, the CONSULTANT shall:

- A. Stop work under this Agreement on the date specified in such notice; and
- B. Transfer to COUNTY, to the extent not previously transferred to COUNTY, all rights to all Materials pursuant to the terms of this Agreement.

26.3 Nothing in this Section 26.0 shall be deemed to prejudice any right of CONSULTANT to make a claim against COUNTY in accordance with applicable law and regular COUNTY procedures for payment for any completed Statement of Work through the effective date of COUNTY's termination of this Agreement for convenience.

27.0 TERMINATION FOR IMPROPER CONSIDERATION

27.1 COUNTY may, by written notice to CONSULTANT, immediately terminate the right of CONSULTANT to proceed under this Agreement if consideration in any form was offered or given by CONSULTANT, 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 CONSULTANT's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONSULTANT as it could pursue in the event of default of CONSULTANT.

27.2 CONSULTANT shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controllers Employee Fraud Hotline at (213) 974-0914.

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

28.0 AUTHORIZATION WARRANTY

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

29.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Agreement shall be construed in accordance with and governed by the substantive and procedural laws of the State of California. Any action and/or proceeding arising out of and/or relating to this Agreement shall be filed and maintained exclusively in the County of Los Angeles, State of California, except for those matters over which the Federal District Court may have jurisdiction, which may be filed and maintained in the Federal District Court, Central District, State of California.

30.0 WAIVER

No waiver of any breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

31.0 SEVERABILITY

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

32.0 COVENANT AGAINST CONTINGENT FEES

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

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

33.0 RECORD RETENTION AND INSPECTION

CONSULTANT agrees that COUNTY's Project Manager or any duly authorized representative shall have access to and the right to examine, audit, excerpt, copy, or transcribe in a reasonable manner any pertinent transaction, activity, time card, or other records relating to this Agreement. Such material, including all pertinent cost, accounting, financial records, and proprietary data, must be kept and maintained by CONSULTANT for a period of three (3) years after completion of the Agreement unless CAO's written permission is given to dispose of material prior to this time.

34.0 COUNTY'S QUALITY ASSURANCE PLAN

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

35.0 SUBCONTRACTING

No performance of this Agreement or any portion thereof may be subcontracted by CONSULTANT without the express written consent of the COUNTY. Any unauthorized subcontracting by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

36.0 CONSIDERATION OF COUNTY EMPLOYEES IN HIRING

Should CONSULTANT require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONSULTANT shall give fair 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.

37.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should CONSULTANT require additional or replacement personnel after the Effective Date, CONSULTANT shall give consideration for any such employment opening to participants in COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet CONSULTANT's minimum qualifications for the open position. COUNTY will refer GAIN participants by job category to CONSULTANT.

38.0 INSURANCE REQUIREMENTS

38.1 Without limiting CONSULTANT's obligations of indemnification and defense of COUNTY, and during the term of this Agreement, CONSULTANT shall maintain, and shall require any of its subcontractors to maintain, the programs of insurance specified in Section 38.8, below. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be maintained at CONSULTANT's own expense.

38.2 Evidence of Insurance: Certificate(s) of insurance shall be delivered to the following COUNTY contract manager prior to commencing services under this Agreement:

County of Los Angeles
Chief Administrative Officer
500 West Temple Street, Room 526
Los Angeles, CA 90012
Attention: Manny Talamantes

Such certificates shall:

- A. Specifically identify this Agreement.
- B. Clearly evidence all coverages required in this Agreement.
- C. Contain the express condition that COUNTY are to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
- D. Evidence that the COUNTY, its special districts, officials, officers, fiduciaries, and employees are included as additional insureds on the commercial general liability policy as insured for all activities for their vicarious liability arising from CONSULTANT's provision of services under this Agreement.
- E. Identify any deductibles or self-insured retentions. All such deductibles or self-insured retentions shall be the responsibility of CONSULTANT.

38.3 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.

38.4 Failure to Maintain Coverage: Failure by CONSULTANT to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONSULTANT resulting from said breach.

38.5 Notification of Incidents, Claims or Suits: CONSULTANT shall report to COUNTY:

- A. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONSULTANT and/or COUNTY. Such report shall be made in writing within 24 hours of CONSULTANT's first knowledge of the accident or incident;
- B. Any third party claim or lawsuit filed against CONSULTANT arising from or related to services performed by CONSULTANT under this Agreement;
- C. Any injury to a CONSULTANT employee which occurs on COUNTY property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager; and
- D. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONSULTANT under the terms of this Agreement.

38.6 Compensation for County Costs: In the event that CONSULTANT fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONSULTANT shall pay full compensation for all costs incurred by COUNTY.

38.7 Insurance Coverage Requirements for Sub-contractors: CONSULTANT shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- A. CONSULTANT providing evidence of insurance covering the activities of subcontractors, or
- B. CONSULTANT providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

38.8 Specific Insurance Coverage Requirements:

- A. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

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

- B. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."

C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONSULTANT is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONSULTANT, its officers or employees with limits of not less than \$1 million per claim and \$3 million aggregate. The coverage also shall provide an extended one year reporting period commencing upon termination or cancellation of this Agreement.

E. Basic Health Insurance and Benefits - CONSULTANT will provide basic health coverage for employees of CONSULTANT who perform work under the provisions of this Agreement.

39.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement any licenses, permits, registrations, accreditations, and certificates required by any federal, state, and local laws, ordinances, rules, regulations, guidelines, and directives, which are applicable to CONSULTANT for its services under this Agreement. CONSULTANT further warrants and represents that all of its officers, employees, agents, and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to them for their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines, and directives shall be provided, in duplicate, to COUNTY's Project Manager as specifically requested by COUNTY.

40.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

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

40.2 CONSULTANT is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of CONSULTANT on this or other contracts which indicates that CONSULTANT is not responsible, COUNTY may, in addition to other remedies provided in this Agreement, debar CONSULTANT from bidding on COUNTY contracts for a

specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONSULTANT may have with COUNTY.

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

40.4 If there is evidence that CONSULTANT may be subject to debarment, COUNTY's CAO and/or COUNTY's Internal Services Department will notify CONSULTANT in writing of the evidence which is the basis for the proposed debarment and will advise CONSULTANT of the scheduled date for a debarment hearing before COUNTY's Contractor Hearing Board.

40.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONSULTANT and/or CONSULTANT's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONSULTANT should be debarred, and if so, the appropriate length of time of the debarment. If CONSULTANT fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, CONSULTANT may be deemed to have waived all rights of appeal.

40.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to COUNTY's Board of Supervisors. COUNTY's Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

40.7 These terms shall also apply to any and all subcontractors of COUNTY contractors.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONSULTANT 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 1015.

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

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

42.2 As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONSULTANT's duty under this Agreement to comply with all applicable provisions of law, CONSULTANT warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653 (a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706-031 and Family Code Section 5246 (b).

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

Failure of CONSULTANT to maintain compliance with the requirements set forth in Section 42.0 (CONSULTANT's Warranty of Adherence to COUNTY's Child Support Compliance Program) shall constitute a default by CONSULTANT under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be grounds upon which COUNTY's Board of Supervisors may terminate this Agreement pursuant to Section 25.0 (Termination for Default).

44.0 CONSULTANT'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONSULTANT acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONSULTANT understands that it is COUNTY's policy to encourage all COUNTY contractors to voluntarily post COUNTY's "L.A's Most Wanted: Delinquent Parents" poster in a prominent position at CONSULTANT's place of business. COUNTY's District Attorney will supply CONSULTANT with the poster to be used.

45.0 MERGER CLAUSE

45.1 This base document, along with Exhibits A and B, described in Subsection 45.2, but not attached hereto, collectively form, and are throughout referred to as the "Agreement."

45.2 In the event of any conflict and/or inconsistency in the definition and/or interpretation of any word, responsibility, schedule, and/or the contents and/or description of any task, subtask, deliverable, service, and/or otherwise, between and/or among this based document and the Exhibits, such conflict and/or

inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:

- A. COUNTY's Request for Proposal, dated June 14, 2005.
- B. CONSULTANT's Proposal, received on or before June 22, 2005.

45.3 This Agreement constitutes the complete and exclusive statement of understanding between the parties, which supersedes any and all previous agreements, whether written or oral, and all prior and/or contemporaneous other communications between the parties and/or writings relating to the subject matter of this Agreement. Any changes and/or modifications to this Agreement must be in writing and formally adopted and executed in the same manner as this Agreement to be enforceable.

46.0 ARMS' LENGTH NEGOTIATIONS

This Agreement is the product of COUNTY's competitive procurement and an arms' length negotiation between COUNTY and CONSULTANT, during which each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly between the parties, and not more strictly construed against either party as the drafter.

47.0 COMPLIANCE WITH JURY SERVICE PROGRAM

- A. Jury Service Program.

This Contract 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.

- B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from 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.
2. For purposes of this section, "contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "employee" means any California resident who is a full time

employee of contractor. "full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by 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 contractor uses any subcontractor to perform services for the county under the contract, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such subcontract agreement and a copy of the jury service program shall be attached to the agreement.

3. If contractor is not required to comply with the jury service program when the contract commences, contractor shall have a continuing obligation to review the applicability of its "exception status" from the jury service program, and contractor shall immediately notify county if contractor at any time either comes within the jury service program's definition of "contractor" or if contractor no longer qualifies for an exception to the program. In either event, contractor shall immediately implement a written policy consistent with the jury service program. The county may also require, at any time during the contract and at its sole discretion, that contractor demonstrate to the county's satisfaction that contractor either continues to remain outside of the jury service program's definition of "contractor" and/or that contractor continues to qualify for an exception to the program.
4. Contractor's violation of this section of the contract may constitute a material breach of the contract. In the event of such material breach, county may, in its sole discretion, terminate the contract and/or bar contractor from the award of future county contracts for a period of time consistent with the seriousness of the breach.

AUTHORIZATION
CONSULTING SERVICE AGREEMENT

IN WITNESS WHEREOF, the COUNTY's Board of Supervisors and CONSULTANT have each caused this Agreement to be executed by its duly authorized officer(s) and/or representative(s).

COUNTY OF LOS ANGELES

MERCER HUMAN RESOURCE
CONSULTING

By _____
Gloria Molina
Chair

By 
Title Principal

Mercer Human Resource Consulting represents and warrants that the signatory to this Agreement is fully authorized to obligate Mercer Human Resource Consulting hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

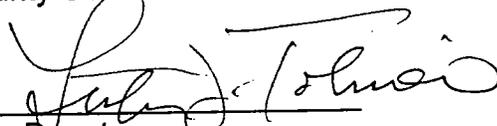
ATTEST:

VIOLET VARUNA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By 
Deputy

AGREEMENT FOR CONSULTANT SERVICES

CONTRACT NO. _____

This Agreement is made and entered into this _____ day of _____, 2005

by and between County of Los Angeles (hereinafter, the "COUNTY") and REWARD STRATEGY GROUP, INC., 9276 Scranton Road, Suite 120, San Diego, CA 92121 (hereinafter, the "CONSULTANT"), based upon the following recitals:

- A. WHEREAS, COUNTY desires to compensate County employees in a manner that attracts, retains, and motivates qualified personnel at the least possible cost; and
- B. WHEREAS, the provision of such compensation requires special skills and expertise in the area of compensation; and
- C. WHEREAS, CONSULTANT is specially trained and licensed and possesses skills, experience, education, and competency necessary to assist County with its compensation needs; and
- D. WHEREAS, COUNTY, in accordance with California Government Code Section 31000, may enter into contracts for special services.

Based upon the foregoing recitals, all of which are hereby incorporated herein by this reference, the COUNTY and CONSULTANT agree as follows:

1.0 TERM

This Agreement shall commence on the later of (1) the date the Agreement is approved by the Los Angeles County Board of Supervisors or (2) September 1, 2005 and shall continue in full force and effect until the earlier of (1) the date occurring three (3) years after the Effective Date, or (2) the date this Agreement is terminated as provided herein. In the event of any early termination of this Agreement as provided herein, or upon expiration of this Agreement, CONSULTANT will assist COUNTY in arranging a smooth transition process; however, CONSULTANT's obligation and the obligation of its affiliates to provide services to COUNTY will cease upon the effective date of termination or expiration. The County shall have the sole option to extend the Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CAO.

2.0 ADMINISTRATION - COUNTY

2.1 COUNTY's Chief Administrative Officer or his authorized designee (hereinafter referred to as "CAO") shall have the authority to administer this Agreement.

2.1.1 COUNTY's Project Manager

2.1.2 COUNTY's Project Manager for this Agreement shall be the following person or his designee:

Manny Talamantes
Compensation Policy
Los Angeles County Chief Administrative Office
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 526
Los Angeles, CA 90012

Business telephone: (213) 974-2529
E-mail: mdtalamantes@cao.co.la.ca.us
Fax: (213) 621-3172

2.1.3 COUNTY shall notify CONSULTANT in writing of any change in the name or address of COUNTY's Project Manager.

2.1.4 COUNTY's Project Manager shall be responsible for COUNTY's performance of its tasks and ensuring CONSULTANT's compliance with this Agreement.

2.1.5 COUNTY's Project Manager shall meet or confer with CONSULTANT's on an as needed basis.

2.1.6 Except as expressly set forth in this Agreement, COUNTY's Project Manager is not authorized to make any changes in any of the terms or conditions of this Agreement and is not authorized to obligate COUNTY in any respect whatsoever.

2.1.7 COUNTY's Project Manager shall have the right at all times to inspect any and all work, tasks, Deliverables, goods, services, and/or other consideration provided by or on behalf of CONSULTANT.

2.1.8 COUNTY's Project Manager shall be responsible for confirming that any technical standards and/or other requirements of CONSULTANT's performance under this Agreement are met.

3.0 ADMINISTRATION - CONSULTANT

3.1 CONSULTANT's shall designate in writing a person who shall have the authority to administer this Agreement.

3.1.1 CONSULTANT's Project Manager shall be responsible for CONSULTANT's performance and assuring CONSULTANT's compliance with this Agreement.

3.1.2 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager as required.

3.1.3 CONSULTANT's Project Manager shall be responsible for CONSULTANT's day-to-day activities as related to this Agreement and for reporting to COUNTY in the manner set forth in Subsection 3.3 (Reports by CONSULTANT).

3.1.4 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager on an as needed basis.

3.2 Approval of CONSULTANT's Staff

3.2.1 COUNTY has the absolute right to approve or disapprove each member or proposed member of CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager, prior to, and during, their performing any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. COUNTY's Project Manager may require replacement of any member of CONSULTANT's staff performing, or offering to perform, work hereunder, including, but not limited to, CONSULTANT's Project Manager.

3.2.2 CONSULTANT represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager.

3.2.3 CONSULTANT shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.2.4 In fulfillment of its responsibilities under this Agreement, CONSULTANT shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, and tasks required by this Agreement.

3.2.5 CONSULTANT shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with the Statements of Work.

3.2.6 In the event CONSULTANT should ever need to remove any staff from performing work under this Agreement, CONSULTANT shall provide COUNTY with notice at least fifteen (15) calendar days in advance, except in circumstances in which such notice is not possible, and shall work with COUNTY on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.3 Reports by CONSULTANT

3.3.1 In order to control expenditures and to provide COUNTY with ongoing information as to all Deliverables, CONSULTANT shall, if specifically requested by COUNTY's Project Manager, provide COUNTY's Project Manager with written reports which shall include but not be limited to, the following information:

- A. Period covered by the report;
- B. Overview of the reporting period;
- C. Any services scheduled for the reporting period which were not completed;
- D. Any services for the reporting period which were completed;
- E. Any services completed in the reporting period which were not scheduled;
- F. Any services to be completed in the next reporting period;
- G. Issues to be resolved;
- H. Issues resolved;
- I. Summary of project status as of reporting date; and
- J. Any other information which COUNTY may from time-to-time require.

3.3.2 CONSULTANT shall deliver one (1) hard copy of each of such report, together with a formal transmittal letter to COUNTY's Project Manager executed by CONSULTANT's Project Manager, and CONSULTANT shall also deliver a second copy of each such report electronically via e-mail.

4.0 STATEMENT OF WORK

CONSULTANT agrees to provide employee benefit consulting services as requested by the CAO, or the Director of Personnel or his or her designee (hereinafter both shall be referred to as "CAO" or "DOP" respectively). Such services may include, but not be limited to the following:

4.1 Part 1 Compensation Consulting

Compensation consulting, will involve day-to-day advice and commentary on a wide variety of wage and salary issues affecting represented and/or non-represented employees, including overtime and other non-base pay issues, and may involve more extensive in-depth consulting on special projects involving wage and salary issues. Part 1 work may include, but not be limited to the following:

- 4.1.1 Advice and commentary on community compensation practices and trends.
- 4.1.2 Advice and commentary on County pay policy for specific benchmark jobs and/or occupational groups.
- 4.1.3 Performance of salary studies for specific benchmark jobs, occupational groups, and/or organizational units, including job evaluation and classification studies.
- 4.1.4 Development of reward systems, including merit pay plans, incentive pay plans, and other special pay plans for specific occupational groups.
- 4.1.5 Development and/or provision of salary survey data for specific occupational benchmarks.
- 4.1.6 Organizational studies, re-engineering studies, evaluation and grading studies, and work systems and methods studies pertinent to the administration of the County's compensation program.
- 4.1.7 Training of County staff on compensation administration practices and techniques.

- 4.2 Consulting services provided pursuant to this Agreement shall be provided only when requested by CAO or DOP. It is mutually understood that COUNTY has not offered and cannot guarantee any minimum level of work under this Agreement.

5.0 CONSIDERATION

5.1 COUNTY agrees to pay CONSULTANT on a time and expense basis based on:

- A. The number of hours actually worked by CONSULTANT;
- B. The type and level of staff who perform the work;
- C. The following schedule of hourly rates:

Consultant	Title for Billing Purposes	Hourly Rate
		<u>9/1/05 – 8/31/08</u>
Sandra Comrie	Executive Director	\$190
Allan Crecelius	President	\$190
Gerald Fredrick	Principal	\$170
Sally Kay McNitt	Senior Associate	\$130
Shannon Comrie	Research Associate	\$95

5.1.1 Upon request of the CAO or DOP, CONSULTANT shall provide CAO or DOP with 1) the billing titles and precise hourly billing rates CONSULTANT intends to use for any work requested by CAO or DOP pursuant to this Agreement, and/or 2) the estimated total cost of such work.

5.2 Subject to approval by COUNTY's Project Manager, CONSULTANT may, in addition to the hourly charges set forth in 5.0 (5.1) (A), charge for out-of-pocket costs necessary for a) mail and courier services, b) parking, c) photocopying (other than minor photocopying), and d) out-of-town travel, including air and ground transportation, lodging, meals, and portage. All such costs, if approved, shall be billed at actual cost; provided, however, that, in no event, may out-of-town travel charges exceed the expense limitations imposed by COUNTY on COUNTY employees who travel on COUNTY business. Any other out-of-pocket expenses not otherwise specified in this Subparagraph 5.2 shall not be charged to COUNTY unless specifically approved by COUNTY's Project Manager.

5.3 CONSULTANT shall invoice COUNTY monthly in arrears. Charges for billable time shall be calculated in increments of not less than fifteen (15) minutes. All invoices shall provide the following detail:

- A. The date or dates the services were provided.

- B. The names, billing titles, and hourly billing rates of the individuals who performed the work.
- C. The name of the COUNTY officer or employee who requested the work.
- D. A brief description of the work performed.
- E. Detail on out-of-pocket expenses sufficient to establish such expenses conform with the terms of this Agreement.

5.4 In no event shall CONSULTANT charge COUNTY for travel time, including time spent in air or ground transportation unless specifically approved in writing, in advance, by COUNTY's Project Manager.

5.5 Upon receipt of an invoice, or further information regarding an invoice, COUNTY's Project Manager may reasonably reject or accept all or any part of invoiced costs. COUNTY shall pay invoiced costs accepted by the COUNTY's Project Manager promptly thereafter. CONSULTANT shall be notified by the COUNTY's Project Manager, in writing, of the invoiced costs rejected, and the reason or reasons for such rejection, and be given an opportunity to provide further information.

5.6 Notwithstanding any other provision of this paragraph 5.0, CONSULTANT and CAO, or DOP as the case may be, may mutually agree in advance on a maximum total charge for all services and out-of-pocket expenses related to particular project or other specific work authorized by CAO or DOP pursuant to this Agreement.

6.0 NON-APPROPRIATION OF FUNDS

6.1 COUNTY'S obligation is payable only and solely from the funds appropriated for the purpose of this Agreement.

6.2 All funds for payments after June 30th of the current fiscal year are subject to COUNTY'S legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action.

6.3 In the event that this Agreement extends into a succeeding fiscal year period, and if the governing body appropriating the fund does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30th of the then current fiscal year. The COUNTY's Project Manager shall endeavor to notify CONSULTANT in writing of such non-allocation at the earliest possible date.

7.0 EMPLOYMENT ELIGIBILITY VERIFICATION

7.1 CONSULTANT represents and warrants that it fully complies with all applicable statutes and regulations regarding employment eligibility of aliens and others, that all persons performing services under this Contract are eligible for employment in the United States. Any such failure to comply by CONSULTANT shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

7.2 CONSULTANT represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONSULTANT shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.

7.3 CONSULTANT shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability which may be assessed against the COUNTY or CONSULTANT in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens by CONSULTANT while performing services hereunder.

8.0 NONDISCRIMINATION IN EMPLOYMENT

8.1 CONSULTANT certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, in compliance with all applicable federal and state anti-discrimination laws and regulations.

8.2 CONSULTANT shall certify to, and comply with, the provisions of Exhibit (CONSULTANT's EEO Certification).

8.3 CONSULTANT shall ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental disability 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, without limitation, apprenticeship.

8.4 CONSULTANT certifies and agrees that it will deal with its bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability.

8.5 CONSULTANT certifies and agrees that it, its affiliates, subsidiaries or holding companies under common control, shall comply with all applicable federal and state laws and regulations, including, but not limited to:

- A. Title VII, Civil Rights Act of 1964;
- B. Section 504, Rehabilitation Act of 1973; C. Age Discrimination Act of 1975;
- C. Age Discrimination Act of 1975;
- D. Title IX, Education Amendments of 1973, as applicable; and
- E. Title 43, Part 17, Code of Federal Regulations, Subparts A & B; and that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.
- F. California Fair Employment and Housing Act.

8.6. CONSULTANT shall allow federal representatives access to CONSULTANT's employment records during regular business hours to verify compliance with the above-referenced laws.

8.7 If any provision of this Section 8.0 has been violated, such violation shall, at the election of COUNTY, constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement.

8.8 The parties agree that in the event CONSULTANT violates any portion of this Section 8.0 and/or any other anti-discrimination provisions of this Agreement, COUNTY shall, at its option, be entitled to the sum of Five Thousand Dollars (\$5,000) from CONSULTANT for each such violation pursuant to California *Civil Code* Section 1671 as liquidated damages in lieu of terminating this Agreement.

9.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONSULTANT hereby represents and warrants that no persons shall, on the grounds of race, creed, color, religion, ancestry, national origin, political affiliation, marital status, sex, age or disability, be subjected to discrimination under the privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

10.0 FAIR LABOR STANDARDS ACT

CONSULTANT shall comply with all applicable provisions of the Federal Fair Labor Standards Act and State of California Wage and Hour Regulations, and shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents 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 services performed by CONSULTANT's employees.

11.0 COMPLIANCE WITH LAWS

- 11.1 The CONSULTANT shall conform to and abide by all applicable Federal, State, County and Municipal laws, rules, regulations or ordinances, directives and all provisions required thereby to be included herein, are hereby incorporated by reference.
- 11.2 The CONSULTANT agrees to indemnify and hold COUNTY harmless from any loss, damage or liability resulting from a violation by CONSULTANT, its employees, authorized agents or subcontractors of such laws, rules, regulations or ordinances and directives.

12.0 INDEMNIFICATION

Notwithstanding any provision of this Agreement to the contrary, either expressly or by implication, CONSULTANT shall indemnify, defend, and hold harmless COUNTY, its districts administered by COUNTY, and their elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to any claim, demand, action, proceeding, damage, loss, fee (including attorney's fees and expert witness fees), costs, and/or expenses, arising from and/or in any way related to any of the act(s) and/or omission(s) of CONSULTANT, CONSULTANT's agent(s), employee(s), and/or any Subcontractor(s).

13.0 INDEPENDENT CONTRACTOR STATUS

- 13.1 This Agreement is by and between CONSULTANT and COUNTY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CONSULTANT and COUNTY. 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. CONSULTANT shall function as, and in all respects is, an independent contractor.
- 13.2 CONSULTANT shall be solely liable and responsible for providing to, or on behalf of, all persons performing work for CONSULTANT pursuant to this Agreement all compensation and benefits. 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 CONSULTANT.
- 13.3 CONSULTANT understands and agrees that all persons performing work for CONSULTANT pursuant to this Agreement are, for all purposes, and in particular for purposes of workers' compensation liability, the sole employees of CONSULTANT and not employees of COUNTY. CONSULTANT 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 CONSULTANT pursuant to this Agreement.

14.0 CHANGES TO KEY PERSONNEL AND SUCCESSOR TO CONSULTANT

CONSULTANT shall immediately notify COUNTY in writing of any changes in key personnel within its organization if such personnel are involved in providing services hereunder. If CONSULTANT is a partnership, CONSULTANT shall promptly notify COUNTY of changes in CONSULTANT's partners. If CONSULTANT is a corporation, CONSULTANT shall promptly notify COUNTY of all material changes in ownership which affect or may affect CONSULTANT's performance hereunder.

15.0 RESTRICTIONS ON LOBBYING

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

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position with 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 CONSULTANT or have any other direct or indirect financial interest in this Agreement. No officer or employee of CONSULTANT, who may financially benefit from the performance of work hereunder, shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

16.2 CONSULTANT 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. CONSULTANT warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONSULTANT 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.

17.0 DELEGATION AND ASSIGNMENT

CONSULTANT shall not delegate its duties and/or assign its rights under this Agreement, either in whole or in part, without the prior written consent of COUNTY. Any unauthorized delegation and/or assignment by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the agreement.

18.0 RIGHT TO USE WRITINGS AND OTHER WORKS

18.1 COUNTY obtains the right to use, duplicate and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT specifically and exclusively for COUNTY as a result of their activities supported by this Agreement.

18.2 CONSULTANT retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT as a result of its activities supported by this Agreement subject to the ENDORSEMENT paragraph below. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

19.0 ENDORSEMENT

CONSULTANT shall not, in any manner, advertise, publish or represent that COUNTY endorses the goods or services herein mentioned without the prior written consent of COUNTY's Project Manager. Any published document by CONSULTANT referencing COUNTY in such manner must have prior written consent of COUNTY's Project Manager.

20.0 PROPRIETARY CONSIDERATIONS

20.1 COUNTY and CONSULTANT agree that all intellectual property, including but not limited to materials, plans, reports, acceptance test criteria, acceptance test plans, Deliverables, data, and information (hereafter in this Section 20 collectively "Materials") developed under this Agreement for delivery to COUNTY and financed exclusively by COUNTY funds, and all copyrights, patent rights, trade secret rights, title, interest, and other proprietary rights therein (collectively, "Rights") shall be the sole property of COUNTY, and CONSULTANT hereby assigns and transfers to COUNTY all CONSULTANT's Rights to all such Materials developed under this Agreement, provided that notwithstanding such COUNTY ownership, CONSULTANT may retain possession of all working papers prepared by CONSULTANT. During and for a minimum of five (5) years subsequent to the term of this Agreement, CONSULTANT shall retain any and all such Materials. COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

20.2 Upon request of COUNTY, CONSULTANT shall execute all documents requested by COUNTY and shall perform all other acts requested by COUNTY to assign and transfer to, and vest in, COUNTY all CONSULTANT's Rights in and to the Materials. COUNTY shall have the right to register all Rights in the name of the

County of Los Angeles. Further, COUNTY shall have the right to assign, license, or otherwise transfer any and all of COUNTY's Rights in and to the Materials.

- 20.3 As requested in writing by COUNTY's Project Manager, CONSULTANT shall affix the following notice to Materials developed under this Agreement: "©Copyright 2002 (or such other date of first publication), County of Los Angeles. All Rights Reserved". CONSULTANT shall affix such notice as directed by COUNTY.
- 20.4 During the term of this Agreement and for five (5) years thereafter, CONSULTANT shall maintain and provide security for all CONSULTANT's working papers prepared under this Agreement.
- 20.5 CONSULTANT shall protect the security of and keep confidential all Materials obtained or developed under this Agreement. Further, CONSULTANT shall use whatever security measures that are reasonably necessary to protect all such Materials from loss or damage by any cause, including, but not limited to, fire and theft.
- 20.6 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.
- 20.7 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any Confidential Material of COUNTY without COUNTY's prior written consent except in furtherance of the services to be provided hereunder, which may include in the normal course of business the release to insurers and other financial institutions of Confidential Material relevant to the underwriting and/or evaluation of COUNTY's risks and the processing of its claims, provided that such insurers and financial institutions consent, in advance, in writing to maintain the confidential nature of such information.
- 20.8 The provisions of Sections 20.0 shall survive the expiration or termination of this Agreement.

21.0 TRADE SECRETS

Recognizing that it may be impractical and/or impossible for COUNTY to safeguard trade secrets, confidential materials, and/or proprietary information of CONSULTANT, if any, CONSULTANT shall and does hereby keep and bear COUNTY harmless from any and all liabilities, damages, costs, and expenses by reason of any legally required disclosure by COUNTY of trade secrets, confidential materials, and/or proprietary information. COUNTY staff shall provide CONSULTANT with reasonable notice prior to such disclosure to enable CONSULTANT to challenge such disclosure.

22.0 CONFIDENTIALITY

- 22.1 CONSULTANT acknowledges and agrees that the following materials, documents, data, and other information of COUNTY (collectively, "Confidential Material") are deemed to be privileged, proprietary, and/or confidential:
- A. Workers' Compensation records;
 - B. Medical records;
 - C. COUNTY Employment records;
 - D. Criminal records;
 - E. Welfare recipient records;
 - F. Data and/or information pertaining to entities and/or persons receiving services from the COUNTY; and
 - G. Any and all reports developed by CONSULTANT and/or its Subcontractor(s) under this Agreement.
- 22.2 CONSULTANT shall protect the security of and keep confidential any and all Confidential Material.
- 22.3 In accordance with all applicable federal, state, and local laws, regulations, ordinances, and directives relating to confidentiality, CONSULTANT shall ensure that its agent(s), representative(s), employee(s), and/or Subcontractor(s) follow such laws to the extent applicable.
- 22.4 With respect to Confidential Material concerning any child dependency matter that is obtained by CONSULTANT, CONSULTANT shall: (1) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to COUNTY all requests for disclosure of any such information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than COUNTY without COUNTY's prior written authorization that the information is releasable (except for Subcontractors); and (4) at the expiration or termination of this Agreement, return all such information to COUNTY or maintain such information according to the written procedures sent to CONSULTANT by COUNTY for this purpose.
- 22.5 CONSULTANT warrants and represents that only those CONSULTANT and/or Subcontractor personnel required to perform the Services shall have access to COUNTY Confidential Materials.
- 22.6 The provisions of this Section 22.0 shall survive the expiration or other termination of this Agreement.

23.0 NOTICE OF DELAYS

CONSULTANT shall have no liability for any failure or delay in performance of its obligation under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, terrorist acts, civil disturbances, sabotage, accidents; unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on CONSULTANT's server, or any inability to transmit or receive information over the internet, nor shall any such failure or delay give COUNTY the right to terminate this Agreement. Whenever CONSULTANT has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Agreement, CONSULTANT shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to COUNTY.

24.0 RESPONSIBILITY FOR DOCUMENTS

24.1 All documents, plans, drafts, and final reports, masters, work papers, memoranda, graphics, electronic media and other materials including duplicates thereof generated or compiled specifically and exclusively for COUNTY pursuant to this Agreement which are delivered to COUNTY hereunder are instruments of professional services but shall remain the exclusive Property of COUNTY which the COUNTY may use for any purpose; provided, however, that CONSULTANT may choose, at its option, to retain copies of such materials in accordance with Section 20.0 of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its own proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

24.2 If CONSULTANT requires any information or services from COUNTY to enable CONSULTANT to perform the work covered by this Agreement, CONSULTANT may request the same in writing, to which COUNTY will respond within a reasonable time. Except for any items to be provided and/or other performance required by the COUNTY as specified within this Agreement, there are no matters or items required to be furnished or performed by COUNTY.

25.0 TERMINATION FOR DEFAULT

25.1 By written notice of default ("Notice of Default") served upon the other party, the whole or any part of this Agreement may be terminated in any of the following circumstances of default:

- A. By either party if the other party violates a provision of this Agreement which by its terms herein is specified to be a material breach; or
- B. By either party if the other party fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of thirty (30) calendar days (or such longer period as the party giving such Notice of Default may authorize in writing).

25.2 Notwithstanding any provision of this Agreement to the contrary, any and all rights and/or remedies provided in this Section 25.0, as well as throughout this Agreement, shall not be exclusive and are in addition to any and all other rights and/or remedies provided at law, in equity, and/or under this Agreement.

26.0 TERMINATION FOR CONVENIENCE

26.1 The COUNTY may terminate this Agreement when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination shall be effected by delivery of a notice of termination to CONSULTANT specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than fifteen (15) calendar days after the notice is sent, provided that in the event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 25.0 (Termination for Default) and it has later been determined that CONSULTANT was not in default, no additional notice shall be required upon such determination.

26.2 Upon service of a notice of termination, and except as otherwise directed by COUNTY, the CONSULTANT shall:

- A. Stop work under this Agreement on the date specified in such notice; and
- B. Transfer to COUNTY, to the extent not previously transferred to COUNTY, all rights to all Materials pursuant to the terms of this Agreement.

26.3 Nothing in this Section 26.0 shall be deemed to prejudice any right of CONSULTANT to make a claim against COUNTY in accordance with applicable law and regular COUNTY procedures for payment for any completed Statement of Work through the effective date of COUNTY's termination of this Agreement for convenience.

27.0 TERMINATION FOR IMPROPER CONSIDERATION

27.1 COUNTY may, by written notice to CONSULTANT, immediately terminate the right of CONSULTANT to proceed under this Agreement if consideration in any form was offered or given by CONSULTANT, 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 CONSULTANT's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONSULTANT as it could pursue in the event of default of CONSULTANT.

27.2 CONSULTANT shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controllers Employee Fraud Hotline at (213) 974-0914.

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

28.0 AUTHORIZATION WARRANTY

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

29.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Agreement shall be construed in accordance with and governed by the substantive and procedural laws of the State of California. Any action and/or proceeding arising out of and/or relating to this Agreement shall be filed and maintained exclusively in the County of Los Angeles, State of California, except for those matters over which the Federal District Court may have jurisdiction, which may be filed and maintained in the Federal District Court, Central District, State of California.

30.0 WAIVER

No waiver of any breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

31.0 SEVERABILITY

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

32.0 COVENANT AGAINST CONTINGENT FEES

- 32.1 The CONSULTANT warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fees, excepting bona fide employees or bona fide established commercial or selling agencies maintained by CONSULTANT for the purpose of securing business.
- 32.2 For breach or violation, of this warranty, the COUNTY shall have the right to terminate this Agreement and, in its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage or contingent fees.

33.0 RECORD RETENTION AND INSPECTION

CONSULTANT agrees that COUNTY's Project Manager or any duly authorized representative shall have access to and the right to examine, audit, excerpt, copy, or transcribe in a reasonable manner any pertinent transaction, activity, time card, or other records relating to this Agreement. Such material, including all pertinent cost, accounting, financial records, and proprietary data, must be kept and maintained by CONSULTANT for a period of three (3) years after completion of the Agreement unless CAO's written permission is given to dispose of material prior to this time.

34.0 COUNTY'S QUALITY ASSURANCE PLAN

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

35.0 SUBCONTRACTING

No performance of this Agreement or any portion thereof may be subcontracted by CONSULTANT without the express written consent of the COUNTY. Any unauthorized subcontracting by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

36.0 CONSIDERATION OF COUNTY EMPLOYEES IN HIRING

Should CONSULTANT require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONSULTANT shall give fair 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.

37.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should CONSULTANT require additional or replacement personnel after the Effective Date, CONSULTANT shall give consideration for any such employment opening to participants in COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet CONSULTANT's minimum qualifications for the open position. COUNTY will refer GAIN participants by job category to CONSULTANT.

38.0 INSURANCE REQUIREMENTS

38.1 Without limiting CONSULTANT's obligations of indemnification and defense of COUNTY, and during the term of this Agreement, CONSULTANT shall maintain, and shall require any of its subcontractors to maintain, the programs of insurance specified in Section 38.8, below. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be maintained at CONSULTANT's own expense.

38.2 Evidence of Insurance: Certificate(s) of insurance shall be delivered to the following COUNTY contract manager prior to commencing services under this Agreement:

County of Los Angeles
Chief Administrative Officer
500 West Temple Street, Room 526
Los Angeles, CA 90012
Attention: Manny Talamantes

Such certificates shall:

- A. Specifically identify this Agreement.
- B. Clearly evidence all coverages required in this Agreement.
- C. Contain the express condition that COUNTY are to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.

- D. Evidence that the COUNTY, its special districts, officials, officers, fiduciaries, and employees are included as additional insureds on the commercial general liability policy as insured for all activities for their vicarious liability arising from CONSULTANT's provision of services under this Agreement.
- E. Identify any deductibles or self-insured retentions. All such deductibles or self-insured retentions shall be the responsibility of CONSULTANT.

38.3 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.

38.4 Failure to Maintain Coverage: Failure by CONSULTANT to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONSULTANT resulting from said breach.

38.5 Notification of Incidents, Claims or Suits: CONSULTANT shall report to COUNTY:

- A. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONSULTANT and/or COUNTY. Such report shall be made in writing within 24 hours of CONSULTANT's first knowledge of the accident or incident;
- B. Any third party claim or lawsuit filed against CONSULTANT arising from or related to services performed by CONSULTANT under this Agreement;
- C. Any injury to a CONSULTANT employee which occurs on COUNTY property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager; and
- D. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONSULTANT under the terms of this Agreement.

38.6 Compensation for County Costs: In the event that CONSULTANT fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONSULTANT shall pay full compensation for all costs incurred by COUNTY.

38.7 Insurance Coverage Requirements for Sub-contractors: CONSULTANT shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- A. CONSULTANT providing evidence of insurance covering the activities of subcontractors, or
- B. CONSULTANT providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

38.8 Specific Insurance Coverage Requirements:

- A. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

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

- B. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."

- C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONSULTANT is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

- D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONSULTANT, its officers or employees with limits of not less than \$1 million per claim and \$3 million aggregate. The coverage also shall provide an extended one year reporting period commencing upon termination or cancellation of this Agreement.

- E. Basic Health Insurance and Benefits - CONSULTANT will provide basic health coverage for employees of CONSULTANT who perform work under the provisions of this Agreement.

39.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement any licenses, permits, registrations, accreditations, and certificates required by any federal, state, and local laws, ordinances, rules, regulations,

guidelines, and directives, which are applicable to CONSULTANT for its services under this Agreement. CONSULTANT further warrants and represents that all of its officers, employees, agents, and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to them for their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines, and directives shall be provided, in duplicate, to COUNTY's Project Manager as specifically requested by COUNTY.

40.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

- 40.1 A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is COUNTY's policy to conduct business only with responsible contractors.
- 40.2 CONSULTANT is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of CONSULTANT on this or other contracts which indicates that CONSULTANT is not responsible, COUNTY may, in addition to other remedies provided in this Agreement, debar CONSULTANT from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONSULTANT may have with COUNTY.
- 40.3 COUNTY may debar a contractor if COUNTY's Board of Supervisors finds, in its discretion, that CONSULTANT has done any of the following: (1) violated any term of a contract with COUNTY, (2) committed any act or omission which negatively reflects on CONSULTANT's quality, fitness or capacity to perform a contract with COUNTY or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against COUNTY or any other public entity.
- 40.4 If there is evidence that CONSULTANT may be subject to debarment, COUNTY's CAO and/or COUNTY's Internal Services Department will notify CONSULTANT in writing of the evidence which is the basis for the proposed debarment and will advise CONSULTANT of the scheduled date for a debarment hearing before COUNTY's Contractor Hearing Board.
- 40.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONSULTANT and/or CONSULTANT's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONSULTANT should be debarred, and if so, the appropriate length of time of the debarment. If CONSULTANT fails to avail itself of the opportunity to submit evidence to the

Contractor Hearing Board, CONSULTANT may be deemed to have waived all rights of appeal.

40.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to COUNTY's Board of Supervisors. COUNTY's Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

40.7 These terms shall also apply to any and all subcontractors of COUNTY contractors.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONSULTANT 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 1015.

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

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

42.2 As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONSULTANT's duty under this Agreement to comply with all applicable provisions of law, CONSULTANT warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653 (a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706-031 and Family Code Section 5246 (b).

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

Failure of CONSULTANT to maintain compliance with the requirements set forth in Section 42.0 (CONSULTANT's Warranty of Adherence to COUNTY's Child Support Compliance Program) shall constitute a default by CONSULTANT under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be

grounds upon which COUNTY's Board of Supervisors may terminate this Agreement pursuant to Section 25.0 (Termination for Default).

44.0 CONSULTANT'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONSULTANT acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONSULTANT understands that it is COUNTY's policy to encourage all COUNTY contractors to voluntarily post COUNTY's "L.A's Most Wanted: Delinquent Parents" poster in a prominent position at CONSULTANT's place of business. COUNTY's District Attorney will supply CONSULTANT with the poster to be used.

45.0 MERGER CLAUSE

45.1 This base document, along with Exhibits A and B, described in Subsection 45.2, but not attached hereto, collectively form, and are throughout referred to as the "Agreement."

45.2 In the event of any conflict and/or inconsistency in the definition and/or interpretation of any word, responsibility, schedule, and/or the contents and/or description of any task, subtask, deliverable, service, and/or otherwise, between and/or among this based document and the Exhibits, such conflict and/or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:

A. COUNTY's Request for Proposal, dated June 14, 2005.

B. CONSULTANT's Proposal, received on or before June 22, 2005.

45.3 This Agreement constitutes the complete and exclusive statement of understanding between the parties, which supersedes any and all previous agreements, whether written or oral, and all prior and/or contemporaneous other communications between the parties and/or writings relating to the subject matter of this Agreement. Any changes and/or modifications to this Agreement must be in writing and formally adopted and executed in the same manner as this Agreement to be enforceable.

46.0 ARMS' LENGTH NEGOTIATIONS

This Agreement is the product of COUNTY's competitive procurement and an arms' length negotiation between COUNTY and CONSULTANT, during which each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly between the parties, and not more strictly construed against either party as the drafter.

47.0 COMPLIANCE WITH JURY SERVICE PROGRAM

A. Jury Service Program.

This Contract 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.

B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from 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.
2. For purposes of this section, "contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "employee" means any California resident who is a full time employee of contractor. "full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by 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 contractor uses any subcontractor to perform services for the county under the contract, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such subcontract agreement and a copy of the jury service program shall be attached to the agreement.
3. If contractor is not required to comply with the jury service program when the contract commences, contractor shall have a continuing obligation to review the applicability of its "exception status" from the jury service program, and contractor shall immediately notify county if contractor at any time either comes within the jury service program's definition of "contractor" or if contractor no longer qualifies for an exception to the program. In either event, contractor shall immediately implement a written policy consistent with the jury service program. The county may also require, at any time during the contract and at its sole discretion, that contractor demonstrate to the county's satisfaction that contractor either continues to remain outside of the jury service program's definition of "contractor" and/or that contractor continues to qualify for an exception to the program.

4. Contractor's violation of this section of the contract may constitute a material breach of the contract. In the event of such material breach, county may, in its sole discretion, terminate the contract and/or bar contractor from the award of future county contracts for a period of time consistent with the seriousness of the breach.

AUTHORIZATION
CONSULTING SERVICE AGREEMENT

IN WITNESS WHEREOF, the COUNTY's Board of Supervisors and CONSULTANT have each caused this Agreement to be executed by its duly authorized officer(s) and/or representative(s).

COUNTY OF LOS ANGELES

REWARD STRATEGY GROUP

By _____
Gloria Molina
Chair

By 

Title PRESIDENT

Reward Strategy Group represents and warrants that the signatory to this Agreement is fully authorized to obligate Reward Strategy Group hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

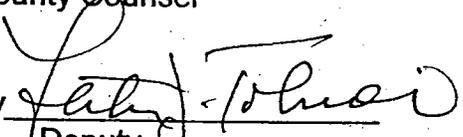
ATTEST:

VIOLET VARUNA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By 
Deputy

AGREEMENT FOR CONSULTANT SERVICES

CONTRACT NO. _____

This Agreement is made and entered into this _____ day of _____, 2005

by and between County of Los Angeles (hereinafter, the "COUNTY") and SEGAL, 330 North Brand Blvd., Suite 500, Glendale, CA 91203 (hereinafter, the "CONSULTANT"), based upon the following recitals:

- A. WHEREAS, COUNTY desires to compensate County employees in a manner that attracts, retains, and motivates qualified personnel at the least possible cost; and
- B. WHEREAS, the provision of such compensation requires special skills and expertise in the area of compensation, employee benefit administration and actuarial services; and
- C. WHEREAS, CONSULTANT is specially trained and licensed and possesses skills, experience, education, and competency necessary to assist County with its compensation, employee benefit administration and actuarial needs; and
- D. WHEREAS, COUNTY, in accordance with California Government Code Section 31000, may enter into contracts for special services.

Based upon the foregoing recitals, all of which are hereby incorporated herein by this reference, the COUNTY and CONSULTANT agree as follows:

1.0 TERM

This Agreement shall commence on the later of (1) the date the Agreement is approved by the Los Angeles County Board of Supervisors or (2) September 1, 2005 and shall continue in full force and effect until the earlier of (1) the date occurring three (3) years after the Effective Date, or (2) the date this Agreement is terminated as provided herein. In the event of any early termination of this Agreement as provided herein, or upon expiration of this Agreement, CONSULTANT will assist COUNTY in arranging a smooth transition process; however, CONSULTANT's obligation and the obligation of its affiliates to provide services to COUNTY will cease upon the effective date of termination or expiration. The County shall have the sole option to extend the Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CAO.

2.0 ADMINISTRATION - COUNTY

2.1 COUNTY's Chief Administrative Officer or his authorized designee (hereinafter referred to as "CAO") shall have the authority to administer this Agreement.

2.1.1 COUNTY's Project Manager

2.1.2 COUNTY's Project Manager for this Agreement shall be the following person or his designee:

Manny Talamantes
Compensation Policy
Los Angeles County Chief Administrative Office
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 526
Los Angeles, CA 90012

Business telephone: (213) 974-2529
E-mail: mdtalamantes@cao.co.la.ca.us
Fax: (213) 621-3172

2.1.3 COUNTY shall notify CONSULTANT in writing of any change in the name or address of COUNTY's Project Manager.

2.1.4 COUNTY's Project Manager shall be responsible for COUNTY's performance of its tasks and ensuring CONSULTANT's compliance with this Agreement.

2.1.5 COUNTY's Project Manager shall meet or confer with CONSULTANT's on an as needed basis.

2.1.6 Except as expressly set forth in this Agreement, COUNTY's Project Manager is not authorized to make any changes in any of the terms or conditions of this Agreement and is not authorized to obligate COUNTY in any respect whatsoever.

2.1.7 COUNTY's Project Manager shall have the right at all times to inspect any and all work, tasks, Deliverables, goods, services, and/or other consideration provided by or on behalf of CONSULTANT.

2.1.8 COUNTY's Project Manager shall be responsible for confirming that any technical standards and/or other requirements of CONSULTANT's performance under this Agreement are met.

3.0 ADMINISTRATION - CONSULTANT

3.1 CONSULTANT's shall designate in writing a person who shall have the authority to administer this Agreement.

3.1.1 CONSULTANT's Project Manager shall be responsible for CONSULTANT's performance and assuring CONSULTANT's compliance with this Agreement.

3.1.2 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager as required.

3.1.3 CONSULTANT's Project Manager shall be responsible for CONSULTANT's day-to-day activities as related to this Agreement and for reporting to COUNTY in the manner set forth in Subsection 3.3 (Reports by CONSULTANT).

3.1.4 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager on an as needed basis.

3.2 Approval of CONSULTANT's Staff

3.2.1 COUNTY has the absolute right to approve or disapprove each member or proposed member of CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager, prior to, and during, their performing any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. COUNTY's Project Manager may require replacement of any member of CONSULTANT's staff performing, or offering to perform, work hereunder, including, but not limited to, CONSULTANT's Project Manager.

3.2.2 CONSULTANT represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager.

3.2.3 CONSULTANT shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.2.4 In fulfillment of its responsibilities under this Agreement, CONSULTANT shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, and tasks required by this Agreement.

3.2.5 CONSULTANT shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with the Statements of Work.

3.2.6 In the event CONSULTANT should ever need to remove any staff from performing work under this Agreement, CONSULTANT shall provide COUNTY with notice at least fifteen (15) calendar days in advance, except in circumstances in which such notice is not possible, and shall work with COUNTY on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.3 Reports by CONSULTANT

3.3.1 In order to control expenditures and to provide COUNTY with ongoing information as to all Deliverables, CONSULTANT shall, if specifically requested by COUNTY's Project Manager, provide COUNTY's Project Manager with written reports which shall include but not be limited to, the following information:

- A. Period covered by the report;
- B. Overview of the reporting period;
- C. Any services scheduled for the reporting period which were not completed;
- D. Any services for the reporting period which were completed;
- E. Any services completed in the reporting period which were not scheduled;
- F. Any services to be completed in the next reporting period;
- G. Issues to be resolved;
- H. Issues resolved;
- I. Summary of project status as of reporting date; and
- J. Any other information which COUNTY may from time-to-time require.

3.3.2 CONSULTANT shall deliver one (1) hard copy of each of such report, together with a formal transmittal letter to COUNTY's Project Manager executed by CONSULTANT's Project Manager, and CONSULTANT shall also deliver a second copy of each such report electronically via e-mail.

4.0 STATEMENT OF WORK

CONSULTANT agrees to provide employee benefit consulting services as requested by the CAO, or the Director of Personnel or his or her designee (hereinafter both shall be referred to as "CAO" or "DOP" respectively). Such services may include, but not be limited to the following:

4.1 Part 1 Compensation Consulting

Compensation consulting, will involve day-to-day advice and commentary on a wide variety of wage and salary issues affecting represented and/or non-represented employees, including overtime and other non-base pay issues, and may involve more extensive in-depth consulting on special projects involving wage and salary issues. Part 1 work may include, but not be limited to the following:

- 4.1.1 Advice and commentary on community compensation practices and trends.
- 4.1.2 Advice and commentary on County pay policy for specific benchmark jobs and/or occupational groups.
- 4.1.3 Performance of salary studies for specific benchmark jobs, occupational groups, and/or organizational units, including job evaluation and classification studies.
- 4.1.4 Development of reward systems, including merit pay plans, incentive pay plans, and other special pay plans for specific occupational groups.
- 4.1.5 Development and/or provision of salary survey data for specific occupational benchmarks.
- 4.1.6 Organizational studies, re-engineering studies, evaluation and grading studies, and work systems and methods studies pertinent to the administration of the County's compensation program.
- 4.1.7 Training of County staff on compensation administration practices and techniques.

4.2 Part 2 Employee Benefit Consulting

Part 2 employee benefit consulting will involve both day-to-day advice and commentary and special project consulting on various employee benefit issues affecting represented and/or non-represented employees. Part 2 work may include, but not be limited to the following:

- 4.2.1 Advice and commentary on regional and national employee benefit practices and trends. The consultant selected to provide Part 2 work will be expected to familiarize itself with the existing County employee benefit practices applicable to represented and non-represented employees and be prepared to respond on short notice, if necessary, to questions from the County on virtually any employee benefit issue. This consultant will also be expected to be proactive in informing the County on cost trends, regulatory changes, or other events that could impact the cost of the County's employee benefit program. This type of interaction may be expected to frequently involve quick turnaround telephonic or in-person discussions.
- 4.2.2 Group insurance consulting which may include, but not be limited to the following:
 - 4.2.2.1 Leading County staff in the annual premium rate renewal negotiations with the various insurance carriers for the County's group health and dental plans, a group term life plan, and a group accidental death and dismemberment plan. This effort will involve serving as the point of contact for all insurance carriers, organizing and leading the negotiations meetings, providing necessary actuarial assistance, and working in a collaborative manner with employee representatives and consultants to employee representatives who may participate in this process.
 - 4.2.2.2 Leading the periodic marketing of the County's group insurance plans at the direction of the County.
 - 4.2.2.3 Assisting the County in determining the appropriate plan design and funding methodology for the group health and dental plans.
 - 4.2.2.4 Assisting the County in determining the appropriate plan design, County and employee contribution rates, and level of funding for the County's self-funded short-term and long-term disability plans and survivor income benefit plan.
 - 4.2.2.5 Advising the County regarding Medicare changes and other issues pertaining to the cost of retiree health care.
 - 4.2.2.6 Assisting the County with any issues that may arise concerning insurance programs not currently offered by the County such as universal life insurance and long-term care.
- 4.2.3 Assisting the County with the analysis of State and Federal legislation affecting the employee benefit program.

- 4.2.4 Assisting the County in responding to collective bargaining issues relating to employee benefits. This may entail presenting information and answering related questions at the bargaining table in union negotiation sessions or at other meetings where union representatives are actively involved and working collaboratively outside of formal meetings with union representatives and/or consultants to the unions.
- 4.2.5 Other special project consulting on employee benefit issues including, but not limited to the following:
 - 4.2.5.1 Cafeteria plan design and administration, including regulatory compliance.
 - 4.2.5.2 Paid leave benefit design and administration.
 - 4.2.5.3 Defined benefit retirement plan design and funding.
 - 4.2.5.4 Defined contribution retirement plan design and administration, including advice and commentary on asset management.
 - 4.2.5.5 Employee communications regarding the employee benefit program.

4.3 Part 3 Actuarial Consulting Services

Although actuarial services may be provided as an integral part of the services described under Part 2, the County is desirous of having access to additional actuarial services where independent actuarial estimates or an independent actuarial point of view for a particular issue or project is deemed appropriate by the County. The actuarial specialties included under Part 3 include group insurance, pension, and workers' compensation actuarial consulting.

- 4.4 Consulting services provided pursuant to this Agreement shall be provided only when requested by CAO or DOP. It is mutually understood that COUNTY has not offered and cannot guarantee any minimum level of work under this Agreement.

5.0 **CONSIDERATION**

- 5.1 COUNTY agrees to pay CONSULTANT on a time and expense basis based on:
 - A. The number of hours actually worked by CONSULTANT;
 - B. The type and level of staff who perform the work;

C. The following schedule of hourly rates:

Type of Position (Title)	Hourly Rate effective	Hourly Rate effective
	9/1/2005 – 8/31/2007	9/1/2007 – 8/31/2008
Client Manager / Senior Technical Consultant / Health Actuary	\$410	\$425
Senior Compensation Consultant / Senior Health Consultant / Associate Actuary	\$385	\$400
Compensation Consultant / Health Consultant / Actuarial Associate	\$300	\$315
Senior Compensation Analyst / Senior Health Analyst / Senior Actuarial Analyst	\$285	\$295
Compensation Analyst / Health Analyst / Actuarial Analyst	\$220	\$230

5.1.1 Upon request of the CAO or DOP, CONSULTANT shall provide CAO or DOP with 1) the billing titles and precise hourly billing rates CONSULTANT intends to use for any work requested by CAO or DOP pursuant to this Agreement, and/or 2) the estimated total cost of such work.

5.2 Subject to approval by COUNTY's Project Manager, CONSULTANT may, in addition to the hourly charges set forth in 5.0 (5.1) (A), charge for out-of-pocket costs necessary for a) mail and courier services, b) parking, c) photocopying (other than minor photocopying), and d) out-of-town travel, including air and ground transportation, lodging, meals, and portage. All such costs, if approved, shall be billed at actual cost; provided, however, that, in no event, may out-of-town travel charges exceed the expense limitations imposed by COUNTY on COUNTY employees who travel on COUNTY business. Any other out-of-pocket expenses not otherwise specified in this Subparagraph 5.2 shall not be charged to COUNTY unless specifically approved by COUNTY's Project Manager.

5.3 CONSULTANT shall invoice COUNTY monthly in arrears. Charges for billable time shall be calculated in increments of not less than fifteen (15) minutes. All invoices shall provide the following detail:

- A. The date or dates the services were provided.
- B. The names, billing titles, and hourly billing rates of the individuals who performed the work.
- C. The name of the COUNTY officer or employee who requested the work.
- D. A brief description of the work performed.

E. Detail on out-of-pocket expenses sufficient to establish such expenses conform with the terms of this Agreement.

5.4 In no event shall CONSULTANT charge COUNTY for travel time, including time spent in air or ground transportation unless specifically approved in writing, in advance, by COUNTY's Project Manager.

5.5 Upon receipt of an invoice, or further information regarding an invoice, COUNTY's Project Manager may reasonably reject or accept all or any part of invoiced costs. COUNTY shall pay invoiced costs accepted by the COUNTY's Project Manager promptly thereafter. CONSULTANT shall be notified by the COUNTY's Project Manager, in writing, of the invoiced costs rejected, and the reason or reasons for such rejection, and be given an opportunity to provide further information.

5.6 Notwithstanding any other provision of this paragraph 5.0, CONSULTANT and CAO, or DOP as the case may be, may mutually agree in advance on a maximum total charge for all services and out-of-pocket expenses related to particular project or other specific work authorized by CAO or DOP pursuant to this Agreement.

6.0 NON-APPROPRIATION OF FUNDS

6.1 COUNTY'S obligation is payable only and solely from the funds appropriated for the purpose of this Agreement.

6.2 All funds for payments after June 30th of the current fiscal year are subject to COUNTY'S legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action.

6.3 In the event that this Agreement extends into a succeeding fiscal year period, and if the governing body appropriating the fund does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30th of the then current fiscal year. The COUNTY's Project Manager shall endeavor to notify CONSULTANT in writing of such non-allocation at the earliest possible date.

7.0 EMPLOYMENT ELIGIBILITY VERIFICATION

7.1 CONSULTANT represents and warrants that it fully complies with all applicable statutes and regulations regarding employment eligibility of aliens and others, that all persons performing services under this Contract are eligible for employment in the United States. Any such failure to comply by CONSULTANT shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

- 7.2 CONSULTANT represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONSULTANT shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.
- 7.3 CONSULTANT shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability which may be assessed against the COUNTY or CONSULTANT in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens by CONSULTANT while performing services hereunder.

8.0 NONDISCRIMINATION IN EMPLOYMENT

8.1 CONSULTANT certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, in compliance with all applicable federal and state anti-discrimination laws and regulations.

8.2 CONSULTANT shall certify to, and comply with, the provisions of Exhibit (CONSULTANT's EEO Certification).

8.3 CONSULTANT shall ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental disability 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, without limitation, apprenticeship.

8.4 CONSULTANT certifies and agrees that it will deal with its bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability.

8.5 CONSULTANT certifies and agrees that it, its affiliates, subsidiaries or holding companies under common control, shall comply with all applicable federal and state laws and regulations, including, but not limited to:

- A. Title VII, Civil Rights Act of 1964;
- B. Section 504, Rehabilitation Act of 1973; C. Age Discrimination Act of 1975;
- C. Age Discrimination Act of 1975;
- D. Title IX, Education Amendments of 1973, as applicable; and
- E. Title 43, Part 17, Code of Federal Regulations, Subparts A & B; and that no person shall, on the grounds of race, color, religion, ancestry, national origin,

sex, age, or physical or mental disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

F. California Fair Employment and Housing Act.

- 8.6. CONSULTANT shall allow federal representatives access to CONSULTANT's employment records during regular business hours to verify compliance with the above-referenced laws.
- 8.7 If any provision of this Section 8.0 has been violated, such violation shall, at the election of COUNTY, constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement.
- 8.8 The parties agree that in the event CONSULTANT violates any portion of this Section 8.0 and/or any other anti-discrimination provisions of this Agreement, COUNTY shall, at its option, be entitled to the sum of Five Thousand Dollars (\$5,000) from CONSULTANT for each such violation pursuant to California *Civil Code* Section 1671 as liquidated damages in lieu of terminating this Agreement.

9.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONSULTANT hereby represents and warrants that no persons shall, on the grounds of race, creed, color, religion, ancestry, national origin, political affiliation, marital status, sex, age or disability, be subjected to discrimination under the privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

10.0 FAIR LABOR STANDARDS ACT

CONSULTANT shall comply with all applicable provisions of the Federal Fair Labor Standards Act and State of California Wage and Hour Regulations, and shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents 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 services performed by CONSULTANT's employees.

11.0 COMPLIANCE WITH LAWS

- 11.1 The CONSULTANT shall conform to and abide by all applicable Federal, State, County and Municipal laws, rules, regulations or ordinances, directives and all provisions required thereby to be included herein, are hereby incorporated by reference.
- 11.2 The CONSULTANT agrees to indemnify and hold COUNTY harmless from any loss, damage or liability resulting from a violation by CONSULTANT, its employees, authorized agents or subcontractors of such laws, rules, regulations or ordinances and directives.

12.0 INDEMNIFICATION

Notwithstanding any provision of this Agreement to the contrary, either expressly or by implication, CONSULTANT shall indemnify, defend, and hold harmless COUNTY, its districts administered by COUNTY, and their elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to any claim, demand, action, proceeding, damage, loss, fee (including attorney's fees and expert witness fees), costs, and/or expenses, arising from and/or in any way related to any of the act(s) and/or omission(s) of CONSULTANT, CONSULTANT's agent(s), employee(s), and/or any Subcontractor(s).

13.0 INDEPENDENT CONTRACTOR STATUS

13.1 This Agreement is by and between CONSULTANT and COUNTY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CONSULTANT and COUNTY. 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. CONSULTANT shall function as, and in all respects is, an independent contractor.

13.2 CONSULTANT shall be solely liable and responsible for providing to, or on behalf of, all persons performing work for CONSULTANT pursuant to this Agreement all compensation and benefits. 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 CONSULTANT.

13.3 CONSULTANT understands and agrees that all persons performing work for CONSULTANT pursuant to this Agreement are, for all purposes, and in particular for purposes of workers' compensation liability, the sole employees of CONSULTANT and not employees of COUNTY. CONSULTANT 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 CONSULTANT pursuant to this Agreement.

14.0 CHANGES TO KEY PERSONNEL AND SUCCESSOR TO CONSULTANT

CONSULTANT shall immediately notify COUNTY in writing of any changes in key personnel within its organization if such personnel are involved in providing services hereunder. If CONSULTANT is a partnership, CONSULTANT shall promptly notify COUNTY of changes in CONSULTANT's partners. If CONSULTANT is a corporation, CONSULTANT shall promptly notify COUNTY of all material changes in ownership which affect or may affect CONSULTANT's performance hereunder.

15.0 RESTRICTIONS ON LOBBYING

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

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position with 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 CONSULTANT or have any other direct or indirect financial interest in this Agreement. No officer or employee of CONSULTANT, who may financially benefit from the performance of work hereunder, shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

16.2 CONSULTANT 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. CONSULTANT warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONSULTANT 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.

17.0 DELEGATION AND ASSIGNMENT

CONSULTANT shall not delegate its duties and/or assign its rights under this Agreement, either in whole or in part, without the prior written consent of COUNTY. Any unauthorized delegation and/or assignment by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the agreement.

18.0 RIGHT TO USE WRITINGS AND OTHER WORKS

18.1 COUNTY obtains the right to use, duplicate and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT specifically and exclusively for COUNTY as a result of their activities supported by this Agreement.

18.2 CONSULTANT retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature

produced by CONSULTANT as a result of its activities supported by this Agreement subject to the ENDORSEMENT paragraph below. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

19.0 ENDORSEMENT

CONSULTANT shall not, in any manner, advertise, publish or represent that COUNTY endorses the goods or services herein mentioned without the prior written consent of COUNTY's Project Manager. Any published document by CONSULTANT referencing COUNTY in such manner must have prior written consent of COUNTY's Project Manager.

20.0 PROPRIETARY CONSIDERATIONS

- 20.1 COUNTY and CONSULTANT agree that all intellectual property, including but not limited to materials, plans, reports, acceptance test criteria, acceptance test plans, Deliverables, data, and information (hereafter in this Section 20 collectively "Materials") developed under this Agreement for delivery to COUNTY and financed exclusively by COUNTY funds, and all copyrights, patent rights, trade secret rights, title, interest, and other proprietary rights therein (collectively, "Rights") shall be the sole property of COUNTY, and CONSULTANT hereby assigns and transfers to COUNTY all CONSULTANT's Rights to all such Materials developed under this Agreement, provided that notwithstanding such COUNTY ownership, CONSULTANT may retain possession of all working papers prepared by CONSULTANT. During and for a minimum of five (5) years subsequent to the term of this Agreement, CONSULTANT shall retain any and all such Materials. COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.
- 20.2 Upon request of COUNTY, CONSULTANT shall execute all documents requested by COUNTY and shall perform all other acts requested by COUNTY to assign and transfer to, and vest in, COUNTY all CONSULTANT's Rights in and to the Materials. COUNTY shall have the right to register all Rights in the name of the County of Los Angeles. Further, COUNTY shall have the right to assign, license, or otherwise transfer any and all of COUNTY's Rights in and to the Materials.
- 20.3 As requested in writing by COUNTY's Project Manager, CONSULTANT shall affix the following notice to Materials developed under this Agreement: "©Copyright 2002 (or such other date of first publication), County of Los Angeles. All Rights Reserved". CONSULTANT shall affix such notice as directed by COUNTY.

20.4 During the term of this Agreement and for five (5) years thereafter, CONSULTANT shall maintain and provide security for all CONSULTANT's working papers prepared under this Agreement.

20.5 CONSULTANT shall protect the security of and keep confidential all Materials obtained or developed under this Agreement. Further, CONSULTANT shall use whatever security measures that are reasonably necessary to protect all such Materials from loss or damage by any cause, including, but not limited to, fire and theft.

20.6 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.

20.7 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any Confidential Material of COUNTY without COUNTY's prior written consent except in furtherance of the services to be provided hereunder, which may include in the normal course of business the release to insurers and other financial institutions of Confidential Material relevant to the underwriting and/or evaluation of COUNTY's risks and the processing of its claims, provided that such insurers and financial institutions consent, in advance, in writing to maintain the confidential nature of such information.

20.8 The provisions of Sections 20.0 shall survive the expiration or termination of this Agreement.

21.0 TRADE SECRETS

Recognizing that it may be impractical and/or impossible for COUNTY to safeguard trade secrets, confidential materials, and/or proprietary information of CONSULTANT, if any, CONSULTANT shall and does hereby keep and bear COUNTY harmless from any and all liabilities, damages, costs, and expenses by reason of any legally required disclosure by COUNTY of trade secrets, confidential materials, and/or proprietary information. COUNTY staff shall provide CONSULTANT with reasonable notice prior to such disclosure to enable CONSULTANT to challenge such disclosure.

22.0 CONFIDENTIALITY

22.1 CONSULTANT acknowledges and agrees that the following materials, documents, data, and other information of COUNTY (collectively, "Confidential Material") are deemed to be privileged, proprietary, and/or confidential:

A. Workers' Compensation records;

B. Medical records;

- C. COUNTY Employment records;
- D. Criminal records;
- E. Welfare recipient records;
- F. Data and/or information pertaining to entities and/or persons receiving services from the COUNTY; and
- G. Any and all reports developed by CONSULTANT and/or its Subcontractor(s) under this Agreement.

22.2 CONSULTANT shall protect the security of and keep confidential any and all Confidential Material.

22.3 In accordance with all applicable federal, state, and local laws, regulations, ordinances, and directives relating to confidentiality, CONSULTANT shall ensure that its agent(s), representative(s), employee(s), and/or Subcontractor(s) follow such laws to the extent applicable.

22.4 With respect to Confidential Material concerning any child dependency matter that is obtained by CONSULTANT, CONSULTANT shall: (1) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to COUNTY all requests for disclosure of any such information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than COUNTY without COUNTY's prior written authorization that the information is releasable (except for Subcontractors); and (4) at the expiration or termination of this Agreement, return all such information to COUNTY or maintain such information according to the written procedures sent to CONSULTANT by COUNTY for this purpose.

22.5 CONSULTANT warrants and represents that only those CONSULTANT and/or Subcontractor personnel required to perform the Services shall have access to COUNTY Confidential Materials.

22.6 The provisions of this Section 22.0 shall survive the expiration or other termination of this Agreement.

23.0 NOTICE OF DELAYS

CONSULTANT shall have no liability for any failure or delay in performance of its obligation under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, terrorist acts, civil disturbances, sabotage, accidents, unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on CONSULTANT's server, or any inability to transmit or receive information over the

internet, or resulting from the COUNTY's delay in transmitting necessary data and information nor shall any such failure or delay give COUNTY the right to terminate this Agreement. Whenever CONSULTANT has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Agreement, CONSULTANT shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to COUNTY.

24.0 RESPONSIBILITY FOR DOCUMENTS

24.1 All documents, plans, drafts, and final reports, masters, work papers, memoranda, graphics, electronic media and other materials including duplicates thereof generated or compiled specifically and exclusively for COUNTY pursuant to this Agreement which are delivered to COUNTY hereunder are instruments of professional services but shall remain the exclusive Property of COUNTY which the COUNTY may use for any purpose; provided, however, that CONSULTANT may choose, at its option, to retain copies of such materials in accordance with Section 20.0 of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its own proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

24.2 If CONSULTANT requires any information or services from COUNTY to enable CONSULTANT to perform the work covered by this Agreement, CONSULTANT may request the same in writing, to which COUNTY will respond within a reasonable time. Except for any items to be provided and/or other performance required by the COUNTY as specified within this Agreement, there are no matters or items required to be furnished or performed by COUNTY.

25.0 TERMINATION FOR DEFAULT

25.1 By written notice of default ("Notice of Default") served upon the other party, the whole or any part of this Agreement may be terminated in any of the following circumstances of default:

- A. By either party if the other party violates a provision of this Agreement which by its terms herein is specified to be a material breach; or
- B. By either party if the other party fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of thirty (30) calendar days (or such longer period as the party giving such Notice of Default may authorize in writing).

25.2 Notwithstanding any provision of this Agreement to the contrary, any and all rights and/or remedies provided in this Section 25.0, as well as throughout this Agreement, shall not be exclusive and are in addition to any and all other rights and/or remedies provided at law, in equity, and/or under this Agreement.

26.0 TERMINATION FOR CONVENIENCE

26.1 The COUNTY may terminate this Agreement when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination shall be effected by delivery of a notice of termination to CONSULTANT specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than fifteen (15) calendar days after the notice is sent, provided that in the event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 25.0 (Termination for Default) and it has later been determined that CONSULTANT was not in default, no additional notice shall be required upon such determination.

26.2 Upon service of a notice of termination, and except as otherwise directed by COUNTY, the CONSULTANT shall:

- A. Stop work under this Agreement on the date specified in such notice; and
- B. Transfer to COUNTY, to the extent not previously transferred to COUNTY, all rights to all Materials pursuant to the terms of this Agreement.

26.3 Nothing in this Section 26.0 shall be deemed to prejudice any right of CONSULTANT to make a claim against COUNTY in accordance with applicable law and regular COUNTY procedures for payment for any completed Statement of Work through the effective date of COUNTY's termination of this Agreement for convenience.

27.0 TERMINATION FOR IMPROPER CONSIDERATION

27.1 COUNTY may, by written notice to CONSULTANT, immediately terminate the right of CONSULTANT to proceed under this Agreement if consideration in any form was offered or given by CONSULTANT, 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 CONSULTANT's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONSULTANT as it could pursue in the event of default of CONSULTANT.

27.2 CONSULTANT shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controllers Employee Fraud Hotline at (213) 974-0914.

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

28.0 AUTHORIZATION WARRANTY

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

29.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Agreement shall be construed in accordance with and governed by the substantive and procedural laws of the State of California. Any action and/or proceeding arising out of and/or relating to this Agreement shall be filed and maintained exclusively in the County of Los Angeles, State of California, except for those matters over which the Federal District Court may have jurisdiction, which may be filed and maintained in the Federal District Court, Central District, State of California.

30.0 WAIVER

No waiver of any breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

31.0 SEVERABILITY

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

32.0 COVENANT AGAINST CONTINGENT FEES

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

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

33.0 RECORD RETENTION AND INSPECTION

CONSULTANT agrees that COUNTY's Project Manager or any duly authorized representative shall have access to and the right to examine, audit, excerpt, copy, or transcribe in a reasonable manner any pertinent transaction, activity, time card, or other records relating to this Agreement. Such material, including all pertinent cost, accounting, financial records, and proprietary data, must be kept and maintained by CONSULTANT for a period of three (3) years after completion of the Agreement unless CAO's written permission is given to dispose of material prior to this time.

34.0 COUNTY'S QUALITY ASSURANCE PLAN

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

35.0 SUBCONTRACTING

No performance of this Agreement or any portion thereof may be subcontracted by CONSULTANT without the express written consent of the COUNTY. Any unauthorized subcontracting by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

36.0 CONSIDERATION OF COUNTY EMPLOYEES IN HIRING

Should CONSULTANT require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONSULTANT shall give fair 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.

37.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should CONSULTANT require additional or replacement personnel after the Effective Date, CONSULTANT shall give consideration for any such employment opening to participants in COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet CONSULTANT's minimum qualifications for the open position. COUNTY will refer GAIN participants by job category to CONSULTANT.

38.0 INSURANCE REQUIREMENTS

38.1 Without limiting CONSULTANT's obligations of indemnification and defense of COUNTY, and during the term of this Agreement, CONSULTANT shall maintain, and shall require any of its subcontractors to maintain, the programs of insurance specified in Section 38.8, below. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be maintained at CONSULTANT's own expense.

38.2 Evidence of Insurance: Certificate(s) of insurance shall be delivered to the following COUNTY contract manager prior to commencing services under this Agreement:

County of Los Angeles
Chief Administrative Officer
500 West Temple Street, Room 526
Los Angeles, CA 90012
Attention: Manny Talamantes

Such certificates shall:

- A. Specifically identify this Agreement.
- B. Clearly evidence all coverages required in this Agreement.
- C. Contain the express condition that COUNTY are to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
- D. Evidence that the COUNTY, its special districts, officials, officers, fiduciaries, and employees are included as additional insureds on the commercial general liability policy as insured for all activities for their vicarious liability arising from CONSULTANT's provision of services under this Agreement.
- E. Identify any deductibles or self-insured retentions. All such deductibles or self-insured retentions shall be the responsibility of CONSULTANT.

38.3 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.

38.4 Failure to Maintain Coverage: Failure by CONSULTANT to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONSULTANT resulting from said breach.

38.5 Notification of Incidents, Claims or Suits: CONSULTANT shall report to COUNTY:

- A. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONSULTANT and/or COUNTY. Such report shall be made in writing within 24 hours of CONSULTANT's first knowledge of the accident or incident;
- B. Any third party claim or lawsuit filed against CONSULTANT arising from or related to services performed by CONSULTANT under this Agreement;
- C. Any injury to a CONSULTANT employee which occurs on COUNTY property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager; and
- D. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONSULTANT under the terms of this Agreement.

38.6 Compensation for County Costs: In the event that CONSULTANT fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONSULTANT shall pay full compensation for all costs incurred by COUNTY.

38.7 Insurance Coverage Requirements for Sub-contractors: CONSULTANT shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- A. CONSULTANT providing evidence of insurance covering the activities of subcontractors, or
- B. CONSULTANT providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

38.8 Specific Insurance Coverage Requirements:

- A. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

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

- B. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident.

Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."

- C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONSULTANT is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

- D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONSULTANT, its officers or employees with limits of not less than \$1 million per claim and \$3 million aggregate. Consultant agrees to maintain professional liability insurance for a period of one year following termination or cancellation of this Agreement.
- E. Basic Health Insurance and Benefits - CONSULTANT will provide basic health coverage for employees of CONSULTANT who perform work under the provisions of this Agreement.

39.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement any licenses, permits, registrations, accreditations, and certificates required by any federal, state, and local laws, ordinances, rules, regulations, guidelines, and directives, which are applicable to CONSULTANT for its services under this Agreement. CONSULTANT further warrants and represents that all of its officers, employees, agents, and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to them for their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines, and directives shall be provided, in duplicate, to COUNTY's Project Manager as specifically requested by COUNTY.

40.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

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

40.2 CONSULTANT is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of

CONSULTANT on this or other contracts which indicates that CONSULTANT is not responsible, COUNTY may, in addition to other remedies provided in this Agreement, debar CONSULTANT from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONSULTANT may have with COUNTY.

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

40.4 If there is evidence that CONSULTANT may be subject to debarment, COUNTY's CAO and/or COUNTY's Internal Services Department will notify CONSULTANT in writing of the evidence which is the basis for the proposed debarment and will advise CONSULTANT of the scheduled date for a debarment hearing before COUNTY's Contractor Hearing Board.

40.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONSULTANT and/or CONSULTANT's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONSULTANT should be debarred, and if so, the appropriate length of time of the debarment. If CONSULTANT fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, CONSULTANT may be deemed to have waived all rights of appeal.

40.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to COUNTY's Board of Supervisors. COUNTY's Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

40.7 These terms shall also apply to any and all subcontractors of COUNTY contractors.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONSULTANT 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 1015.

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

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

42.2 As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONSULTANT's duty under this Agreement to comply with all applicable provisions of law, CONSULTANT warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653 (a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706-031 and Family Code Section 5246 (b).

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

Failure of CONSULTANT to maintain compliance with the requirements set forth in Section 42.0 (CONSULTANT's Warranty of Adherence to COUNTY's Child Support Compliance Program) shall constitute a default by CONSULTANT under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be grounds upon which COUNTY's Board of Supervisors may terminate this Agreement pursuant to Section 25.0 (Termination for Default).

44.0 CONSULTANT'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONSULTANT acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONSULTANT understands that it is COUNTY's policy to encourage all COUNTY contractors to voluntarily post COUNTY's "L.A's Most Wanted: Delinquent Parents" poster in a prominent position at CONSULTANT's place of business. COUNTY's District Attorney will supply CONSULTANT with the poster to be used.

45.0 MERGER CLAUSE

45.1 This base document, along with Exhibits A and B, described in Subsection 45.2, but not attached hereto, collectively form, and are throughout referred to as the "Agreement."

45.2 In the event of any conflict and/or inconsistency in the definition and/or interpretation of any word, responsibility, schedule, and/or the contents and/or description of any task, subtask, deliverable, service, and/or otherwise, between and/or among this based document and the Exhibits, such conflict and/or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:

- A. COUNTY's Request for Proposal, dated June 14, 2005.
- B. CONSULTANT's Proposal, received on or before June 22, 2005.

45.3 This Agreement constitutes the complete and exclusive statement of understanding between the parties, which supersedes any and all previous agreements, whether written or oral, and all prior and/or contemporaneous other communications between the parties and/or writings relating to the subject matter of this Agreement. Any changes and/or modifications to this Agreement must be in writing and formally adopted and executed in the same manner as this Agreement to be enforceable.

46.0 ARMS' LENGTH NEGOTIATIONS

This Agreement is the product of COUNTY's competitive procurement and an arms' length negotiation between COUNTY and CONSULTANT, during which each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly between the parties, and not more strictly construed against either party as the drafter.

47.0 COMPLIANCE WITH JURY SERVICE PROGRAM

- A. Jury Service Program.

This Contract 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.

- B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from 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.

2. For purposes of this section, "contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "employee" means any California resident who is a full time employee of contractor. "full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by 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 contractor uses any subcontractor to perform services for the county under the contract, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such subcontract agreement and a copy of the jury service program shall be attached to the agreement.

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

4. Contractor's violation of this section of the contract may constitute a material breach of the contract. In the event of such material breach, county may, in its sole discretion, terminate the contract and/or bar contractor from the award of future county contracts for a period of time consistent with the seriousness of the breach.

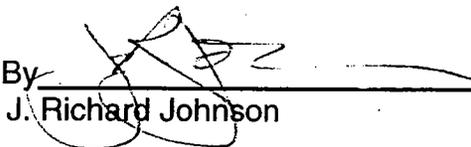
**AUTHORIZATION
CONSULTING SERVICE AGREEMENT**

IN WITNESS WHEREOF, the COUNTY's Board of Supervisors and CONSULTANT have each caused this Agreement to be executed by its duly authorized officer(s) and/or representative(s).

COUNTY OF LOS ANGELES

Segal

By _____
Gloria Molina
Chair

By  _____
J. Richard Johnson
Title Senior Vice President

Segal represents and warrants that the signatory to this Agreement is fully authorized to obligate Segal hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

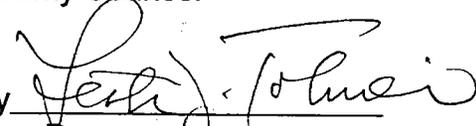
ATTEST:

VIOLET VARUNA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By  _____
Deputy

AGREEMENT FOR CONSULTANT SERVICES

CONTRACT NO. _____

This Agreement is made and entered into this _____ day of _____, 2005

by and between County of Los Angeles (hereinafter, the "COUNTY") and VALERE CONSULTING, 6355 Topanga Blvd., Suite 219, Woodland Hills, CA 91367 (hereinafter, the "CONSULTANT"), based upon the following recitals:

- A. WHEREAS, COUNTY desires to compensate County employees in a manner that attracts, retains, and motivates qualified personnel at the least possible cost; and
- B. WHEREAS, the provision of such compensation requires special skills and expertise in the area of compensation; and
- C. WHEREAS, CONSULTANT is specially trained and licensed and possesses skills, experience, education, and competency necessary to assist County with its compensation needs; and
- D. WHEREAS, COUNTY, in accordance with California Government Code Section 31000, may enter into contracts for special services.

Based upon the foregoing recitals, all of which are hereby incorporated herein by this reference, the COUNTY and CONSULTANT agree as follows:

1.0 TERM

This Agreement shall commence on the later of (1) the date the Agreement is approved by the Los Angeles County Board of Supervisors or (2) September 1, 2005 and shall continue in full force and effect until the earlier of (1) the date occurring three (3) years after the Effective Date, or (2) the date this Agreement is terminated as provided herein. In the event of any early termination of this Agreement as provided herein, or upon expiration of this Agreement, CONSULTANT will assist COUNTY in arranging a smooth transition process; however, CONSULTANT's obligation and the obligation of its affiliates to provide services to COUNTY will cease upon the effective date of termination or expiration. The County shall have the sole option to extend the Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CAO.

2.0 ADMINISTRATION - COUNTY

2.1 COUNTY's Chief Administrative Officer or his authorized designee (hereinafter referred to as "CAO") shall have the authority to administer this Agreement.

2.1.1 COUNTY's Project Manager

2.1.2 COUNTY's Project Manager for this Agreement shall be the following person or his designee:

Manny Talamantes
Compensation Policy
Los Angeles County Chief Administrative Office
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 526
Los Angeles, CA 90012

Business telephone: (213) 974-2529
E-mail: mdtalamantes@cao.co.la.ca.us
Fax: (213) 621-3172

2.1.3 COUNTY shall notify CONSULTANT in writing of any change in the name or address of COUNTY's Project Manager.

2.1.4 COUNTY's Project Manager shall be responsible for COUNTY's performance of its tasks and ensuring CONSULTANT's compliance with this Agreement.

2.1.5 COUNTY's Project Manager shall meet or confer with CONSULTANT's on an as needed basis.

2.1.6 Except as expressly set forth in this Agreement, COUNTY's Project Manager is not authorized to make any changes in any of the terms or conditions of this Agreement and is not authorized to obligate COUNTY in any respect whatsoever.

2.1.7 COUNTY's Project Manager shall have the right at all times to inspect any and all work, tasks, Deliverables, goods, services, and/or other consideration provided by or on behalf of CONSULTANT.

2.1.8 COUNTY's Project Manager shall be responsible for confirming that any technical standards and/or other requirements of CONSULTANT's performance under this Agreement are met.

3.0 ADMINISTRATION - CONSULTANT

3.1 CONSULTANT's shall designate in writing a person who shall have the authority to administer this Agreement.

3.1.1 CONSULTANT's Project Manager shall be responsible for CONSULTANT's performance and assuring CONSULTANT's compliance with this Agreement.

3.1.2 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager as required.

3.1.3 CONSULTANT's Project Manager shall be responsible for CONSULTANT's day-to-day activities as related to this Agreement and for reporting to COUNTY in the manner set forth in Subsection 3.3 (Reports by CONSULTANT).

3.1.4 CONSULTANT's Project Manager shall meet or confer with COUNTY's Project Manager on an as needed basis.

3.2 Approval of CONSULTANT's Staff

3.2.1 COUNTY has the absolute right to approve or disapprove each member or proposed member of CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager, prior to, and during, their performing any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. COUNTY's Project Manager may require replacement of any member of CONSULTANT's staff performing, or offering to perform, work hereunder, including, but not limited to, CONSULTANT's Project Manager.

3.2.2 CONSULTANT represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting CONSULTANT's staff, including, but not limited to, CONSULTANT's Project Manager.

3.2.3 CONSULTANT shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.2.4 In fulfillment of its responsibilities under this Agreement, CONSULTANT shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, and tasks required by this Agreement.

3.2.5 CONSULTANT shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with the Statements of Work.

3.2.6 In the event CONSULTANT should ever need to remove any staff from performing work under this Agreement, CONSULTANT shall provide COUNTY with notice at least fifteen (15) calendar days in advance, except in circumstances in which such notice is not possible, and shall work with COUNTY on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.3 Reports by CONSULTANT

3.3.1 In order to control expenditures and to provide COUNTY with ongoing information as to all Deliverables, CONSULTANT shall, if specifically requested by COUNTY's Project Manager, provide COUNTY's Project Manager with written reports which shall include but not be limited to, the following information:

- A. Period covered by the report;
- B. Overview of the reporting period;
- C. Any services scheduled for the reporting period which were not completed;
- D. Any services for the reporting period which were completed;
- E. Any services completed in the reporting period which were not scheduled;
- F. Any services to be completed in the next reporting period;
- G. Issues to be resolved;
- H. Issues resolved;
- I. Summary of project status as of reporting date; and
- J. Any other information which COUNTY may from time-to-time require.

3.3.2 CONSULTANT shall deliver one (1) hard copy of each of such report, together with a formal transmittal letter to COUNTY's Project Manager executed by CONSULTANT's Project Manager, and CONSULTANT shall also deliver a second copy of each such report electronically via e-mail.

4.0 STATEMENT OF WORK

CONSULTANT agrees to provide employee benefit consulting services as requested by the CAO, or the Director of Personnel or his or her designee (hereinafter both shall be referred to as "CAO" or "DOP" respectively). Such services may include, but not be limited to the following:

4.1 Part 1 Compensation Consulting

Compensation consulting, will involve day-to-day advice and commentary on a wide variety of wage and salary issues affecting represented and/or non-represented employees, including overtime and other non-base pay issues, and may involve more extensive in-depth consulting on special projects involving wage and salary issues. Part 1 work may include, but not be limited to the following:

- 4.1.1 Advice and commentary on community compensation practices and trends.
 - 4.1.2 Advice and commentary on County pay policy for specific benchmark jobs and/or occupational groups.
 - 4.1.3 Performance of salary studies for specific benchmark jobs, occupational groups, and/or organizational units, including job evaluation and classification studies.
 - 4.1.4 Development of reward systems, including merit pay plans, incentive pay plans, and other special pay plans for specific occupational groups.
 - 4.1.5 Development and/or provision of salary survey data for specific occupational benchmarks.
 - 4.1.6 Organizational studies, re-engineering studies, evaluation and grading studies, and work systems and methods studies pertinent to the administration of the County's compensation program.
 - 4.1.7 Training of County staff on compensation administration practices and techniques.
- 4.2 Consulting services provided pursuant to this Agreement shall be provided only when requested by CAO or DOP. It is mutually understood that COUNTY has not offered and cannot guarantee any minimum level of work under this Agreement.

5.0 CONSIDERATION

5.1 COUNTY agrees to pay CONSULTANT on a time and expense basis based on:

- A. The number of hours actually worked by CONSULTANT;
- B. The type and level of staff who perform the work;
- C. The following schedule of hourly rates:

Hourly Rates	9/1/05 - 8/31/06	9/1/06 - 8/31/07	9/1/07 - 8/31/08
Managing Director	\$325 - \$365	\$340 - \$380	\$350 - \$390
Principal Consultant	\$200 - \$250	\$210 - \$260	\$220 - \$270
Consultant	\$125 - \$175	\$130 - \$180	\$140 - \$190
Support Staff	\$65 - \$90	\$70 - \$95	\$75 - \$100

5.1.1 Upon request of the CAO or DOP, CONSULTANT shall provide CAO or DOP with 1) the billing titles and precise hourly billing rates CONSULTANT intends to use for any work requested by CAO or DOP pursuant to this Agreement, and/or 2) the estimated total cost of such work.

5.2 Subject to approval by COUNTY's Project Manager, CONSULTANT may, in addition to the hourly charges set forth in 5.0 (5.1) (A), charge for out-of-pocket costs necessary for a) mail and courier services, b) parking, c) photocopying (other than minor photocopying), and d) out-of-town travel, including air and ground transportation, lodging, meals, and portage. All such costs, if approved, shall be billed at actual cost; provided, however, that, in no event, may out-of-town travel charges exceed the expense limitations imposed by COUNTY on COUNTY employees who travel on COUNTY business. Any other out-of-pocket expenses not otherwise specified in this Subparagraph 5.2 shall not be charged to COUNTY unless specifically approved by COUNTY's Project Manager.

5.3 CONSULTANT shall invoice COUNTY monthly in arrears. Charges for billable time shall be calculated in increments of not less than fifteen (15) minutes. All invoices shall provide the following detail:

- A. The date or dates the services were provided.
- B. The names, billing titles, and hourly billing rates of the individuals who performed the work.
- C. The name of the COUNTY officer or employee who requested the work.
- D. A brief description of the work performed.
- E. Detail on out-of-pocket expenses sufficient to establish such expenses conform with the terms of this Agreement.

5.4 In no event shall CONSULTANT charge COUNTY for travel time, including time spent in air or ground transportation unless specifically approved in writing, in advance, by COUNTY's Project Manager.

5.5 Upon receipt of an invoice, or further information regarding an invoice, COUNTY's Project Manager may reasonably reject or accept all or any part of invoiced costs. COUNTY shall pay invoiced costs accepted by the COUNTY's Project Manager promptly thereafter. CONSULTANT shall be notified by the COUNTY's Project Manager, in writing, of the invoiced costs rejected, and the reason or reasons for such rejection, and be given an opportunity to provide further information.

5.6 Notwithstanding any other provision of this paragraph 5.0, CONSULTANT and CAO, or DOP as the case may be, may mutually agree in advance on a maximum total charge for all services and out-of-pocket expenses related to particular project or other specific work authorized by CAO or DOP pursuant to this Agreement.

6.0 NON-APPROPRIATION OF FUNDS

6.1 COUNTY'S obligation is payable only and solely from the funds appropriated for the purpose of this Agreement.

6.2 All funds for payments after June 30th of the current fiscal year are subject to COUNTY'S legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action.

6.3 In the event that this Agreement extends into a succeeding fiscal year period, and if the governing body appropriating the fund does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30th of the then current fiscal year. The COUNTY's Project Manager shall endeavor to notify CONSULTANT in writing of such non-allocation at the earliest possible date.

7.0 EMPLOYMENT ELIGIBILITY VERIFICATION

7.1 CONSULTANT represents and warrants that it fully complies with all applicable statutes and regulations regarding employment eligibility of aliens and others, that all persons performing services under this Contract are eligible for employment in the United States. Any such failure to comply by CONSULTANT shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

7.2 CONSULTANT represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONSULTANT shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.

7.3 CONSULTANT shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability

which may be assessed against the COUNTY or CONSULTANT in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens by CONSULTANT while performing services hereunder.

8.0 NONDISCRIMINATION IN EMPLOYMENT

- 8.1 CONSULTANT certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, in compliance with all applicable federal and state anti-discrimination laws and regulations.
- 8.2 CONSULTANT shall certify to, and comply with, the provisions of Exhibit (CONSULTANT's EEO Certification).
- 8.3 CONSULTANT shall ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental disability 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, without limitation, apprenticeship.
- 8.4 CONSULTANT certifies and agrees that it will deal with its bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability.
- 8.5 CONSULTANT certifies and agrees that it, its affiliates, subsidiaries or holding companies under common control, shall comply with all applicable federal and state laws and regulations, including, but not limited to:
- A. Title VII, Civil Rights Act of 1964;
 - B. Section 504, Rehabilitation Act of 1973; C. Age Discrimination Act of 1975;
 - C. Age Discrimination Act of 1975;
 - D. Title IX, Education Amendments of 1973, as applicable; and
 - E. Title 43, Part 17, Code of Federal Regulations, Subparts A & B; and that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.
 - F. California Fair Employment and Housing Act.

8.6. CONSULTANT shall allow federal representatives access to CONSULTANT's employment records during regular business hours to verify compliance with the above-referenced laws.

8.7 If any provision of this Section 8.0 has been violated, such violation shall, at the election of COUNTY, constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement.

8.8 The parties agree that in the event CONSULTANT violates any portion of this Section 8.0 and/or any other anti-discrimination provisions of this Agreement, COUNTY shall, at its option, be entitled to the sum of Five Thousand Dollars (\$5,000) from CONSULTANT for each such violation pursuant to California *Civil Code* Section 1671 as liquidated damages in lieu of terminating this Agreement.

9.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONSULTANT hereby represents and warrants that no persons shall, on the grounds of race, creed, color, religion, ancestry, national origin, political affiliation, marital status, sex, age or disability, be subjected to discrimination under the privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

10.0 FAIR LABOR STANDARDS ACT

CONSULTANT shall comply with all applicable provisions of the Federal Fair Labor Standards Act and State of California Wage and Hour Regulations, and shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents 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 services performed by CONSULTANT's employees.

11.0 COMPLIANCE WITH LAWS

11.1 The CONSULTANT shall conform to and abide by all applicable Federal, State, County and Municipal laws, rules, regulations or ordinances, directives and all provisions required thereby to be included herein, are hereby incorporated by reference.

11.2 The CONSULTANT agrees to indemnify and hold COUNTY harmless from any loss, damage or liability resulting from a violation by CONSULTANT, its employees, authorized agents or subcontractors of such laws, rules, regulations or ordinances and directives.

12.0 INDEMNIFICATION

Notwithstanding any provision of this Agreement to the contrary, either expressly or by implication, CONSULTANT shall indemnify, defend, and hold harmless COUNTY, its districts administered by COUNTY, and their elected and appointed

officers, employees, and agents, from and against any and all liability, including but not limited to any claim, demand, action, proceeding, damage, loss, fee (including attorney's fees and expert witness fees), costs, and/or expenses, arising from and/or in any way related to any of the act(s) and/or omission(s) of CONSULTANT, CONSULTANT's agent(s), employee(s), and/or any Subcontractor(s).

13.0 INDEPENDENT CONTRACTOR STATUS

- 13.1 This Agreement is by and between CONSULTANT and COUNTY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CONSULTANT and COUNTY. 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. CONSULTANT shall function as, and in all respects is, an independent contractor.
- 13.2 CONSULTANT shall be solely liable and responsible for providing to, or on behalf of, all persons performing work for CONSULTANT pursuant to this Agreement all compensation and benefits. 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 CONSULTANT.
- 13.3 CONSULTANT understands and agrees that all persons performing work for CONSULTANT pursuant to this Agreement are, for all purposes, and in particular for purposes of workers' compensation liability, the sole employees of CONSULTANT and not employees of COUNTY. CONSULTANT 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 CONSULTANT pursuant to this Agreement.

14.0 CHANGES TO KEY PERSONNEL AND SUCCESSOR TO CONSULTANT

CONSULTANT shall immediately notify COUNTY in writing of any changes in key personnel within its organization if such personnel are involved in providing services hereunder. If CONSULTANT is a partnership, CONSULTANT shall promptly notify COUNTY of changes in CONSULTANT's partners. If CONSULTANT is a corporation, CONSULTANT shall promptly notify COUNTY of all material changes in ownership which affect or may affect CONSULTANT's performance hereunder.

15.0 RESTRICTIONS ON LOBBYING

CONSULTANT and each COUNTY lobbyist or COUNTY lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by CONSULTANT, shall fully comply with COUNTY Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of CONSULTANT or any COUNTY lobbyist or COUNTY lobbying firm retained by CONSULTANT to fully comply with COUNTY

Lobbyist Ordinance shall constitute a material breach of this Agreement upon which COUNTY may immediately terminate or suspend this Agreement.

16.0 CONFLICT OF INTEREST

16.1 No COUNTY employee whose position with 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 CONSULTANT or have any other direct or indirect financial interest in this Agreement. No officer or employee of CONSULTANT, who may financially benefit from the performance of work hereunder, shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

16.2 CONSULTANT 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. CONSULTANT warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONSULTANT 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.

17.0 DELEGATION AND ASSIGNMENT

CONSULTANT shall not delegate its duties and/or assign its rights under this Agreement, either in whole or in part, without the prior written consent of COUNTY. Any unauthorized delegation and/or assignment by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the agreement.

18.0 RIGHT TO USE WRITINGS AND OTHER WORKS

18.1 COUNTY obtains the right to use, duplicate and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT specifically and exclusively for COUNTY as a result of their activities supported by this Agreement.

18.2 CONSULTANT retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by CONSULTANT as a result of its activities supported by this Agreement subject to the ENDORSEMENT paragraph below. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT

during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.

19.0 ENDORSEMENT

CONSULTANT shall not, in any manner, advertise, publish or represent that COUNTY endorses the goods or services herein mentioned without the prior written consent of COUNTY's Project Manager. Any published document by CONSULTANT referencing COUNTY in such manner must have prior written consent of COUNTY's Project Manager.

20.0 PROPRIETARY CONSIDERATIONS

- 20.1 COUNTY and CONSULTANT agree that all intellectual property, including but not limited to materials, plans, reports, acceptance test criteria, acceptance test plans, Deliverables, data, and information (hereafter in this Section 20 collectively "Materials") developed under this Agreement for delivery to COUNTY and financed exclusively by COUNTY funds, and all copyrights, patent rights, trade secret rights, title, interest, and other proprietary rights therein (collectively, "Rights") shall be the sole property of COUNTY, and CONSULTANT hereby assigns and transfers to COUNTY all CONSULTANT's Rights to all such Materials developed under this Agreement, provided that notwithstanding such COUNTY ownership, CONSULTANT may retain possession of all working papers prepared by CONSULTANT. During and for a minimum of five (5) years subsequent to the term of this Agreement, CONSULTANT shall retain any and all such Materials. COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.
- 20.2 Upon request of COUNTY, CONSULTANT shall execute all documents requested by COUNTY and shall perform all other acts requested by COUNTY to assign and transfer to, and vest in, COUNTY all CONSULTANT's Rights in and to the Materials. COUNTY shall have the right to register all Rights in the name of the County of Los Angeles. Further, COUNTY shall have the right to assign, license, or otherwise transfer any and all of COUNTY's Rights in and to the Materials.
- 20.3 As requested in writing by COUNTY's Project Manager, CONSULTANT shall affix the following notice to Materials developed under this Agreement: "©Copyright 2002 (or such other date of first publication), County of Los Angeles. All Rights Reserved". CONSULTANT shall affix such notice as directed by COUNTY.
- 20.4 During the term of this Agreement and for five (5) years thereafter, CONSULTANT shall maintain and provide security for all CONSULTANT's working papers prepared under this Agreement.
- 20.5 CONSULTANT shall protect the security of and keep confidential all Materials obtained or developed under this Agreement. Further, CONSULTANT shall use whatever security measures that are reasonably necessary to protect all such Materials from loss or damage by any cause, including, but not limited to, fire and theft.

20.6 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in COUNTY's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.

20.7 CONSULTANT shall not reproduce, distribute, or disclose to any person or entity any Confidential Material of COUNTY without COUNTY's prior written consent except in furtherance of the services to be provided hereunder, which may include in the normal course of business the release to insurers and other financial institutions of Confidential Material relevant to the underwriting and/or evaluation of COUNTY's risks and the processing of its claims, provided that such insurers and financial institutions consent, in advance, in writing to maintain the confidential nature of such information.

20.8 The provisions of Sections 20.0 shall survive the expiration or termination of this Agreement.

21.0 TRADE SECRETS

Recognizing that it may be impractical and/or impossible for COUNTY to safeguard trade secrets, confidential materials, and/or proprietary information of CONSULTANT, if any, CONSULTANT shall and does hereby keep and bear COUNTY harmless from any and all liabilities, damages, costs, and expenses by reason of any legally required disclosure by COUNTY of trade secrets, confidential materials, and/or proprietary information. COUNTY staff shall provide CONSULTANT with reasonable notice prior to such disclosure to enable CONSULTANT to challenge such disclosure.

22.0 CONFIDENTIALITY

22.1 CONSULTANT acknowledges and agrees that the following materials, documents, data, and other information of COUNTY (collectively, "Confidential Material") are deemed to be privileged, proprietary, and/or confidential:

- A. Workers' Compensation records;
- B. Medical records;
- C. COUNTY Employment records;
- D. Criminal records;
- E. Welfare recipient records;
- F. Data and/or information pertaining to entities and/or persons receiving services from the COUNTY; and

G. Any and all reports developed by CONSULTANT and/or its Subcontractor(s) under this Agreement.

22.2 CONSULTANT shall protect the security of and keep confidential any and all Confidential Material.

22.3 In accordance with all applicable federal, state, and local laws, regulations, ordinances, and directives relating to confidentiality, CONSULTANT shall ensure that its agent(s), representative(s), employee(s), and/or Subcontractor(s) follow such laws to the extent applicable.

22.4 With respect to Confidential Material concerning any child dependency matter that is obtained by CONSULTANT, CONSULTANT shall: (1) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to COUNTY all requests for disclosure of any such information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than COUNTY without COUNTY's prior written authorization that the information is releasable (except for Subcontractors); and (4) at the expiration or termination of this Agreement, return all such information to COUNTY or maintain such information according to the written procedures sent to CONSULTANT by COUNTY for this purpose.

22.5 CONSULTANT warrants and represents that only those CONSULTANT and/or Subcontractor personnel required to perform the Services shall have access to COUNTY Confidential Materials.

22.6 The provisions of this Section 22.0 shall survive the expiration or other termination of this Agreement.

23.0 NOTICE OF DELAYS

CONSULTANT shall have no liability for any failure or delay in performance of its obligation under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, terrorist acts, civil disturbances, sabotage, accidents, unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on CONSULTANT's server, or any inability to transmit or receive information over the internet, nor shall any such failure or delay give COUNTY the right to terminate this Agreement. Whenever CONSULTANT has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Agreement, CONSULTANT shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to COUNTY.

24.0 RESPONSIBILITY FOR DOCUMENTS

- 24.1 All documents, plans, drafts, and final reports, masters, work papers, memoranda, graphics, electronic media and other materials including duplicates thereof generated or compiled specifically and exclusively for COUNTY pursuant to this Agreement which are delivered to COUNTY hereunder are instruments of professional services but shall remain the exclusive Property of COUNTY which the COUNTY may use for any purpose; provided, however, that CONSULTANT may choose, at its option, to retain copies of such materials in accordance with Section 20.0 of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that CONSULTANT shall retain all of its rights in its own proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONSULTANT prior to, or acquired by CONSULTANT during, the performance of this Agreement and CONSULTANT shall not be restricted in any way with respect thereto.
- 24.2 If CONSULTANT requires any information or services from COUNTY to enable CONSULTANT to perform the work covered by this Agreement, CONSULTANT may request the same in writing, to which COUNTY will respond within a reasonable time. Except for any items to be provided and/or other performance required by the COUNTY as specified within this Agreement, there are no matters or items required to be furnished or performed by COUNTY.

25.0 TERMINATION FOR DEFAULT

- 25.1 By written notice of default ("Notice of Default") served upon the other party, the whole or any part of this Agreement may be terminated in any of the following circumstances of default:
- A. By either party if the other party violates a provision of this Agreement which by its terms herein is specified to be a material breach; or
 - B. By either party if the other party fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of thirty (30) calendar days (or such longer period as the party giving such Notice of Default may authorize in writing).
- 25.2 Notwithstanding any provision of this Agreement to the contrary, any and all rights and/or remedies provided in this Section 25.0, as well as throughout this Agreement, shall not be exclusive and are in addition to any and all other rights and/or remedies provided at law, in equity, and/or under this Agreement.

26.0 TERMINATION FOR CONVENIENCE

- 26.1 The COUNTY may terminate this Agreement when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination shall be effected by delivery of a notice of termination to CONSULTANT specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than fifteen (15) calendar days after the notice is sent, provided that in the event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 25.0 (Termination for Default) and it has later been determined that CONSULTANT was not in default, no additional notice shall be required upon such determination.
- 26.2 Upon service of a notice of termination, and except as otherwise directed by COUNTY, the CONSULTANT shall:
- A. Stop work under this Agreement on the date specified in such notice; and
 - B. Transfer to COUNTY, to the extent not previously transferred to COUNTY, all rights to all Materials pursuant to the terms of this Agreement.
- 26.3 Nothing in this Section 26.0 shall be deemed to prejudice any right of CONSULTANT to make a claim against COUNTY in accordance with applicable law and regular COUNTY procedures for payment for any completed Statement of Work through the effective date of COUNTY's termination of this Agreement for convenience.

27.0 TERMINATION FOR IMPROPER CONSIDERATION

- 27.1 COUNTY may, by written notice to CONSULTANT, immediately terminate the right of CONSULTANT to proceed under this Agreement if consideration in any form was offered or given by CONSULTANT, 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 CONSULTANT's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONSULTANT as it could pursue in the event of default of CONSULTANT.
- 27.2 CONSULTANT shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controllers Employee Fraud Hotline at (213) 974-0914.
- 27.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

28.0 AUTHORIZATION WARRANTY

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

29.0 GOVERNING LAWS, JURISDICTION, AND VENUE

This Agreement shall be construed in accordance with and governed by the substantive and procedural laws of the State of California. Any action and/or proceeding arising out of and/or relating to this Agreement shall be filed and maintained exclusively in the County of Los Angeles, State of California, except for those matters over which the Federal District Court may have jurisdiction, which may be filed and maintained in the Federal District Court, Central District, State of California.

30.0 WAIVER

No waiver of any breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

31.0 SEVERABILITY

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

32.0 COVENANT AGAINST CONTINGENT FEES

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

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

33.0 RECORD RETENTION AND INSPECTION

CONSULTANT agrees that COUNTY's Project Manager or any duly authorized representative shall have access to and the right to examine, audit, excerpt, copy, or transcribe in a reasonable manner any pertinent transaction, activity, time card, or other records relating to this Agreement. Such material, including all pertinent cost, accounting, financial records, and proprietary data, must be kept and maintained by CONSULTANT for a period of three (3) years after completion of the Agreement unless CAO's written permission is given to dispose of material prior to this time.

34.0 COUNTY'S QUALITY ASSURANCE PLAN

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

35.0 SUBCONTRACTING

No performance of this Agreement or any portion thereof may be subcontracted by CONSULTANT without the express written consent of the COUNTY. Any unauthorized subcontracting by CONSULTANT shall be null and void and shall constitute a material breach of contract, whereby COUNTY, in its sole discretion, may immediately terminate the Agreement.

36.0 CONSIDERATION OF COUNTY EMPLOYEES IN HIRING

Should CONSULTANT require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONSULTANT shall give fair 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.

37.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should CONSULTANT require additional or replacement personnel after the Effective Date, CONSULTANT shall give consideration for any such employment opening to participants in COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet CONSULTANT's minimum qualifications for the open position. COUNTY will refer GAIN participants by job category to CONSULTANT.

38.0 INSURANCE REQUIREMENTS

38.1 Without limiting CONSULTANT's obligations of indemnification and defense of COUNTY, and during the term of this Agreement, CONSULTANT shall maintain, and shall require any of its subcontractors to maintain, the programs of insurance specified in Section 38.8, below. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be maintained at CONSULTANT's own expense.

38.2 Evidence of Insurance: Certificate(s) of insurance shall be delivered to the following COUNTY contract manager prior to commencing services under this Agreement:

County of Los Angeles
Chief Administrative Officer
500 West Temple Street, Room 526
Los Angeles, CA 90012
Attention: Manny Talamantes

Such certificates shall:

- A. Specifically identify this Agreement.
- B. Clearly evidence all coverages required in this Agreement.
- C. Contain the express condition that COUNTY are to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
- D. Evidence that the COUNTY, its special districts, officials, officers, fiduciaries, and employees are included as additional insureds on the commercial general liability policy as insured for all activities for their vicarious liability arising from CONSULTANT's provision of services under this Agreement.
- E. Identify any deductibles or self-insured retentions. All such deductibles or self-insured retentions shall be the responsibility of CONSULTANT.

38.3 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.

38.4 Failure to Maintain Coverage: Failure by CONSULTANT to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONSULTANT resulting from said breach.

38.5 Notification of Incidents, Claims or Suits: CONSULTANT shall report to COUNTY:

- A. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONSULTANT and/or COUNTY. Such report shall be made in writing within 24 hours of CONSULTANT's first knowledge of the accident or incident;
- B. Any third party claim or lawsuit filed against CONSULTANT arising from or related to services performed by CONSULTANT under this Agreement;
- C. Any injury to a CONSULTANT employee which occurs on COUNTY property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager; and
- D. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONSULTANT under the terms of this Agreement.

38.6 Compensation for County Costs: In the event that CONSULTANT fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONSULTANT shall pay full compensation for all costs incurred by COUNTY.

38.7 Insurance Coverage Requirements for Sub-contractors: CONSULTANT shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- A. CONSULTANT providing evidence of insurance covering the activities of subcontractors, or
- B. CONSULTANT providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

38.8 Specific Insurance Coverage Requirements:

- A. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

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

- B. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."

C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONSULTANT is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONSULTANT, its officers or employees with limits of not less than \$1 million per claim and \$3 million aggregate. The coverage also shall provide an extended one year reporting period commencing upon termination or cancellation of this Agreement.

E. Basic Health Insurance and Benefits - CONSULTANT will provide basic health coverage for employees of CONSULTANT who perform work under the provisions of this Agreement.

39.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

CONSULTANT shall obtain and maintain in effect during the term of this Agreement any licenses, permits, registrations, accreditations, and certificates required by any federal, state, and local laws, ordinances, rules, regulations, guidelines, and directives, which are applicable to CONSULTANT for its services under this Agreement. CONSULTANT further warrants and represents that all of its officers, employees, agents, and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to them for their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines, and directives shall be provided, in duplicate, to COUNTY's Project Manager as specifically requested by COUNTY.

40.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

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

40.2 CONSULTANT is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of CONSULTANT on this or other contracts which indicates that CONSULTANT is not responsible, COUNTY may, in addition to other remedies provided in this

Agreement, debar CONSULTANT from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONSULTANT may have with COUNTY.

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

0.4 If there is evidence that CONSULTANT may be subject to debarment, COUNTY's CAO and/or COUNTY's Internal Services Department will notify CONSULTANT in writing of the evidence which is the basis for the proposed debarment and will advise CONSULTANT of the scheduled date for a debarment hearing before COUNTY's Contractor Hearing Board.

0.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONSULTANT and/or CONSULTANT's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONSULTANT should be debarred, and if so, the appropriate length of time of the debarment. If CONSULTANT fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, CONSULTANT may be deemed to have waived all rights of appeal.

0.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to COUNTY's Board of Supervisors. COUNTY's Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

0.7 These terms shall also apply to any and all subcontractors of COUNTY contractors.

41.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONSULTANT 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 1015.

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

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

42.2 As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONSULTANT's duty under this Agreement to comply with all applicable provisions of law, CONSULTANT warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653 (a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706-031 and Family Code Section 5246 (b).

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

Failure of CONSULTANT to maintain compliance with the requirements set forth in Section 42.0 (CONSULTANT's Warranty of Adherence to COUNTY's Child Support Compliance Program) shall constitute a default by CONSULTANT under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be grounds upon which COUNTY's Board of Supervisors may terminate this Agreement pursuant to Section 25.0 (Termination for Default).

44.0 CONSULTANT'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONSULTANT acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONSULTANT understands that it is COUNTY's policy to encourage all COUNTY contractors to voluntarily post COUNTY's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at CONSULTANT's place of business. COUNTY's District Attorney will supply CONSULTANT with the poster to be used.

45.0 MERGER CLAUSE

45.1 This base document, along with Exhibits A and B, described in Subsection 45.2, but not attached hereto, collectively form, and are throughout referred to as the "Agreement."

45.2 In the event of any conflict and/or inconsistency in the definition and/or interpretation of any word, responsibility, schedule, and/or the contents and/or description of any task, subtask, deliverable, service, and/or otherwise, between and/or among this based document and the Exhibits, such conflict and/or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:

- A. COUNTY's Request for Proposal, dated June 14, 2005.
- B. CONSULTANT's Proposal, received on or before June 22, 2005.

45.3 This Agreement constitutes the complete and exclusive statement of understanding between the parties, which supersedes any and all previous agreements, whether written or oral, and all prior and/or contemporaneous other communications between the parties and/or writings relating to the subject matter of this Agreement. Any changes and/or modifications to this Agreement must be in writing and formally adopted and executed in the same manner as this Agreement to be enforceable.

46.0 ARMS' LENGTH NEGOTIATIONS

This Agreement is the product of COUNTY's competitive procurement and an arms' length negotiation between COUNTY and CONSULTANT, during which each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly between the parties, and not more strictly construed against either party as the drafter.

47.0 COMPLIANCE WITH JURY SERVICE PROGRAM

- A. Jury Service Program.

This Contract 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.

- B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from 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.

2. For purposes of this section, "contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "employee" means any California resident who is a full time employee of contractor. "full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by 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 contractor uses any subcontractor to perform services for the county under the contract, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such subcontract agreement and a copy of the jury service program shall be attached to the agreement.
3. If contractor is not required to comply with the jury service program when the contract commences, contractor shall have a continuing obligation to review the applicability of its "exception status" from the jury service program, and contractor shall immediately notify county if contractor at any time either comes within the jury service program's definition of "contractor" or if contractor no longer qualifies for an exception to the program. In either event, contractor shall immediately implement a written policy consistent with the jury service program. The county may also require, at any time during the contract and at its sole discretion, that contractor demonstrate to the county's satisfaction that contractor either continues to remain outside of the jury service program's definition of "contractor" and/or that contractor continues to qualify for an exception to the program.
4. Contractor's violation of this section of the contract may constitute a material breach of the contract. In the event of such material breach, county may, in its sole discretion, terminate the contract and/or bar contractor from the award of future county contracts for a period of time consistent with the seriousness of the breach.

AUTHORIZATION
CONSULTING SERVICE AGREEMENT

IN WITNESS WHEREOF, the COUNTY's Board of Supervisors and CONSULTANT have each caused this Agreement to be executed by its duly authorized officer(s) and/or representative(s).

COUNTY OF LOS ANGELES

VALERE CONSULTING

By _____
Gloria Molina
Chair

By S Mendelsohn
Title Managing Director

Valere Consulting represents and warrants that the signatory to this Agreement is fully authorized to obligate Valere Consulting hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

ATTEST:

VIOLET VARUNA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By Ray G. Fortner, Jr.
Deputy