



**Health Services**  
LOS ANGELES COUNTY

Los Angeles County  
Board of Supervisors

May 18, 2006

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First District

**Yvonne B. Burke**  
Second District

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Fourth District

**Michael D. Antonovich**  
Fifth District

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

Dear Supervisors:

**APPROVAL OF EQUIPMENT MAINTENANCE AND  
REPAIR SERVICES AGREEMENTS AND AMENDMENTS  
WITH VARIOUS SERVICE PROVIDERS  
(All Districts) (3 Votes)**

**Bruce A. Chernof, MD**  
Director and Chief Medical Officer

**John R. Cochran III**  
Chief Deputy Director

**William Loos, MD**  
Acting Senior Medical Officer

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services, or his designee, to execute four form Agreements, substantially similar to Exhibit I, with the Original and Non-Original Equipment Manufacturers and at the facilities listed on Attachment A, effective upon Board approval through June 30, 2009 in the amount of \$100,000 annually for Total Repair Express, and effective upon Board approval through June 30, 2011, in the amount of \$205,345, annually for the remaining three vendors, with a combined total five-year maximum obligation of \$826,725, for the provision of equipment maintenance and repair services currently obtained through the purchase order process, and increase the total maximum obligation for each of these Agreements by no more than 40% above the Fiscal Year (FY) 2006-07 maximum obligation to accommodate additional services and equipment at various Department of Health Services (DHS) facilities, for a potential increase of \$330,690 through June 30, 2011.
2. Authorize the Director of Health Services, or his designee to execute an Agreement, substantially similar to Exhibit I, with Beckman-Coulter listed on Attachment B, effective July 1, 2006 through June 30, 2007, for a total maximum obligation of \$37,023, for the provision of equipment maintenance and repair services currently obtained through the purchase order process, and increase the total maximum obligation of the Agreement by no more than 40% above the FY 2006-07 maximum obligation to accommodate additional services and equipment at various DHS facilities, for a potential annual increase of \$14,809. Delegate authority to the Director, or his designee, to execute an amendment to extend the agreement for one year on substantially similar terms at a cost not to exceed 10% more than the FY 2006-07 maximum obligation.
3. Authorize the Director of Health Services, or his designee, to execute eight amendments with the Original Equipment Manufacturers (OEMs) listed on Attachment C, substantially similar to Exhibit II, to extend the term effective July 1, 2006 through June 30, 2011, for the provision of maintenance and repair

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services at various DHS facilities, with a combined total maximum obligation of \$672,216 annually, and total five-year maximum obligation of \$3,361,080, and increase the total maximum obligation for each of these Agreements, by no more than 40% above the FY 2006-07 maximum obligation for additional equipment and repair services at various DHS facilities, for a potential increase of \$1,344,432 through June 30, 2011.

4. Authorize the Director of Health Services, or his designee, to execute three amendments with the service providers listed on Attachment D, substantially similar to Exhibit II, to extend the term effective July 1, 2006 through June 30, 2009, for the continued provision of equipment maintenance and repair services at various DHS facilities, with a combined total maximum obligation of \$490,860 annually, and total three-year maximum obligation of \$1,472,580, and increase the total maximum obligation for each of these Agreements by no more than 40% above the FY 2006-07 maximum obligation for additional equipment and repair services at various DHS facilities, for a potential increase of \$589,032 through June 30, 2009.
5. Delegate authority to the Director of Health Services or his designee, to execute Amendment No. 1, an Approval of Delegation of Duties and Assignment of Rights to Agreement No. H-700772, with York International to assign the rights of the Agreement to Johnson Controls, Inc. (JCI), as a result of the acquisition of York International by JCI, following review and approval by County Counsel.
6. Delegate authority to the Director of Health Services or his designee, to execute new standard form Agreements, substantially similar to Exhibit I, for future purchase order (PO) conversions for equipment for a one-year term not to exceed \$100,000 per Agreement to ensure critical equipment maintenance and repair services can be provided at DHS facilities.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

Board approval of these actions will enable DHS to continue uninterrupted, mission-critical medical and facility support services by entering into new Agreements with the vendors listed in Attachments A and B whose services are currently under warranty or obtained through the purchase order process.

The Agreements in Attachments A and B, with the exception of Total Repair Express, are sole source Agreements since they are the OEM. OEMs ensure that the equipment, which often uses proprietary technology, performs in accordance with the specification and complies with all accrediting and licensing agencies' requirements including JCAHO.

The Agreements with the Contractors identified in Attachments C and D will expire on June 30, 2006. Board approval will enable DHS to extend the Agreements for the continued provision of equipment maintenance and repair services. Such services include, but are not limited to, maintenance and repair of patient diagnostic equipment and various energy equipment/systems.

Implementation Of Strategic Plan Goals

The proposed recommendation supports the Department's Strategic Plan proposal for flexibility involving administration of contracts and is consistent with the requirements of the Chief Administrative Office.

FISCAL IMPACT/FINANCING:

The total funding for the continuation of services under these Agreements and Amendments is \$5,697,408 and the potential increase under delegated authority is \$2,278,963.

Funding is included in the FY 2006-07 Proposed Budget and will be requested in future fiscal years.

The current and proposed annual maximum obligations for each DHS facility by Agreement and Amendment are identified on Attachments A, B, C and D. Any increase implemented under delegated authority will be funded within existing resources.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS:

Recommendation Nos. 1, 2 and 6

A variety of services are provided through the purchase order process at all DHS facilities. The vendors identified in Attachment A are the OEMs and provide critical equipment maintenance and repair services. The POs for these services have reached the limit of the Purchasing Agent's statutory authority and accordingly require Board approval. DHS attempts to procure medical equipment maintenance and repair services from the OEM, whenever possible, to ensure that such equipment performs in accordance with the manufacturer's performance standards and that preventive maintenance services comply with all accrediting and reviewing agencies' requirements. DHS is seeking Board approval to enter into new agreements for such services, effective upon date of Board approval through June 30, 2011.

Applicable provisions of State statute and County Charter give the Purchasing Agent the exclusive authority and responsibility to purchase all furnishings, materials, supplies, fixtures, equipment, and all other personal property required by County departments. Concurrently, the Purchasing Agent's authority includes engaging independent contractors for services up to \$100,000. Unless services are required on an as-needed or emergency basis, the procurement of services under a PO is usually obtained through a bid solicitation process.

DHS is seeking Board approval to enter into a new agreement with Beckman Coulter for equipment maintenance and repair services, effective July 1, 2006 through June 30, 2007. While Beckman Coulter is an OEM, they require prepayment of the annual maintenance cost to enter into a multi-year agreement. Since the County's standard payment provisions are in arrears, Beckman Coulter would only agree to a one-year term. Delegated authority is being sought to extend the agreement with Beckman Coulter on substantially similar terms at a cost no greater than 10% more than the FY 2006-07 maximum obligation through June 30, 2008.

Since POs can reach the statutory limit sooner than anticipated due to unexpected increased use by one or more facilities, DHS is requesting delegated authority to enter into new Agreements for one year terms upon the expiration of the POs to avoid a break in services critical to the operation of the facilities.

Recommendation Nos. 3 and 4

On June 29, 2004, the Board delegated authority to the Director of Health Services to execute, upon review and approval of County Counsel, 21 new form agreements, with the various services providers who were formerly providing services through the PO process.

On February 15, 2005, the Board delegated authority to the Director to: 1) amend 12 equipment maintenance Agreements to add/remove equipment, as necessary, for maintenance and repair services at DHS facilities; and 2) to increase the total maximum obligation for these Agreements, in the aggregate, in any fiscal year through June 30, 2006 by no more than 20% above the FY 2004-05 maximum obligation to accommodate any added equipment.

The Amendments with the providers identified on Attachments C and D will become effective July 1, 2006 through June 30, 2011 or June 30, 2009, respectively.

Under the delegation and assignment provisions of Agreement No. H-700772, the County's consent is required for a transfer of ownership. On December 9, 2005, JCI completed its acquisition of York International Corporation (York). The documentation provided by York and JCI will be reviewed by County Counsel prior to execution of the Amendment.

These form Agreements and Amendments include the most recent Board-mandated provisions, including the "Contractor Responsibility and Debarment" paragraph. County may terminate the Agreements with a 30-day prior written notice.

The Department has determined that these are not Proposition A agreements because the services are provided on a part-time or intermittent basis, and therefore, provisions of the County's Living Wage Program do not apply.

The administration of each facility covered under the service agreements will monitor the contractor's performance and assure compliance with the terms and conditions of such agreements.

Attachments A through D provide additional information; Attachment E provides a list of names and addresses of the vendors.

County Counsel has reviewed and approved Exhibits I and II, as to form.

#### CONTRACTING PROCESS:

DHS contracts with equipment maintenance and repair services providers for many types of equipment categories, including Anesthesia Units, Boilers, Cardiology, Chillers, Laboratory, Radiology, Sterilizers, Ultrasound, Ventilators, etc.

Since the contractors identified on Attachments A, B and C are OEMs, DHS is recommending sole source Agreements and Amendments, based on the justification provided above. Prior to the expiration of the Agreements identified in Attachment D, DHS will evaluate the need for these highly technical services to ensure that the functioning of the medical equipment is not compromised, and if appropriate, conduct a solicitation process.

#### IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of these actions will allow DHS to continue mission critical medical and facility support services without interruption.

The Honorable Board of Supervisors  
May 18, 2006  
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

BAC/Is  
Equipmt Mtee.av.wpd

Attachments (8)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

**MAINTENANCE AND REPAIR SERVICE AGREEMENTS WITH ORIGINAL AND NON-ORIGINAL EQUIPMENT MANUFACTURERS**

Effective Date of Board Approval through June 30, 2009 or 2011

Contractor	Facility	Proposed FY 2006-07 Annual Maximum Obligation	Proposed FY 2007-08 Annual Maximum Obligation	Proposed FY 2008-09 Annual Maximum Obligation	Proposed FY 2009-10 Annual Maximum Obligation	Proposed FY 2010-11 Annual Maximum Obligation	TOTAL COST
1 Advance Sterilization Products, a Johnson and Johnson Company	RANCHO	\$7,006	\$7,006	\$7,006	\$7,006	\$7,006	\$35,030
2 Hologic, Inc.	OLIVE VIEW	\$71,525	\$71,525	\$71,525	\$71,525	\$71,525	\$357,625
3 Russelectric, Inc.	HARBOR	\$26,814	\$26,814	\$26,814	\$26,814	\$26,814	\$134,070
4 Total Repair Express	HARBOR OLIVE VIEW	\$85,000 \$15,000 \$100,000	\$85,000 \$15,000 \$100,000	\$85,000 \$15,000 \$100,000	\$0 \$0	\$0 \$0	\$255,000 \$45,000 \$300,000
Total:		\$205,345	\$205,345	\$205,345	\$105,345	\$105,345	\$826,725
40% Delegated Authority:		\$82,138	\$82,138	\$82,138	\$42,138	\$42,138	\$330,690
GRAND TOTAL:		\$287,483	\$287,483	\$287,483	\$147,483	\$147,483	\$1,157,415

**MAINTENANCE AND REPAIR SERVICE AGREEMENT WITH  
ORIGINAL EQUIPMENT MANUFACTURERS**

Effective July 1, 2006 through June 30, 2007

	<b>Contractor</b>	<b>Facility</b>	<b>Proposed FY 2006-07 Annual Maximum Obligation</b>	<b>TOTAL COST</b>
1	Beckman-Coulter	LAC+USC	\$37,023	\$37,023
		Total: 40% Delegated Authority:	\$37,023 \$14,809	\$37,023 \$14,809
		<b>GRAND TOTAL:</b>	\$51,832	\$51,832



ATTACHMENT C

Contractor	Facility	Current FY 2005-06 Annual Maximum Obligation	Proposed FY 2006-07 Increase*	Proposed FY 2006-07 Annual Maximum Obligation	Proposed FY 2007-08 Annual Maximum Obligation	Proposed FY 2008-09 Annual Maximum Obligation	Proposed FY 2009-10 Annual Maximum Obligation	Proposed FY 2010-11 Annual Maximum Obligation	TOTAL, COST
5 International Remote Imaging Systems, Inc. H-700154-3	OLIVE VIEW HUDSON	\$17,651	\$17,651 \$20,060 \$37,711	\$17,651 \$20,060 \$37,711	\$17,651 \$20,060 \$37,711	\$17,651 \$20,060 \$37,711	\$17,651 \$20,060 \$37,711	\$17,651 \$20,060 \$37,711	\$88,255 \$100,300 \$188,555
6 Hitachi High Technologies America, Inc. H-701060-1	HARBOR	\$13,831	\$16,597	\$16,597	\$16,597	\$16,597	\$16,597	\$16,597	\$82,985
7 SC Trane Services H-700771-1	HARBOR	\$9,006	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$60,000
8 York International H-700772-1 Delegation and Assignment to Johnson Controls Company	RANCHO	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$625,000
Total: 40% Delegated Authority: GRAND TOTAL:		\$556,691 \$111,338 \$668,029	\$672,216 \$268,886 \$941,102	\$672,216 \$268,886 \$941,102	\$672,216 \$268,886 \$941,102	\$672,216 \$268,886 \$941,102	\$672,216 \$268,886 \$941,102	\$672,216 \$268,886 \$941,102	\$3,361,080 \$1,344,432 \$4,705,512

**MAINTENANCE AND REPAIR SERVICE AGREEMENT AMENDMENTS WITH  
NON-ORIGINAL EQUIPMENT MANUFACTURERS**

Effective July 1, 2006 through June 30, 2009

	Contractor	Facility	Current FY 2005-06 Annual Maximum Obligation	Proposed FY 2006-07 Annual Maximum Obligation	Proposed FY 2007-08 Annual Maximum Obligation	Proposed FY 2008-09 Annual Maximum Obligation	TOTAL COST
1	Bernard Fainzstein H-700702-1	KING/DREW	\$116,460	\$116,460	\$116,460	\$116,460	\$349,380
2	Pouk and Steinle H-700773-1	RANCHO	\$200,000	\$200,000	\$200,000	\$200,000	\$600,000
3	Southern California Boiler H-700917-1	HARBOR RANCHO	\$10,450 \$160,000 \$170,450	\$14,400 \$160,000 \$174,400	\$14,400 \$160,000 \$174,400	\$14,400 \$160,000 \$174,400	\$43,200 \$480,000 \$523,200
		Total:	\$486,910	\$490,860	\$490,860	\$490,860	\$1,472,580
		40% Delegated Authority:	\$194,764	\$196,344	\$196,344	\$196,344	\$589,032
		GRAND TOTAL:	\$681,674	\$687,204	\$687,204	\$687,204	\$2,061,612

**LEGEND**

- HARBOR Harbor-UCLA Medical Center
- LAC+USC LAC+USC Medical Center
- MLK/D Martin Luther King, Jr./Drew Medical Center
- OLIVE VIEW Olive View UCLA Medical Center
- RANCHO Rancho Los Amigos National Rehabilitation Center
- HUDSON H. Claude Hudson Comprehensive Health Center

List of Names and Addresses of the Vendors

	<b>Vendor</b>	<b>Address</b>	<b>Telephone No.</b>	<b>Service Description</b>
1.	ACMI Corporation	Jon Cuccio, Technical Support Mgr. 3037 Mt. Pleasant Street Racine, WI 53404	(805) 807-8307	Maintenance and Repair (Endoscopic Medical Equipment)
2.	Advance Sterilization Products, a Johnson and Johnson Company	Jim Banas 33 Technology Drive Irvine, CA 92618	(888) 783-7723	Maintenance and Repair (Sterilizer /Equipment)
3.	AGFA Corporation	Mark Evans, Contract Administrator 10 South Academy Street Greenville, SC 29602	(864) 421-1603	Maintenance and Repair (Radiology Medical Equipment)
4.	Aloka Company, LTD	Matt Oblon, National Service Mgr. 10 Fairfield Boulevard Willingford, CT 06492	(888) 782-5652	Maintenance and Repair (Ultrasound Medical Equipment)
5.	Beckman-Coulter	Jeanne Ennis, Service Agreements Sales Rep. 11800 S. W. 147 <sup>th</sup> Avenue Miami, FL 33196-2500	(800) 526-7694	Maintenance and Repair (Laboratory Equipment)
6.	Bernard Fainzstein	Bernard Fainzstein 9194 Otter River Circle Fountain Valley, CA 92708	(714) 953-3386	Maintenance and Repair (X-Ray Medical Equipment)
7.	Fischer Imaging	12300 N. Grant Street Denver, CA 80241	(303) 452-2590	Maintenance and Repair (Mammography Medical Equipment)
8.	Hitachi High Technologies America, Inc.	William H. Roth, Senior Manager 5100 Franklin Drive Pleasanton, CA 94588	(925) 218-3020	Maintenance and Repair (Electron Microscopes)

	<b>Vendor</b>	<b>Address</b>	<b>Telephone No.</b>	<b>Service Description</b>
9.	Hologic, Inc.	Jeff Tildahl, Representative 33 Crosby Drive Bedford, MA 01730	(781) 999-7300	Maintenance and Repair (Radiology Equipment)
10.	International Remote Imaging Systems, Inc.	Cliff Day, Service Administrator 9172 Eton Avenue Chatsworth, CA 91311-5805	(818) 709-1244	Maintenance and Repair (Fluid Workstations)
11.	Johnson Controls, Inc., formerly York International	John Broadley 12393 Slauson Ave. Whittier, CA 90606	(562) 464-3275	Maintenance and Repair (Chillers)
12.	Pouk and Steinle	Don McNair 2520 Rubidoux Boulevard Riverside, CA 92519	(909) 682-2982	Maintenance and Repair (Electric Gear)
13.	Russelectric	c/o Dennis Don 151 Kalmus Drive, Suite H-1 Costa Mesa, CA 92626	(714) 957-0844	Maintenance and Repair (Generator)
14.	SC Trane Services	Michael Kloeckner 17760 Rowland Street City of Industry, CA	(626) 435-1113	Maintenance and Repair (Chillers)
15	Southern California Boiler	John Clarkson, Vice President 5331 Business Drive Huntington Beach, CA	(800) 775-2645	Maintenance and Repair (Boilers)
16.	Total Repair Express	Christian Mills, Chief Executive Officer 10-1 Ilene Court Hillsborough, NJ 08844	(888) 926-8873 x 202	Repairs & GI Endoscopy



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

---

FOR

PREVENTIVE MAINTENANCE AND REPAIR SERVICES

OF

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EQUIPMENT

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Contract No. \_\_\_\_\_

PREVENTIVE MAINTENANCE AND REPAIR SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_ 200\_,

by and between COUNTY OF LOS ANGELES  
(hereafter "County"),

and \_\_\_\_\_  
(hereafter "Contractor").

WHEREAS, pursuant to sections 1441 and 1445 of the California Health and Safety Code, County has established and operates, through its Department of Health Services (hereafter "DHS"), various County hospitals, comprehensive health centers, public health centers, and other health care facilities and programs (hereafter collectively referred to as "Facility(ies)"; and

WHEREAS, County desires the services of a contractor to provide preventive maintenance and repairs services; and

WHEREAS, County has determined that the services to be provided under this Agreement are of a technical nature and are being provided on an intermittent, as-needed basis; and

WHEREAS, Contractor is authorized under the laws of the State of California to engage in the business of providing preventive maintenance and repair services, and possesses the

competence, expertise, and personnel necessary to provide such services described hereunder; and

WHEREAS, Contractor has previously provided County with preventive maintenance and repair services under County's Internal Services Department ("ISD") Purchase Order, and is further willing to provide no less than the same such services to County under this Agreement; (if applicable) and

WHEREAS, this Agreement is authorized by provisions of section 1451 of the California Health and Safety Code and sections 26227 and 31000 of the California Government Code.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. TERM: The term of this Agreement shall commence effective upon date of Board approval, and shall continue in full force and effect to and including \_\_\_\_\_, (June 30, 2007 or June 30, 2009 or June 30, 2011) unless sooner canceled or terminated as provided herein.

2. DESCRIPTION OF SERVICES:

A. Contractor shall provide services in the form as described in the body of this Agreement and Exhibit A, attached hereto and incorporated herein by reference.

B. Contractor warrants that it possesses the competence, expertise, and personnel necessary to provide such services.

C. The Director of Department of Health Services or

his designee ("Director") may add or remove related equipment at DHS Facilities as necessary to provide patient care or to assure that facility operations are maintained. Such maintenance and repair services shall include but not be limited to, warranty expiration, emergency repairs and critical preventive maintenance.

3. NONEXCLUSIVITY: Contractor acknowledges that it is not necessarily the exclusive provider to County of services provided under the terms of this Agreement, and that County has, or may enter into, agreements with other providers of such services, or may perform all or part of same, when possible, using County employees.

4. BILLING AND PAYMENT:

A. County agrees to compensate Contractor in accordance with the terms set forth in Exhibit A and Schedule 1, attached hereto and incorporated herein by reference.

B. Contractor shall bill DHS' \_\_\_\_\_ Medical Center, \_\_\_\_\_, \_\_\_\_\_, California, \_\_\_\_\_, hereunder according to the terms set forth in the payment requirements of said Exhibit.

5. MAXIMUM OBLIGATION OF COUNTY:

A. The annual maximum obligation of County for all services provided hereunder shall not exceed \_\_\_\_\_ Dollars (\$\_\_\_\_\_), effective upon date

of Board approval through \_\_\_\_\_ (June 30, 2007 or June 30, 2009 or June 30, 2011).

B. The Director may adjust the County's maximum obligation during each Fiscal Year ("FY") of the Agreement term by no more than twenty percent (20%) of the annual FY 2006-07 allocation for unanticipated maintenance and repair services.

C. In addition, the Director may adjust the County's maximum obligation during each FY of the Agreement term by no more than twenty percent (20%) of the annual FY 2006-07 allocation if equipment is added/removed to/from any Medical Facility.

6. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for the payment of any monies, or reimbursements of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement, even if Contractor's provision of such services were requested by County directly. Should Contractor receive any such payment, it shall immediately notify County and shall repay or return all such funds or reimbursements to County within a reasonable amount of time. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment

from Contractor. This provision shall survive the expiration or termination of this Agreement.

7. INDEMNIFICATION: Contractor shall indemnify, defend, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

8. GENERAL INSURANCE REQUIREMENTS: Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense. In any event, Contractor may satisfy the insurance coverage requirements specified in this Agreement by providing evidence of Contractor's self-insurance program, as described in the INSURANCE COVERAGE REQUIREMENTS Paragraph, hereinbelow. Such evidence shall be provided in a formal declaration (on Contractor's letterhead, if available) that declares Contractor is self-insured for the type and amount of coverage as described in INSURANCE COVERAGE REQUIREMENTS Paragraph, hereinbelow.

Contractor's declaration may be in the form of a corporate resolution or a certified statement from a corporate officer or an authorized principal of Contractor. The statement also must identify which required coverages are self-insured and which are commercially insured. Contractors who are self-insured for workers compensation must provide a copy of their "Certificate of Consent to Self-Insure" issued by the State in which services will be provided. Further, Contractor's self-insurance program must be reviewed and approved by County's Risk Manager prior to the effective date of this Agreement.

A. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County's Risk Manager shall be delivered to Director at the: DHS; Contracts and Grants Division; 313 North Figueroa Street, 6th Floor-East; Los Angeles, California 90012-2659, and provide a copy to DHS; Centralized Contract Monitoring Division; 5555 Ferguson Drive, Suite 210; Commerce, California 90022, prior to commencing services under this Agreement. Such certificates or other evidence shall:

- (1) Specifically identify this Agreement.
- (2) Clearly evidence all coverages required in this Agreement.
- (3) Contain the express condition that County is 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.

(4) Include copies of the additional insured endorsement to the commercial general liability policy, adding County of Los Angeles, its Special Districts, its officials, officers, and employees as insured for all activities arising from this Agreement.

(5) Identify any deductibles or self-insured retentions for County's Risk Manager approval. County's Risk Manager retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

B. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to County's Risk Manager with an A.M. Best rating of not less than A:VII, unless otherwise approved by County's Risk Manager.

C. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County's Risk Manager, shall constitute a material breach of contract upon which County may immediately terminate or suspend this

Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

D. Notification of Incidents, Claims, or Suits:

Contractor shall report to County:

(1) 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 Contractor and/or County.

Such report shall be made in writing within twenty-four (24) hours of occurrence.

(2) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(3) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-Employee Injury Report" to County contract manager.

(4) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies, or securities entrusted to Contractor under the terms of this Agreement.

E. Compensation for County Costs: In the event that Contractor 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, Contractor shall pay full compensation for all costs incurred by County.

F. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(1) Contractor providing evidence of insurance covering the activities of subcontractors, or

(2) Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

10. INSURANCE COVERAGE REQUIREMENTS:

A. General Liability Insurance (written on Insurance Services Office ["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:	\$2 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 Contractor 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

10. SUBCONTRACTING:

A. For purposes of this Agreement, all subcontracts must first be approved in writing by Director. Contractor's written request to Director for approval to enter into a subcontract shall be made at least thirty (30) calendar days prior to the subcontractor's proposed effective date, and shall include:

(1) Identification of the proposed subcontractor, who shall be licensed as appropriate for provision of

subcontract services, and an explanation of why and how the proposed subcontractor was selected, including the degree of competition involved.

(2) A detailed description of the services to be provided by the subcontractor.

(3) The proposed subcontract amount and manner of compensation, if any, together with Contractor's cost or price analysis thereof.

(4) A copy of the proposed subcontract. Any later modification of such subcontract shall take the form of a formally written subcontract amendment which also must be approved in writing by Director in the same manner as described above, before such amendment is effective.

(5) Any other information and/or certification(s) requested by Director.

B. Director shall review Contractor's request to subcontract and shall determine, in his/her sole discretion, whether or not to consent to such a request on a case-by-case basis.

C. Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirements under this Agreement, including, but not limited to, the duty to properly

supervise and coordinate the work of subcontractors. Further, Director's approval of any subcontract shall also not be construed to limit in any way, any of County's rights or remedies contained in this Agreement.

D. In the event that Director consents to any subcontracting, Contractor shall be solely liable and responsible for any and all payments or other compensation to all subcontractors, and their officers, employees, and agents.

E. In the event that Director consents to any subcontracting, such consent shall be subject to County's right to terminate, in whole or in part, any subcontract at any time upon written notice to Contractor when such action is deemed by County to be in its best interest. County shall not be liable or responsible in any way to Contractor, or any subcontractor, or to any officers, employees, or agents, of Contractor, or any subcontractor, for any liability, damages, costs, or expenses, arising from or related to County's exercising of such a right.

F. Subcontracts shall contain the following provision: "This contract is a subcontract under the terms of a prime contract with the County of Los Angeles and shall be subject to all of the provisions of such prime contract." Further, Contractor shall also reflect as subcontractor requirements in the subcontract form all of the requirements

of the following paragraphs of the body of this Agreement:  
NO PAYMENT FOR SERVICES PROVIDED FOLLOWING  
EXPIRATION/TERMINATION OF AGREEMENT, INDEMNIFICATION,  
GENERAL INSURANCE REQUIREMENTS, INSURANCE COVERAGE  
REQUIREMENTS, SUBCONTRACTING, CONSTRUCTION, and CONFLICT OF  
TERMS, as well as, all of the provisions of the Standard  
Provisions attachment.

Contractor shall deliver to Director a fully executed copy of each subcontract entered into by Contractor, as it pertains to the provision of services under this Agreement, on or immediately after the effective date of the subcontract, but in no event, later than the date any services are to be performed under the subcontract.

G. Director is hereby authorized to act for and on the behalf of County pursuant to this Paragraph, including but not limited to, consenting to any subcontracting.

11. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with the requirements of all federal, State, and local laws, ordinances, regulations, rules, guidelines, and directives, applicable to its performance hereunder. To the extent there is any conflict between federal and State or local laws, the former shall prevail.

Any reference to a specific statute, regulation, or any other document not prepared by County is deemed to include a

reference to any amendment thereto as of the effective date of such amendment; further, this Agreement shall be interpreted consistently with, and the parties' duties and obligations under this Agreement shall be consistent with, any amendment to any applicable statute, regulation or other document not prepared by County which occurs after the effective date of the Agreement.

B. Contractor shall indemnify and hold harmless County from and against any and all loss, damage, liability, or expense resulting from any violation on the part of Contractor, its officers, employees, or agents, of such federal, State, or local laws, regulations, guidelines, or directives.

12. CONTRACTOR'S OBLIGATIONS AS AN OTHER ENTITY UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

("HIPAA"): ***Insert appropriate HIPAA language.*** Contractor expressly acknowledges and agrees that the provision of services under this Agreement does not require or permit access by Contractor or any of its officers, employees, or agents, to any patient medical records. Accordingly, Contractor shall instruct its officers, employees, and agents, that they are not to pursue, or gain access to, patient medical records for any reason whatsoever.

Notwithstanding the forgoing, the parties acknowledge that in the course of the provision of services hereunder, Contractor

or its officers, employees, and agents, may have inadvertent access to patient medical records. Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever. Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents, shall maintain the confidentiality of any information obtained and shall notify Director that such access has been gained immediately, or upon the first reasonable opportunity to do so. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents', access to patient medical records. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

13. STANDARD PROVISIONS: Attached hereto and incorporated herein by reference, is a document labeled Standard Provisions, of which the terms and conditions therein contained are part of this Agreement.

14. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this Agreement, they shall be deemed a

part of the operative provisions of this Agreement and are fully binding upon the parties.

15. CONFLICT OF TERMS: To the extent that there exists any conflict or inconsistency between the language of this Agreement, including its Standard Provisions, and that of any Exhibit(s), Attachment(s), and any other documents incorporated herein by reference, the language found within this Agreement shall govern and prevail.

16. ALTERATION OF TERMS: The body of this Agreement, including its Standard Provisions, Exhibit(s), and any Attachment(s) attached hereto, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their officers, employees or agents, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties in the same manner as this Agreement.

17. CONTRACTOR'S OFFICE: Contractor's primary business office is located at \_\_\_\_\_.  
Contractor's primary business telephone number is (\_\_\_\_) \_\_\_\_\_, facsimile/FAX number is (\_\_\_\_) \_\_\_\_\_, and electronic mail ("e-mail") address is \_\_\_\_\_. Contractor shall notify \_\_\_\_\_ County, in writing, of any changes made to Contractor's primary business address, business telephone number, facsimile/FAX

number, and/or e-mail address, as listed herein, or any other business address, business telephone number, facsimile/FAX number, and/or e-mail address used in the provision of services herein, at least ten (10) calendar days prior to the effective date(s) thereof.

18. NOTICES: Any and all notices required, permitted, or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States mail, certified or registered, postage prepaid, return receipt requested, to the parties at the following addresses and to the attention of the person named. County's Director of Health Services shall have the authority to issue all notices or demands required or permitted by the County under this Agreement. Addresses and persons to be notified may be changed by the parties by giving ten (10) calendar days' prior written notice thereof to the parties.

A. Notices to County shall be addressed as follows:

- (1) Department of Health Services  
Contracts and Grants Division  
313 North Figueroa Street, Sixth Floor-East  
Los Angeles, California 90012-2659  
Attention: Director



Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

\_\_\_\_\_  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants Division

STANDARD PROVISIONS

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STANDARD PROVISIONS

1. ADMINISTRATION: Director shall have the authority to administer this Agreement on behalf of County. Contractor agrees to extend to Director, or to authorized federal, State, County, and local governmental representatives, the right to review and monitor Contractor's program(s), policies, procedures, and financial and/or other records, and to inspect its business offices, facility(ies), and/or County work site area(s), for contractual compliance at any reasonable time.

2. FORM OF BUSINESS ORGANIZATION AND FISCAL DISCLOSURE:

A. Form of Business Organization: Contractor shall prepare and submit to Director upon request, an affidavit, sworn to and executed by Contractor's duly constituted officers, or Board of Directors, containing the following information with supportive documentation:

(1) The form of Contractor's business organization, e.g., sole proprietorship, partnership, limited liability company ("LLC"), or corporation.

(2) Articles of Incorporation and By-Laws (or articles of organization, certificate of formation, certificate of registration, and operating agreement if Contractor's organization is an LLC).

(3) A detailed statement indicating whether Contractor is totally or substantially owned by another

business organization (i.e., another legal entity or parent corporation).

(4) Board Minutes, or other legal documentation, identifying who is authorized on behalf of Contractor to conduct business, make commitments, and enter into binding agreements with County. Such Board Minutes, or legal documentation, shall especially confirm that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement.

(5) A detailed statement indicating whether Contractor totally or partially owns any other business organization that will be providing services supplies, materials, or equipment to Contractor or in any manner does business with Contractor under this Agreement.

(6) If, during the term of this Agreement, the form of Contractor's business organization changes, or the ownership of Contractor changes, or Contractor's authorized person to conduct business, make commitments, and enter into binding agreements with County changes; or Contractor's ownership of other businesses dealings with Contractor under this Agreement changes; Contractor shall notify Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

B. Fiscal Disclosure: Contractor shall prepare and submit to Director, within ten (10) calendar days following execution of this Agreement, a statement executed by Contractor's duly constituted officers or Board of Directors, containing the following information:

(1) A detailed statement listing all sources of funding to Contractor, including but not limited to, private contributions, if any. The statement shall include the nature of the funding, services to be provided, total dollar amount, and period of time of such funding.

(2) If, during the term of this Agreement, the source(s) of Contractor's funding changes, Contractor shall promptly notify the Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

3. NONDISCRIMINATION IN SERVICES: Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, or physical or mental disability, or sexual orientation in accordance with requirements of federal and State laws. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a facility; providing any service or benefit to

any person which is not equivalent, or is provided in a non-equivalent manner or at a non-equivalent time, from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative action to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation.

In addition, Contractor's facility access for the disabled must fully comply with section 504 of the federal Rehabilitation Act of 1973 and Title III of the federal Americans with Disabilities Act of 1990.

4. NONDISCRIMINATION IN EMPLOYMENT:

A. Contractor certifies and agrees, pursuant to the federal Rehabilitation Act of 1973, the federal Americans with Disabilities Act of 1990, and all other federal and State laws, as they now exist or may hereafter be amended, that it, its affiliates, subsidiaries, or holding companies, will not discriminate against any employee or applicant for

employment because of race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation.

Contractor shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation, in accordance with federal and State laws. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

Contractor shall post in conspicuous places in each of Contractor's facilities providing services hereunder, positions available and open to employees and applicants for employment, and notices setting forth the provisions of this Paragraph.

B. Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, national origin, ethnic group

identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation, in accordance with requirements of federal and State laws.

C. Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement, or other contract of understanding, a notice advising the labor union or workers' representative of Contractor's commitments under this Paragraph.

D. Contractor certifies and agrees that it shall deal with its subcontractor, bidders, or vendors without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation, in accordance with requirements of federal and State laws.

E. Contractor shall allow federal, State, and County representatives, duly authorized by Director, access to its employment records during regular business hours in order to verify compliance with the anti-discrimination provisions of this Paragraph. Contractor shall provide such other information and records as such representatives may require in order to verify compliance with the anti-discrimination provisions of this Paragraph.

F. If County finds that any of the provisions of this Paragraph have been violated, the same shall constitute a

material breach of Agreement upon which County may determine to cancel, terminate, or suspend, this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the federal Equal Employment Opportunity Commission that Contractor has violated federal or State anti-discrimination laws shall constitute a finding by County that Contractor has violated the anti-discrimination provision of this Agreement.

G. The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Agreement, County shall be entitled, at its option, to the sum of Five Hundred Dollars (\$500) pursuant to California Civil Code section 1671 as liquidated damages in lieu of canceling, terminating, or suspending this Agreement.

5. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the federal Fair Labor Standards Act, 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

Contractor's employees for which County may be found jointly or solely liable.

6. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all federal statutes and regulations regarding employment of undocumented aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in federal statutes and regulations. Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by federal statutes and regulations, as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for all covered employees for the period prescribed by law. Contractor shall indemnify, defend and hold harmless County, its officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

7. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director in writing, within thirty (30) calendar days, of: (1) any event that would require

Contractor or a staff member's mandatory exclusion from participation in a federally funded health care program; and (2) any exclusionary action taken by any agency of the federal government against Contractor or one or more staff members barring it or the staff members from participation in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any federal exclusion of Contractor or its staff members from such participation in a federally funded health care program.

Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

8. RULES AND REGULATIONS: During the time that Contractor's employees, or subcontractors are at Medical Center, Contractor and such persons shall be subject to the rules and regulations of Medical Center. Medical Center's Administrator shall furnish a copy of rules and regulations to Contractor pertaining to Medical Center prior to the execution of this Agreement and, during the term of this Agreement, shall furnish Contractor with any changes thereto as from time to time may be adopted. It is the responsibility of Contractor to acquaint itself and such persons who may provide services hereunder with such rules and regulations. Contractor agrees to immediately and permanently withdraw any of its employees or subcontractors from

the provision of services hereunder upon receipt of written notice from the Director that: (1) such employee or subcontractor has violated such rules or regulations, or (2) such employee's or subcontractor's actions while on County premises, indicate that such employee or subcontractor may adversely affect the delivery of health care services to County patients. The Director must submit with such notice a written statement of the facts supporting any such alleged violation or action.

9. STAFF PERFORMANCE OF SERVICES WHILE UNDER THE INFLUENCE: Contractor shall ensure that no employee or other person under Contractor's control, performs services hereunder while under the influence of any alcoholic beverage, medication, narcotic, or other substance that might impair his/her physical or mental performance.

10. UNLAWFUL SOLICITATION: Contractor shall inform all of its officers and employees performing services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of Business and Professions Code of the State of California (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of said provisions by its officers and employees. Contractor agrees to utilize the attorney referral service of all those bar associations within Los Angeles County that have such a service.

11. AUTHORIZATION WARRANTY: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

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

13. RESTRICTIONS ON LOBBYING: If any federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all such certification and disclosure requirements prescribed by Section 319, Public Law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully comply all such certification and disclosure requirements.

14. COUNTY'S QUALITY ASSURANCE PLAN: The County or its agents will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms

and performance standards. Contractor deficiencies which Director 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 Director and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate Agreement or impose other penalties as specified in Agreement.

15. RECORDS AND AUDITS:

A. Service Records: Contractor shall maintain, and provide upon request by County, accurate and complete records of its activities and operations as they relate to the provision of services, hereunder.

B. Financial Records: Contractor shall prepare and maintain on a current basis, complete financial records in accordance with generally accepted accounting principles and also in accordance with any additional accounting principles and procedures, and standards, which may from time to time be promulgated by Director. All such records shall be sufficient to substantiate all charges billed to County in the performance of this Agreement. Further, all financial records of Contractor pertaining to this Agreement, including accurate books and records of accounts of its costs and operating expenses, and all records of services (including personnel provided), as well as other financial records pertaining to this Agreement, shall be retained by

Contractor for a minimum period of five (5) years following the expiration or prior termination of this Agreement. During such five (5) year period, as well as during the term of this Agreement, all records pertaining to this Agreement, or true and correct copies thereof, including but not limited to, those records described above, shall either: (1) be retained by Contractor, accessible for review by County representatives at a location in Los Angeles County, or (2) if retained by Contractor at a location outside of Los Angeles County, moved from such a location, to a location within Los Angeles County for review, upon Director's request, and made available during County's normal business hours, within ten (10) calendar days, to representatives of County, or federal and State governments, for purposes of inspection and audit. In the event such records are located outside Los Angeles County and Contractor is unable to move such records to Los Angeles County, then Contractor shall permit such inspection or audit to take place at an agreed to outside location, and Contractor shall pay County for travel, per diem, and other costs related to such inspection and audit.

Contractor shall further agree to provide such records, when possible, immediately to County by facsimile/FAX, or through the internet (i.e., electronic mail ["e-mail"]), upon Director's request. Director's request shall include appropriate County facsimile/FAX number(s) and/or e-mail

address(es) for Contractor to provide such records to County. In any event, Contractor shall agree to make available the original documents of such FAX and e-mail records when requested by Director for review as described hereinabove.

C. Federal Access to Records: If, and to the extent that, section 1861 (v) (1) (I) of the Social Security Act [42 United States Code ("U.S.C.") section 1395x (v) (1) (I)] is applicable, Contractor agrees that for a period of five (5) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, this Agreement, books, documents, and records of Contractor which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization (as that term is defined under federal law), Contractor agrees that each such subcontract shall provide for such access to the sub-contract, books, documents and records of the subcontractor.

D. County To Be Provided Audit Report(s): In the event that an audit is conducted of Contractor specifically regarding this Agreement by any federal or State auditor, or any auditor or accountant employed by Contractor or otherwise, Contractor shall file a copy of each such audit report with Director and County's Auditor-Controller within thirty (30) calendar days of Contractor's receipt thereof, unless otherwise provided under this Agreement, or under applicable federal or State regulations. To the extent permitted by law, County shall maintain the confidentiality of such audit report(s). Failure of Contractor to comply with these terms shall constitute a material breach of this Agreement upon which County may cancel, terminate, or suspend this Agreement.

E. Audit/Compliance Review: In the event County representatives conduct an audit/compliance review of Contractor, Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all records of services rendered and all financial records and reports pertaining to this Agreement and shall allow photocopies to be made of these documents utilizing Contractor's photocopier, for which County shall reimburse Contractor its customary charge for record copying services, if requested. Director shall provide Contractor with at least ten (10) working days prior

written notice of any audit/compliance review, unless otherwise waived by Contractor.

County may conduct a statistical sample audit/compliance review of all claims paid by County during a specified period. The sample shall be determined in accordance with generally accepted auditing standards. An exit conference shall be held following the performance of such audit/ compliance review at which time the results shall be discussed with Contractor. Contractor shall be provided with a copy of any written evaluation reports.

Contractor shall have the opportunity to review County's findings on Contractor, and Contractor shall have thirty (30) calendar days after receipt of County's audit/ compliance review results to provide documentation to County representatives to resolve the audit exceptions. If, at the end of the thirty (30) calendar day period, there remains audit exceptions which have not been resolved to the satisfaction of County's representatives, then the exception rate found in the audit, or sample, shall be applied to the total County payment made to Contractor for all claims paid during the audit/compliance review period to determine Contractor's liability to County.

F. County Audit Settlements: If, at any time during the term of this Agreement or at any time within five (5) years after the expiration or earlier termination of this Agreement, authorized representatives of County conduct an

audit of Contractor regarding the services provided to County hereunder and if such audit finds that County's dollar liability for such services is less than payments made by County to Contractor, then Contractor agrees that the difference shall be either: (1) repaid forthwith by Contractor to County by cash payment, or (2) at Director's option, deducted from any further amount due Contractor from County. If such audit finds that County's dollar liability for services provided hereunder is more than payments made by County to Contractor, then the difference shall be paid forthwith to Contractor by County by cash payment.

16. REPORTS: Contractor shall make reports as required by County, or DHS, concerning Contractor's activities and operations as they relate to this Agreement and the provision of services hereunder. In no event, however may County, or DHS, require such reports unless Director has provided Contractor with at least thirty (30) calendar days' prior written notification thereof. Director's notification shall provide Contractor with a written explanation of the procedures for reporting the information required.

17. CONFIDENTIALITY: To the extent that Contractor may gain access hereunder to County patient records and information, Contractor shall maintain the confidentiality of such records and information from third parties, including but not limited to, billings and County records, in accordance with all applicable

federal, State, and local laws, ordinances, rules, regulations, and directives relating to confidentiality. Contractor shall inform all its officers, employees, agents, subcontractors, and others providing services hereunder of this confidentiality provision requirement. Contractor shall indemnify and hold harmless County, its officers, employees, agents, and subcontractors, from and against any and all loss, damage, liability, and expense arising out of any disclosure of patient records and information by Contractor, its officers, employees, agents, subcontractors, and others providing services hereunder.

18. CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER:

Contractor recognizes that health care facilities maintained by County provide care essential to the residents of the communities they serve, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this contract, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible.

Failure to comply with this requirement shall be considered a material breach by Contractor for which County may immediately terminate this Agreement.

19. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or

delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County. Any assignment or delegation which does not have such prior County consent shall be null and void. For purposes of this Paragraph, such County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any billings to County by any delegatee or assignee on any claim under this Agreement, absent such County's consent, shall not be paid by County. Any payments by County to any delegatee or assignee on any claim under this Agreement, in consequence of any such County consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to setoff, recoupment or other reduction of claims which County may have against Contractor, whether under this Agreement or otherwise.

B. Shareholders or partners, or both, of Contractor may sell, exchange, assign, divest, or otherwise transfer any interest they may have therein. However, in the event any such sale, exchange, assignment, divestment or other transfer is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership or legal entity other than the majority controlling interest therein at

the time of execution of this Agreement, then prior written consent thereof by County's Board of Supervisors shall be required. Any payments by County to Contractor on any claim under this Agreement shall not waive or constitute such County consent. Consent to any such sale, exchange, assignment, divestment, or other transfer shall be refused only if County, in its sole judgement, determines that the transferee(s) is (are) lacking in experience, capability and financial ability to perform all Agreement services and other work. This in no way limits any County right found elsewhere in this Agreement, including, but not limited to, any right to terminate this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the

same remedies against Contractor as it could pursue in the event of default by Contractor.

20. COMPLIANCE WITH JURY SERVICE PROGRAM:

A. Jury Service Program: This Agreement is subject to the service 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 County's satisfaction either that Contractor is not a "contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service served. Contractor's policy may further provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.

(2) For purpose of this Paragraph, and as set forth in the Jury Service Program provision of the County Code as described hereinabove: "Contractor" shall mean a person, partnership, corporation, or other entity, that has a contract with County, or a subcontract with a County contractor, and has received, or will receive, an aggregate sum of Fifty Thousand Dollars (\$50,000) or more in any twelve (12) month period under one (1) or more County contracts or subcontracts; "employee" shall mean any California resident who is a full-time employee of Contractor; and "full-time" shall mean forty (40) hours or more worked per week, or a lesser number of hours, if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time.

Full-time employees providing short-term temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph 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 on the effective date of this Agreement, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Services Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor", or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Agreement term, and at its sole discretion, that Contractor demonstrate to 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 Jury Service Program.

(4) Contractor's violation of this Paragraph of the Agreement may constitute a material breach of this Agreement. In the event of such breach, County may, in its sole discretion, terminate this Agreement and/or

bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

21. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES: Contractor shall obtain and maintain in effect during the term of this Agreement, all appropriate licenses, permits, registrations, accreditations, and certificates required by all applicable federal, State, and local laws, regulations, guidelines and directives, for the operation of its business operation and for the provisions of services hereunder. Contractor shall ensure that all of its officers, employees, and agents who perform services hereunder, obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations, and certificates required by federal, State, and local laws, regulations, guidelines and directives, which are applicable to their performance hereunder. Upon Director's written request Contractor shall provide Director with a copy of each license, permit, registration, accreditation, and certificate, as required by all applicable federal, State, and local laws, regulations, guidelines and directives, within ten (10) calendar days thereafter.

22. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of employee, agent, servant,

partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, employees or agents of the other party for any purpose whatsoever.

B. Contractor shall be solely liable and responsible for providing to, or on behalf of, its officers and employees all legally required employee benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, federal, State, and local taxes, or other compensation, benefits, or taxes to, or on behalf of, any personnel provided by Contractor.

C. Contractor understands and agrees that all persons furnishing services to County pursuant to this Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. Contractor shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed by or on behalf of Contractor pursuant to this Agreement.

23. REQUIREMENT TO NOTIFY EMPLOYEES ABOUT FEDERAL EARNED INCOME CREDIT ("EIC"): Contractor shall notify its employees, and shall require that each of its subcontractors notify its employees, to inform them that they may be eligible for claiming

federal EIC as allowed under the federal income tax laws. Such notification shall be provided in accordance with the requirements as set forth in the Department of Treasury Internal Revenue Service's ("IRS") Notice 1015; copies of which, are available from the IRS Forms Distribution Center, by calling (800) 829-3676.

24. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor 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.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the federal Social Security Act [(42 USC section 653(a)] and California Unemployment Insurance Code section 1088.55, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department ("CSSD") Notices of Wage and Earnings Assignment for Child,

Family, or Spousal Support, pursuant to Code of Civil Procedure section 706.031 and Family Code section 5246(b).

25. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

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

26. 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 attached hereto and incorporated herein, and is also available on the Internet at [www.babysafela.org](http://www.babysafela.org) for printing purposes.

27. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges

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

28. CONSIDERATION OF COUNTY'S DEPARTMENT OF PUBLIC SOCIAL SERVICES ("DPSS") GREATER AVENUES FOR INDEPENDENCE ("GAIN") PROGRAM OR GENERAL RELIEF OPPORTUNITY FOR WORK ("GROW") PARTICIPANTS FOR EMPLOYMENT: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's DPSS GAIN or GROW program(s), who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to the Contractor. In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

29. COUNTY EMPLOYEE'S RIGHT OF FIRST REFUSAL AND CONTRACTOR'S OFFERS OF EMPLOYMENT: To the degree permitted by Contractor's agreements with its collective bargaining units, Contractor shall give the right of first refusal for its employment openings at Contractor's facility to qualified County employees who are laid-off or who leave County employment in lieu of reduction under County's Civil Service Rule 19, and who are referred to Contractor by Director (including those on a County re-employment list). Such offers of employment shall be limited to vacancies in Contractor's staff needed to commence services under this Agreement, as well as, to vacancies that occur during the Agreement term. Such offers of employment shall be consistent with Contractor's current employment policies, and shall be made to any former or current County employee who has made application to Contractor, and is qualified for the available position. Employment offers shall be at least under the same conditions and rates of compensations which apply to other persons who are employed or may be employed by Contractor. Former County employees who have been impacted by County's Civil Service Rule 19, and who are employed by Contractor shall not be discharged during the term of the Agreement except for cause, subject to Contractor's personnel policies and procedures, and agreement(s) with its collective bargaining units.

Contractor shall also give first consideration to laid-off or reduced County employees if vacancies occur at Contractor's other service sites during the Agreement term.

30. NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT:

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary under this Agreement.

31. SERVICE DELIVERY SITE - MAINTENANCE STANDARDS:

Contractor shall assure that the location(s) [e.g., facility(ies)] where Contractor provides services under this Agreement, is/are operated at all times in accordance with all County and local community standards with regard to property maintenance and repair, graffiti abatement, refuse removal, fire safety, landscaping, and in full compliance with all applicable local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits to Contractor's facility(ies) shall include a review of compliance with the provisions of this Paragraph.

32. DAMAGE TO COUNTY BUILDINGS, FACILITIES, OR GROUNDS:

Contractor shall repair, or cause to be repaired, at its own cost, any damage to County buildings, facilities, or grounds, caused by Contractor or any officer, employee, or agent of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event, later than thirty (30) calendar days after the occurrence.

If Contractor fails to make timely repairs, County may make any necessary repairs on its own. All costs incurred by County for such repairs, as determine by Director, shall be repaid by Contractor upon demand.

33. USE OF RECYCLED - CONTENT BOND PAPER: Consistent with County's Board of Supervisors policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content bond paper and paper products to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.

34. NOTICE OF DELAYS: Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall within two (2) calendar days, give notice thereof, including all relevant information with respect thereto, to the other party.

35. CONFLICT OF INTEREST:

A. No County officer or employee whose position in County enables such officer or employee to influence the award or administration of this Agreement or any competing agreement, and no spouse or economic dependent of such officer or employee shall be employed in any capacity by Contractor herein, or have any other direct or indirect financial interest in this Agreement. No officer, employee, agent, or subcontractor of Contractor who may financially

benefit from the provision of services hereunder shall in any way participate in County's approval process for the award of this Agreement or any competing agreement, or ongoing evaluation of such services, under this Agreement or any competing agreement, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

B. Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to Director. Full written disclosure shall include, without limitation, identification of all persons involved, or implicated, and a complete description of all relevant circumstances.

36. TERMINATION FOR INSOLVENCY:

A. County may terminate this Agreement immediately for default in the event of the occurrence of any of the following:

- (1) Insolvency of Contractor. Contractor shall

be deemed to be insolvent if it has ceased to pay its debts at least sixty (60) calendar days in the ordinary course of business or cannot pay its debts as they become due, whether Contractor has committed an act of bankruptcy or not, and whether Contractor is insolvent within the meaning of the federal Bankruptcy Law or not;

(2) The filing of a voluntary or involuntary petition under the federal Bankruptcy Law;

(3) The appointment of a Receiver or Trustee for Contractor;

(4) The execution by Contractor of an assignment for the benefit of creditors.

The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

37. TERMINATION FOR DEFAULT: County may, by written notice of default to Contractor, terminate this Agreement immediately in any one of the following circumstances:

A. If, as determined in the sole judgment of County, Contractor fails to perform any services within the times specified in this Agreement or any extension thereof as County may authorize in writing; or

B. If, as determined in the sole judgment of County, Contractor fails to perform and/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 (2) circumstances, does not cure such failure within a period of five (5) calendar days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure.

In the event that County terminates this Agreement as provided hereinabove, County may procure, upon such terms and in such manner as County may deem appropriate, services similar to those so terminated, and Contractor shall be liable to County for any reasonable excess costs incurred by County for such similar services.

The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

38. TERMINATION FOR IMPROPER CONSIDERATION: County may, by written notice to Contractor, immediately terminate Contractor's right to proceed under this Agreement, if it is found that consideration in any form, were offered or given by Contractor, either directly or through an intermediary, to any County officer, employee, or agent, with the intent of securing the Agreement or securing favorable treatment with respect to the

award, amendment, or extension of the Agreement, or making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could in the event of default by Contractor.

Contractor shall immediately report any attempt by a County officer, employee, or agent, to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or agent, or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

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

39. TERMINATION FOR MATERIAL BREACH: Notwithstanding any other provision of this Agreement, the failure of Contractor or its officers, employees, agents, or subcontractors, to comply with any of the terms of this Agreement or any written directions by or on behalf of County issued pursuant hereto shall constitute a material breach hereto, and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

40. TERMINATION FOR CONVENIENCE: The performance of services under this Agreement may be terminated, with or without

cause, in whole or in part, from time to time when such action is deemed by County to be in its best interest. Termination of services hereunder shall be effected by delivery to Contractor of a thirty (30) calendar day advance Notice of Termination specifying the extent to which performance of services under this Agreement is terminated and the date upon which such termination becomes effective.

After receipt of a Notice of Termination and except as otherwise directed by County, Contractor shall:

(1) Stop services under this Agreement on the date and to the extent specified in such Notice of Termination; and

(2) Complete performance of such part of the services as shall not have been terminated by such Notice of Termination. Further, after receipt of a Notice of Termination, Contractor shall submit to County, in the form and with the certifications as may be prescribed by County, its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination

is made, County shall pay Contractor the amount so determined.

Contractor for a period of five (5) years after final settlement under this Agreement, in accordance with the RECORDS AND AUDITS Paragraph, herein, retain and make available all its books, documents, records, or other evidence, bearing on the costs and expenses of Contractor under this Agreement in respect to the termination of services hereunder.

41. TERMINATION FOR NON-APPROPRIATION OF FUNDS:

Notwithstanding any other provision of this Agreement, County shall not be obligated for preventive maintenance and repair services performed hereunder, or by any provision of this Agreement, during any of County's future July 1 - June 30 fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall be deemed to have terminated on June 30 of the last County fiscal year for which funds were appropriated. Director shall notify Contractor in writing of such non-appropriation of funds at the earliest possible date.

42. 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 County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

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

submitted a false claim against County or any other public entity.

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

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

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

at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

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

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the

hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

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

I. These terms shall also apply to any subcontractors of County Contractors.

43. SOLICITATION OF BIDS OR PROPOSALS: Contractor acknowledges that County, prior to expiration or earlier termination of this Agreement, may exercise its right to invite bids or request proposals for the continued provision of the services delivered or contemplated under this Agreement. County and/its DHS shall make the determination to solicit bids or request proposals in accordance with applicable County and DHS policies.

Contractor acknowledges that County may enter into a contract for the future provision of services, based upon the bids or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids, or request for proposals, by virtue of its present status as Contractor.

44. GOVERNING LAW, JURISDICTION, AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that the venue of any action (other than an appeal or an enforcement of a judgment) brought by Contractor, on Contractor's behalf, or on the behalf of any subcontractor, which arises from this Agreement or is concerning or connected with services performed pursuant to this Agreement, shall be exclusively in the courts of the State of California located in Los Angeles County, California.

45. WAIVER: No waiver of any breach of any provision of this Agreement by County shall constitute a waiver of any other breach of such provision. Failure of County to enforce at any time, or from time-to-time, any provision of this Agreement shall not be construed as a waiver thereof. The remedies herein

reserved shall be cumulative and additional to any other remedies in law or equity.

46. 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.

47. COVENANT AGAINST CONTINGENT FEES:

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

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

EQUIPMENT MAINTENANCE AND REPAIR SERVICES AGREEMENT

AMENDMENT NO. \_\_\_\_\_

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2006,

by and between COUNTY OF LOS ANGELES  
(hereafter "County"),

and \_\_\_\_\_  
(hereafter "Contractor").

WHEREAS, reference is made to that certain document  
entitled, "EQUIPMENT MAINTENANCE AND REPAIR SERVICES AGREEMENT",  
dated July 1, 2004, and further identified as County Agreement  
No. H-\_\_\_\_\_ and any amendments hereto (hereafter referred to as  
"Agreement"); and

WHEREAS, it is the intent of the parties hereto to extend  
the term and increase the maximum obligation to make changes  
described hereinafter; and

WHEREAS, Agreement provides that changes may be made in the  
form of a written amendment which is formally approved and  
executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective July 1, 2006.
2. Exhibit A, "Statement of Work" shall now be replaced by  
Exhibit A-1 and Schedule \_\_\_\_\_ shall now be replaced by Schedule  
\_\_\_\_\_, attached hereto and incorporated herein by reference.
3. Agreement Paragraph 1, TERM, shall be replaced as  
follows:

"1. TERM: The term of this Agreement shall commence on July 1, 2004, and shall continue in full force and effect to and including \_\_\_\_\_ (June 30, 2009 or June 30, 2011), unless sooner canceled or terminated as provided herein."

4. Agreement Paragraph 4, BILLING AND PAYMENT, shall be revised to read as follows:

"4. BILLING AND PAYMENT:

A. County agrees to compensate Contractor in accordance with the terms set forth in the BILLING AND PAYMENT Paragraph at the rates set forth in Schedule\_\_\_\_\_.

B. Contractor shall bill Olive-View/UCLA Medical Center (OLIVE VIEW), c/o Invoice Processing, 14445 Olive View Drive, Sylmar, California, 91342, High Desert Health System (HIGH DESERT), 44900 North 60<sup>th</sup> Street West, Lancaster, California, 93536, Harbor/UCLA Medical Center (HARBOR), General Accounting, Box 479, 1000 West Carson Street, Torrance, California, 90509, and Rancho Los Amigos National Rehabilitation Center (RANCHO), Finance Department, Attention: Chief Financial Officer, SSA Building - Room 2208, 7601 E. Imperial Highway, Downey, California 90242, hereunder according to the terms set forth in the BILLING AND PAYMENT paragraph of said Exhibit."

5. Agreement Paragraph 5, MAXIMUM OBLIGATION, shall be

revised to read as follows:

"5. MAXIMUM OBLIGATION:

A. The maximum obligation of County for all services provided hereunder shall not exceed \_\_\_\_\_ annually, for the period of July 1, 2006 through \_\_\_\_\_ (June 30, 2009 or June 30, 2011).

B. During the term of this Agreement the Director may amend Schedule \_\_\_\_ if additional maintenance and repair services are needed and may increase the maximum obligation by no more than twenty percent (20%) above the Fiscal Year ("FY") 2006-07 allocation for unanticipated maintenance and repair services.

C. In addition, the Director may adjust the County's maximum obligation during each FY of the Agreement term by no more than twenty percent (20%) of the annual FY 2006-07 allocation if equipment is added/removed to/from any Medical Facility."

6. Standard Provisions Paragraph \_\_\_\_, PROHIBITION AGAINST ASSIGNMENT AND DELEGATION, shall be replaced in its entirety to read as follows:

" \_\_\_\_ PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County. Any assignment or delegation which

does not have such prior County consent shall be null and void. For purposes of this Paragraph, such County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any billings to County by any delegatee or assignee on any claim under this Agreement, absent such County's consent, shall not be paid by County. Any payments by County to any delegatee or assignee on any claim under this Agreement, in consequence of any such County consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to setoff, recoupment or other reduction of claims which County may have against Contractor, whether under this Agreement or otherwise.

B. Shareholders or partners, or both, of Contractor may sell, exchange, assign, divest, or otherwise transfer any interest they may have therein. However, in the event any such sale, exchange, assignment, divestment or other transfer is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, then prior written consent thereof by County's Board of Supervisors shall be required. Any payments by County to Contractor on any claim under this Agreement shall

not waive or constitute such County consent. Consent to any such sale, exchange, assignment, divestment, or other transfer shall be refused only if County, in its sole judgement, determines that the transferee(s) is (are) lacking in experience, capability and financial ability to perform all Agreement services and other work. This in no way limits any County right found elsewhere in this Agreement, including, but not limited to, any right to terminate this Agreement.

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

7. Standard Provisions Paragraph, CONTRACTOR RESPONSIBILITY AND DEBARMENT, shall be replaced in its entirety to read as follows:

" 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 County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with

County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

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

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

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

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

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been

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

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

I. These terms shall also apply to any subcontractors of County Contractors."

8. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Signature

By \_\_\_\_\_  
Printed Name

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants Division

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