



**Sean Rogan**  
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION**  
**of the County of Los Angeles**

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**Gloria Molina**  
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**Don Knabe**  
**Michael D. Antonovich**  
Commissioners

## **ADOPTED**

Community Development Commission

March 06, 2012

1-D March 6, 2012

The Honorable Board of Commissioners  
Community Development Commission  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

**SACHI A. HAMAI**  
EXECUTIVE OFFICER

Dear Commissioners:

**CONTRACT WITH ENTERPRISE FLEET MANAGEMENT TO PROVIDE LEASED VEHICLES  
WITH A FULL MAINTENANCE SERVICE PROGRAM  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

This letter recommends approval of a five-year lease contract with Enterprise Fleet Management (Enterprise) to provide 61 new leased vehicles and a full maintenance service program for those vehicles as well as a maintenance program for 17 existing vehicles being retained by the Commission. The vehicles will be used by Commission and Housing Authority staff. This letter relates to an item on the agenda of the Housing Authority to authorize the use of Housing Authority funds for the contract.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and authorize the Executive Director to negotiate, execute, and if necessary, terminate a five-year contract with Enterprise using up to \$1,750,000 in Commission and Housing Authority program funds for all five years, to provide leased vehicles and a full maintenance service program for Commission use, to be effective following approval as to form by the County Counsel and execution by all parties.
2. Authorize the Executive Director or his designee to execute amendments to the five-year contract, following approval as to form by County Counsel, to increase the total amount of compensation by up to ten percent to cover unforeseen costs, to add additional leased vehicles as needed for Commission business, modify the scope of work to address unforeseen issues, or make other non-monetary changes necessary for the administration and implementation of the contract.

3. Find that the approval of the contract is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action is not defined as a project under CEQA.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to enter into a contract with Enterprise to provide leased vehicles with a full maintenance service program to replace existing aged agency vehicles. Seventeen existing agency vehicles will be retained and placed on a full maintenance program.

On March 9, 2010, the Board approved a similar agreement with Enterprise for the lease of five vehicles to be used for the Section 8 inspectors in Lancaster as a pilot program. This program has proven successful, and when implemented agency-wide, will significantly reduce fleet costs.

In Fiscal Year 2011-2012, the total fleet annual budget was over \$880,000, with the average vehicle age of approximately 8 years with over 76,000 miles. The move to Enterprise will replace the aged existing fleet with new models and reduce the size of the fleet pool by allowing staff to rent additional vehicles from Enterprise daily as needed. The estimated fleet budget in future years will be approximately \$580,000, which includes approximately \$350,000 per year for the Enterprise contract, plus fuel, miscellaneous maintenance costs and administrative expenses. This represents an estimated savings of approximately \$300,000 per year.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund.

The contract will be funded with a total of up to \$1,750,000 agency program funds over a five-year period. Funding will be included in the Commission and the Housing Authority's Fiscal Year 2012-2013 annual budgets, being presented to the Board in June. Funds for future years will be requested through the Commission and the Housing Authority's annual budget process.

A ten percent contingency over five years, in the amount of \$175,000, is being set aside for unforeseen costs, using the same source of funds.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Commission issued a Request for Information (RFI) for the purpose of seeking information regarding leased vehicles with full maintenance service programs. Enterprise was the only company that responded to the request. Based on Enterprise being the only respondent, Commission staff has concluded that Enterprise is the only vendor in the area available to provide the needed services.

Upon review of the contract, Enterprise notified the Commission that they would not be willing to sign a contract that contained the standard indemnification clause. Since Enterprise is the only vendor available to provide the needed services, the Commission was required to negotiate several of the terms, including the indemnification clause. Commission staff has determined that it is in the agency's best interest to agree to a mutual indemnification clause in the contract, which has been approved by County Counsel, Risk Management staff, and Enterprise. The proposed contract is attached to this letter in substantially final form.

Should Enterprise require additional or replacement personnel during the term of the contract,

Enterprise will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) program who meet the minimum qualification for the open positions. Enterprise will contact the County's GAIN/GROW Division for a list of participants by job category.

**ENVIRONMENTAL DOCUMENTATION**

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

**CONTRACTING PROCESS**

On December 20, 2011, a Request for Information (RFI) was issued to determine the feasibility of utilizing leased vehicles and a full maintenance service program for the Commission. The RFI was targeted to vehicle dealers, car rental companies and other associated vendors identified in the Commission's vendor database.

As a result of the RFI, only one company, Enterprise, submitted information regarding their vehicle leasing program on January 12, 2012. Therefore, the Commission is recommending a sole source contract with Enterprise for these services. The Summary of Outreach Activities is provided as Attachment A.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The Enterprise contract will replace current aged agency vehicles and/or a vehicle maintenance program at a substantially lower annual cost.

Respectfully submitted,



SEAN ROGAN

Executive Director

SR:KRS:rj

Enclosures

## ATTACHMENT A

### Summary of Outreach Activities

#### Leased Vehicles With a Full Maintenance Service Program

On December 20, 2011, the following outreach was initiated to determine the feasibility of utilizing leased vehicles with a full maintenance service program for the Community Development Commission.

A. Request for Information

The Commission's vendor list, listing in the internet and yellow pages were used to mail out the Request for Information (RFI) to approximately 50 vendors. As a result of the outreach, one response was received.

B. Request for Information Results

On December 20, 2011, a RFI was issued to determine the feasibility of utilizing leased vehicles with a full maintenance service program for the Community Development Commission. The RFI was targeted to vehicle dealers, car rental companies and other associated vendors identified in the Commission's vendor database.

As a result of the RFI, only one company, Enterprise submitted information regarding their vehicle leasing program on January 12, 2012. Therefore, the Commission is recommending a sole source contract with Enterprise for these services.

The Community Development Commission and Housing Authority conduct ongoing outreach to encourage participation by minorities and women in the contract award process, including: providing information at local and national conferences; expos and vendor fairs, and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Community Development Commission and Housing Authority.

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

## **FLEET MANAGEMENT SERVICES CONTRACT**

This Fleet Management Services Contract (the "Contractor") is made and entered into this \_\_\_th day of \_\_\_\_\_, 2012, by and between the Community Development Commission of the County of Los Angeles, hereinafter referred to as "Commission", and Enterprise Rent-A-Car Company of Los Angeles d/b/a Enterprise Fleet Services, hereinafter referred to as "Contractor."

### **RECITAL**

#### **1. PURPOSE**

The Contractor is in the business of providing needed fleet management services via leased fleets. On January \_\_\_\_, 2012, the Contractor submitted a proposal to furnish the hereinafter-described fleet management services to the Commission. The Contractor hereby leases to the Commission and the Commission hereby leases from the Contractor the vehicles ("Vehicle(s)") described in Attachment B-1, Fee Schedule, delivered by the Contractor to the Commission. The Contractor will, in approximately ninety days from the start of the term, deliver each Vehicle to the Commission, send the Commission a receipt of delivery, of which a sample is included in this Contract in Attachment B-2, Vehicle Schedule hereinafter referred to as "Vehicle Schedule" covering the Vehicle, which will include, among other things, a description of the Vehicle, outlining the final monthly rental and other payments, terms due with respect to the Vehicle in accordance with Attachment B-1, Fee Schedule. The terms and conditions contained in each Vehicle Schedule will be binding on the Commission unless the Commission objects in writing to such terms and conditions within ten (10) days after the date of delivery of the Vehicle covered by such Vehicle Schedule. This is a lease only and Contractor will at all times remain the owner of the Vehicles and Commission will have no right, title or interest in or to the Vehicles. This Contract shall be treated as a true lease for federal and applicable state income tax purposes with the Contractor having all benefits of ownership.

### **TERMS AND CONDITIONS**

#### **2. DEFINITIONS**

The terms and phrases in this paragraph shall have the particular meanings set forth in this Section 3 whenever such terms are used in this Contract.

A. As Is

"As Is" shall mean the condition of the said Vehicles in which the Commission agrees to take the Vehicles.

B. Book Value

"Book Value" shall be the sum of the "Delivered Price" of the Vehicle minus the total Depreciation Reserve paid by the Commission to the Contractor with respect to each Vehicle

plus all accrued and unpaid rent and/or other amounts owed by Commission with respect to each Vehicle.

C. Commission

“Commission” shall mean the Community Development Commission of the County of Los Angeles, California.

D. County

“County” shall mean the County of Los Angeles, California.

E. Delivered Price

“Delivered Price” shall mean the price of the said vehicle as delivered to the Commission including all Vehicles and delivery costs, plus all rebates, incentives and discounts that may be involved in the Contract.

F. Depreciation Reserve

“Depreciation Reserve” shall mean the amount of depreciation accumulated over the number of months in service with the Commission.

G. Effective Date

“Effective Date” shall mean the date this Contract has been executed by the both the Commission and the Contractor.

H. Fee Schedule

“Fee Schedule” shall mean the schedule of costs located in Attachment B (Fee Schedule).

I. Rule of 78

“Rule of 78” shall mean the method used to calculate the interest adjustment required to recapture interest owed in the event the Commission elects to early terminate an open-ended contract.

J. Total Loss

“Total Loss” shall mean loss, stolen, destroyed or damaged beyond repair of the said vehicle.

**3. TERM**

This Contract shall commence on July 1, 2012 and shall remain in full force and effect for five (5) years until June 30, 2017 unless sooner terminated as provided herein. This Contract may be extended for additional time in monthly increments at the sole discretion of the Commission. Notwithstanding the foregoing, this Contract shall remain in effect with respect to each Vehicle delivered hereunder for the lease term of such Vehicle (as defined in Attachment B-1, Fee Schedule).

**4. CONTRACTOR’S RESPONSIBILITIES / COMMISSION’S RESPONSIBILITIES**

The Contractor agrees to perform in a good workmanlike manner, to the satisfaction of the Commission's Executive Director, all the work described in the attached Statement of Work, Attachment A.

## **5. COMPENSATION**

The Contractor will submit to the Commission on the 1<sup>st</sup> day of each anniversary year an invoice on a form approved by the Commission for vehicle lease services rendered as described in Attachment A, Statement of Work. Upon receipt and approval, the Commission will pay the Contractor within thirty (30) days of receipt of the invoice in accordance with Attachment B-1, Fee Schedule, and Attachment B-2, Vehicle Schedule. The total amount of compensation under this Contract for all five (5) years shall not exceed \_\_\_\_\_ and XX/100 Dollars (\$0.00), which shall include all related expenses.

The Contractor shall be paid in accordance with the Commission's standard accounts payable system.

The following condition must be met to fulfill this Contract and ensure prompt payment. The Contractor will submit a monthly invoice on a form approved by the Commission for services rendered, and this invoice must be approved by the Commission.

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

If a Vehicle is delivered to the Commission on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, the Commission agrees to pay the Contractor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under this Section.

In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by the Commission, a Casualty Occurrence or any other reason, the rentals and management fees paid by the Commission will be recalculated in accordance with the Rule of 78's and the adjusted amount will be payable by the Commission to the Contractor on the termination date.

The Commission agrees to pay the Contractor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over

the wholesale value of such Vehicle as determined by Contractor in good faith. If the Book Value of such Vehicle is less than the wholesale value of such Vehicle as determined by Contractor in good faith Contractor agrees to pay such deficiency to Commission as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Commission to Contractor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Commission with respect to such Vehicle.

If applicable, any security deposit of Commission will be returned to Commission at the end of the applicable Term, except that the deposit will first be applied to any losses and/or damages suffered by Contractor as a result of Commission's breach of or default under this Contract and/or to any other amounts then owed by Commission to Contractor.

Any rental payment or other amount owed by Commission to Contractor which is not paid within thirty (30) days after its due date will accrue interest, payable on demand of Contractor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

If Commission fails to pay any amount due under this Contract or to comply with any of the covenants contained in this Contract, Contractor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Contractor in connection therewith will be repayable by Commission to Contractor upon demand together with interest thereon at the Default Rate.

## **6. SOURCE AND APPROPRIATION OF FUNDS**

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

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

Notwithstanding the foregoing, the Commission reserves the right to terminate this Contract as provided herein. In the event of such termination, Contractor shall be paid all rentals due and owing hereunder up until the actual day of termination in accordance with Section 5. In addition, Contractor reserves the right to be paid for any reasonable damages due to termination for convenience. These reasonable damages will be limited to the losses incurred by Contractor for having to sell the vehicles on the open used car market prior to the end of the scheduled term.

## **7. TERMINATION FOR IMPROPER CONSIDERATION**



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

The Contractor shall immediately report any attempt by a Commission officer or employee to solicit such improper consideration. The report shall be made either to the Commission's Executive Director or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

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

## **8. ASSIGNMENT BY CONTRACTOR**

The Contractor may from time to time (a) assign, pledge or transfer this Contract and/or any or all of its rights or interests under this Contract and/or (b) grant a security interest in or lien on any or all of the Vehicles to secure indebtedness of the Commission to an affiliate Contractor company. The Commission agrees, upon notice of any such assignment, security interest or lien, to acknowledge receipt thereof in writing and, as instructed in such notice, to pay all amounts due or to become due under this Contract to such assignee or secured party. Each such assignee or secured party will have all of the rights of the Contractor under this Contract but none of the Contractor's obligations or duties under this Contract (except that any assignee of this Contract will be required to comply with the Contractor's obligations under Section 5 of this Contract). The Commission agrees that it will not assert against any such assignee or secured party any defense, offset, claim or counterclaim which Commission may be entitled to assert against Contractor under this Contract or otherwise, but any such claim may be separately asserted against the Contractor. The Commission's rights and interest in and to the Vehicles are and will continue at all times to be subject and subordinate in all respects to any assignment or security agreement now or hereafter executed by the Contractor with or in favor of any such assignee or secured party, provided that the Commission shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Contract has occurred and is continuing. Upon acceptance of this Contract, the Contractor shall provide a letter stating current intention regarding assignment approach with its affiliate(s).

Shareholders, partners, members, or other equity holders of the Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is affected in such a way as to give majority control of the Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of the Commission in accordance with applicable provisions of this Contract.

## **9. CONFIDENTIALITY OF REPORTS**

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

## **10. SUBCONTRACTING**

The Contractor may subcontract only those specific portions of work allowed in the original specifications covered by this Contract with prior written approval by the Commission.

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

## **11. INSURANCE**

Without limiting the Contractor's duties to indemnify and defend as provided in this Contract, the Contractor shall procure and maintain, at the Contractor's sole expense, the insurance policies described herein. Such insurance shall be secured from carriers admitted in California, or authorized to do business in California. Such carriers shall be in good standing with the California Secretary of State's Office and the California Department of Insurance. Such carriers must be admitted and approved by the California Department of Insurance or must be included on the California Department of Insurance List of Eligible Surplus Line Insurers (hereinafter "LESLI"). Such carriers must have a minimum rating of or equivalent to A:VIII in Best's Insurance Guide. The Contractor shall, concurrent with the execution of this Contract, deliver to the Commission certificates of insurance with original endorsements evidencing the insurance coverage required by this Contract. If original endorsements are not immediately available, such endorsements may be delivered subsequent to the execution of this Contract, but no later than thirty (30) days following execution of this Contract. The certificates and endorsements shall be signed by a person authorized by the insurers to bind coverage on its behalf. The Contractor shall provide upon request the Commission with certificates of insurance and applicable endorsements each year during the term of this Contract to evidence its annual compliance with the insurance requirements set forth herein. The Commission reserves the right to require complete certified copies of all policies at any time. Said insurance shall be in a form acceptable to the Commission and may provide for such deductibles as may be acceptable to the Commission. Any self-insurance program and self-insured retention must be separately approved by the Commission. In the event such insurance does provide for deductibles or self-insurance, the Contractor agrees that it will defend, indemnify and hold harmless the Commission, the Housing Authority of the County of Los Angeles ("Housing Authority"), the County of Los Angeles ("County"), and their elected and appointed officers, officials, representatives, employees, and agents in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. Each policy shall be endorsed to stipulate that the Commission be given at least thirty (30) days' written notice in advance of any cancellation or any reduction in limit(s) for any policy of insurance required herein. The Contractor shall give the Commission immediate notice of any insurance claim or loss which may be covered by insurance. The Contractor represents and warrants that the insurance coverage required herein will also be

provided by any entities with which the Contractor contracts, as detailed below. All certificates of insurance and additional insured endorsements shall carry the following identifier:

**Enterprise Rent-A-Car Company of Los Angeles d/b/a Enterprise Fleet Services.**

The insurance policies set forth herein shall be primary insurance with respect to the Commission. The insurance policies shall contain a waiver of subrogation for the benefit of the Commission. Failure on the part of the Contractor, and/or any entities with which the Contractor contracts, to procure or maintain the insurance coverage required herein may, upon the Commission's sole discretion, constitute a material breach of this Contract pursuant to which the Commission may immediately terminate this Contract and exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of the Commission, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by the Commission shall be immediately repaid by the Contractor to the Commission upon demand including interest thereon at the default rate. In the event of such a breach, the Commission shall have the right, at its sole election, to participate in and control any insurance claim, adjustment, or dispute with the insurance carrier. The Contractor's failure to assert or delay in asserting any claim shall not diminish or impair the Commission's rights against the Contractor or the insurance carrier.

When the Contractor, or any entity with which the Contractor contracts, is naming the Commission as an additional insured on the general liability insurance policy set forth below, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85. In the alternative and in the Commission's sole and absolute discretion, it may accept both CG 20 10 10 01 and CG 20 37 10 01 in place of CG 20 10 11 85.

The following insurance policies shall be maintained by Contractor and any entity with which Contractor contracts for the duration of this Contract, unless otherwise set forth herein:

- A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) including coverage for personal injury, death, property damage, and contractual liability with limits of not less than the following:

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

The Commission, Housing Authority, County, and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as the "Public Agencies and their Agents"), shall be named as additional insureds for contractor's work on such policy.

- B. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each incident. Such insurance shall include

coverage of all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto”. The Public Agencies and their Agents shall be named as additional insureds on such policy.

C. WORKERS’ COMPENSATION and EMPLOYER’S LIABILITY insurance providing worker’s compensation benefits, as required by the Labor Code of the State of California. This must include a waiver of subrogation in favor of the Public Agencies and their Agents. In all cases, the above insurance also shall include Employer’s Liability coverage with limits of not less than the following:

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

D. CRIME INSURANCE, including coverage against loss of money, securities, inventory or other property, with limits in amounts not less than indicated below:

Employee Theft Coverage	\$1,000,000
Forgery Coverage	\$1,000,000
Client Coverage	\$1,000,000

Contractor will require its assignee to obtain the same insurance required in this section and adhere to the terms of the Contract.

\$1,000,000

The Commission agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to the Contractor, insuring the Commission and Contractor against any damage, claim, suit, action or liability:

(i) Commercial Automobile Liability, (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law), for the limits listed below. (\$5,000,000 limits are required for Vehicles capable of transporting more than 8 passengers):

<u>State of Vehicle Registration</u>	<u>Coverage</u>
California	\$300,000 Combined Single Limit Bodily and Property Damage or \$100,000 Bodily Per Person, \$300,000 Per Occurrence \$50,000 Property Damage (100/300/50) Deductible

(ii) Physical Damage Insurance (Collision & Comprehensive: Actual cash value of the applicable Vehicle. Maximum deductible of \$500 per occurrence - Collision and \$250 per occurrence - Comprehensive).

The Commission is self-insured for these limits. If the requirements of any governmental or

regulatory agency exceed the minimums stated in this Contract, the Commission must obtain and maintain the higher limits. If the Commission is not self-insured for any portion of the insurance requirements, the Commission agrees that each required policy of insurance will by appropriate endorsement or otherwise name the Contractor as an additional insured and as a loss payee, as its interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to the Contractor or its assigns at least a thirty (30) day prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of the Commission or any other person shall affect the right of the Contractor to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of the Commission and Contractor notwithstanding any other coverage carried by the Commission or Contractor protecting against similar risks. Original certificates evidencing such coverage and naming Contractor as an additional insured and loss payee, shall be furnished to the Contractor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by the Contractor from time to time. In the event of default, the Commission hereby appoints the Contractor as Commission's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if the Commission accessories or components added to a covered Vehicle by the Commission without the prior written consent of the Contractor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, the Contractor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the "Vehicle" for purposes of this Contract; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Contractor agrees that it will, at its expense, obtain for and on behalf of Commission (either by adding the Commission as an additional insured under a commercial automobile liability insurance policy insuring the Contractor, obtaining insurance on behalf of the Commission or otherwise) the minimum commercial automobile liability insurance required under this Section for the Vehicle(s) covered by such Schedule. The Contractor may at any time during the applicable Term terminate said obligation to provide physical damage management and/or commercial automobile liability enrollment and cancel such physical damage management and/or commercial automobile liability enrollment upon giving the Commission ten (10) days written notice. Upon such cancellation, insurance in the minimum amounts as set forth in this Section shall be obtained and maintained by the Commission at the Commission's expense. An adjustment will be made in monthly rental charges payable by the Commission to reflect such insurance change and the Commission agrees to furnish the Contractor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, the Contractor may change the rates charged by the Contractor under this Section for physical damage management and/or commercial automobile liability enrollment upon giving the Commission thirty (30) days prior written notice..

## **12. INDEMNIFICATION**

The Contractor shall indemnify, defend and hold harmless the Commission, Housing Authority, County, and each of their elected and appointed officers, officials, representatives, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (excluding attorney and expert witness fees), (hereinafter

“Liabilities”) to the extent caused by the Contractor’s negligent acts and/or omissions arising from and/or relating to this Contract, except to the extent caused by the negligence or willful misconduct of the Commission. The Commission agrees to indemnify, defend and hold harmless the Contractor from and against any and Liabilities to the extent cause by the Commission’s negligent acts and/or omissions arising from and/or relating to this Contract, except to the extent caused by negligence or willful misconduct of the Contractor. The provisions of this Section 12 shall survive any expiration or termination of this Contract.

**13. COMMISSION’S QUALITY ASSURANCE PLAN**

The Commission will evaluate Contractor’s performance under this Contract 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 Commission determines are severe or continuing and that may place performance of the Contract in jeopardy, if not corrected, will be reported to the Board of Commisioners. The report will include improvement/corrective action measures taken by the Commission and Contractor. If improvement does not occur consistent with the corrective measure, the Commission may terminate this Contract, pursuant to Paragraph 13 or 14, or impose other remedies as specified in this Contract.

A performance review will be conducted no later than ninety (90) days prior to the end of the first and second years of this Contract to evaluate the performance of the Contractor. Based on the assessment of the performance review, as determined by the Commission in its sole discretion, written notification will be given to the Contractor whether this Contract will be terminated at the end of the current year or will be continued into the next contract year.

**14. TERMINATION FOR CONVENIENCE**

The Commission reserves the right to cancel this Contract for any reason at all upon thirty (30) days prior written notice to Contractor. In the event of such termination, Contractor shall be entitled to a prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation if any, shall be adjusted in such termination.

In the event of such termination, Contractor shall be paid all rentals due and owing hereunder up until the actual day of termination in accordance with Section 5. In addition, Contractor reserves the right to be paid for any reasonable damages due to termination for convenience. These reasonable damages will be limited to the losses incurred by Contractor for having to sell the vehicles on the open used car market prior to the end of the scheduled term.

**15. TERMINATION FOR CAUSE**

Subject to Section 5, a Scheduled Vehicle within the boundaries of this Contract may be terminated by the Commission upon written notice to the Contractor for just cause (failure to perform satisfactorily), provided Contractor shall have the right to cure upon reasonable notice from the Commission, with no penalties incurred by the Commission upon the occurrence of any of the following events in A, B, C or D:

- A. Should the Contractor fail to perform all or any portion of the work required to be performed hereunder in a timely and good workmanlike manner or properly carry out the provisions of this Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Contractor, and should the Contractor neglect or refuse to provide a means for satisfactory compliance with this Contract and with the direction of the Commission within the time specified in such notice, the Commission shall have the power to suspend or terminate the operations of the Contractor in whole or in part.
- B. Should the Contractor fail within five (5) days to perform in a satisfactory manner, in accordance with the provisions of this Contract, or if the work to be done under this Contract is abandoned for more than three days by the Contractor, then notice of deficiency thereof in writing will be served upon Contractor by the Commission. Should the Contractor fail to comply with the terms of this Contract within five (5) days, upon receipt of said written notice of deficiency, the Executive Director of Commission shall have the power to suspend or terminate the operations of the Contractor in whole or in part.
- C. In the event that a petition of bankruptcy shall be filed by or against the Contractor.
- D. If, through any cause, the Contractor shall fail to fulfill, in a timely and proper manner, the obligations under this Contract, or if the Contractor shall violate any of the covenants, Contracts, or stipulations of this Contract, the Commission shall thereupon have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor under this Contract shall, at the option of the Commission become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

The following shall constitute events of default ("Events of Default") by the Commission under this Contract: (a) if the Commission fails to pay when due any rent or other amount due under this Contract; (b) if the Commission fails to perform, keep or observe any other term, provision or covenant contained in this Contract; (c) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by the Contractor); (d) the occurrence of a material adverse change in the financial condition or business of the Commission or any guarantor.

Upon the occurrence of any Event of Default, the Contractor, with notice to the Commission, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) the Contractor may demand and receive immediate possession of any or all of the Vehicles from the Commission, without releasing the Commission from its obligations under this the Contract; if the Commission fails to surrender possession of the Vehicles to the Contractor on default (or termination or expiration of the Term), Contractor and its agents and independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Contractor may enforce performance by Commission of its obligations under this Contract; (c) Contractor may recover damages and expenses sustained by Contractor by

reason of Commission's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Contractor in attempting or effecting enforcement of its rights under this Contract (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Commission, Contractor may terminate Commission's rights under this Contract; (e) with respect to each Vehicle, Contractor may recover from Commission all amounts owed by Contractor under Section 4 of this Contract (and, if Contractor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 4 shall be deemed to be \$0.00 and (f) Contractor may exercise any other right or remedy which may be available to Contractor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Contract shall occur only upon written notice by Contractor to Commission. Any termination shall not affect Commission's obligation to pay all amounts due for periods prior to the effective date of such termination or Commission's obligation to pay any indemnities under this Contract. All remedies of Contractor under this Contract or at law or in equity are cumulative.

**15. CONTRACTOR'S WARRANTY OF ADHERENCE TO COMMISSION'S CHILD SUPPORT COMPLIANCE PROGRAM**

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

As required by Commission Child Support Compliance Program and without limiting Contractor's duty under this Contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall, during the term of this Contract, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or CSSD Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

**16. TERMINATION FOR BREACH OF WARRANTY TO COMPLY WITH COMMISSION'S CHILD SUPPORT COMPLIANCE PROGRAM**

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 15, "*CONTRACTOR'S WARRANTY OF ADHERENCE TO Commission CHILD SUPPORT COMPLIANCE PROGRAM*" shall constitute default under this contract. Without limiting the rights and remedies available to Commission under any other provision of this contract, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which Commission may terminate this contract pursuant to Paragraph 14 - "TERMINATION FOR CAUSE" and pursue debarment of Contractor, pursuant to Commission Policy.

**17. POST MOST WANTED DELINQUENT PARENTS LIST**



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

**18. INDEPENDENT CONTRACTOR**

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

**19. EMPLOYEES OF CONTRACTOR**

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

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

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

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

**21. SAFETY STANDARDS AND ACCIDENT PREVENTION**

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

**22. COMPLIANCE WITH LAWS**

The Contractor agrees to be bound by all applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Contract, including but not limited to, the Housing

and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85, and the Americans with Disabilities Act of 1990. If the compensation under this Contract is in excess of \$100,000 then Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579h), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR part 15).

The Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Contract.

The Contractor shall comply with the following laws in Sections 23-32, inclusive, and 41-45, inclusive.

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

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

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

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

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

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

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

The Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion,

sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

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

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

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

The Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such actions with respect to any subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

**27. GREATER AVENUES FOR INDEPENDENCE (GAIN) PROGRAM AND GENERAL RELIEF OPPORTUNITY FOR WORK (GROW) PROGRAM**

Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to

participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. The Contractor shall contact the County's GAIN/GROW Division at (626) 927-5354 for a list of GAIN/GROW participants by job category.

**28. FEDERAL LOBBYIST REQUIREMENTS**

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

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

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

**29. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT**

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

**30. USE OF RECYCLED-CONTENT PAPER PRODUCTS**

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

**31. CONTRACTOR RESPONSIBILITY AND DEBARMENT**

A. A responsible contractor is a contractor, consultant, vendor, or operating agency who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the Commission, Commission, and County to conduct business only with responsible contractors.

B. The Contractor is hereby notified that if the Commission acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the Commission may, in addition to other remedies provided in the contract,

debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on Commission contracts for a specified period of time, which generally will not to exceed five years but may exceed five years or be permanent if warranted by circumstances, and terminate any or all existing contracts the Contractor may have with the Commission.

- C. The Commission may debar a contractor, consultant, vendor or operating agency if the Board of Commissioners finds, in its discretion, that the contractor, consultant, vendor, or operating agency has done any of the following: (1) violated any term of a contract with the Commission, Commission, or County, or a nonprofit corporation created by the Commission, Commission, or County (2) committed any act or omission which negatively reflects on the its quality, fitness or capacity to perform a contract with the Commission, Commission, or County or any other public entity, or a nonprofit corporation created by the Commission, Commission, or County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the Commission, Commission, County, or any other public entity.
- D. If there is evidence that the Contractor may be subject to debarment, the Commission will notify the Contractor in writing of the evidence, which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Commission shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Commissioners.
- 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 Contract Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.
- G. If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The Commission may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the Commission.

- H. The Contractor Hearing Board will consider a request for review of the debarment determination only where (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the ground 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 Commissioners. The Board of Commissioners 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 subcontractors and subconsultants of County, Commission, or Commission contractors, consultants, vendors and operating agencies.

### **32. COMPLIANCE WITH JURY SERVICE PROGRAM**

- A. Unless the Contractor has demonstrated to the Commission satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program or that Contractor qualifies for an exception to the Jury Service Program, Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
- B. For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract Contract and a copy of the Jury Service Program shall be attached to the Contract.

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

### **33. ACCESS AND RETENTION OF RECORDS**

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

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

### **34. CONFLICT OF INTEREST**

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

### **35. SEVERABILITY**

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

**36. INTERPRETATION**

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

**37. WAIVER**

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

**38. PATENT RIGHTS**

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

**39. COPYRIGHT**

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

**40. NOTICES**

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

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

The Commission:

Harold J. Pierce, Director  
Community Development Commission of the County of Los Angeles  
2 Coral Circle  
Monterey Park, CA 91755

The Contractor:

Daniel J. Simonetti, Regional Sales Manager  
Enterprise Rent-A-Car Company of Los Angeles d/b/a Enterprise Fleet Services  
17210 S. Main St.  
Gardena, CA 90248



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

**41. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW**

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

**42. CONTRACTOR’S ACKNOWLEDGMENT OF COMMISSION’S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW**

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

**43. CONTRACTOR’S CHARITABLE CONTRIBUTIONS COMPLIANCE**

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

**44. CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

The Contractor acknowledges that the Commission has established a goal of ensuring that all individuals and businesses that benefit financially from the Commission through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers. Unless the Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its

knowledge it is now in compliance, and during the term of this Contract will maintain compliance, with the County's Defaulted Tax Program pursuant to Los Angeles County Code, Chapter 2.206.

**45. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph "CONTRACTOR'S WARRANTY OF COMPLIANCE WITH County's DEFAULTED PROPERTY TAX REDUCTION PROGRAM" shall constitute default under this Contract. Without limiting the rights and remedies available to the Commission under any other provision of this Contract, failure of the Contractor to cure such default within 10 days of notice shall be grounds upon which Commission may terminate this contract and/or pursue debarment of the Contractor, pursuant to County's Defaulted Property Tax Reduction Program pursuant to Los Angeles County Code, Chapter 2.206.

**46. SELECTION OF VEHICLES AND DISCLAIMER OR WARRANTIES**

The Commission acceptance of delivery and use of each vehicle will conclusively establish that such vehicle is of a size, design, capacity, type and manufacture selected by the Commission and that such vehicle is in good condition and repair and is satisfactory in all respects and is suitable for the Commission's purpose. The Commission acknowledges that the Contractor is not a manufacturer of or a dealer in any Vehicle or an agent of a manufacturer of or a dealer in any Vehicle.

The Contractor makes no representation or warranty of any kind, express or implied, with respect to any vehicle, including, without limitation, any representation or warranty as to condition, merchantability or fitness for any particular purpose, it being agreed that all such risks are to be borne by the Commission. The Vehicles are leased "as is," "with all faults." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by the Contractor to the Commission for the applicable Term and the Commission's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle. No defect, unfitness or lack of governmental approval in, of or with respect to a Vehicle regardless of the cause or consequence will relieve the Commission from the performance of its obligations under this Contract, including the payment of rent.

The Contractor will not be liable to the Commission for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, the Contractor will have no liability to the Commission under this Contract or under any order authorization form executed by the Commission if Contractor is unable to locate or purchase a Vehicle ordered by the Commission or for any delay in delivery of any Vehicle ordered by the Commission.

**47. RISK OF LOSS**

The Commission assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). No Casualty Occurrence to any Vehicle will relieve the Commission from its obligation to pay rent or to perform any of its other obligations under this Contract. In the event of a Casualty Occurrence, the Commission shall give Contractor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by the Contractor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), the Commission agrees to pay the Contractor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under this Section with respect to such Totaled Vehicle. Upon such payment, this Contract will terminate with respect to such Totaled Vehicle.

**48. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS**

The Commission agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. The Contractor will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. The Commission agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by the Contractor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. The Commission hereby agrees to promptly deliver to the Contractor such financial statements and other financial information regarding the Commission as the Contractor may from time to time reasonably request.

**49. CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

The Contractor acknowledges that the Commission has established a goal of ensuring that all individuals and businesses that benefit financially from the Commission through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers. Unless the Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Contract will maintain compliance, with the County's Defaulted Tax Program pursuant to Los Angeles County Code, Chapter 2.206.

**50. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph "CONTRACTOR'S WARRANTY OF COMPLIANCE WITH County's DEFAULTED PROPERTY TAX REDUCTION PROGRAM" shall constitute default under this Contract. Without limiting the rights and remedies available to the Commission under any other provision of this Contract, failure of the Contractor to cure such default within 10 days of notice shall be grounds upon which

Commission may terminate this contract and/or pursue debarment of the Contractor, pursuant to County's Defaulted Property Tax Reduction Program pursuant to Los Angeles County Code, Chapter 2.206.

**51. AUTHORIZATION WARRANTY**

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

**52. ENTIRE CONTRACT**

This Contract, together with Attachments A through D, constitutes the entire understanding and Contract of the parties. Only an instrument in writing executed by both parties may make any modification or amendment of this Contract. The Contractor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Contract and no waiver whatsoever shall be valid unless in writing and signed by the Contractor and then only to the extent therein set forth. A waiver by the Contractor of any right or remedy under this Contract on any one occasion shall not be construed as a bar to any right or remedy, which the Contractor would otherwise have on any future occasion. This Contract includes the following attachments:

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

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**SIGNATURES**

IN WITNESS WHEREOF, the Contractor and the Commission, through their duly authorized officers, have executed this Contract as of the date first above written.

COMMUNITY DEVELOPMENT COMMISSION  
OF THE COUNTY OF LOS ANGELES

ENTERPRISE RENT-A-CAR COMPANY OF  
LOS ANGELES

By \_\_\_\_\_  
Sean Rogan  
Executive Director

By \_\_\_\_\_  
Daniel J. Simonetti, Regional  
Sales Manager

APPROVED AS TO FORM:  
Andrea Sheridan Ordin  
County Counsel

APPROVED AS TO PROGRAM:  
ADMINISTRATIVE DIVISION

By \_\_\_\_\_  
Behnaz Tashakorian  
Deputy

By \_\_\_\_\_  
Harold J. Pierce  
Director

**ATTACHMENT A**

**STATEMENT OF WORK**

**ATTACHMENT A**  
**STATEMENT OF WORK**  
**FOR**  
**FLEET MANAGEMENT SERVICES**

**1.0 SCOPE OF WORK**

The Commission of the County of Los Angeles (Commission) is the County's affordable housing and community development agencies. The Commission maintains many administrative buildings and 125 housing developments that include over 3,600 units within the County of Los Angeles. In order to maintain the highest level of service possible, Commission is seeking a single-source supplier for an open-end equity vehicle lease. The Contractor shall be qualified, licensed, and insured to provide leased vehicle services. The Commission at its sole discretion may add/delete services as needed. This Statement of Work provides the specifications and requirements.

**2.0 GENERAL REQUIREMENTS**

- 2.1 The Contractor shall provide Automotive Service Excellence (ASE) Certified technicians to perform maintenance service and repairs and program administrators to coordinate and schedule the maintenance and repair services for the leased vehicles.
- 2.2 The Contractor shall provide a toll-free telephone number for customer support for drivers in the field, 24 hours a day, 7 days a week.
- 2.3 The Contractor shall provide a proactive service/maintenance program that reduces downtime for all leased vehicles.
- 2.4 The Contractor shall coordinate the return of old vehicles, including pick-up and disposition of the vehicles, anywhere in the United States and handle all paperwork associated with the disposal.
- 2.5 The Contractor must approve the Commission's ASE Certified technicians to perform routine maintenance and repairs to the vehicles under the lease.
- 2.6 The Contractor shall reimburse the Commission for parts and labor based on prior negotiated rates.

**3.0 SPECIFIC REQUIREMENTS**

**3.1 Full Vehicle Maintenance**

- 3.1.1 The Contractor shall perform full vehicle maintenance on all leased vehicles listed in Exhibit 1 in accordance with the manufacturer's



recommended maintenance service as noted in the vehicle owner's manual for the term of this Contract.

- 3.1.2 The Contractor shall (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles.
- 3.1.3 The Contractor shall perform the following services under full vehicle maintenance. Services shall include, but not be limited to:
  - 3.1.3.1 Change engine oil and replace oil filter
  - 3.1.3.2 Rotate tire and wheel balancing
  - 3.1.3.3 Replace air filter
  - 3.1.3.4 Replace fuel filter
  - 3.1.3.5 Replace wiper blades
  - 3.1.3.6 Check and replace all fluids
  - 3.1.3.7 Check and replace belts
  - 3.1.3.8 Tune-ups
  - 3.1.3.9 Transmission service
  - 3.1.3.10 Engine cooling service
  - 3.1.3.11 Wheel alignment service
  - 3.1.3.12 Differential services
  - 3.1.3.13 Throttle body service
  - 3.1.3.14 Air condition service
- 3.1.4 The Contractor shall notify and follow up via email with the vehicle user and the Commission's Fleet Supervisor, to coordinate and schedule all routine maintenance services.
- 3.1.5 The Contractor shall provide a loaner vehicle for the duration of all scheduled and unscheduled maintenance and repairs of leased vehicles on as needed basis for an additional cost.
- 3.1.6 The Contract shall agree that any alterations, additions, replacement parts or improvements to the Vehicles will become and remain in the property of Contractor and will be returned with the Vehicles pursuant to this Section.

3.1.7 The Contractor shall have the right to remove any additional equipment installed by Contractor on a Vehicle prior to returning such Vehicle to Commission under this Section. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent.

3.1.8 The Contractor will not make any alterations, additions, replacement parts or improvements to any Vehicle which detracts from its economic value or functional utility without the prior written consent of Commission.

3.1.9 The Contractor shall be subject to the terms and conditions of this Contract, it will pay for, or reimburse Commission for its payment of, all costs and expenses incurred in connection with the maintenance or repair of the said Vehicle(s) covered by such Schedule (each, a "Covered Vehicle") if Attachment B, Fee Schedule includes a charge for maintenance.

### **3.2 Roadside Assistance**

The Contractor shall provide roadside assistance 24 hours a day, 7 days a week for all leased vehicles which includes the following:

- towing,
- lockout service,
- fuel delivery (up to five gallons) at no additional cost to the Commission.

### **3.3 Service Locations**

3.3.1 The Contractor shall provide a list of approved service and repair facilities and locations in the following Cities:

- Los Angeles
- Whittier
- West Los Angeles
- Glendale
- Long Beach
- Placentia
- Lancaster
- Palmdale

3.3.2 All service locations shall be available for drivers Monday through Friday, from 8:00 a.m. to 5:00 p.m.

### **3.4 Vehicle Licensing and Registration**

3.4.1 The Contractor shall handle licensing and registration of all leased vehicles as California "Exempt" vehicles.

- 3.4.2 The Commission shall be responsible for paying all license and registration fees to register the leased vehicles as California “Exempt” vehicles, and shall reimburse the Contractor for all associated cost.

## **4.0 RESPONSIBILITIES**

The Commission and Contractor responsibilities are as follows:

### **COMMISSION**

#### **4.1 Personnel**

The Commission will administer the Contract according to the Contract terms and conditions. Specific duties will include:

- 4.1.1 Monitor the Contractor’s performance periodically (quarterly or semi-annual) in accordance with the Contract.
- 4.1.2 Provide direction to the Contractor in areas relating to policy, information and procedural requirements.
- 4.1.3 Prepare all amendments for changes to the Contract. The Commission will administer the Contract according to the terms and conditions of the contract.
- 4.1.4 Provide e-mail addresses of vehicle users and the Commission’s Fleet Supervisor to the Contractor to coordinate and schedule routine maintenance service.

#### **4.2 Vehicle Registration and Title**

- 4.2.1 The Commission shall ensure that each Vehicle will be licensed in the Contractor's name at Commission’s expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by the Contractor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to the Commission in accordance with Section 4.5 noted below.
- 4.2.2 The Commission shall be responsible for reimbursing the Contractor for all fees associated with license and registration of leased vehicles as California “Exempt” vehicles in accordance with Section 4.5 noted below.
- 4.2.3 The Commission shall, at its expense, to obtain in the name of Contractor all registration plates and other plates, permits, inspections and/or licenses required in connection with the

Vehicles, except for the initial registration plates which Contractor will obtain at Commission's expense.

- 4.2.4 The Commission shall cooperate with the Contractor and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance.

#### **4.3 Covered Vehicle Services**

4.3.1 The, Commission shall ensure whenever it is necessary to have a Covered Vehicle serviced by the Commission, the necessary work performed by an authorized dealer of such Covered Vehicle or by a service facility acceptable to Contractor. In every case, if the cost of such service, including maintenance repairs, will exceed \$500.00, the Commission must notify the Contractor and obtain Contractor's authorization for such service and Contractor's instructions as to where such service shall be made and the extent of service to be obtained.

4.3.2 The Commission shall furnish an invoice for all service performed to a Covered Vehicle, accompanied by a copy of the shop or service order (odometer mileage must be shown on each shop or service order).

#### **4.4 Other Vehicle Services**

The Commission shall be responsible for performing the following vehicle services not covered under the full vehicle maintenance serves:

- 4.4.1 Fuels,
- 4.4.2 Brake service
- 4.4.3 Oil and other fluids between changes,
- 4.4.4 Washing,
- 4.4.5 Tire repair and replacement,
- 4.4.6 Repair of damage due to lack of maintenance by Commission between scheduled services (including, without limitation, failure to maintain fluid levels),
- 4.4.7 Maintenance or repair of any alterations to a Covered Vehicle or of any after-market components (this paragraph covers maintenance and repair only of the Covered Vehicles themselves and any factory-installed components and does not cover maintenance or repair of chassis alterations, add-on bodies (including, without limitation, step vans) or other equipment (including, without limitation, lift gates and PTO controls) which is installed or modified by a dealer, body shop, upfitter or anyone else other than the manufacturer of the Covered Vehicle,

- 4.4.8 Any service and/or damage resulting from, related to or arising out of an accident, a collision, theft, fire, freezing, vandalism, riot, explosion, other Acts of God, an object striking the Covered Vehicle, improper use of the Covered Vehicle (including, without limitation, driving over curbs, overloading, racing or other competition) or Commission's failure to maintain the Covered Vehicle as required by this paragraph,
- 4.4.9 Roadside assistance or towing for vehicle maintenance purposes,
- 4.4.10 Mobile services,
- 4.4.11 The cost of loaner or rental vehicles, or
- 4.4.12 If the Covered Vehicle is a truck, (A) manual transmission clutch adjustment or replacement, (B) brake adjustment or replacement or (C) front axle alignment.

#### **4.5 Authorized Users**

- 4.5.1 The Commission shall allow only duly authorized, licensed and insured drivers to use and operate the Vehicles.
- 4.5.2 The Commission shall comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation.

#### **4.6 Liens, Fines, Charges, & Encumbrances**

- 4.6.1 The Commission shall keep the Vehicles free of all liens, charges and encumbrances.
- 4.6.2 The Commission shall pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Contractor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term.
- 4.6.3 The Commission shall promptly reimburse Contractor if the Contractor incurs any such costs or expenses as described in Section 4.5.2.

#### **4.7 Use of Vehicles**

- 4.7.1 The Commission shall ensure that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations.
- 4.7.2 The Commission shall ensure that no vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal

Regulations or any applicable state or municipal statute or regulation.

#### **4.8 Storage of Vehicles**

4.8.1 The Commission will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

4.8.2 The Commission shall not to remove any Vehicle from the continental United States without first obtaining the Contractor's written consent.

#### **4.8 Return of Vehicles**

The Commission at its risk and expense shall return such Vehicle to Contractor at such place and by such reasonable means as may be designated by Contractor at the expiration or earlier termination of a Scheduled Vehicle. If for any reason the Commission fails to return any Vehicle to Contractor as and when required in accordance with this Section, the Commission agrees to pay Contractor additional rent for such Vehicle at the normal pro-rated daily rent. Acceptance of such additional rent by the Contractor will in no way limit Contractor's remedies with respect to the Commission's failure to return any Vehicle as required hereunder.

#### **4.9 Leased Vehicles without Full Vehicle Maintenance**

4.9.1 The Commission shall, at its expense, (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles which are not listed without full vehicle maintenance in Attachment B, Fee Schedule.

4.9.2 The Commission shall ensure that any alterations, additions, replacement parts or improvements to the Vehicles will become and remain the property of Contractor and will be returned with the Vehicles pursuant to this Section.

4.9.3 The Commission shall have the right to remove any additional equipment installed by Commission on a Vehicle prior to returning such Vehicle to Contractor under this Section.

- 4.9.4 The Commission shall ensure that the value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent.
- 4.9.5 The Commission will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility without the prior written consent of Contractor.
- 4.9.6 The Commission shall agree that the Contractor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or, except as set forth in the paragraph immediately below, to make any expenditure whatsoever in connection with said Vehicle(s).

**4.10 Decals, Emblems, Vehicles Numberings, Etc.**

The Commission shall have the right to install mandated decals, emblems, vehicle numbering, etc. on any vehicles without prior written consent of the Contractor.

**CONTRACTOR**

**4.11 Program Administrator**

4.11.1 The Contractor shall designate a full-time program administrator/designee and/or alternate. The Commission must have access to the Program Administrator/designee/alternate during normal business hours. Contractor shall provide a telephone number where the program administrator may be reached during normal business hours.

4.11.2 The program administrator/designee/alternate shall act as the central point of contact for Commission personnel. The program administrator/designee/alternate shall demonstrate having previous experience in managing and providing services to government agencies or companies similar in size and complexity, according to the general and specific requirements in the Statement of Work.

4.11.3 Program administrator/designee/alternate shall have full authority to act on behalf of the Contractor on all matters relating to the daily operation of the Contract. The Program administrator/designee/alternate must be able to speak fluently, read, write and understand English.

#### **4.12 Personnel**

Contractor shall assign a sufficient number of employees, including ASE Certified technicians to perform maintenance services and repairs and other work on leased vehicles, as required in the contract. **At least one employee on site shall be authorized to act on the Contractor's behalf and must be able to speak fluently, read, write and understand English.**

#### **4.14 Invoicing**

The Contractor must provide a consolidated monthly management report consisting of a single invoice for all programs, including lease payments, comprehensive maintenance, and insurance.

#### **4.15 Meetings**

The Contractor must attend periodic (quarterly or semi-annual) review meetings to assess the external environmental conditions and current fleet situation.

#### **4.16 Liability and Physical Damage Coverage**

The Contractor may provide liability and physical damage coverage for vehicles, requested by the Commission at an additional cost.

### **5.0 QUALITY CONTROL PLAN**

The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the Commission a consistently high level of service throughout the term of the Contract. The Plan shall be submitted to the Commission for review. The plan shall include, but not be limited to the following:

- Method of monitoring to ensure that Contract requirements are being met;
- A record of all inspections conducted by the Contractor;
  - any corrective action taken,
  - the time a problem was first identified,
  - a clear description of the problem,
  - and the time elapsed between identification and completed corrective action,
- The record shall be provided to the Commission upon request.

### **6.0 QUALITY ASSURANCE PLAN**

The Commission will evaluate the Contractor's performance under this Contract using the following quality assurance procedures:

#### **6.1 Performance Requirements Summary (Exhibit)**

The Commission shall use a Performance Requirements Summary (PRS) chart, Technical Exhibit 1, to monitor the Contractor's work performance and efforts to remedy any and all deficiencies throughout the term of this Contract. The chart shall contain, at a minimum, the following:

- Each section of the Contract/SOW referenced and identified;
- The standard of performance (description of the work requirement)
- The method to be used to monitor work performance



- The fees/deductions to be assessed for each service that is not satisfactory.

All listings of services used in the PRS are intended to be completely consistent with the Contract and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of the Contractor beyond that defined in the Contract and the SOW. In any case of apparent inconsistency between services as stated in the Contract and the SOW and this PRS, the meaning apparent in the Contract and the SOW will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Contract and the SOW, that apparent service will be null and void and place no requirement on the Contractor.

When the Contractor's performance does not conform to the requirements of this Contract, the Commission will have the option to apply the following non-performance remedies:

- Require the Contractor to implement a formal corrective action plan, subject to approval by the Commission. In the plan, the Contractor must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level, and monitoring methods to prevent recurrence.
- Reduce payment to the Contractor by a computed amount based on the penalty fee(s) in the PRS.
- Reduce, suspend or cancel this Contract for systematic, deliberate misrepresentations or unacceptable levels of performance.
- Failure of the Contractor to comply with or satisfy the request(s) for improvement of performance or to perform the neglected work specified within ten (10) days shall constitute authorization for the Commission to have the service(s) performed by others. The entire cost of such work performed by others as a consequence of the Contractor's failure to perform said service(s), as determined by the Commission, shall be credited to the Commission on the Contractor's future invoice.

This section does not preclude the Commission's right to terminate the contract upon thirty (30) days written notice with or without cause, as provided for in the Contract, Section \_\_\_ - Termination for Convenience.

## **6.2 Periodic Performance Reviews**

The Commission will conduct periodic reviews to evaluate the Contractor's performance.

## **6.3 Contract Deficiency Notice**

The e will make verbal notification to the Contractor of a Contract deficiency as soon as the deficiency is identified. The problem should be resolved within a time period mutually agreed upon by the Commission and the Contractor.

If resolution of the deficiency does not result from the verbal notification, the Commission will determine whether a formal Contract Deficiency Notice shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the Commission within five (5) workdays, acknowledging the reported deficiencies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the Commission within ten (10) workdays.

#### **6.4 Commission Observations**

In addition to divisional contracting staff, other Commission personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor's performance.

#### **7.0 ADDITION/DELETION OF SERVICES**

The Commission reserves the right to add or delete services during the term of the contract. Fee(s) will be adjusted by negotiation between the Commission and the Contractor.

**ATTACHMENT B-1**

**FEE SCHEDULE**

**&**

**ATTACHMENT B-2**

**VEHICLE SCHEDULE**

# ATTACHMENT B

## FEE SCHEDULE

The Contractor will, in approximately ninety days from the start of the term, deliver each Vehicle to the Commission, send the Commission Vehicle Schedule, a description of the Vehicle and outlining the final lease monthly rental and other payments terms in accordance with this Attachment B-1, Fee Schedule. The terms and conditions contained in each Vehicle Schedule will be binding on the Commission unless the Commission objects in writing to such terms and conditions within ten (10) days after the date of delivery of the Vehicle..

**Quantity                      Year                      Make                      Model                      Series**

CAPITALIZED AMOUNTS AT DELIVERY				
Item	Description	Each Vehicle	Quantity	Total
	Capitalized Price of Vehicle <sup>1</sup>			
	California Tire Recycling Fee			
<b>Total Capitalized Amount at Delivery</b>				

MONTHLY LEASE FEES <sup>2</sup>				
1	Depreciation Reserve @ 1.277%			
2	Monthly Lease Charge <sup>3</sup>			
3	Full Maintenance Program <sup>4</sup>			
4	California Use Tax: 9.750%			
<b>Total Monthly Lease Fees</b>				

OTHER FEES				
1	Lease Termination Service Charge			
2	Over the Mileage Charges	\$.035/Mile	Each Vehicle	TBD
All other services not covered under the contract such as miscellaneous maintenance services, replacement parts, vehicle repairs, body shop repairs, state and local fees, and any other associated services shall be negotiated between the Commission and the Contractor.				

<sup>1</sup> Capitalized price of vehicle may be adjusted to reflect final manufacturer's invoice. The Commission hereby assigns to Contractor any Manufacturer rebates and/or manufacturer incentives intended for the Commission, which rebates and/or incentives have been used by the Contractor to reduce the capitalized price of the vehicle.

<sup>2</sup> Monthly Lease fees do not include commercial liability, physical damage, or comprehensive/collision damage coverage.

<sup>3</sup> Monthly Lease fees will be adjusted to reflect the prime rate on the delivery date (subject to a floor).

<sup>4</sup> The Full Maintenance Program is subject to a 70,000 mile cap and it does not include brake service, tires replacement or vehicle loaners.

# TO BE DETERMINED

VEHICLE INFORMATION				
Item	Description	Term	Quantity	Value
1	Reduced Book Value	\$ 4,512.06	5	\$22,560.30
2	<p><b><u>Selected Options:</u></b></p> <ul style="list-style-type: none"> <li>• 425 50 State Emissions System</li> <li>• Transmission: 4-Speed Automatic</li> <li>• Radio: AM/FM Stereo w/Single CD/MP3 Capable</li> <li>• Engine: 2.0L Duratec DOHC I4 20</li> <li>• 3.34 Axle Ratio</li> <li>• Cloth Sport Bucket Seats</li> <li>• Tires: P195/60R15 87T BSW</li> <li>• Wheels: 15" Aluminum Alloy</li> </ul>			
<b>Standard Equipment</b>				
3	<p><b><u>Body Exterior Features:</u></b> 4 Doors, power remote side-view door mirrors, black door handles, body-colored front and rear bumpers, front license plate bracket, fully galvanized steel body material, and chrome grille.</p>			
4	<p><b><u>Convenience Features:</u></b> Manual air conditioning, power trunk/hatch/door remote release, power windows with driver 1-touch down, keyfob (all doors) remote, keyless entry, illuminated entry, integrated key/remote (MyKey), auto-locking doors, keyfob trunk/hatch/door release, steering wheel with manual tilting, say-night rearview mirror, driver and passenger-side visor mirrors, front and rear cup holders, full floor console with covered box, glove box, driver and passenger door bins, 1 seatback storage pockets, bin instrument-panel storage, retained accessory power, and 2 12V DC power outlets.</p>			
5	<p><b><u>Entertainment Features:</u></b> SIRIUS(R) AM/FM/Satellite with seek-scan, single in-dash CD player, MP3 decoder, radio data system, audio theft deterrent, speed-sensitive volume, 4 speakers, and integrated roof antenna.</p>			
6	<p><b><u>Lighting, Visibility and Instrumentation Features:</u></b> Aero-composite halogen, headlamps, variable intermittent wipers, rear window defroster, light-tinted windows, dome light with fade, front reading lights, variable instrument panel lighting, analog display, tachometer, outside-temperature display, low-tire-pressure warning, trip computer, trip odometer, water temperature gauge, in-dash clock, systems monitor, oil-pressure warning, water-temperature warning, battery warning, lights-on warning, key-in-ignition warning, low-fuel warning, low-washer-fluid warning, door-ajar warning, trunk-ajar warning, and brake-fluid warning.</p>			
7	<p><b><u>Safety and Security:</u></b> Four-wheel ABS brakes, 4 ABS channels, front disc/rear, drum brakes, front ventilated disc brakes, compact spare tire, spare tire mounted inside under cargo, driver and passenger front-impact airbags, seat-mounted driver and passenger side-impact airbags, curtain 1st and 2nd row overhead airbag, front passenger airbag occupancy sensor, height adjustable front seatbelts, front seatbelt pre-tensioners, 3 point rear center seatbelt, side-impact bars, rear child safety locks, ignition disable SecuriLock(R), security system, panic alarm, stability control, ABS and driveline traction control, and manual adjustable front head restraints.</p>			
8	<p><b><u>Seats and Trim:</u></b> Maximum seating capacity of 5, front bucket seats, 4-way driver seat adjustment, manual reclining driver seat, manual driver and passenger fore/aft adjustment, 2-way passenger seat adjustment, front center armrest with storage, rear 60-40 bench seat, rear seat fold-forward seatback, cloth front and rear seat upholstery, cloth door panel trim, full cloth headliner, carpet floor covering, metal-look instrument panel insert, console insert, plastic/rubber shift knob, carpet front and rear floor mats, chrome interior accents, carpet cargo space, carpet trunk lid/rear cargo door, cargo tie-downs, and cargo light.</p>			
9	<b><u>Standard Engine:</u></b> Engine 140-hp, 2.0-liter 1-4 (regular gas)			
10	<b><u>Standard Transmission:</u></b> Transmission 5-speed manual w/OD			
11	<b><u>Selected Color:</u></b> Exterior: Interior:			



**ATTACHMENT C**

**REQUIRED CONTRACT  
FORMS**

**[Insert forms here]**



# **ATTACHMENT D**

## **REQUIRED CONTRACT NOTICES**

**[Insert forms here]**