HOUSING AUTHORITY
of the County of Los Angeles
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Commissioners

Carlos Jackson
Executive Director

March 7, 2006

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

APPROVE PEST CONTROL CONTRACT FOR ALL HOUSING AUTHORITY HOUSING DEVELOPMENTS LOCATED WITHIN LOS ANGELES COUNTY (ALL DISTRICTS)
(3 Vote)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Executive Director of the Housing Authority to execute a one-year Pest Control Services Contracts (Contracts) with Cats USA Pest Control, Inc. and American City Pest Control, Inc., presented in substantially final form, to provide pest control services at all housing developments owned or managed by the Housing Authority, to be effective following approval as to form by County Counsel and execution by all parties; and to use for this purpose a maximum aggregate amount not to exceed $67,836 in Conventional Public Housing Program funds allocated by the U.S. Department of Housing and Urban Development (HUD).

2. Authorize the Executive Director to execute Contract amendments, following approval as to form by County Counsel, to incorporate specific sites, increase compensation amounts as provided herein, and to extend the Contract term for a maximum of two years, in one-year increments, at the same yearly aggregate amount of $67,836, using the same source of funds.

3. Authorize the Executive Director to execute amendments to the Contracts, following approval as to form by County Counsel, in an aggregate amount not to exceed $16,959 per Contract year, to cover

any unforeseen needed pest control services, using the same source of funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to provide for pest control services for all Housing Authority housing developments located throughout the County.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The maximum amount for all three years of the Contracts, if fully extended, will not exceed the aggregate amount of $203,508, excluding any contingency monies.

For the first year of services under the Contracts, the Housing Authority will use a maximum aggregate amount of $67,836 in Conventional Public Housing Program funds included in the Housing Authority's approved Fiscal Year 2005-2006 budget.

After the first year, the Housing Authority may extend the Contracts for an additional two years, in one-year increments, at the same yearly maximum aggregate compensation, contingent upon the availability of funds. Funds for years two and three of the Contracts, if extended, will be included in the Housing Authority's approved budget through the annual budget process.

A 25 percent contingency, in the maximum aggregate amount of $16,959 per year, is also being set aside to cover any unforeseen needed pest control services, using the same yearly source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Housing Authority operates 74 housing developments, consisting of 3,636 units throughout the County of Los Angeles. The Housing Authority wishes to retain the services of Cats USA Pest Control, Inc. and American City Pest Control, Inc. to provide pest control services for all housing developments throughout the County. Cats USA Pest Control, Inc. will be the primary pest control service provider. American City Pest Control Inc. will provide back-up pest control services for all housing developments, only if the primary fails to perform satisfactorily.

The proposed form of Contract defines the basic pest control services to be performed by both companies. It is the practice of the Housing Authority to treat senior units for pests once annually and family units twice annually. In addition, the exterior of each housing development is treated once per month and all community space areas are treated quarterly, or as necessary.

Interior pest control services cover roaches, ants and silverfish. Exterior pest control services cover roaches, ants and spiders. Other pests to be treated could include fleas, bees, moths and rodents. Termites may be treated in confined areas, such as a windowsills or door frames.

The proposed services are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) or the General Relief Opportunity for Work (GROW) Programs implemented by the County of Los Angeles. Instead, the contractors must comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority has determined that the recommended contractors have fully complied with the requirements of the Living Wage Program and agree to pay living wage hourly rates to full-time employees providing services under the Contracts.

The Contracts will be effective following approval as to form by County Counsel and execution by all parties. On February 22, 2006, the Housing Commission recommended approval of the Contracts.

ENVIRONMENTAL DOCUMENTATION:

Approval of Pest Control Services Contracts for Housing Authority housing developments is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The activities are not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

On November 14, 2005, an Invitation for Bids (IFB) process was initiated to identify contractors to provide pest control services for the Housing Authority. Notices were mailed to 72 firms identified from the Housing Authority's vendor list. Announcements appeared in ten local newspapers and on the County's WebVen website. A copy of the IFB was also posted on the Housing Authority's website. Eight contractors participated in a pre-bid conference on November 29, 2005. Six bids were received on December 15, 2005, one of which was determined to be non-responsive.

The lowest bid, submitted by Cats USA Pest Control, Inc., was determined to be responsive and is being recommended for the primary Contract award. American City Pest Control, Inc. was determined to be the second lowest responsive bidder and is being recommended for the backup Contract award. There will only be one vendor providing services at any given time. Should the primary contractor fail to perform satisfactorily, the secondary contractor will be called upon to provide the needed services.

The Summary of Outreach Activities is provided in Attachment A.

IMPACT ON CURRENT PROGRAMS:

The proposed Contracts will provide needed pest control services for all of the Housing Authority's housing developments located within Los Angeles County.

Respectfully submitted,

Carlos Jackson

CARLOS JACKSON
Executive Director

Attachments: 2

ATTACHMENT A

CONTRACTS FOR PEST CONTROL SERVICES

Summary of Outreach Activities

On November 14, 2005, the following outreach was initiated to identify qualified contractors to provide pest control services for all Housing Authority housing developments located within Los Angeles County.

A. Invitation for Bids (IFB) Advertising

IFB announcements appeared in the following ten local newspapers:

Agua Dulce News	Long Beach Press Telegram
Antelope Valley Press	Los Angeles Sentinel
Eastside Sun	Los Angeles Times
International Daily News	The Daily News
La Opinion	Wave Publications Group

The announcements were posted on the County's WebVen website and the Community Development Commission/Housing Authority website.

B. Distribution of Bid Packets

The Housing Authority's vendor list was used to mail out the IFB to 72 contractors, of which 29 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, 15 bid packets were requested and distributed.

C. Pre-Bid Conference

On November 29, 2005, eight contractors participated in a Pre-Bid Conference.

D. Bid Results

On December 15, 2005, six bids were received. The two lowest bids, submitted by Cats USA Pest Control, Inc. and American City Pest Control, Inc. were found to be responsible and meet all the criteria set forth in the IFB. Therefore, the Housing Authority is recommending that Cats USA Pest Control, Inc. be the primary pest control service provider and American City Pest Control Inc. provide back-up pest control services for all housing developments, as needed, should the primary contractor fail to satisfactorily perform the contract. The results are as follows:

Pest Control Company	Annual Bid Amount
Cats USA Pest Control, Inc.	$ 66,636
American City Pest Control, Inc.	$ 66,996
Service Pro Pest Management	$ 72,300
Hydrex Termite-Pest Control Company - SGV	$ 96,300
Canterbury Termite & Pest Control, Inc.	$103,254

E. Minority/Female Participation – Selected Firms

Name	Ownership	Employees
Cats USA Pest Control, Inc.	Non-Minority	Total: 62 33 Minorities 12 Women 53% Minorities 19% Women
American City Pest Control, Inc. (Backup)	Non-Minority	Total: 41 23 Minorities 4 Women 56% Minorities 10% Women

F. Minority/Female Participation – Firms Not Selected

Name	Ownership	Employees
Service Pro Pest Management.	Minority	Total: 16 12 Minorities 3 Women 75% Minorities 19% Women
Hydrex Termite-Pest Control Company - SGV	Non-Minority	Total 11 5 Minorities 3 Women 45% Minorities 27% Women

Canterbury Termite and Pest Control	Non-Minority	Total	9
		2	Minorities
		2	Women
		22%	Minorities
		22%	Women

The Housing Authority conducts ongoing outreach to include minorities and women in the Contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of Contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

CONTRACT FOR
PEST CONTROL SERVICES

This Contract is made and entered into this _____ day of _____, _____, by and between the Housing Authority of the County of Los Angeles, hereinafter referred to as "Housing Authority", and _____, hereinafter referred to as "Contractor".

RECITAL

1. PURPOSE

Contractor is in the business of providing needed pest control services. On December 15, 2005, in response to an Invitation For Bids, Contractor submitted a bid to provide pest control services to the Housing Authority.

TERMS AND CONDITIONS

2. TERM

This Contract shall commence as of the day and year first above written and shall remain in full force and effect until _____._____, 2006, unless sooner terminated as provided herein. This Contract may be extended in one-year increments, for a total of two (2) additional years at the sole discretion of the Housing Authority.

3. CONTRACTOR'S RESPONSIBILITIES

Contractor agrees to perform in a professional manner, to the satisfaction of the Housing Authority's Executive Director, all the work described in the attached Statement of Work in Attachment A.

4. COMPENSATION

Contractor will submit to the Housing Authority an invoice on a form approved by the Housing Authority for services rendered on a monthly schedule. Upon receipt and approval, the Housing Authority will pay the Contractor within thirty (30) days of receipt of the invoice. The yearly amount of compensation under this Contract will not exceed Sixty Six thousand Nine Hundred Ninety Six Dollars ($66,996.00), and the total amount of compensation under this Contract will not exceed Sixty Six Thousand Nine Hundred Ninety Six Dollars ($66,996.00).

The Contractor shall be paid in accordance with the Housing Authority standard accounts payable system.

The following conditions must be met to fulfill this Contract and ensure prompt payment.

Contractor will submit a monthly invoice on a form approved the Housing Authority for services rendered, and this invoice must be approved the Housing Authority.

Contractor shall have no claim against the Housing Authority for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment, it shall immediately notify the Housing Authority and shall immediately repay all such funds to the Housing Authority. Payment by the Housing Authority for Services rendered after expiration and/or termination of this Contract shall not constitute a waiver of the Housing Authority's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Contract.

5. SOURCES AND APPROPRIATION OF FUNDS

The Housing Authority's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development (HUD) and, for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1.

In the event this Contract extends into succeeding fiscal years and funds have not been appropriated, this Contract will automatically terminate as of June 30 of the current fiscal year. The Housing Authority will endeavor to notify the Contractor in writing within ten (10) days of receipt of non-appropriation notice.

6. TERMINATION FOR IMPROPER CONSIDERATION

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

The Contractor shall immediately report any attempt by a Housing Authority's officer or employee to solicit such improper consideration. The report shall be made either to the Executive Director or designee.

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

7. SUCCESSOR AND ASSIGNMENT

This Contract may not be assigned by the Contractor except with prior written consent of the Executive Director of the Housing Authority, or his designee. However, the Housing Authority reserves the right to assign this Contract to another public agency without the consent of the Contractor.

8. CONFIDENTIALITY OF REPORTS

The Contractor shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the Housing Authority.

9. SUBCONTRACTING

The Contractor shall not subcontract any part of the work covered by this Contract or permit subcontracted work to be further subcontracted without prior written approval by the Housing Authority.

10. INSURANCE

Contractor shall procure and maintain at Contractor's expense for the duration of this Contract the following insurance against claims for injuries to persons or damage to property, which may arise from or in connection with the performance of the work by the Contractor, its agents, representatives, employees or subcontractors.

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	$2,000,000
Products/Completed Operations Aggregate	$1,000,000
Personal and Advertising Injury	$1,000,000
Each Occurrence	$1,000,000

The Community Development Commission of the County of Los Angeles ("Commission"), the Housing Authority of the County of Los Angeles ("Housing Authority"), the County of Los Angeles ("County"), and their officials and employees, shall be covered as insured with respect to: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, leased or used by the Contractor.

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 incident. Such insurance shall include coverage of all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

C. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing workers' compensation benefits, as required by the Labor Code of the State of California.

In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	$1,000,000
Disease-policy limit	$1,000,000
Disease-each employee	$1,000,000

Any self-insurance program and self-insured retention must be separately approved by the Housing Authority.

Each insurance policy shall be endorsed to state that coverage shall not be canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the Housing Authority.

Acceptable insurance coverage shall be placed with carriers admitted to write insurance in California or carriers with a rating of or equivalent to A: VIII by A.M. Best & Company. Any deviation from this rule shall require specific approval in writing by the Housing Authority.

All coverage for subcontractors shall be subject to the requirements stated herein and shall be maintained at no expense to the Housing Authority.

Contractor shall furnish the Housing Authority with certificates of insurance and with original endorsements affecting coverage as required above. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Failure on the part of the Contractor to procure or maintain insurance required by this Contract shall constitute a material breach of contract upon which the Housing Authority may immediately terminate this Contract.

11. INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless the Community Development Commission of the County of Los Angeles, the Housing Authority of the County of Los Angeles, the County of Los Angeles, and their elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Contract.

12. HOUSING AUTHORITY'S QUALITY ASSURANCE PLAN

The Housing Authority will evaluate Contractor's performance under this Contract. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies, which Housing Authority determine are severe or continuing and that may place performance of the Contract in jeopardy, if not corrected, will be reported to the Board of Commissioners. The report will include improvement/corrective action measures taken by the Housing Authority and Contractor. If improvement does not occur consistent with the corrective measure, the Housing Authority may terminate this Contract, pursuant to Paragraph 13 or 14, or seek other remedies as specified in this Contract.

13. TERMINATION FOR CONVENIENCE

The Housing Authority reserves the right to cancel this Contract for any reason at all upon ten (10) days prior written notice to Contractor. In the event of such termination, Contractor shall be entitled to a prorated portion paid for all doors delivered unless such termination is made for cause, in which event, compensation if any, shall be adjusted in such termination.

14. TERMINATION FOR CAUSE

This Contract may be terminated by the Housing Authority upon written notice to the Contractor for just cause (failure to perform satisfactorily) with no penalties incurred by the Housing Authority upon termination or upon the occurrence of any of the following events in A, B, C or D:

A. Should the Contractor fail to perform all or any portion of the work required to be performed hereunder in a timely and good workmanlike manner or properly carry out the provisions of this Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Contractor, and should the Contractor neglect or refuse to provide a means for satisfactory compliance with this Contract and with the direction of the Housing Authority within the time specified in such notice, the Housing Authority shall have the power to suspend or terminate the operations of the Contractor in whole or in part.

B. Should the Contractor fail within five (5) days to perform in a satisfactory manner, in accordance with the provisions of this Contract, or if the work to be done under this Contract is abandoned for more than three (3) days by the Contractor, then a notice of deficiency thereof in writing will be served upon the Contractor by the Housing Authority. Should the Contractor fail to comply with the terms of this Contract within five (5) days, upon receipt of said written notice of deficiency, the Executive Director of the Housing Authority shall have the power to suspend or terminate the operations of the Contractor in whole or in part.

C. In the event that a petition of bankruptcy shall be filed by or against the Contractor.

D. If, through any cause, the Contractor shall fail to fulfill, in a timely and proper manner, the obligations under this Contract, or if the Contractor should violate any of the covenants, Contracts, or stipulations of this Contract, the Housing Authority shall thereupon have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor under this Contract shall, at the option of the Housing Authority become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

15. CONTRACTOR'S WARRANTY OF ADHERENCE TO HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM

Contractor acknowledges that the Housing Authority has established a goal of ensuring that all individuals who benefit financially from Housing Authority through contracts, are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the taxpayers of the County of Los Angeles.

As required by Housing Authority Child Support Compliance Program and without limiting Contractor's duty under this Contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or 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).

16. TERMINATION FOR BREACH OF WARRANTY TO COMPLY WITH THE HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 15, "Contractor's Warranty of Adherence to Housing Authority's Child Support Compliance Program" shall constitute a default by Contractor under this Contract. Without limiting the rights and remedies available to Housing Authority under any other provision of this Contract, failure to cure such default within ninety (90) days of notice by the Los Angeles County Child Support Services Department (CSSD) shall be grounds upon which the Housing Authority Board of Commissioners may terminate this Contract pursuant to Paragraph 14, "Termination For Cause".

17. POST MOST WANTED DELINQUENT PARENTS LIST

Contractor acknowledges that the Housing Authority places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that the Housing Authority's policy to strongly encourage Public Agency Contractors to voluntarily post an entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. The Child Support Services Department (CSSD) will supply Contractor with the poster to be used.

18. INDEPENDENT CONTRACTOR

This Contract does not, is not intended to, nor shall it be construed to create the relationship of agent, employee or joint venture between the Housing Authority and the Contractor.

19. EMPLOYEES OF CONTRACTOR

Workers' Compensation: Contractor understands and agrees that all persons furnishing services to the Housing Authority pursuant to this Contract are, for the purposes of Workers' Compensation liability, employees solely of the Contractor. Contractor shall bear sole responsibility and liability for providing Workers' Compensation benefits to any person for injuries arising from an accident connected with services provided to the Housing Authority under this Contract.

Professional Conduct: the Housing Authority does not and will not condone any acts, gestures, comments or conduct from the Contractor's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activities or behavior that might be construed as harassment. The Housing Authority will properly investigate all charges of harassment by residents, employees or agents of the Housing Authority against any and all Contractor's employees, agents or subcontractors providing services for the Housing Authority. The Contractor assumes all liability for the actions of the Contractor's employees, agents or subcontractors and is responsible for taking appropriate action after the Contractor receives reports of harassment.

20. DRUG-FREE WORKPLACE ACT OF THE STATE OF CALIFORNIA

Contractor certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990.

21. SAFETY STANDARDS AND ACCIDENT PREVENTION

The Contractor shall comply with all applicable federal, state and local laws governing safety, health and sanitation. The Contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions, as its own responsibility, reasonably necessary to protect the life and health of employees on the job and the safety

of the public and to protect property in connection with the performance of this Contract.

22. COMPLIANCE WITH LAWS

The Contractor agrees to be bound by all applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Contract, including but not limited to, the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85, and the Americans with Disabilities Act of 1990. If the compensation under this Contract is in excess of $100,000 then Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR part 15). The Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Contract.

Contractor shall comply with the following laws in Sections 23-32, inclusive, and 41-44.

23. CIVIL RIGHTS ACT OF 1964, TITLE VI (NON-DISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS)

Contractor shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

24. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

25. AGE DISCRIMINATION ACT OF 1975 AND SECTION 504 OF THE REHABILITATION ACT OF 1973

Contractor shall comply with the Age Discrimination Act of 1975 and section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

26. EXECUTIVE ORDER 11246 AND 11375, EQUAL OPPORTUNITY IN EMPLOYMENT (NON-DISCRIMINATION IN EMPLOYMENT BY GOVERNMENT CONTRACTORS AND SUBCONTRACTORS)

Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.
The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Contractor will send to each labor union or representative of workers with which he has a collective bargaining Contract or other contract or understanding, a notice to be provided by the agency of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Housing Authority and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of Contractor's noncompliance with the non-discrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions would be binding upon each subcontractor or Contractor.

The Contractor will take such actions with respect to any subcontract or purchase order as the Housing Authority may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or Contractor as a result of such direction by the Housing Authority, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

27. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968, AS AMENDED

A. The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this Contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

C. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining Contract or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

E. The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR

part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 135.

F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Prospective Contractors should carefully read the information included in Appendix C, Required Contract Forms.

28. FEDERAL LOBBYIST REQUIREMENTS

The Contractor is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative Contract, and any extension, continuation, renewal, amendment or modification of said documents.

The Contractor must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Contractor will comply with the Lobbyist Requirements.

Failure on the part of the Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

29. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the

federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

30. USE OF RECYCLED-CONTENT PAPER PRODUCTS

The Contractor agrees to use recycled-content paper to the maximum extent possible throughout this Contract.

31. CONTRACTOR RESPONSIBILITY AND DEBARMENT

a. 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 the policy of the Housing Authority to conduct business only with responsible contractors.

b. The Contractor is hereby notified that if the Housing Authority acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the Housing Authority may, in addition to other remedies provided in the contract, debar the Contractor from bidding on Housing Authority contracts for a specified period of time not to exceed 3 years, and terminate any or all existing contracts the Contractor may have with the Housing Authority.

c. The Housing Authority may debar a contractor if the Board of Commissioners finds, in its discretion, that the contractor has done any of the following: (1) violated any term of a contract with the County, the Commission or the Housing Authority, (2) committed any act or omission which negatively reflects on the contractor's quality, fitness or capacity to perform a contract with the County, the Housing Authority 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 the County, the Commission or the Housing Authority or any other public entity.

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

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

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

f. A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

g. These terms shall also apply to subcontractors of Housing Authority contractors.

32. COMPLIANCE WITH JURY SERVICE PROGRAM

A. Unless Contractor has demonstrated to the Housing Authority's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program or that Contractor qualifies for an exception to the Jury Service Program, 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.

B. For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the Housing Authority or a subcontract with a Housing Authority contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more Housing Authority 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 Housing Authority, 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 Housing Authority 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 Contract and a copy of the Jury Service Program shall be attached to the Contract.

C. 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 Housing Authority" may also require, at any time during the Contract and at

its sole discretion, that Contractor demonstrate to the Housing Authority 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.

D. Contractor's violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, Housing Authority may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future Public Agency contracts for a period of time consistent with the seriousness of the breach.

33. ACCESS AND RETENTION OF RECORDS

Contractor shall provide access to the Housing Authority, the Federal Grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records of the Contractor which are directly pertinent to this Contract for the purpose of making audits, examinations, excerpts and transcriptions.

The Contractor is required to retain the aforementioned records for a period of five years after the Housing Authority pays final payment and other pending matters are closed under this Contract.

34. CONFLICT OF INTEREST

The Contractor represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Contract, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venture or shareholder (other than as a shareholder holding a one (1%) percent or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the Housing Authority. Upon execution of this Contract and during its term, as appropriate, the Contractor shall, disclose in writing to the Housing Authority any other contract or employment during the term of this Contract by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the Housing Authority's interest and the interests of the third parties.

35. SEVERABILITY

In the event that any provision herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Contract and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

36. INTERPRETATION

No provision of this Contract is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Contract is to be construed as if drafted by both parties hereto.

37. WAIVER

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

38. PATENT RIGHTS

The Housing Authority will hold all the patent rights with respect to any discovery or invention, which arises or is developed in the course of, or under this Contract.

39. COPYRIGHT

No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the Contractor. All such documents become the property of the Housing Authority and the Housing Authority holds all the rights to said data.

40. NOTICES

Housing Authority shall provide Contractor with notice of any injury or damage arising from or connected with services rendered pursuant to this Contract to the extent that Public Agency has actual knowledge of such injury or damage. Housing Authority shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

Notices provided for in this Contract shall be in writing and shall be addressed to the person intended to receive the same, at the following address:

The Housing Authority:	Housing Authority of the The County of Los Angeles 2 Coral Circle Monterey Park, CA 91755 Attn: Maria Badrakhan, Director Housing Management Division
The Contractor:	

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. The Contractor and the Housing Authority may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

41. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Attachment D-Required Contract Notices of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

42. CONTRACTOR'S ACKNOWLEDGMENT OF THE HOUSING AUTHORITY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the Housing Authority places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the Housing Authority's policy to encourage all Public Agency Contractors to voluntarily post the Los Angeles County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The Department of Children and Family Services of the County of Los Angeles will supply the Contractor with the poster to be used.

43. CONTRACTOR'S CHARITABLE CONTRIBUTIONS COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the Charitable Contributions Certification as included in Attachment C – Required Contract Forms, the Public Agencies seek to ensure that all Public Agencies contractors that receive or raise charitable contributions comply with California law in order to protect the Public Agencies and its taxpayers. A Contractor that receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings, or both.

44. COMPLIANCE WITH THE HOUSING AUTHORITY'S LIVING WAGE PROGRAM

This Contract is subject to the provisions of the Housing Authority's policy entitled Living Wage Program, a copy of which is attached in *Appendix D – Required Notices* and incorporated by reference into and made a part of this Contract.

Payment of Living Wage Rates

Unless the Contractor has demonstrated to the Housing Authority's satisfaction either that the Contractor is not an "Employer" as defined under the Program or that the Contractor qualifies for an exemption to the Living Wage Program, the Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth immediately below, for the Employees' services provided to the Housing Authority under the Contract:

A. Not less than $9.46 per hour if, in addition to the per-hour wage, the Contractor contributes less than $1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or

B. Not less than $8.32 per hour if, in addition to the per-hour wage, the Contractor contributes at least $1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. The Contractor will be deemed to have contributed $1.14 per hour towards the provision of bona fide health care benefits if the benefits are provided through the County Department of Health Services Community Health Plan. If, at any time during the Contract, the Contractor contributes less than $1.14 per hour towards the provision of bona fide health care benefits, the Contractor shall be required to pay its Employees the higher hourly living wage rate.

1. For purposes of this Sub-paragraph, "Contractor" includes any subcontractor engaged by the Contractor to perform services for the Housing Authority under the Contract. If the Contractor uses any subcontractor to perform services for the Housing Authority under the Contract, the subcontractor shall be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract Contract and a copy of the Living Wage Program Policy shall be attached to the Contract. "Employee" means any individual who is an employee of the Contractor under the laws of California, and who is providing full-time services to the Contractor, some or all of which are provided to the Housing Authority under the Contract. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the Housing Authority; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.

2. If the Contractor is required to pay a living wage when the Contract commences, the Contractor shall continue to pay a living wage for the entire term of the Contract, including any option period.

3. If the Contractor is not required to pay a living wage when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. The Contractor shall immediately notify the Housing Authority if the Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if the Contractor no longer qualifies for an exemption to the Living Wage Program. In either event, the Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Contract, including any option period. The Housing Authority may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate to the Housing Authority's satisfaction that the Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that the Contractor continues to qualify for an exemption to the Living Wage Program. Unless the Contractor satisfies this requirement within the time frame permitted by the Housing Authority, the Contractor shall immediately be required to pay the living wage for the remaining term of the Contract, including any option period.

4. **Contractor's Submittal of Certified Monitoring Reports**
The Contractor shall submit to the Housing Authority certified monitoring reports at a frequency instructed by the Housing Authority. The certified monitoring reports shall list all of the Contractor's Employees during the reporting period. The certified monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the amount paid by the Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of the Contractor's current health care benefits plan, and the Contractor's portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by the Housing Authority (*Appendix D – Required Forms*), or other forms approved by the Housing Authority which contain the above information. The Housing Authority reserves the right to request any additional information it may deem necessary. If the Housing Authority requests additional information, the Contractor shall promptly provide such information. The Contractor, through one of its officers, shall certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

5. **Contractor's Ongoing Obligation to Report Labor Law/Payroll Violations and Claims**
During the term of the Contract, if the Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim")

concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), the Contractor shall immediately inform the Housing Authority of any pertinent facts known by the Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's contract with the Housing Authority, but instead applies to any labor law/payroll violation or claim arising out of any of the Contractor's operations in California.

6. **Housing Authority Auditing of Contractor Records**
Upon a minimum of twenty-four (24) hours' written notice, the Housing Authority may audit, at the Contractor's place of business, any of the Contractor's records pertaining to the Contract, including all documents and information relating to the certified monitoring reports. The Contractor is required to maintain all such records in California until the expiration of four years from the date of final payment under the Contract. Authorized agents of the Housing Authority shall have access to all such records during normal business hours for the entire period that records are to be maintained.

7. **Notifications to Employees**
The Contractor shall place Housing Authority-provided living wage posters at each of the Contractor's places of business and locations where Contractor's Employees are working. The Contractor shall also distribute Housing Authority-provided notices in English, Spanish and Chinese to each of its Employees at least once per year. The Contractor shall inform the Housing Authority of any other language which is spoken by a significant number of Employees needed.

8. **Enforcement and Remedies**
If the Contractor fails to comply with the requirements of this Sub-paragraph, the Housing Authority shall have the rights and remedies described in this Sub-paragraph in addition to any rights and remedies provided by law or equity.

Remedies For Submission of Late or Incomplete Certified Monitoring Reports
If the Contractor submits a certified monitoring report to the Housing Authority after the date it is due, if the report submitted does not contain all of the required information is inaccurate or is not properly certified, any such deficiency shall constitute a breach of the Contract. In the event of any such breach, the Housing Authority may, in its sole discretion, exercise any or all of the following rights/remedies:

a. Withholding of Payment. If the Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, the Housing

Authority may withhold from payment to the Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of the Housing Authority, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by the Housing Authority. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the Housing Authority may, in its sole discretion, assess against the Contractor liquidated damages in the amount of $100 per monitoring report for each day until the Housing Authority has been provided with a properly prepared, complete and certified monitoring report. The Housing Authority may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

1. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Contract. In the event of such material breach, the Housing Authority may, in its sole discretion, terminate the Contract.

2. Remedies for Payment of Less Than the Required Living Wage. If the Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Contract. In the event of any such breach, the Housing Authority may, in its sole discretion, exercise any or all of the following rights/remedies:

   a. Withholding Payment. If the Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, the Housing Authority may withhold from any payment otherwise due the Contractor the aggregate difference between the living wage amounts the Contractor was required to pay its Employees for a given pay period and the amount actually paid to the employees for that pay period. The Housing Authority may withhold said amount until the Contractor has satisfied the Housing Authority that any underpayment has been cured, which may include required

submittal of revised certified monitoring reports or additional supporting documentation.

b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages being sustained by the Housing Authority. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that the Housing Authority may, in its sole discretion, assess against the Contractor liquidated damages of $50 per Employee per day for each and every instance of an underpayment to an Employee. The Housing Authority may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

c. Termination. The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Contract. In the event of such material breach, the Housing Authority may, in its sole discretion, terminate the Contract.

d. Debarment. In the event the Contractor breaches a requirement of this Sub-paragraph, the Housing Authority may, in its sole discretion, bar the Contractor from the award of future Housing Authority contracts for a period of time consistent with the seriousness of the breach, not to exceed three years.

e. Use of Full-Time Employees.
The Contractor shall assign and use full-time Employees of the Contractor to provide services under the Contract unless the Contractor can demonstrate to the satisfaction of the Housing Authority that it is necessary to use non-full-time Employees based on staffing efficiency or Housing Authority requirements for the work to be performed under the Contract. It is understood and agreed that the Contractor shall not, under any circumstance, use non-full-time Employees for services provided under the Contract unless and until the Housing Authority has provided written authorization for the use of same. The Contractor submitted with its bid/proposal a full-time Employee staffing plan. If the Contractor changes its full-time Employee staffing plan, the Contractor shall immediately provide a copy of the new staffing plan to the Housing Authority.

Contractor Retaliation Prohibited.

f. The Contractor and/or its Employees shall not take any adverse action which would result in the loss of any benefit of employment, any contract benefit, or any statutory benefit for any Employee, person or entity who has reported a violation of the Living Wage Program to the Housing Authority or to any other public or private agency, entity or person. A violation of the provisions of this Sub-paragraph may constitute a material breach of the Contract. In the event of such material breach, the Housing Authority may, in its sole discretion, terminate the Contract.

g. Contractor Standards.
During the term of the Contract, the Contractor shall maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested to do so by the Housing Authority, the Contractor shall demonstrate to the satisfaction of the Housing Authority that the Contractor is complying with this requirement.

h. Contractor shall offer employment to all retention employees who are qualified for such jobs. A "retention employee" is an individual:
    1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act; and
    2. Who has been employed by a Contractor under a predecessor LWP contract with the Housing Authority for at least six months prior to the date of this new Contract, which predecessor contract was terminated by the Housing Authority prior to its expiration; and
    3. Who is or will be terminated from his or her employment as a result of the Housing Authority entering into this new contract.

i. Contractor is not required to hire a retention employee who:
    1. Has been convicted of a crime related to the job or his or her performance; or
    2. Fails to meet any other Housing Authority requirement for employees of a Contractor.

j. Contractor shall not terminate a retention employee for the first 90 days of employment under the contract, except for cause. Thereafter, Contractor may retain a retention employee on the same terms and conditions as Contractor's other employees.

Neutrality in Labor Relations.

k. The Contractor shall not use any consideration received under the Contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of the Contractor's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining Contract, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

45. WARRANT OF AUTHORITY

The undersigned for the Contractor warrants and represents that he has full authority to sign this Contract on behalf of the Contractor, and to bind the Contractor.

46. ENTIRE CONTRACT

This Contract with Attachments A through D constitutes the entire understanding and Contract of the parties. This Contract includes the following attachments:

A. Statement of Work
B. Fee Schedule
C. Required Contract Forms
D. Required Contract Notices

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SIGNATURES

IN WITNESS WHEREOF, the Contractor and the Housing Authority have executed this Contract through their duly authorized officers.

HOUSING AUTHORITY
OF THE COUNTY OF LOS ANGELES

By

_____
Carlos Jackson
Executive Director

By

_____

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

By_____
Eric Young
Deputy

APPROVED AS TO PROGRAM:
Housing Management Division

By_____
Maria Badrakhan
Director