



WILLIAM T FUJIOKA  
Chief Executive Officer

County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

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

*"To Enrich Lives Through Effective And Caring Service"*

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

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Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

September 17, 2013

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

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

22 September 17, 2013

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**AWARD AND APPROVE LICENSE AGREEMENTS FOR  
VENDING MACHINE SERVICES AT COUNTY FACILITIES FOR  
REGIONS 1, 2, AND 3 (COUNTYWIDE)  
WITH COMPASS GROUP USA, INC.  
(ALL DISTRICTS)  
(4 VOTES)**

**SUBJECT**

Award three license agreements to Compass Group USA, Inc., to provide vending machine services to County departments in Regions 1, 2, and 3 (Attachment A), which represents all Supervisorial Districts.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed license agreements are exempt from the provisions of the State of California Environmental Quality Act per Section 15378 (b) (5) because the actions are administrative activities, which by their terms do not involve any commitments to any specific project, which may result in a potentially significant physical impact on the environment.
2. Approve and instruct the Chief Executive Officer to execute the license agreements with Compass Group USA, Inc. to provide vending machine services for Regions 1, 2, and 3, for a term of ten years, including one five-year renewal option.
3. Authorize the Chief Executive Officer with delegated authority to enter into related agreements as necessary to effectuate the license agreements and exercise the five-year renewal option, if Compass Group USA, Inc. is in good standing.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended actions will allow the Compass Group USA, Inc. (Compass) to provide vending machine services for County departments throughout the County comprised of Regions 1, 2, and 3 (Regions), as listed in Attachment A. The license agreements will initiate the implementation of the Board's Vending Machine Nutrition Policy, which promotes 100 percent healthy snacks and beverage options.

**Implementation of Strategic Plan Goals**

The recommended license agreements will support the County's Strategic Plan Goal of Operational Effectiveness (Goal 1) by utilizing the contractor's expertise to effectively provide vending machine services in a timely, responsive, and efficient manner without interruption in services.

**FISCAL IMPACT/FINANCING**

Pursuant to the terms of the three license agreements, Compass shall pay the County 36 percent of its gross receipts (an increase of 10 percent from the previous concession contract) from the sales of snacks and beverages. The recommended license agreements will have no fiscal impact to any departmental operating budget.

In addition, Compass will pay an annual cash bonus for Years 1-10 and for Years 11-15, if the five-year renewal option is exercised. The schedule is as follows:

- Years 1 through 5:
  - Region 1 - \$26,000
  - Region 2 - \$23,000
  - Region 3 - \$9,000
  
- Years 6 through 10:
  - Region 1 - \$27,000
  - Region 2 - \$24,000
  - Region 3 - \$10,000
  
- Years 11 through 15:
  - Region 1 - \$28,000
  - Region 2 - \$25,000
  - Region 3 - \$11,000

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The granting of concession contracts for the operation of vending machines at various County facilities is authorized by the provisions of Government Code Section 25536.

The vending machine product lines of snacks and beverages will be comprised of healthy options, consistent with the County's Vending Machine Nutrition Policy, which was developed with input from the Department of Public Health (DPH).

The term of these license agreements with Compass are for ten years, including a provision to extend the license agreements for one additional five-year term.

These license agreements contain terms and conditions supporting the Board's ordinances, policies, and programs, including but not limited to the: County of Los Angeles Vending Machine Nutrition Policy; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Responsibility and Debarment, Los Angeles County Code Chapter 2.202; the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; the Defaulted Property Tax Reduction Program, Los Angeles County Code 2.206; compliance with the County's smoking ban ordinance, Los Angeles County Code Title 17, Sections 17.04.185 through 17.04.650; compliance with the County's policy on restricting its purchase and use of Expanded Polystyrene containers; participation in the County's Artificial Trans Fat Reduction Program; compliance with the County Green Initiative Program; and the standard Board-directed clauses that provide for contract termination or renegotiation.

In order to ensure the continued viability of the vending machine services, the Chief Executive Office (CEO) recommends the following exceptions from the County's standard terms and conditions:

- Mutual Indemnification: Due to Compass providing uninterrupted vending machine services throughout the County, where all the vending machines will be placed within County facilities, it is recommended that the County agree to mutual indemnification.
- Termination for Convenience: Due to Compass' willingness to provide 100 percent healthy food and beverage options, consistent with the County's Vending Machine Nutrition Policy, it is recommended that the County agree to mutual termination for convenience. However, the provision for Events of Default remains in the license agreements. The date upon which such termination becomes effective shall be no less than 180 days after notice by the terminating party.

County Counsel has approved the license agreements as to form.

## **ENVIRONMENTAL DOCUMENTATION**

The proposed license agreements for vending machine services are not subject to the California Environmental Quality Act (CEQA) as the actions do not meet the definition of a project according to Section 15378 (b) (5) of the State CEQA Guidelines, because the actions are administrative activities, which by their terms do not involve any commitments to any specific project, which may result in a potentially significant physical impact on the environment.

## **CONTRACTING PROCESS**

On February 28, 2013, the CEO and the Department of Parks and Recreation (DPR) partnered and commenced the solicitation process with collaboration from DPH for vending machine services for their respective departments by posting a notice for Request for Proposals (RFP) on the County "Doing Business with Us" website. This RFP included a link to download the solicitation package and bilingual instructions. Prospective proposers were additionally solicited by placing a legal advertisement in newspapers of general circulation throughout the County on March 13, 2013.

On April 4, 2013, two companies attended the Mandatory Proposers Conference. On April 25, 2013, a proposal for each region was received from Compass for the CEO-Real Estate Division vending machine services agreements, which met the minimum requirements. DPR did not receive a proposal that met their minimum requirements, and has therefore, opted not to offer vending

machine services at this time.

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

Approval of the three license agreements will ensure that the vending machine services will continue without interruption of services at the specified Regions and facilities, which the CEO, Real Estate Division will continue to administer.

There will be minimal impact to the vending machine services for a two-month period as the previous licensee removes its vending machines and Compass installs its vending machines.

**CONCLUSION**

It is requested that two certified copies of the of the Minute Order and the adopted Board letter be forwarded to the CEO, Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WTF' followed by a stylized flourish and a horizontal line.

WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:RLR  
CMM:EJ:ls

Enclosures

c: All Departments

## CEO REGION 1: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 1	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
1	CHILDREN & FAMILY SERVICES	1933 S Broadway	LOS ANGELES	90007	5	3	0
2	PUBLIC HEALTH	3530 WILSHIRE BLVD.	LOS ANGELES	90010	1	1	0
3	CHIEF EXECUTIVE OFFICE (HALL OF ADM)	500 W. TEMPLE ST.	LOS ANGELES	90012	2	1	0
4	CHIEF EXECUTIVE OFFICE (REAL ESTATE)	222 S HILL ST	LOS ANGELES	90012	1	0	0
5	HEALTH SERVICES	313 N FIGUEROA AVE	LOS ANGELES	90012	2	1	0
6	PUBLIC HEALTH	241 FIGUEROA AVE.	LOS ANGELES	90012	1	0	0
7	SHERIFF (Jail)	429 N. BAUCHET ST.	LOS ANGELES	90012	2	1	0
8	SHERIFF (Jail)	450 BAUCHET ST.	LOS ANGELES	90012	6	6	2
9	SHERIFF (Jail)	441 BAUCHET ST	LOS ANGELES	90012	3	4	1
10	SHERIFF (Jail)	450 BAUCHET ST.	LOS ANGELES	90012	11	10	2
11	CHIEF EXECUTIVE OFFICE (Archive)	222 N. HILL	LOS ANGELES	90012	1	2	0
12	DISTRICT ATTORNEY (Hall of Records)	227 N. BROADWAY	LOS ANGELES	90012	1	1	0
13	MENTAL HEALTH	529 S. MAPLE AVE	LOS ANGELES	90013	1	1	0
14	PUBLIC HEALTH	714 W OLYMPIC BLVD	LOS ANGELES	90015	1	0	0
15	CHILD SUPPORT SERVICES	3160 W 6TH	LOS ANGELES	90020	1	0	0
16	CHILDREN & FAMILY SERVICES	3175 W. 6TH ST.	LOS ANGELES	90020	1	1	0
17	MENTAL HEALTH	550 S. VERMONT	LOS ANGELES	90020	2	2	0
18	CHILDREN & FAMILY SERVICES	425 SHATTO PL	LOS ANGELES	90020	2	2	0
19	CHILDREN & FAMILY SERVICES	501 SHATTO PL	LOS ANGELES	90020	1	1	0
20	PUBLIC WORKS	4801 E. 3RD ST	LOS ANGELES	90022	1	1	0
21	PUBLIC SOCIAL SERVICES	5026 SANTA MONICA	SANTA MONICA	90029			
22	PROBATION	1605 EASTLAKE AVE.	LOS ANGELES	90033	1	1	0
23	PROBATION	4549 Telegraph Rd	LOS ANGELES	90033	1	0	0

## CEO REGION 1: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 1	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
24	MENTAL HEALTH	1224 Vine St.	HOLLYWOOD	90038	1	1	0
25	PUBLIC SOCIAL SERVICES	2601 WILSHIRE BLVD.	LOS ANGELES	90057	1	0	0
26	INTERNAL SERVICES	1100 N EASTERN	LOS ANGELES	90063	3	2	0
27	PUBLIC SOCIAL SERVICES	11110 W. PICO	W. LOS ANGELES	90064	1	0	0
28	PROBATION	1725 MAIN STREET	SANTA MONICA	90401			
29	PROBATION	14540 Haynes Street	VAN NUYS	91411	1	1	0
30	PROBATION	12310 LOWER AZUSA RD.	ARCADIA	91006	1	1	0
31	HEALTH SERVICES	300 WEST MAPLE STREET	MONROVIA	91016	1	1	0
32	PROBATION	12500 Big Tujunga Canyon	TUJUNGA	91042	1	0	0
33	CHILDREN & FAMILY SERVICES	532 E COLORADO BLVD	PASADENA	91101	2	1	0
34	PUBLIC SOCIAL SERVICES	4680 SAN FERNANDO	GLENDALE	91204	1	0	0
35	PROBATION	1301 N. Las Virgenes Rd	CALABASAS	91302	1	0	0
36	CHILDREN & FAMILY SERVICES	20151 NORDHOFF ST	CHATSWORTH	91311	2	2	0
37	MENTAL HEALTH	7621 CANOGA AVE.	CANOGA PARK	91324	1	0	0
38	INTERNAL SERVICES	13811 DEL SUR	SAN FERNANDO	91340	2	1	0
39	PROBATION	12653 N LITTLE TUJUNGA CANYON	SAN FERNANDO	91342	1	0	0
40	PROBATION	16350 FILBERT ST	SYLMAR	91342	6	3	1
41	MENTAL HEALTH	14659 OLIVE VIEW DRIVE	SYLMAR	91344	1	0	0
42	ASSESSOR	13800 BALBOA BLVD	SYLMAR	91344	1	1	0
43	PROBATION	14414 DELANO ST.	VAN NUYS	91401	1	1	0
44	PROBATION	7100 Van Nuys Blvd. Ste 206	VAN NUYS	91405	1	1	0
45	CHILD SUPPORT SERVICES	15531 VENTURA BLVD.	ENCINO	91436	1	1	0
46	PUBLIC HEALTH	5050 Commerce Dr	BALDWIN PARK	91706	2	1	0

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Location No.	County Departments	Locations in Region 1	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
47	LIBRARY	208 N HARVARD AVE	CLAREMONT	91711	1	0	0
48	CHILD SUPPORT SERVICES	800 SO BARRANCA AVE.	COVINA	91724	1	0	0
49	CHILD SUPPORT SERVICES	1373 CENTER COURT DR.	COVINA	91724	1	0	0
50	HEALTH SERVICES	9320 TELSTAR AVE.	EL MONTE	91731	3	3	1
51	HEALTH SERVICES	10953 RAMONA BLVD.	EL MONTE	91731	1	2	1
52	PROBATION	11234 E VALLEY No. 302	EL MONTE	91731	2	1	0
53	PUBLIC SOCIAL SERVICES	3400 AEROJET AVE.	EL MONTE	91731	1	1	0
54	CHILDREN & FAMILY SERVICES	9320 TELSTAR AVE	EL MONTE	91731	1	2	1
55	PUBLIC SOCIAL SERVICES	4024 N. DURFEE AVE.	EL MONTE	91732	1	1	0
56	LIBRARY	1430 N CENTRAL AVE	S EL MONTE	91733	1	0	0
57	CHILDREN & FAMILY SERVICES	725 S GRAND	GLENDORA	91740	2	1	0
58	PROBATION	6631 N. Stephens Ranch Rd	La Verne, CA	91750	1	0	0
59	PROBATION	6601 N. Stephens Ranch Rd	La Verne, CA	91750	1	0	0
60	SHERIFF	4700 RAMONA BLVD.	MONTEREY PARK	91754	2	1	0
61	SHERIFF	1010 CENTRE PLAZA DRIVE	MONTEREY PARK	91754	1	1	0
62	CHILDREN & FAMILY SERVICES	2525 CORPORATE PL	MONTEREY PARK	91754	1	1	0
63	PUBLIC SOCIAL SERVICES	3220 ROSEMEAD BLVD.	EL MONTE	91763	0	0	0
64	PUBLIC HEALTH	750 D Park Ave.	POMONA	91766			
65	PROBATION	1660 W MISSION BLVD.	POMONA	91766	1	1	0
66	LIBRARY	8800 VALLEY BLVD	ROSEMEAD	91770	1	1	0
67	PROBATION	1900 Sycamore Canyon Rd	SAN DIMAS	91773	1	0	0
68	LIBRARY	1601 WEST COVINA PKWY	WEST COVINA	91790	3	2	0
69	CHILD SUPPORT SERVICES	2934 E GARVEY AVE	WEST COVINA	91791	1	0	0

## CEO REGION 1: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 1	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
70	PROBATION	200 W. Woodward Ave.	ALHAMBRA	91801	1	1	0
71	PUBLIC HEALTH	1000 S. FREMONT AVE.	ALHAMBRA	91803	1	1	0
					<b>111</b>	<b>77</b>	<b>9</b>
<u>Region 1: Approximate total no of vending machines</u>					<b>197</b>		

## CEO REGION 2: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 2	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
1	PROBATION	8526 GRAPE St/lobby/LunchRm	LOS ANGELES	90001	2	1	0
2	PUBLIC SOCIAL SERVICES	2707 S. GRAND/cafeteria	LOS ANGELES	90007	1	1	0
3	PROBATION	5811 S. SAN PEDRO/ Lobby	LOS ANGELES	90011	1	1	0
4	PROBATION	3606 W. EXPOSITION Blvd.	LOS ANGELES	90016	1	1	0
5	PUBLIC HEALTH	3834 S WESTERN Ave	LOS ANGELES	90018	1	1	0
6	HEALTH SERVICE	5555 FERGUSON Drive	COMMERCE	90022	2	3	1
7	SHERIFF	144 S FETTERLY AVE.	E LOS ANGELES	90022	1	1	0
8	PUBLIC WORKS	4801 E. 3RD STREET (ELA Civic Plaza)	LOS ANGELES	90022	1	1	0
9	PUBLIC SOCIAL SERVICES	2855 E OLYMPIC 1st Fl	LOS ANGELES	90023	1	1	0
10	PROBATION	3965 S.VERMONT/3rd Flr at Exposition Park	LOS ANGELES	90037	1	1	0
11	PROBATION	1500 McDonnell/frnt Lobb	COMMERCE	90040	2	1	0
12	CHILD SUPPORT SERVICES	5770 S EASTERN Ave 4th F	COMMERCE	90040	1	1	0
13	CHILD SUPPORT SERVICES	5770 S EASTERN Ave 2nd F	COMMERCE	90040	1	1	0
14	CHILD SUPPORT SERVICES	5701 S EASTERN Ave 4th F	COMMERCE	90040	1	1	0
15	CHILD SUPPORT SERVICES	5500 S EASTERN Ave 2nd F	COMMERCE	90040	2	1	0
16	CHILDREN & FAMILY SERVICES	5835 S EASTERN AVE	COMMERCE	90040	2	3	0
17	PUBLIC SOCIAL SERVICES	2700 S GARFIELD AVE.	LOS ANGELES	90040	1	0	0
18	CHILDREN & FAMILY SERVICES	5835 S. EASTERN Avenue	LOS ANGELES	90040	1	0	0
19	CHILDREN & FAMILY SVR	8300 VERMONT/1st Fl lunchroom	LOS ANGELES	90044	1	0	0
20	CHILDREN & FAMILY SVR	8300 VERMONT 2nd Fl lunchroom	LOS ANGELES	90044	1	1	0
21	CHILDREN & FAMILY SVR	8300 VERMONT/3rd Fl lunchroom	LOS ANGELES	90044	1	1	0
22	CHILDREN & FAMILY SVR	8300 VERMONT/4th Fl lunchroom	LOS ANGELES	90044	1	1	0
23	PROBATION	1320 W. IMPERIAL Hwy.	LOS ANGELES	90044	2	1	0
24	PROBATION	11701 S. La Cienega 4thfl (Airport Courthouse)	LOS ANGELES	90045	1	0	0
25	PUBLIC SOCIAL SERVICES	1819 W. 120th St./lunchroom	LOS ANGELES	90047		2	0

## CEO REGION 2: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 2	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
26	CHILDREN & FAMILY SVR	5100 W GOLDLEAF CIR BUILDING C	LOS ANGELES	90056	1	2	0
27	HEALTH SERVICE (MLK HOSPITAL)	12021 Wilmington (Person)	LOS ANGELES	90059	1	1	
28	HEALTH SERVICE (MLK HOSPITAL)	12021 Wilmington (Emergency)	LOS ANGELES	90059	1	1	
29	HEALTH SERVICE (MLK HOSPITAL)	12021 Wilmington (Intern)	LOS ANGELES	90059	1	1	
30	HEALTH SERVICE (MLK HOSPITAL)	12021 Wilmington (Ment/Hea2N)	LOS ANGELES	90059	1	1	
31	PUBLIC HEALTH	11833 WILMINGTON 2nd 2900B (near MLK)	LOS ANGELES	90059	1	1	0
32	LIBRARY	5218 SANTA ANA ST	CUDAHY	90201	1	0	0
33	LIBRARY	7110 S GARFIELD AVE	BELL GARDENS	90201	1	0	0
34	LIBRARY	240 W COMPTON BLVD	COMPTON	90220			
35	PROBATION	200 W. COMPTON Blvd. No.300	COMPTON	90220			
36	PUBLIC SOCIAL SERVICES	2959 Victoria St 1st Br	RANCHO DOMINGUEZ	90221	1	1	0
37	PUBLIC SOCIAL SERVICES	17600 S.Santa Fe	RANCHO DOMINGUEZ	90221	1	1	0
38	CHILDREN & FAMILY SVR	921 E COMPTON BLVD	COMPTON	90221	1	1	0
39	INTERNAL SERVICES	11236 Playa Court 1st Fl	CULVER CITY	90230	1	1	0
40	ASSESSOR	6120 BRISTOL PKWY	CULVER CITY	90230	2	1	0
41	LIBRARY	4975 OVERLAND AVE	CULVER CITY	90230	1	0	0
42	PROBATION	9150 E IMPERIAL K-111	DOWNEY	90242	1	1	1
43	PROBATION	9150 E IMPERIAL Rm124	DOWNEY	90242	2	1	0
44	PROBATION	9150 E IMPERIAL Rm16	DOWNEY	90242	1	1	0
45	PROBATION	7285 QUILL DR. lunch area	DOWNEY	90242	1	0	0
46	PUBLIC HEALTH	12750 ERICKSON/lab Rm 10	DOWNEY	90242	1	1	0
47	LIBRARY	7400 E IMPERIAL HWY	DOWNEY	90242	1	1	1
48	HEALTH SERVICES (Rancho Hospital)	7601 IMPERIAL HWY 1st floor	DOWNEY	90242	1	1	0
49	HEALTH SERVICES (Rancho Hospital)	7601 IMPERIAL HWY 2nd floor	DOWNEY	90242	1	1	0
50	HEALTH SERVICES (Rancho Hospital)	7601 IMPERIAL HWY 3rd floor	DOWNEY	90242	1	1	0

## CEO REGION 2: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 2	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
51	HEALTH SERVICES (Rancho Hospital)	7601 IMPERIAL HWY 100 Main	DOWNEY	90242	2	1	0
52	PUBLIC SOCIAL SERVICES	12000 S. HAWTHORNE Blvd	HAWTHORNE	90250	1	1	0
53	CHILDREN & FAMILY SERVICES	11539 S HAWTHORNE BLVD	HAWTHORNE	90250	1	1	0
54	LIBRARY	12700 S GREVILLEA AVE	HAWTHORNE	90250			
55	MENTAL HEALTH	2311 W. EL SEGUNDO	HAWTHORNE	90250	1	0	0
56	LIBRARY	6518 MILES AVE	HUNTINGTON PARK	90255	1	0	0
57	SHERIFF	11705 S. ALAMEDA (Lynwood Detention Ctr)	LYNWOOD	90262	2	2	0
58	SHERIFF	11705 S. ALAMEDA 1st Fl	LYNWOOD	90262	2	1	0
59	SHERIFF	11705 S. ALAMEDA 2nd Fl	LYNWOOD	90262	1	0	1
60	SHERIFF	11703 ALAMEDA PROBATION	LYNWOOD	90262	1	0	0
61	PROBATION	11701 ALAMEDA	LYNWOOD	90262	1	1	0
62	PROBATION	1320 HIGHLAND AVE	MANHATTAN BEACH	90266	1	0	0
63	FIRE	2300 OCEAN FRONT WALK (Life Guard)	VENICE	90291	1	0	0
64	SHERIFF	13837 W FIJIWAY Outside	MARINA DEL REY	90292	1	1	0
65	PUBLIC HEALTH	123 W MANCHESTER BLVD	ENGLEWOOD	90301	1	1	0
66	CHILDREN & FAMILY SERVICES	2325 CRENSHAW BLVD (PARK DEL AMO)	TORRANCE	90501	2	1	0
67	CHILD SUPPORT SERVICES	20221 S HAMILTON ST	TORRANCE	90502	1	0	0
68	HEALTH SERVICES (Harbor UCLA)	1000 W. Carson	TORRANCE	90502	2	1	1
69	PROBATION	8240 S BROADWAY	WHITTIER	90602	1	1	0
70	PUBLIC HEALTH	7643 S PAINTER AVE	WHITTIER	90602	0	0	0
71	LIBRARY	14433 LEFFINGWELL RD	WHITTIER	90604	0	0	0
72	LIBRARY	13800 MIRADA BLVD	LA MIRADA	90638	0	0	0
73	REGISTER RECORDER	12400 IMPERIAL HWY.	NORWALK	90650	6	1	0
74	PUBLIC SOCIAL SERVICES	12440 IMPERIAL HWY	NORWALK	90650	0	1	0
75	LIBRARY	12350 IMPERIAL HWY	NORWALK	90650	1	0	0

## CEO REGION 2: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 2	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
76	PUBLIC SOCIAL SERVICES	12727 NORWALK BLVD	NORWALK	90650	1	1	0
77	CHILD SUPPORT SERVICES	10355 SLUSHER DR.	SANTA FE SPRINGS	90670	1	0	0
78	LIBRARY	9945 E FLOWER ST	BELLFLOWER	90706	1	0	0
79	CHILDREN & FAMILY SERVICES	4060 WATSON PLAZA DR	LAKEWOOD	90712	1	1	0
80	LIBRARY	4990 N CLARK AVE	LAKEWOOD	90712	1	0	0
81	PROBATION	24330 NARBONNE AVE 1st flr	LOMITA	90717	1	0	0
82	LIBRARY	151 E CARSON ST	CARSON	90745	1	0	0
83	ASSESSOR	1401 E WILLOW ST	SIGNAL HILL	90806	1	1	0
84	HEALTH SERVICE	1333 CHESTNUT 2nd fl	LONG BEACH	90813	1	1	0
85	PUBLIC SOCIAL SERVICES	12900 CROSSROADS PKWY	INDUSTRY	91746	0	1	0
86	PUBLIC SOCIAL SERVICES	12860 CROSSROADS PKWY	INDUSTRY	91746	2	1	0
87	LIBRARY	1850 NOGALES ST	ROWLAND HEIGHTS	91748	1	0	0
					<b>97</b>	<b>66</b>	<b>5</b>
<u>Region 2: Approximate total no of vending machines</u>					<b>168</b>		

### CEO REGION 3: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 3	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
1	PUBLIC SOCIAL SERVICES	27233 CAMP PLENTY DR.	SANTA CLARITA	91351	2	1	0
2	LIBRARY	18601 SOLEDAD CANYON RD	SANTA CLARITA	91351	1	1	0
3	CHILDREN & FAMILY SERVICES	28490 AVENUE STANFORD	SANTA CLARITA	91355	1	1	0
4	LIBRARY	23743 W VALENCIA BLVD	SANTA CLARITA	91355	1	1	0
5	PUBLIC SOCIAL SERVICES	23747 VALENCIA BLVD.	VALENCIA	91384	1	1	0
6	PROBATION	23759 VALENCIA BLVD	VALENCIA	91355			
7	SHERIFF	29320 THE OLD ROAD (Pitchess)	CASTAIC	91384	3	1	0
8	SHERIFF	29310 THE OLD ROAD (Pitchess)	CASTAIC	91384	3	2	0
9	SHERIFF	BISCALUZ RD (Pitchess)	SANTA CLARITA	91384	1	1	0
10	SHERIFF	29340 THE OLD ROAD (Pitchess)	CASTAIC	91384	4	5	0
11	SHERIFF	23747 VALENCIA BLVD. (Pitchess)	VALENCIA	91384	1	1	0
12	SHERIFF	BISCALUZ RD. (Pitchess Main Gate)	SANTA CLARITA	91384	1	1	0
13	SHERIFF	29300 THE OLD ROAD	CASTAIC	91384	2		0
14	ANIMAL CONTROL	31044 N. CHARKIE CANYON	CASTAIC	91384	1		0
15	PROBATION	28700 N. BOUQUET CANYON RD (Camp Scott)	SAUGUS	91390	1		0
16	PROBATION	28750 N. BOUQUET CANYON (Kenyon Scudder)	SAUGUS	91390	1		0
17	PROBATION	42220 N LAKE HUGHES RD (Camp Muntz)	LAKE HUGHES	93532			0

### CEO REGION 3: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 3	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
18	PROBATION	42230 N LAKE HUGHES RD (Camp Mendenhall)	LAKE HUGHES	93532			0
19	PROBATION	42011 4TH ST. WEST SUITE 1900	LANCASTER	93534	1	1	0
20	LIBRARY	601 W. LANCASTER BLVD	LANCASTER	93534	1		0
21	PROBATION	321 E. AVENUE K-4 (Juvenile)	LANCASTER	93534	1	1	0
22	PUBLIC SOCIAL SERVICES	333-337 E. K-10	LANCASTER	93535	1	1	0
23	HEALTH SERVICES	44990 N. 60TH ST. WEST	LANCASTER	93536	2	2	0
24	PROBATION	5300 W AVENUE I (Challenger Camp)	LANCASTER	93536	2	2	0
25	PUBLIC SOCIAL SERVICES	1150 W AVE J @KINGTREE	LANCASTER	93536	1		0
26	PUBLIC SOCIAL SERVICES	349 E. AVE K-6	LANCASTER	93536	2	1	0
27	SHERIFF	45100 NORTH 60TH ST. WEST (Mira Loma Detention Ctr)	LANCASTER	93536	3		0
28	LIBRARY	35119 80TH ST E	LITTLE ROCK	93543			0
29	CHILDREN & FAMILY SERVICES	39959 SIERRA HWY SUITE A150	PALMDALE	93550	2	1	0
30	PUBLIC WORKS	10TH STREET AT PALMDALE ROAD	PALMDALE	93550			0
					<b>40</b>	<b>25</b>	<b>0</b>
<u>Region 3: Approximate total no of vending machines</u>					<b>65</b>		

**LICENSE AGREEMENT  
BY AND BETWEEN**

**CHIEF EXECUTIVE OFFICE – Region 1**

**AND**

**COMPASS GROUP USA, INC. BY AND  
THROUGH ITS CANTEEN VENDING SERVICES  
DIVISION**

**FOR**

**VENDING MACHINE SERVICES**

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## **STANDARD EXHIBITS**

- A IRS NOTICE 1015
- B LICENSEE'S EEO CERTIFICATION
- C SAFELY SURRENDERED BABY LAW
- D COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM
- E COUNTY'S SMOKING BAN ORDINANCE
- F LIST OF COUNTY'S VENDING MACHINE FACILITIES
- G COUNTY OF LOS ANGELES VENDING MACHINE NUTRITION POLICY
- H SAMPLE CEO MONTHLY GROSS RECEIPTS AND REVENUE REPORT
- I COUNTY'S ARTIFICIAL TRANS FAT REDUCTION (ATFR) PROGRAM
- J LICENSEE'S PRODUCT PRICE LIST
- K CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
- L CERTIFICATION OF COMPLIANCE WITH THE COUNTY'S ARTIFICIAL TRANS FAT REDUCTION PROGRAM
- M GREEN INITIATIVES CERTIFICATION OF COMPLIANCE

**LICENSE AGREEMENT FOR THE  
VENDING MACHINE SERVICES  
AT VARIOUS COUNTY FACILITIES**

THIS LICENSE AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013,

BY AND BETWEEN

**COUNTY OF LOS ANGELES**, a body corporate and politic, hereinafter referred to as "County,"

AND

**COMPASS GROUP USA, INC. BY AND THROUGH ITS CANTEEN VENDING SERVICES DIVISION**, hereinafter referred to as "Licensee,"

**RECITALS**

**WHEREAS**, the County owns, operates, and leases a number of public buildings within which the work of county government is performed; and

**WHEREAS**, the County Board of Supervisors is authorized by the provision of Government Code Section 25536 to or grant vending machine licenses therein that are consistent with the government purposes served thereby; and

**WHEREAS**, a license for the provision of vending machine services to sell food and beverages is consistent with said purposes; and

**WHEREAS**, the County has determined that it is legal and feasible to authorize the service of selling food and beverages from vending machines; and

**WHEREAS**, the Licensee, which is a public or private firm specializing in providing the service of selling food and beverages from vending machines, is willing to exercise the grant of such a license in accordance with the terms and conditions prescribed therefore;

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

## **1.0 APPLICABLE DOCUMENTS**

Exhibits A, B, C, D, E, F, G, H, I, J, K, L and M are attached hereto and form a part of this License Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base License Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the License Agreement and then to the Exhibits according to the following priority:

- 1.1 EXHIBIT A - IRS Notice 1015
- 1.2 EXHIBIT B - Licensee's EEO Certification
- 1.3 EXHIBIT C - Safely Surrendered Baby Law
- 1.4 EXHIBIT D - Defaulted Property Tax Reduction Program
- 1.5 EXHIBIT E - County's Smoking Ban Ordinance
- 1.6 EXHIBIT F - List of County's Vending Machine Facilities
- 1.7 EXHIBIT G - County of Los Angeles Vending Machine Nutrition Policy
- 1.8 EXHIBIT H - Sample CEO Monthly Gross Receipts and Revenue Report
- 1.9 EXHIBIT I - County's Artificial Trans Fat Reduction (ATFR) Program
- 1.10 EXHIBIT J - Licensee's Product Price List
- 1.11 EXHIBIT K - Contractor Acknowledgement and Confidentiality Agreement
- 1.12 EXHIBIT L - Certification of Compliance with the County's Artificial Trans Fat Reduction Program
- 1.13 EXHIBIT M - Green Initiatives Certification of Compliance

## **2.0 DEFINITIONS**

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

- 2.2.1 **Agreement Year:** The 365 day period commencing on the commencement date of this License Agreement and each following 365 day period thereafter throughout the term of this License Agreement.
- 2.2.2 **Auditor-Controller:** The Auditor-Controller of the County of Los Angeles or an authorized representative thereof.
- 2.2.3 **Board of Supervisors:** The Board of Supervisors of the County of Los Angeles acting as governing body or their designee.
- 2.2.4 **Beverage:** 100% healthy beverage options that are consistent with the County of Los Angeles Vending Machine Nutrition Policy.
- 2.2.5 **Chief Executive Officer:** The Chief Executive Officer of the County of Los Angeles Chief Executive Office or an authorized representative thereof.
- 2.2.6 **County:** The County of Los Angeles.
- 2.2.7 **County of Los Angeles Vending Machine Facilities:** Those facilities which the County of Los Angeles Chief Executive Office has jurisdictional or operational authority over as identified in **Exhibit F**.
- 2.2.8 **Department:** The County of Los Angeles Chief Executive Office or an authorized representative thereof.
- 2.2.9 **Food/Snack:** 100% healthy food options that are consistent with the County of Los Angeles Vending Machine Nutrition Policy.
- 2.2.10 **Gross Receipts:** Except as specifically provided by policy statement issued by the Chief Executive Officer, the term "gross receipts" as used in this License Agreement, is defined to be the total amount received and/or collected, in money, cash receipts, assets, property or other things of value, including by barter or exchange. Gross receipts include but are not limited to: gross charges, sales, rentals, fees and commissions received and/or collected by the Licensee during the reporting period from any business, use or occupation, or any combination thereof, originating, transacted, or performed in whole or in part, on the premises, including but not limited to rentals, the

rendering or supplying of services and the sale of goods, wares or merchandise, including sales through vending machines. Gross receipts shall include the amount of any manufacturer's or importer's excise tax included in the prices of any property or material sold, even though the manufacturer or importer is also the retailer thereof, and it is immaterial whether the amount of such excise tax is stated as a separate charge.

Except as specifically provided below or by policy statement issued by Chief Executive Officer, there shall be no deduction from gross receipts for any overhead cost or expense of operations, such as, but without limitation to salaries, wages, costs of goods, interest, debt amortization, credit, collection costs, discount from credit card operations, insurance and taxes. If Licensee included an amount in gross receipts that Licensee subsequently determines is uncollectible (e.g., due non-sufficient funds of payor, etc.), Licensee may deduct such amount from Licensee's subsequent gross receipts to the extent Licensee previously included such amounts in gross receipts and paid the County all amounts due thereon. Licensee shall separately itemize any such deductions when reporting gross receipts. Licensee shall timely include such deductions when reporting gross receipts. If Licensee subsequently collects any amount previously deducted under this section, Licensee shall include such collection in gross receipts for the period the Licensee collected such amount.

- a. Except as specifically provided below or by policy statement issued by the Chief Executive Officer, gross receipts reported by Licensee must include the full usual charges for any services, goods, rentals or facilities provided by Licensee. Gross receipts shall not include the following: direct taxes imposed upon the consumer and collected therefrom by the Licensee such as, but not limited to, Federal, State, or Municipal retail sales taxes, or related direct taxes, which are direct taxes paid periodically by

Licensee to a governmental agency accompanied by a tax return statement.

b. The Chief Executive Officer, by policy statement consistent with recognized and accepted business and accounting practices, upon consultation with Licensee, and with the approval of the Auditor-Controller and County Counsel, may further interpret the term "gross receipts" as used in this License Agreement.

- 2.2.11 **Inclement Weather:** Weather conditions that include, but are not limited to, rain, flooding, extreme cold or heat, that may impair travel conditions, cause power outages, or otherwise impede public safety or make opening a facility impossible or more difficult.
- 2.2.12 **License Agreement:** Agreement executed between County of Los Angeles and Licensee. It sets forth the terms and conditions for the License Agreement.
- 2.2.13 **Licensee:** The sole proprietor, partnership, or corporation that has entered into an License Agreement with the County of Los Angeles.
- 2.2.14 **Locations:** Those places within designated facilities at which one or more vending machine sites exist.
- 2.2.15 **Operations Manager:** Licensee's designated person whom the County of Los Angeles may deal with on a daily basis regarding the vending machine services.
- 2.2.16 **Product:** Specifically the approved beverages and food/snacks manufactured, sold and distributed by the Licensee and sold in vending machines by the Licensee on the County of Los Angeles Vending Machine Facilities.
- 2.2.17 **State:** The State of California.
- 2.2.18 **Vending Machine:** Patron operated mechanical dispenser of food/snacks and beverages accepting paper currency and/or coins.
- 2.2.19 **Vending Machine Site(s):** A place or places containing or capable of containing a vending machine at a location.

### **3.0 LICENSE GRANTED**

- 3.1 The County of Los Angeles hereby grants to Licensee the authorization to place vending machines in the County of Los Angeles Vending Machine Facilities designated in Exhibit F. The Vending Machines shall provide 100% healthy food and beverage options, consistent with the County of Los Angeles Vending Machine Nutrition Policy (Exhibit G). Except as otherwise provided in this License Agreement, Licensee will be the exclusive food and beverage vending machine provider at the Vending Machine Facilities identified in Exhibit F.
- 3.2 Licensee shall display all bottled water in eye-level sections of the beverage vending machines. Only food and beverage products that meet the County of Los Angeles Vending Machine Nutrition Policy shall be advertised on snack and beverage vending machines. Beverages and snacks that meet the policy's nutrition guidelines can vary by brand; therefore, it is important to compare the Nutrition Facts label before including them as an acceptable stocking item.
- 3.3 Please contact the Los Angeles County Department of Public Health, Division of Chronic Disease and Injury Prevention at (213) 351-7825 or email: [chronic\\_disease@ph.lacounty.gov](mailto:chronic_disease@ph.lacounty.gov) if you have questions on the vending machine policy and product compliance.
- 3.4 Licensee understands and agrees that this License Agreement confers only permission to use the premises described for prescribed purposes in accordance with the terms and conditions hereinafter specified without granting or reserving to Licensee any interest or estate therein; the expenditure of capital and/or labor in the course of use and occupancy thereunder shall not confer any interest of estate in the premises by virtue of said use, occupancy and/or money thereon; and it is the intention of the parties to limit the right of use granted herein to a personal, revocable and unassignable privilege of use in the premises for the license granted herein.
- 3.5 Upon mutual agreement with Licensee, the County, through its Chief Executive Officer, reserves the right to authorize an increase or decrease in

the number of Vending Machine Facilities listed in Exhibit F served by Licensee, and the number of machines at said facilities. The County may authorize Licensee to provide vending services at facilities at which the County has existing Operating or Concession Agreements provided the vending service does not conflict with existing agreements. In the event as increase in the number of Vending Machine Facilities served by Licensee is contemplated, the site and locations within the site shall be mutually agreed upon. The Chief Executive Officer may authorize such modification, in writing, at any time during an Agreement Year. Licensee shall be granted a ninety (90) day review (review period) of revenue generated by such additional machines at the conclusion of the review period. Licensee may then request that said additional machines be removed without penalty. The percentage commissions per machine specified in sub-section 6.1 shall apply.

- 3.6 Licensee and County will mutually determine the placement of additional vending machines at the locations listed in Exhibit F.
- 3.7 Should Licensee determine that it will not place vending machine(s) at a location designated in Exhibit F, County reserves the right to authorize provision of vending services by other providers.

#### **4.0 LICENSED PREMISES**

- 4.1 The premises for the License Agreement shall be the designated machine sites within the County of Los Angeles Vending Machine Facilities.
- 4.2 The premises shall be used only for purposes authorized herein, and such other purposes as are directly related thereto provided express approval therefore is granted by the Chief Executive Officer, and for no other purposes whatsoever.
- 4.3 Licensee acknowledges personal inspection of the premises and the surrounding area and evaluation of the extent to which the physical condition thereof will affect its operations. Licensee accepts the premises in their

present physical condition, and agrees to make no demands upon County for any improvements or alterations thereof.

- 4.4 Licensee, at its sole expense, may make or construct or cause to be made or constructed additions, alterations, repairs or changes in the premises as authorized by the Chief Executive Officer provided that: (1) written approval thereof is first obtained from the Chief Executive Officer; (2) applicable permits are obtained therefore; and (3) there is compliance with such terms and conditions relating thereto as may be imposed thereon by the Chief Executive Officer.
- 4.5 Licensee hereby acknowledges the title of the United States of America, County, and/or any other public agencies having jurisdiction thereon, in and to the premises and the improvements located thereon, and covenants and agrees never to assail, contest or resist said title.
- 4.6 Upon termination of the License Agreement, whether by expiration of the term, cancellation, or otherwise, all equipment, trade fixtures, and furnishings provided by Licensee shall be removed from the premises by the Licensee at the Licensee's sole expense. Should Licensee fail to complete this removal within thirty (30) days of the expiration or termination of this License Agreement, said equipment may be sold, removed or demolished, and Licensee shall reimburse County for any cost or expense in connection therewith in excess of any consideration received by County as a result of said sale, removal or demolition.

## **5.0 TERM OF LICENSE AGREEMENT**

- 5.1 The term of the License Agreement shall be for a period of ten (10) years commencing on the first day of the month following the execution of this License Agreement by the Chief Executive Officer unless terminated sooner or extended, in whole or in part, as provided for in this License Agreement.
- 5.2 The parties may extend the License Agreement term for an additional one-five (5) year period by mutual written agreement.

## 6.0 CONSIDERATION

6.1 In consideration for the exclusive food and beverage vending machine service license granted herein, the Licensee shall pay County commissions on a monthly basis. The commissions are a percentage of gross receipts collected from the Licensee's vending machines less sales taxes and any applicable California Redemption Value for recyclable containers (CRV) as set forth below:

- 36 % of its gross receipts from the sales of food and snacks
- 36 % of its gross receipts from the sales of beverages

Any new products sold through vending machines during the term of the License Agreement shall be at the commission rates determined upon the mutual agreement of both parties.

6.2 The first annual cash bonus for each region is due to the Chief Executive Office (CEO) prior to the commencement of the License Agreements. Subsequent cash bonus payments shall be made on the anniversary date of each License Agreement Year. The annual cash bonus payment amounts for each region will be as follows:

License Agreement Term	Annual Cash Bonus		
	Region 1	Region 2	Region 3
Years 1 - 5	\$26,000	\$23,000	\$9,000
Years 6 - 10	\$27,000	\$24,000	\$10,000
Option years	\$28,000	\$25,000	\$11,000

6.3 Licensee's commission payment shall be accompanied by a monthly gross receipts report detailing the facility addresses served and the monthly sales of each vending machine at each facility.

6.4 Payment shall be by check or draft and made payable to the County of Los Angeles Chief Executive Office. However, if any check is returned for non-sufficient funds, or for any reason, the Licensee shall be required to pay an

additional thirty-three (\$33) dollar service fee, as well as any applicable late fee.

- 6.5 Licensee shall submit the monthly commission payment to the County by the 25<sup>th</sup> calendar day of the month, following the month of service. The monthly commission payment under this License Agreement shall be submitted to:

Auditor Controller  
Franchise/Concession Section  
County of Los Angeles  
500 Temple Street, Room 410  
Los Angeles, CA 90012

- 6.6 In the event payment is received on or before said date, a late payment charge of ten percent (10%) shall be added to the unpaid amount. The late payment charge may be waived whenever CEO, upon appeal of the Licensee, finds late payment excusable by reason of extenuating circumstances.
- 6.7 Any late payment charge shall be due and payable within the next payment schedule. County shall not be obligated at any time to notify Licensee of late payment charges or the accumulation thereof.

## **7.0 CHANGES AND AMENDMENTS**

- 7.1 The County's Board of Supervisors or its designee may require the addition and/or change of certain terms and conditions in the License Agreement during the term of this License Agreement. The County reserves the right to add/or change such provisions as required by the County's Board of Supervisors. To implement such orders, an Amendment to the License Agreement shall be prepared and executed by the Licensee and the Chief Executive Officer.
- 7.2 Notwithstanding the above, this License Agreement may be modified only by further written agreement between the parties. The County's Board of Supervisors hereby authorizes the Chief Executive Officer to act on its behalf

in negotiations, approval, preparation and execution of any modification deemed necessary in the proper administration of this License Agreement. Any such modification shall not be effective unless and until executed by Licensee and in the case of County, until approved by the Chief Executive Officer.

- 7.3 The Chief Executive Officer or his designee may at his/her sole discretion add or delete County of Los Angeles Vending Machine Facilities listed in Exhibit F to this License Agreement. The Chief Executive Officer may authorize such modifications, in writing, at any time during an Agreement Year.

## **8.0 ACCOUNTING RECORDS**

- 8.1 Licensee shall be required to maintain a method of accounting which shall, to the satisfaction of the Auditor-Controller, correctly and accurately reflect the gross receipts and disbursements of the Licensee in connection with the license. The method of accounting, including bank accounts, established for the license shall be separate from the accounting system used for any other business operated by Licensee or for recording Licensee's personal financial affairs. Such method shall include the keeping of the following documents:
- 8.1.1 Regular books of accounting such as general ledgers;
  - 8.1.2 Journals including any supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.;
  - 8.1.3 State and Federal income tax returns and sales tax returns and checks and other documents providing payment of sums shown which shall be kept in confidence by County;
  - 8.1.4 Daily sales reports;
  - 8.1.5 Any other accounting records that the Auditor-Controller deems necessary for proper reporting of receipts;
- 8.2 All documents, books and accounting records shall be open for inspection and re-inspection at any reasonable time during the term of this License Agreement and for five (5) years thereafter. In addition, the County may

from time to time conduct an audit and re-audit of the books and business conducted by Licensee and observe the operation of the business so that accuracy of the above records can be confirmed. All information obtained in connection with the County's inspection of records or audit shall be treated as confidential information and exempt from the public disclosure thereof to the extent permitted under the California Public Records Act (Government Code 6250-6270).

- 8.3 Licensee shall furnish the County a monthly gross receipts report identifying monthly sales on a per-machine basis and showing all revenues for the exclusive use of the vending machine license. Such report shall be submitted no later than the 25<sup>th</sup> day of month following the month in which services were provided, unless otherwise specified by the Chief Executive Officer. This monthly report shall include those listed Vending Machine Facilities (Exhibit F), and any newly added vending machine facilities added during the course of this License Agreement. Please find enclose a sample CEO Monthly Gross Receipts and Revenue Report (Exhibit H)
- 8.4 In the event that an audit or review conducted by the Auditor-Controller and/or Chief Executive Officer finds that, due to Licensee's non-compliance with its obligation to report gross receipts received in connection with its operations authorized herein, an actual loss and/or a projected loss of revenue to County can be determined, Chief Executive Officer may, at his option, (1) bill Licensee for said losses, said amount to be paid to County within thirty (30) days following billing therefor unless otherwise specified by Chief Executive Officer; and/or (2) use the Security Deposit as provided for herein;
- 8.5 Should the Chief Executive Officer find that the additional commission due to County exceeds two percent (2%) of the total amount which should have been paid as determined by such review or audit and observation, and there being no reasonable basis for the failure to report and pay thereon, Licensee shall also pay the cost of the audit as determined by County and pay any penalty heretofore provided for the delinquent payments.

- 8.6 Licensee shall cause all of its subcontractors to comply with these requirements except that a subcontractor shall only be required to establish and maintain those accounting records that the Auditor-Controller deems necessary to examine the reported gross receipts in accordance with generally accepted auditing standards.

## 9.0 SECURITY DEPOSIT

- 9.1 Prior to the commencement of this License Agreement, Licensee shall pay to the Department the sum of Seven Thousand Five Hundred Dollars (\$7,500) in the form of a **cashier's check** and made payable to the County of Los Angeles Chief Executive Office.
- 9.2 Said Security Deposit (Deposit) shall serve as security for faithful performance of all covenants, promises and conditions assumed herein by Licensee, and may be applied in satisfaction and/or mitigation of damages arising from a breach thereof, including, but not limited to, delinquent payments; correction of maintenance deficiencies; securing required insurance; loss of revenue due to abandonment, vacation or discontinuance of Licensee's operation; discrimination; a breach of obligations assumed by Licensee herein with respect to the requirements therefore by County, including the payment of mechanic's liens. Application of amounts on deposit in satisfaction and/or mitigation of damages shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this License Agreement.
- 9.3 In the event any or all of said Deposit is applied in satisfaction and/or mitigation of damages, Licensee shall immediately make payment in same manner and delivered to same payee such sums as are necessary to restore the Deposit to the full amount required hereunder.
- 9.4 Said Deposit shall be returned to Licensee upon termination of this License Agreement less any amounts that may be withheld therefrom by County as heretofore provided.

## **10.0 DESTRUCTION OF THE LICENSED PREMISES**

- 10.1 In the event the licensed premises shall be totally or partially destroyed, either party shall have the right to terminate this License Agreement. Sections 10.2 shall be applicable upon mutual agreement of the parties.
- 10.2 If the premises are restored, this License Agreement shall continue in full force and effect, except that the payment to be made by Licensee shall be abated and/or other relief afforded to the extent that the Chief Executive Officer may determine the damage and/or restoration interferes with the license operation provided a claim therefor is filed with the Chief Executive Officer within one hundred (100) days of notice of election to restore the licensed premises. Any such claim shall be denied if the destruction of the licensed premises is found by the Chief Executive Officer to have been caused by the fault or neglect of Licensee. Licensee agrees to cooperate in the determination of the abatement and/or other relief to be provided by furnishing all information requested relative to the license operation, and permitting examination and audit of all accounting records kept in connection with the conduct thereof.
- 10.3 Licensee shall cooperate in the restoration of the licensed premises by vacating and removing therefrom all items of inventory, trade fixtures, equipment and furnishings for such periods as are required for the restoration thereof.
- 10.4 Licensee agrees to accept the remedy heretofore provided in the event of a partial or total destruction of the licensed premises and hereby waives any and all additional rights and remedies for relief or compensation that are presently available or may hereafter be made available under the laws and statutes of this State.

## **11.0 CONSTRUCTION BY COUNTY AFFECTING LICENSED PREMISES**

- 11.1 In the event County shall construct or cause construction on or near the licensed premises, this License Agreement shall continue in full force and effect, except that the payments to be made by Licensee shall be abated and/or other relief afforded to the extent that the Chief Executive Officer may determine the construction interferes with the authorized operations, provided a claim therefor is filed with the Chief Executive Officer within one hundred (100) days of commencement of construction.
- 11.2 In the event the construction affects the licensed premises, Licensee agrees to cooperate with County by vacating and removing therefrom all items of inventory, trade fixtures, equipment and furnishings for such periods as are required by the construction. Licensee further agrees to cooperate in the determination of the abatement and/or other relief to be provided by furnishing all information requested relative to the operation and permitting examination and audit of all accounting records kept in connection with the conduct thereof.
- 11.3 Following completion of the construction, Licensee shall resume its operations therefrom within thirty (30) days of written notice from the Chief Executive Officer that the licensed premises are tenantable.
- 11.4 The aforementioned provisions of this section shall also be applicable in the event of performance of work at County of Los Angeles Vending Machine Facilities generally, and/or the licensed premises specifically, that requires a partial or total closure thereof, except that the abatement and/or other relief to be provided shall be based upon the extent the Chief Executive Officer may determine that the reduction in the public's use of the said facilities due to the partial or total closure thereof, has affected the Licensee's operations.
- 11.5 Licensee agrees to accept the remedy heretofore provided in the event of construction upon the licensed premises, and/or County of Los Angeles Vending Machine Facilities hereby waives any and all additional rights and remedies for relief or compensation that are presently available or may be made available hereafter under the laws and statutes of this State.

## 12.0 OPERATING RESPONSIBILITIES

### 12.1 ADVERTISING AND PUBLICITY MATERIALS

12.1.1 Licensee shall not, nor shall it authorize another to promulgate or cause to be distributed any advertising or publicity materials unless prior approval thereof is obtained from the Chief Executive Officer. Said approval shall not be unreasonably withheld or delayed. Such materials included, but not limited to: advertising in newspapers, magazines and trade journals, the internet, and radio and/or television commercials.

12.1.2 In recognition of the Licensee's need to identify its services and related clients to sustain itself, the County shall not prohibit the Licensee from publishing in any of its bids, proposals, and sales materials that it has been awarded this License Agreement by the County of Los Angeles, with the understanding that such materials are to be prepared in a professional manner, and that the materials are subject to the requirements of Subsection 12.1.3.

#### 12.1.3 Credit for the County

Licensee agrees that any advertising or promotional materials promulgated by Licensee, which contain the names of the County Vending Machine Facilities used for vending machine operations, or any derivative of said names, shall also include the phrase "unit(s) of the County of Los Angeles" with the County of Los Angeles logo, unless specifically approved otherwise by the Chief Executive Officer.

### 12.2 COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Licensee shall conform to and abide by all municipal and County ordinances, and all State and Federal laws and regulations, insofar as the same or any of them are applicable; and where permits and/or licenses are required for the license agreement, any related activity, and/or construction authorized herein, the same must be first obtained

from the regulatory agency having jurisdiction thereover. Further, Licensee shall conform to and abide by all rules and regulations and policies of the County's Board of Supervisors, the Chief Executive Officer of the Chief Executive Office, and any other County agencies insofar as the same or any of them are applicable.

### 12.3 LICENSEE'S STAFF AND EMPLOYMENT PRACTICES

- 12.3.1 Licensee shall maintain adequate and proper staff for its authorized operations. Licensee shall designate an Operations Manager with whom County may deal with on a daily basis. Any person selected by Licensee as an Operations Manager shall be skilled in the management of businesses similar to the operation and shall be subject to approval by the Chief Executive Officer. The Operations Manager shall devote substantial time and attention to the operation authorized herein and render such services and convenience to the public as are required. The Operations Manager shall be fully acquainted with the operation, familiar with the terms and the conditions prescribed therefor by this License Agreement, and authorized to act in the day-to-day operation thereof.
- 12.3.2 The Chief Executive Officer may at any time give Licensee written notice to the effect that the conduct or action of a designated employee of Licensee is, in the reasonable belief of the Chief Executive Officer, detrimental to the interest of the public patronizing the Licensed premises. Licensee shall transfer or reassign any such employee within a reasonable period of time following notice thereof from the Chief Executive Officer, and such employee shall not be assigned to any other County Vending Machine Facility provided, however, that the right to discontinue use of a Compass employee, and Compass' obligation to comply with any such request, shall be subject to restrictions imposed upon Compass by any federal, state or local

statute, law code, regulation or ordinance or by a collective bargaining agreement or other contract affecting such employee.

- 12.3.3 The Licensee warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this License Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Licensee shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Licensee shall retain all such documentation for all covered employees for the period prescribed by law.
- 12.3.4 Prior to the commencement of the License Agreement, the Licensee shall: 1) establish an identification system; 2) identify each person assigned to the equipment installation, stocking of the products, and machine maintenance and repair; and 3) submit the identification system and list of personnel to the Chief Executive Officer for review and approval. The identification system shall be furnished at the Licensee's expense and may include but is not limited to appropriate uniform attire and name badges.
- 12.3.5 At any time prior to or during the term of this License Agreement, the County shall require that all of the Licensee's staff performing work under this License Agreement undergo and pass, to the satisfaction of the County, a background investigation, as a condition of beginning and continuing to work under this License Agreement. The County shall use its discretion in determining the method of background clearance to

be used, up to and including a County performed fingerprint security clearance. The fees associated with obtaining the background information shall be at the sole expense of the Licensee, regardless if the Licensee's staff passes or fails the background clearance investigation. All background reports on current and future staff hired by the Licensee will be submitted to the Chief Executive Officer.

- 12.3.6 Licensee shall exercise and maintain a sufficient degree of control over all its employees, equipment, and other agents/or subcontractors in order to prevent any unauthorized, illegal or unsafe activities.
- 12.3.7 Licensee shall notify its employees, and shall require each Subcontractor, if any, to notify its employees, that they may be eligible for Federal Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Notice No. 1015, Exhibit A of this License Agreement.

#### 12.4 CONFIDENTIALITY

- 12.4.1 Licensee shall maintain the confidentiality of all records and information obtained from the County under this Licensee Agreement in accordance with all applicable Federal, State or local laws, ordinances, regulations and directives relating to confidentiality.
- 12.4.2 To the extent permitted by applicable law, each party shall indemnify, defend, and hold harmless the other party, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including; without limitation, defense costs and reasonable attorney fees, arising from, the negligent acts or omissions of the indemnifying party, its officers, employees, agents, or subcontractors, to comply with this Paragraph 12.4. Any legal

defense shall be conducted by the Indemnified Party and performed by counsel selected by such party. Notwithstanding the preceding sentence, the Indemnified Party shall have the right to participate in any such defense at its sole cost and expense.

12.4.3 Licensee shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this License Agreement.

12.4.4 Licensee shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Exhibit K.

#### 12.5 DAMAGE TO PREMISES AND WALK-THROUGH INSPECTION

12.5.1 Licensee shall repair or replace any County personal and/or real property or any other improvements damaged or destroyed as a result of, or connected with Licensee's operations.

12.5.2 In order to reasonably access damage, if any, to the premises, Licensee shall meet with the Chief Executive Officer's authorized representative for walk-through inspections of the vending machine sites. Said inspections shall take place (a) prior to the installation of Licensee's equipment, and (b) within twenty-four (24) hours following the complete removal of said equipment.

#### 12.6 EASEMENTS

County reserves the right to establish, grant or utilize easements or rights of way over, under, along and across the licensed premises for utilities and/or public access provided that County shall exercise such rights in a manner as will avoid any substantial interference with the operations to be conducted hereunder. Should the establishment of such easements permanently deprive Licensee of the use of a portion of the licensed premises, an abatement of payments and/or other relief shall be provided at the discretion of the Chief Executive Officer.

#### 12.7 DAYS AND HOURS OF OPERATION

Licensee shall have the right to use the licensed premises during the normal hours of operation of the County of Los Angeles Vending Machine Facilities where the vending machine sites are located.

#### 12.8 ILLEGAL ACTIVITIES

Licensee shall not knowingly permit any illegal activities to be conducted upon the licensed premises.

#### 12.9 MAINTENANCE

Licensee is hereby required to provide maintenance services, including, but not limited to, equipment installation, stocking of product, and machine maintenance, and repair.

#### 12.10 NON-INTERFERENCE

Licensee shall not interfere with the public use of and the programming within the Vending Machine Facilities where the vending machines are located.

#### 12.11 PATRON/NON-PATRON COMPLAINTS

The Licensee shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

12.11.1 Within ten (10) business days after the License Agreement effective date, the Licensee shall provide the County with the Licensee's policy for receiving, investigating and responding to user complaints.

12.11.2 The County will review the Licensee's policy and provide the Licensee with approval of said plan or with requested changes.

12.11.3 If the County requests changes in the Licensee's policy, the Licensee shall make such changes and resubmit the plan within five (5) business days for County approval.

12.11.4 If, at any time, the Licensee wishes to change the Licensee's policy, the Licensee shall submit proposed changes to the County for approval before implementation.

- 12.11.5 The Licensee shall preliminarily investigate all complaints and notify the Park Superintendent of the status of the investigation within five (5) business days of receiving the complaint.
- 12.11.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 12.11.7 Copies of all written responses shall be sent to the County within three (3) business days of mailing to the complainant.

#### 12.12 PRICES

- 12.12.1 Licensee shall at all times maintain a complete list of the Product's Prices (Exhibit J) collected by Licensee for all food/snacks and beverages supplied to the public and/or County employees on or from the licensed premises. The Chief Executive Officer hereby reserves the right to review and approve said fees and any increase requires approval from the Chief Executive Officer. Said prices shall be fair and reasonable based upon the following considerations: comparability with prices charged for similar products in the Los Angeles Metropolitan Area; and reasonableness of profit margin in view of the cost of providing same in compliance with the obligations assumed in this License Agreement.
- 12.12.2 In the event the Chief Executive Officer notifies Licensee that prices being charged are not fair and reasonable, Licensee shall have the right to confer with the Chief Executive Officer and justify said prices. Following reasonable conference and consultation thereon, Licensee shall make such price adjustments as may be ordered by the Chief Executive Officer. Licensee may appeal the determination of the Chief Executive Officer to the Board of Supervisors, whose decision thereon shall be final and conclusive. Notwithstanding the foregoing, Licensee's requests for price increases shall not be

unreasonably withheld upon a demonstrated showing by Licensee of increased costs.

12.12.3 A complete list of the Product's Prices (Exhibit J) shall be submitted for Chief Executive Officer's review prior to the commencement of advertising prices to the general public.

12.12.4 Vending machines with beverages should include bottled water as an option. The price of the bottled water should be no higher than the prices of the other beverage options in the vending machine.

#### 12.13 PROGRAMMED EVENTS

Licensee shall not promote or sponsor private or public events requiring the use of any other areas within the County of Los Angeles Vending Machine Facilities designated in Exhibit F. However, this provision shall not prohibit Licensee from generally advertising or encouraging public use of the County of Los Angeles Vending Machine Facilities.

#### 12.14 QUALITY OF GOODS AND SERVICES

12.14.1 Service to the public, with goods, services, and merchandise of the best quality and at reasonable charges, is of prime concern to County and is considered a part of the consideration for this License Agreement. Therefore, Licensee agrees to operate and conduct its operation in a first-class manner, providing similar activities, programs and services. Licensee, following receipt of written notification therefore, shall immediately withdraw or remove from sale any goods, services, and/or merchandise which may be found objectionable to the Chief Executive Officer based on findings that the provision of such goods or services are harmful to the public welfare.

12.14.2 Licensee shall bear the cost of installation, service, regular maintenance and stocking of Product. Licensee shall bear the cost of replacement of any vending machine that is damaged by the elements, vandalism, and ordinary wear and tear or

otherwise. Licensee shall bear the cost of vending machine relocation or removal from the licensed premises. Licensee shall reimburse the County for any costs associated with any damage resulting from Licensee's operations.

- 12.14.3 Licensee shall respond to all County calls for vending machine service within 24 hours.

#### 12.15 REPORTING

12.15.1 The Licensee shall meet with the Chief Executive Officer or its representative as many times as may be required by the Chief Executive Officer to review Licensee's performance under this License Agreement and to discuss any problems or matters as determined by the Chief Executive Officer and/or Licensee.

12.15.2 Licensee shall furnish the County with a monthly gross receipts report identifying monthly sales on a per-machine basis and showing all revenues for the exclusive use of the vending machine license. Such report shall be submitted no later than the 25<sup>th</sup> day of month following the month in which services were provided, unless otherwise specified by the Chief Executive Officer.

#### 12.16 SAFETY

Licensee shall immediately correct any unsafe condition of the licensed premises, as well as any unsafe practices occurring thereon. Licensee shall cooperate and comply fully with County, State, municipal, federal or any other regulatory agency having jurisdiction thereover, regarding any safety inspections and certifications of any and all Licensee's vehicles and equipment.

#### 12.17 SANITATION

No offensive matter or refuse, or substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted or remain on the licensed premises. Licensee

shall prevent the accumulation of trash and debris for a distance of ten (10) feet from the licensed premises.

#### 12.18 SECURITY DEVICES

Licensee, at its own expense, may provide any legal devices or equipment and the installation thereof, designated for the purpose of protecting the licensed premises from theft, burglary or vandalism, provided written approval for the installation thereof is first obtained from the Chief Executive Officer.

#### 12.19 SIGNS

Licensee shall not post signs upon licensed premises or improvements thereon unless prior approval thereof is obtained from the Chief Executive Officer. Signs shall also be subject to review and control by the Chief Executive Officer. Licensee is encouraged to prominently display *Choose Health LA* signage that promotes healthy food and beverage options on all vending machines (signage shall be provided by the Los Angeles County Department of Public Health).

#### 12.20 TEMPORARY STRUCTURES/EQUIPMENT

Licensee, at its own expense, shall provide, place, operate and maintain all the vending machines in the Vending Machine Facilities listed in Exhibit F. Licensee shall remove same from the licensed premises no later than date set for the take-down and removal of said temporary vending machines and equipment at the Licensee's sole expense. Should Licensee fail to complete this removal within thirty (30) days of the expiration or termination of this License Agreement, said equipment may be sold, removed or demolished, and Licensee shall reimburse County for any cost or expense in connection therewith in excess of any consideration received by County as a result of said sale, removal or demolition.

#### 12.21 UTILITIES

12.21.1 County shall provide and pay for any utilities serving the licensed premises. Licensee waives any and all claims against

County for compensation for loss or damage cause by a defect, deficiency or impairment of any utility system, electrical apparatus or wires serving the licensed premises.

12.21.2 Licensee shall not in any way alter or modify any of the County's utilities systems and/or equipment without specific authorization from the Chief Executive Officer.

#### 12.22 VANDALISM

Licensee shall report all incidents of vandalism resulting in the damage or destruction of vending machines operated pursuant to this License Agreement. Such reports shall identify the facility, location and serial number of the subject machine, and shall be faxed to: **FAX (213) 217-4968, Attention: Eliza Jung** or such other number as may hereinafter be designated in writing to Licensee by the Chief Executive Officer. Upon the occurrence of three or more incidents of documented vandalism at a single machine location within a twelve-month period, Licensee may elect to remove subject machine from location.

### **13.0 TERMS AND CONDITIONS**

#### 13.1 LICENSE AGREEMENT ENFORCEMENT

13.1.1 The Chief Executive Officer shall be responsible for the enforcement of this License Agreement on behalf of County and the United States and shall be assisted therein by those officers and employees of County having duties in connection with the administration thereof.

13.1.2 Any officers and/or authorized employees of County may enter upon the licensed premises at any and all reasonable times for the purpose of determining whether or not Licensee is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of County within the licensed premises.

13.1.3 In the event County commences legal proceedings for the enforcement of this License Agreement or recovery of the licensed premises herein, Licensee does hereby agree to pay any sum which may be awarded to the County by the Court for attorney's fees and costs incurred in the action brought thereon.

## 13.2 CANCELLATION

13.2.1 Upon the occurrence of any one or more of the events of default hereinafter described in Subparagraph 13.12, this License Agreement shall be subject to cancellation. As a condition precedent thereto, the Chief Executive Officer shall give Licensee ten (10) days notice by registered or certified mail of the date set for cancellation thereof; the grounds therefore; and that an opportunity to be heard thereon will be afforded on or before said date, if request is made therefor.

13.2.2 Upon cancellation, County shall have the right to take possession of the licensed premises.

13.2.3 Action by County to effectuate a cancellation and forfeiture of possession shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this License Agreement.

13.2.4 Any trustee, beneficiary, mortgagee or lender (hereinafter: Lender) under a hypothecation or mortgage previously approved by the Chief Executive Officer shall have the right at any time during the term of this License Agreement to undertake any and all action that may be required in order to prevent a cancellation of this License Agreement and a forfeiture of the use granted. Accordingly, the Chief Executive Officer shall send a copy of any intended cancellation of this License Agreement to any such Lender whose security would be affected thereby, provided that such Lender shall have

previously registered with the Chief Executive Officer by written notice specifying the name and address of said Lender; and upon request thereof for postponement, extend the date set therefor by such time as the Chief Executive Officer finds reasonable in order to allow said parties to correct the grounds therefor or to provide a new Licensee under a power of sale or foreclosure contained in the hypothecation or mortgage, who upon transfer thereto shall become responsible for the correction thereof within such time as may be allowed by the Chief Executive Officer.

- 13.2.5 In the event that, following service of the Notice of Cancellation of this License Agreement under the provisions of this clause, it is determined for any reason that the Licensee was not in default under the provisions of this clause, that the default was excusable under provisions of this clause, or Licensee has, to the satisfaction of the Chief Executive Officer, cured any default, the Chief Executive Officer shall issue, within five (5) business days, a rescission of the Notice of Cancellation, and the rights and obligations of the parties shall be the same as if the Notice of Cancellation had not been issued.

### 13.3 COMPLIANCE WITH CIVIL RIGHTS LAW

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

13.4 LICENSEE'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

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

13.5 LICENSEE'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

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

13.6 LICENSEE'S NON-COMPLIANCE

13.6.1 In the event the Chief Executive Officer determines that there are deficiencies in Licensee's operations authorized and required herein, the Chief Executive Officer will provide, as specified herein in the section of this License Agreement entitled Events of Default, a written notice to the Licensee to correct said deficiencies within specified time frames.

13.6.2 In the event that Licensee fails to correct the deficiencies within the prescribed time frames the Chief Executive Officer may, at his option: (1) use the Security Deposit as provided for herein,

(2) exercise its rights under the Sub-Section 13.25 (Right of Entry).

13.7 LICENSEE RESPONSIBILITY AND DEBARMENT

13.7.1 Responsible Licensee

A responsible Licensee is a Licensee who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the License Agreement. It is the County's policy to conduct business only with responsible Licensees.

13.7.2 Chapter 2.202 of the County Code

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

13.7.3 Non-responsible Licensee

The County may debar a Licensee if the Board of Supervisors finds, in its discretion, that the Licensee has done any of the following: (1) violated a term of a License Agreement with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Licensee's quality, fitness or capacity to perform a License Agreement with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a

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

#### 13.7.4 Contractor Hearing Board

1. If there is evidence that the Licensee may be subject to debarment, the Department will notify the Licensee in writing of the evidence which is the basis for the proposed debarment and will advise the Licensee of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Licensee and/or the Licensee'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 Licensee should be debarred, and, if so, the appropriate length of time of the debarment. The Licensee and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

4. If a Licensee has been debarred for a period longer than five (5) years, that Licensee may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Licensee has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Licensee has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the

period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

13.7.5 Subcontractors of Licensee

These terms shall also apply to Subcontractors of County Licensees.

13.8 LICENSEE'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

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

13.8.2 As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Licensee's duty under this License Agreement to comply with all applicable provisions of law, Licensee warrants that it is now in compliance and shall during the term of this License Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

13.9 LICENSEE'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED  
PROPERTY TAX REDUCTION PROGRAM

13.9.1 Licensee acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are currently in paying their property tax obligations (secured and unsecured toll) in order to mitigate the economic burden otherwise imposed upon County and its tax payers.

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

13.10 CONFLICT OF INTEREST

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

13.10.2 The Licensee shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this License Agreement. The Licensee warrants that it is not now aware of any facts that create a conflict of interest. If the Licensee hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure

shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

#### 13.11 COUNTY'S QUALITY ASSURANCE PLAN

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

#### 13.12 EVENTS OF DEFAULT

- 13.12.1 The abandonment, vacation or discontinuance of operations on the licensed premises for more than two (2) weeks during the time each event to the public, without approval thereof by the Chief Executive Officer.
- 13.12.2 The failure of Licensee to punctually pay or make the payments required herein when due, where the delinquency continues beyond seven (7) days following written notice for payment thereof.
- 13.12.3 The failure of Licensee to operate in the manner required by this License Agreement, where such failure continues for more than three (3) days after written notice from the Chief Executive Officer to correct the condition.
- 13.12.4 The failure to maintain the licensed premises and the improvements constructed thereon in the state of repair required herein, and in a clean, sanitary, safe and satisfactory

condition, where such failure continues for more than three (3) days after written notice from the Chief Executive Officer to correct the condition.

- 13.12.5 The failure of Licensee to keep, perform and observe all of the other promises, covenants, conditions and agreements set forth in this License Agreement, where such failure continues for more than thirty (30) days after written notice from the Chief Executive Officer for correction thereof, provided that where fulfillment of such obligation requires activity over a period of time and Licensee shall have commenced to perform whatever may be required to cure the particular default within ten (10) days after such notice and continues such performance diligently, said time limit may be waived in the manner and to the extent allowed by the Chief Executive Officer.
- 13.12.6 Determination by the County, the California Fair Employment and Housing Commission, or the Federal Equal Employment Opportunity Commission of discrimination having been practiced by Licensee in violation of State and/or Federal laws thereon.
- 13.12.7 Transfer of the majority controlling interest of Licensee to persons other than those who are in control at the time of the execution of this License Agreement without approval thereof by the Chief Executive Officer.
- 13.12.8 Failure of Licensee to keep, perform and observe all other promises, covenants, conditions and agreements set forth herein.

### 13.13 FAIR LABOR STANDARDS

The Licensee shall comply with all applicable provisions of the Federal Fair Labor Standards Act.

#### 13.14 FORCE MAJEURE; TIME EXTENSIONS

- 13.14.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this License Agreement, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").
- 13.14.2 Notwithstanding the foregoing, a default by a subcontractor of Licensee shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Licensee and such subcontractor, and without any fault or negligence of either of them. In such case, Licensee shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Licensee to meet the required performance schedule. As used in this sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.
- 13.14.3 In the event Licensee's failure to perform arises out of a force majeure event, Licensee agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

#### 13.15 GOVERNING LAW, JURISDICTION, AND VENUE

This License Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Licensee agrees and consents to the exclusive jurisdiction of the courts of the

State of California for all purposes regarding this License Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

#### 13.16 INDEPENDENT LICENSEE

This License Agreement is by and between the County of Los Angeles and Licensee and is not intended, and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association, as between County and Licensee. Licensee understands and agrees that all persons furnishing services on behalf of Licensee pursuant to this License Agreement are employees solely of Licensee and not of County. Licensee shall bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services on behalf of Licensee pursuant to this License Agreement.

#### 13.17 INDEMNIFICATION

To the extent permitted by applicable law, each party shall indemnify, defend and hold harmless the other party, its Special Districts, the United States, the County of Los Angeles Flood Control District, their elected and appointed officers, employees, officers, directors, and agents ("Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including reasonable attorney fees), arising from the indemnifying party's negligent acts and/or omissions arising from and/or relating to this License Agreement, except for such loss or damage arising from the negligence or willful misconduct of the Indemnitees. The duty to indemnify shall survive the expiration or other termination of this License Agreement.

#### 13.18 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Licensee shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 13.18 and 13.19 of this License Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to

and separate from any other contractual obligation imposed upon Licensee pursuant to this License Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Licensee for liabilities which may arise from or relate to this License Agreement.

13.18.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County. The County and the County of Los Angeles Flood Control District, their agents, officers, and employees (defined below) shall be listed as additional insureds under the Licensee's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this License Agreement.
- Renewal Certificates shall be provided to County not less than 10 days prior to Licensee's policy expiration dates.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this License Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Licensee identified as the contracting party in this License Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Licensee, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

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

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012

Attention: Christopher Montana, Acting Director of Real Estate Licensee also shall promptly report to County any injury or property damage accident or incident, including any injury to a Licensee employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Licensee.

**13.18.2 Additional Insured Status and Scope of Coverage**

The County of Los Angeles, its Special Districts, the County of Los Angeles Flood Control District, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Licensee's General Liability policy with respect to liability arising out of Licensee's ongoing and completed operations performed on behalf of the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

**13.18.3 Cancellation of or Changes in Insurance**

Licensee shall provide County with, or Licensee's insurance policies shall contain a provision that County shall receive, written notice of cancellation of the general liability policy. The written notice shall be provided in accordance with the policy

provision. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the License Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this License Agreement.

13.18.4 Failure to Maintain Insurance

Licensee's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the License Agreement, upon which County immediately may withhold payments due to Licensee, and/or suspend or terminate this License Agreement. County, at its sole discretion, may obtain damages from Licensee resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Licensee, deduct the premium cost from sums due to Licensee or pursue Licensee reimbursement.

13.18.5 Insurer Financial Ratings

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

13.18.6 Licensee's Insurance Shall Be Primary

Licensee's general liability insurance policy, with respect to any claims related to this License Agreement, shall be primary with respect to all other sources of coverage available to Licensee.

13.18.7 Waivers of Subrogation

To the fullest extent permitted by law, the Licensee hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this License Agreement. The Licensee shall

require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

13.18.8 Sub-Contractor Insurance Coverage Requirements

Licensee shall include all Sub-Contractors as insureds under Licensee's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Licensee shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Licensee as additional insureds on the Sub-Contractor's General Liability policy. Licensee shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

13.18.9 Claims Made Coverage

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

13.18.10 Application of Excess Liability Coverage

Licensees may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

13.18.11 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision.

13.19 INSURANCE COVERAGE REQUIREMENTS

13.19.1 Commercial General Liability

Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

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

13.19.2 Automobile Liability

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

13.19.3 Workers Compensation and Employers' Liability

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

any federal workers or workmen's compensation law or any federal occupational disease law.

13.19.4 Property Coverage

Licensees given exclusive use of County owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The County and its Agents shall be named as Loss Payee on Licensee's insurance as its interests may appear. Mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value.

13.19.5 Notwithstanding the above and in the event that Licensee fails to comply with any insurance requirements of this License Agreement, and such failure to comply results in any costs to County, Licensee shall pay full compensation for all costs incurred by County.

13.20 NON-DISCRIMINATION AND AFFIRMATIVE ACTION

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

13.20.2 The Licensee shall certify to and comply with the provisions of Exhibit B, Licensee's EEO Certification.

13.20.3 The Licensee shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in

compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- 13.20.4 The Licensee certifies and agrees that it will deal with its subcontractors, bidders and vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 13.20.5 The Licensee certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this License Agreement or under any other project, program, or activity supported by this License Agreement.
- 13.20.6 The Licensee shall allow County representatives access to the Licensee's employment/volunteer records during regular business hours to verify compliance with the provisions of this Subparagraph 13.20 when so requested by the County.
- 13.20.7 If the County finds that any provisions of this Sub-Paragraph 13.20 have been violated, such violation shall constitute a material breach of this License Agreement upon which the County may terminate or suspend this License Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this License

Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Licensee has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Licensee has violated the anti-discrimination provisions of this License Agreement.

13.20.8 The parties agree that in the event Licensee violates the non-discrimination provisions of this License Agreement, County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code 1671 as liquidated damages in lieu of canceling, terminating or suspending this License Agreement.

13.21 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY

LAW

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

### 13.22 NOTICES

Any notice required to be given under the terms of this License Agreement or any law applicable thereto may be: (1) delivered by personal service; facsimile or email or (2) placed in a sealed envelope, with postage paid, return receipt requested, addressed to the person on whom it is to be served, and deposited in a post office, mailbox, sub-post office, substation or mail chute, or other like facility regularly maintained by the United States Postal Service. The address to be used for any notice served by mail upon Licensee shall be:

Compass Group USA, Inc.  
5000 Hopyard Road, Suite 322  
Pleasanton, CA 94588  
Attn: Chris Hulick, Division President

With a copy to:  
Compass Group USA, Inc.  
2400 Yorkmont Road  
Charlotte, NC 28217  
Attn: (i) General Counsel; and (ii) President,  
Canteen Refreshment Services Division

The address to be used for any notice served by mail upon County shall be the County of Los Angeles, Chief Executive Office, Real Estate Division, 222 South Hill Street, 3<sup>rd</sup> Floor, Los Angeles, CA 90012, Attention: Christopher M. Montana, or such other place as may hereafter be designated in writing to Licensee by the Executive Chief Officer. Service by mail; facsimile or email and shall be deemed complete upon deposit in the above mentioned manner.

### 13.23 PUBLIC RECORDS ACT

Any documents submitted by Licensee; all information obtained in connection with the County's right to audit and inspect Licensee's documents, books, and accounting records pursuant to Paragraph 8.0 of this License Agreement; as well as those documents which were required to be submitted in response to the solicitation process for this License Agreement, become the exclusive property of the County. All such

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

#### 13.24 RECYCLED BOND PAPER

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

#### 13.25 RIGHT OF ENTRY

13.25.1 County may enter upon the Licensed Premises at any and all reasonable times for the purpose of determining whether or not Licensee is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of the County within the licensed premises.

13.25.2 In the event of an abandonment, vacation or discontinuance of operations for a period in excess of two (2) weeks, Licensee hereby irrevocably appoints County as an agent for continuing operation of the use granted herein, and in connection therewith authorizes the officers and employees thereof to (1) take possession of the licensed premises, including all improvements, equipment and inventory thereon; (2) remove any and all persons or property on said licensed premises and place any such property in storage for the account of and at the expense of Licensee; (3) subagreement or sublicense the licensed premises; and (4) after payment of all expenses of such subleasing or sublicensing, apply all payments realized therefrom to the satisfaction and/or mitigation of all damages

arising from Licensee's breach of this License Agreement. Entry by the officers and employees of County upon the licensed premises for the purpose of exercising the authority conferred hereon as agent of Licensee shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this License Agreement.

- 13.25.3 No re-entry or taking of the licensed premises by County pursuant to Sub-Paragraph 13.25.2 of this section shall be construed as an election to terminate this License Agreement unless a written notice of such intention is given to Licensee or unless the termination thereof be decreed by a court of competent jurisdiction.

#### 13.26 SEVERABILITY

If any provision of this License Agreement is determined to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall not be affected thereby and shall remain in full force and effect.

#### 13.27 SUBLICENSES

- 13.27.1 Licensee shall not, without the prior written consent of the Chief Executive Officer, sublicense any portion of the Licensed Premises, or sublicense any of the operation or activities authorized or required by this License Agreement.
- 13.27.2 In the event the County determines that the Licensee has violated the sublicense provision contained herein, the same shall constitute a material breach of License Agreement upon which the County may determine to cancel, terminate, or suspend this License Agreement.

#### 13.28 SURRENDER OF LICENSED PREMISES

Upon termination, expiration of the term hereof, or cancellation thereof as herein provided, Licensee shall peaceably vacate the licensed premises and any and all improvements located thereon and deliver up the same

to County in a reasonably good condition, ordinary wear and tear excepted, subject to the right of County to demand removal thereof to the extent that Paragraph 4.6 hereinbefore may be applicable thereto.

13.29 TAXES AND ASSESSMENTS

13.29.1 The property interest conveyed herein may be subject to real property taxation and/or assessment thereon, and in the event thereof, Licensee shall pay before delinquency all lawful taxes, including but not limited to possessory interest taxes, assessments, fees or charges which at any time may be levied by the State, County, City or any other tax or assessment-levying body upon the licensed premises and any improvements located thereon.

13.29.2 Licensee shall also pay all taxes, assessments, fees and charges on goods, merchandise, fixtures, appliances and equipment owned or used therein.

13.30 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE

Failure of Licensee to maintain compliance with the requirements set for in Subsection 13.8, Licensee's Warranty of Adherence to County's Child Support Compliance Program, shall constitute a default by Licensee under this License Agreement. Without limiting the rights and remedies available to County under any other provision of this License Agreement, failure to cure such default within 90 days of notice by the County of Los Angeles District Attorney shall be grounds upon which the county Board of Supervisors may terminate this License Agreement pursuant to Subsection 13.2, Cancellation.

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

Failure of Licensee to maintain compliance with the requirements set for in Paragraph 13.9, Licensee's Warranty of Compliance with County's Defaulted Property Tax Reduction Program, shall constitute default under

this License Agreement. Without limiting the rights and remedies available to County under any other provisions of this License Agreement, failure of Licensee to cure such default within 10 days of notice shall be grounds upon which County may terminate this License Agreement and/or pursue debarment of Licensee, pursuant to County code chapter 2.206.

### 13.32 TERMINATION FOR CONVENIENCE; SUSPENSION

#### 13.32.1 Termination for Convenience

The License Agreement may be terminated, in whole or in part, by County or Licensee in its sole discretion for whatever reason. Termination of License Agreement hereunder shall be effected by delivery to Licensee or County of a written notice of termination for convenience from the Chief Executive Officer or Licensee specifying the extent to which performance is terminated and the date upon which such termination shall become effective. The date upon which such termination becomes effective shall be no less than one hundred eighty (180) days after notice by the terminating party.

#### 13.32.2 Suspension

County, at its convenience, and without further liability, may suspend Licensee's performance under this License Agreement, in whole or in part, by written notice to Licensee from the Chief Executive Officer specifying the effective date and extent of the suspension.

13.32.2.1 Licensee shall immediately discontinue all services unless otherwise indicated by Chief Executive Officer.

13.32.2.2 In the event the entire License Agreement is suspended and the period of suspension exceeds one (1) calendar year, this License Agreement may

be deemed terminated for convenience at the option of either party, upon written notice to the other party.

13.33 TERMINATION FOR IMPROPER CONSIDERATION

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

13.33.2 Licensee shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the Auditor-Controller's Fraud Hotline at (800) 544-6861 or to such other number as may be provided to Licensee in writing by County

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

13.34 TERMINATION FOR INSOLVENCY

13.34.1 The County may terminate this License Agreement forthwith in the event of the occurrence of any of the following:

- Insolvency of the Licensee. The Licensee shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot

pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Licensee is insolvent within the meaning of Federal Bankruptcy Code;

13.34.2 To the extent permitted by law, the County may terminate this License Agreement forthwith in the event of the occurrence of any of the following:

- The filing of a voluntary or involuntary petition regarding the Licensee under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for Licensee; or

13.34.3 The rights and remedies of County provided in this Sub-Section 13.34 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this License Agreement.

#### 13.35 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

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

#### 13.36 TERMINATION UPON TRANSFER OF TITLE OR VENDING MACHINE FACILITY CLOSURE

13.36.1 Notwithstanding any other provision of this License Agreement, in the event the County transfers title of any or all of the County of Los Angeles Vending Machine Facilities containing the licensed premises to a governmental agency (assignee), the County reserves the right to: terminate this License Agreement; or provided there is consent by an assignee, assign the

County's interest in this License Agreement to said assignee. County shall provide the Licensee with notice of termination or assignment of this License Agreement pursuant to this provision. If the License Agreement is so terminated by the County, County, shall within thirty (30) days, reimburse the Licensee the unearned portion of the Annual Cash bonus paid in accordance to the annual cash bonus amount of this License Agreement Year in which License Agreement is terminated. Such reimbursement shall be determined by multiplying that annual cash bonus by a fraction, the numerator of which is the number of months remaining in this current License Agreement Year at the time such termination occurs and denominator of which is 12.

- 13.36.2 Notwithstanding any other provision of this License Agreement, in the event the County closes any or all the County of Los Angeles Vending Machine Facilities containing the licensed premises, this License Agreement shall be amended or terminated upon the effective date of such closure(s). Upon the effective date of vending machine facility closure, Licensee shall immediately cease its operations, and within fifteen (15) days therefrom remove all items of its personal property, equipment, and inventory. County shall provide advance notice to the Licensee of such vending machine facility closure.

### 13.37 TRANSFERS

- 13.37.1 Licensee shall not, without written consent of the Chief Executive Officer, transfer, assign, sublicense, hypothecate or mortgage this License Agreement. Any attempted transfer, assignment, sublicense, hypothecation or mortgage without the written consent of the Chief Executive Officer shall be null and void, and shall constitute a material breach of this License Agreement.

- 13.37.2 Each and all of the provisions, agreements, terms, covenants and conditions herein contained to be performed by Licensee shall be binding upon any transferee thereof.
- 13.37.3 Shareholders and/or partners of Licensee 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 Licensee to any persons, corporation, partnership or legal entity other than the majority controlling interest therein at the time of the execution of this License Agreement, the Chief Executive Officer's approval thereof shall be required. Consent to any such transfer shall be refused if the Chief Executive Officer finds that the transferee is lacking in experience and/or financial ability to conduct the license.
- 13.37.4 The prohibition herein contained shall not be applicable with respect to transfers of this License Agreement arising from the exercise of a power of sale or judicial foreclosure pursuant to the terms and conditions of a hypothecation or mortgage previously approved by the Chief Executive Officer.
- 13.37.5 In the event Licensee shall request the prior written consent of Chief Executive Officer to give, assign, transfer or grant control of this License Agreement, and Chief Executive Officer gives written consent to the assignment, a transfer fee equal to \$35,000 shall be paid to County. Said sum shall be payable to County in full either within thirty (30) days after said consent is given or prior to the close of any escrow, whichever occurs first. Prior to Chief Executive Officer's consent to such assignment, the assignor shall first deliver to assignee a written schedule of all sums due and owing to County from the assignor with such schedule in a form subject to the approval

of the Chief Executive Officer in all respects, and second, shall deliver to Chief Executive Officer, as part of the acceptance of the assignment, a written acknowledgment by the assignee that the assignee (a) affirms the sums due and owing to County and (b) accepts responsibility for payment of such sums directly to County. Exempted from said transfer fee shall be the following:

- a. A transfer of an undivided interest in the license agreement between or among co-workers or affiliated entities which results in a change in method of holding title but does not result in a change to the proportional interests held by the co-owners or affiliated entities prior to the transfer;
- b. An assignment which serves as security for the repayment of a loan from any lender but which does not entitle the assignee to an immediate right to use, occupy, possess or receive the rents or profits from the license agreement for so long as the assignor makes the required periodic payments and complies with other provisions of the loan;
- c. A transfer of title of the license agreement to a lender purchaser at the foreclosure sale under a deed of trust on the property or by assignment to the lender or its nominee in lieu of foreclosure;
- d. Such other assignment for which the Chief Executive Officer determines that the ownership interests in this License Agreement have remained unchanged, such as a change in the legal or fictitious name of the Licensee without any other change in the equity, in beneficial use of, or legal title to the license agreement as an asset, or the income produced thereby. The Chief Executive Officer's decision in such cases shall be appealable to the Board of Supervisors within ten (10) days after receipt of written

notice of the Chief Executive Officer's decision. Any such appeal request shall be accompanied by a Certificate of Deposit filed with the Chief Executive Officer in the full amount of the transfer fee; the Certificate of Deposit shall be payable to County, and the interest thereon shall accumulate, but the principal sum and interest shall remain the property of Licensee in the event the Chief Executive Officer's decision is reversed.

13.38 WAIVER

- 13.38.1 Any waiver by County of any breach of any one or more of the covenants, conditions, terms and agreements herein contained shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or agreement herein contained, nor shall failure on the part of County to require exact, full and complete compliance with any of the covenants, conditions, terms or agreements herein contained be construed as in any manner changing the terms of this License Agreement or stopping County from enforcing the full provisions thereof.
- 13.38.2 No delay, failure, or omission of County to re-enter the licensed premises or to exercise any right, power, privilege or option, arising from any default, nor any subsequent acceptance of payments then or thereafter accrued shall impair any such right, power, privilege or option, or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right.
- 13.38.3 No notice to Licensee shall be required to restore or revive "time of the essence" after the waiver by County of any default.
- 13.38.4 No option, right, power, remedy or privilege of County shall be construed as being exhausted by the exercise thereof in one or

more instances. The rights, powers, options and remedies given County by this License Agreement shall be cumulative.

#### 13.39 WARRANTY AGAINST CONTINGENT FEES

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

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

#### 13.40 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

The Licensee shall maintain accurate and complete financial records of its activities and operations relating to this License Agreement in accordance with generally accepted accounting principles. The Licensee shall also maintain accurate and complete employment and other records relating to its performance of this License Agreement. The Licensee agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this License Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, appropriate documentation for voided transactions (including approval for the void), and proprietary data and information, shall be kept and maintained by the Licensee and shall be made available to the County during the term of this License Agreement and for a period of five (5) years thereafter unless the

County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Licensee at a location in the County of Los Angeles, provided that if any such material is located outside the County of Los Angeles, then, at the County's option, the Licensee shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

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

13.40.2 Failure on the part of the Licensee to comply with any of the provisions of this Sub-paragraph 13.40 shall constitute a material breach of this License Agreement upon which the County may terminate or suspend this License Agreement.

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

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

- 13.40.4 If the County notifies the Licensee that the Licensee did/does not, to the reasonable satisfaction of the County (1) adequately maintain the documents required under Section 13.40 of the license agreement, and/or (2) did/does not have adequate internal controls, such that financial records could contain errors and/or omissions that would not be prevented and/or detected in the normal course of business, and/or (3) if the County is not able to reasonably determine whether the Licensee reported and paid the correct amount due to the County under this license agreement, then the County will assess penalties specified in this section upon the Licensee.
- 13.40.5 In the event the County hires an Independent Certified Public Accounting firm (CPA) to perform an audit of the Licensee's gross receipts and/or payments to the County, and if the CPA concludes that, due to inadequate records maintained by the Licensee, the CPA is unable to issue an unqualified opinion as to gross receipts for the Licensee, the CPA may employ alternative methods to impute rent for the period of inadequate records and calculate rent due. The CPA (or the Count) may use the Licensee's gross receipts last audited (in which an unqualified audit opinion was expressed), inflated by the Consumer Price Index for All Urban Consumers for the Los Angeles, Riverside, and Orange County areas. Interest/late fees

may also be separately applied. In addition, the County may require the Licensee to pay for the cost of the CPA's audit.

- 13.40.6 In the event the County and/or a CPA firm concludes that the Licensee under-reported Gross Receipts to the County, and that under-reporting is equal to or greater than 5% of the current or previous year's Gross Receipts reported by the Licensee, as determined at the sole discretion of the County, the Licensee shall pay for the cost of the CPA's audit and/or the County's review (including County costs associated with the CPA's audit, such as monitoring the audit, etc.).
- 13.40.7 Licensee shall at all times during license agreement period and for five (5) years after the termination/expiration of the license agreement, keep, or cause to be kept, locally, to the reasonable satisfaction of the County true, accurate, and complete records for all accounting years covered by this license agreement. Records will show all transactions relative to the conduct of operations, and be supported by data of original entry. Records shall detail transactions conducted on or from the licensed premises separate and apart from those in connection with Licensee's other business operations, if any.
- 13.40.8 All sales and/or services shall be recorded by cash registers or computers which automatically issue a customer's receipt or certify the amount in a sales slip. Cash registers shall have locked in sales totals and transaction counters that constantly accumulate and cannot be reset, and issue a tape (or other equivalent security mechanism) that imprints sequential transaction numbers and sales details. Beginning and ending cash register readings shall be made a matter of daily record. Signs shall be visibly posted near all cash registers requesting the payer to ask the cashier for a receipt and, if possible, the sign should include a sample of the appropriate receipt.

### 13.41 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

13.41.1 Should the Licensee require additional or replacement personnel after the effective date of this License Agreement, the Licensee 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 Licensee's minimum qualification for the open position. For this purpose, consideration shall mean that the Licensee will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Licensee.

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

### 13.42 GREEN INITIATIVES

Licensee shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits. Licensee shall purchase, store, and use environmentally and human friendly products that are compatible with products used by County. County shall determine and approve Licensee's products prior to their use. In addition, Licensee must complete and submit the Green Initiative Compliance Form as set forth in Exhibit M.

## **14.0 COUNTY'S SMOKING BAN ORDINANCE**

This License Agreement is subject to the provisions of the County's ordinance entitled Los Angeles County Code Title 17, Parks, Beaches, and Other Public Places, prohibiting smoking at County Parks ("Smoking Ban Ordinance") as codified in Sections 17.04.185 through 17.04.650 of the Los Angeles County Code, a copy of which is attached as Exhibit E and incorporated by reference into and made part of this License Agreement.

## **15.0 USE OF EXPANDED POLYSTYRENE (EPS) FOOD CONTAINERS**

The Licensee is required to comply with the County's policy on restricting its purchase and use of EPS food containers on County-owned facilities.

## **16.0 ARTIFICIAL TRANS FAT REDUCTION PROGRAM:**

- 16.1 Licensee agrees that it will participate in the County's Artificial Trans Fat Reduction (ATFR) Program, which mandates that no foods containing 0.5 grams or more of artificial trans fat per serving be stored, distributed, held for service, and/or used in the preparation of any menu item or in the Licensed Premises, except for food that is being served directly to consumers in a manufacturer's original sealed package, as more specifically set forth in Exhibit I hereto. Licensee shall provide the written certification attached hereto as Exhibit L stating that it has reviewed and is familiar with the requirements of the ATFR Program and will promptly obtain approval as a participant from the County's Public Health Department. Further information can be found at [www.lapublichealth.org](http://www.lapublichealth.org).
- 16.2 Within 5 days of the County's execution of this License Agreement, Licensee shall submit to the County's Public Health Department all required application materials for participation in the ATFR Program, and shall thereafter diligently pursue approval as an ATFR participant. Licensee's failure to do either of the foregoing shall constitute a material breach of this License Agreement and shall be grounds for immediate termination by the County. County shall have the right, in its sole discretion, to extend the time limit for submission of any and all application documents.
- 16.3 Upon County's approval of the Licensee's participation in the ATFR Program, Licensee shall have the same rights and obligations as any voluntary member of the ATFR Program (e.g., use of Program decal/logo, status updating, etc.), except for the right to terminate participation and as otherwise set forth herein.

- 16.4 In addition to any remedies provided the County by the ATFR Program's rules, any failure by Licensee to comply with the ATFR Program standards shall constitute a material breach of this License Agreement entitling the County to terminate the License Agreement in its entirety or, if the Licensee provides service to multiple Licensed Premises, with respect to the non-compliant facility. Prior to and/or in lieu of termination, the County may also, at its discretion, do any or all of the following:
- a. Require removal of all ATFR Program logo, signage and other advertising materials from the non-compliant License Premises and from any other location where such materials are used by the Licensee, including without limitation menus, menu boards, and dining table tent cards.
  - b. Require Licensee to cure its non-compliance with ATFR Program standards within a period prescribed by the County, in its discretion.

## **17.0 LICENSEE Performance**

- 17.1 The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.
- 17.2 The Department of Public Health (DPH) may periodically monitor this License Agreement to ensure the Licensee's compliance with the County of Los Angeles Vending Machine Nutrition Policy. DPH shall communicate its findings to the Chief Executive Office. Failure to comply with the County of Los Angeles Vending Machine Nutrition Policy may, in the Chief Executive Officer's sole discretion, constitute a breach of this License Agreement.

## **18.0 ENTIRE LICENSE AGREEMENT**

This document and the Exhibit(s) attached hereto constitute the entire License Agreement between County and Licensee and its subcontractors, if any, for Vending Machine Services at the County of Los Angeles Vending Machine Facilities. All other license agreements, promises and representations with respect thereto, other than contained herein, are expressly revoked, as it has been the intention of the parties to provide for a complete integration within the provisions of this document, and the Exhibit(s) attached hereto, the terms, conditions, promises and covenants relating to the license and the premises to be used in the conduct thereof. The unenforceability, invalidity, or illegality of any provision of this License Agreement shall not render the other provisions thereof unenforceable, invalid or illegal.

## **19.0 AUTHORIZATION WARRANTY**

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

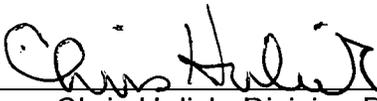
IN WITNESS WHEREOF, Licensee has executed this License Agreement, or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this License Agreement to be executed on its behalf by the Chief Executive Officer of the Chief Executive Office, the month, day and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
William T Fujioka, Chief Executive Officer  
Chief Executive Office

LICENSEE

SEE ATTACHED  
ACKNOWLEDGEMENT

By  \_\_\_\_\_ JUL 18 2013  
Chris Hulick, Division President

APPROVED AS TO FORM:

JOHN KRATTLI  
County Counsel

By  \_\_\_\_\_  
Christina A. Salseda, Principal Deputy

**CALIFORNIA ALL-PURPOSE CERTIFICATE  
OF ACKNOWLEDGMENT**

**State of California  
County of ALAMEDA**

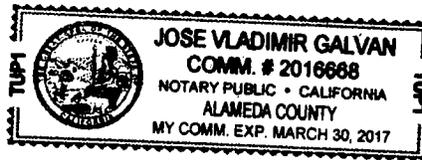
On JUL 18 2013 before me, **JOSE VLADIMIR GALVAN, NOTARY PUBLIC**

personally appeared CHRISTOPHER NEIL HULICK

\_\_\_\_\_ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the state of California that the foregoing paragraph is true and correct.

Jose Galvan  
Signature of Notary



**Optional Information**

Date of Document: JUL 18 2013

Type or Title of Document: \_\_\_\_\_

Number of Pages in Document: \_\_\_\_\_

Document in a Foreign Language: \_\_\_\_\_

**Type of Satisfactory Evidence:**

\_\_\_\_\_ Personally known with Paper Identification

\_\_\_\_\_ Paper Identification

\_\_\_\_\_ Credible Witness(es)

**Other Information**

**Capacity of Signer:**

\_\_\_\_\_ Trustee

\_\_\_\_\_ Power of Attorney

\_\_\_\_\_ CEO/CFO/COO

\_\_\_\_\_ President/Vice-President/Secretary/Treasurer

\_\_\_\_\_ Other: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# **EXHIBIT A**

IRS NOTICE 1015



Department of the Treasury  
Internal Revenue Service

## Notice 1015

(Rev. December 2012)

### **Have You Told Your Employees About the Earned Income Credit (EIC)?**

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#### **What is the EIC?**

The EIC is a refundable tax credit for certain workers.

#### **Which Employees Must I Notify About the EIC?**

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

**Note.** You are encouraged to notify each employee whose wages for 2012 are less than \$50,270 that he or she may be eligible for the EIC.

#### **How and When Must I Notify My Employees?**

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must

notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2013.

You must hand the notice directly to the employee or send it by first-class mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice from IRS.gov or by calling 1-800-829-3676.

#### **How Will My Employees Know If They Can Claim the EIC?**

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see Pub. 596, Earned Income Credit (EIC), or the instructions for Form 1040, 1040A, or 1040EZ.

#### **How Do My Employees Claim the EIC?**

Eligible employees claim the EIC on their 2012 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2012 and owes no tax but is eligible for a credit of \$800, he or she must file a 2012 tax return to get the \$800 refund.

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Notice 1015 (Rev. 12-2012)

Cat. No. 205991

# **EXHIBIT B**

## **LICENSEE'S EEO CERTIFICATION**

**EXHIBIT 8**

**PROPOSER'S EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION**

Compass Group USA, Inc. by and through its Canteen Vending Services Division  
 Proposer's Name

5000 Hopyard Road, Suite 322, Pleasanton CA  
 Business Address

56-1874931  
 Internal Revenue Service Employer Identification Number

**GENERAL**

In accordance with *Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000e through 2000e-17, Section 504 of the Rehabilitation Act of 1975, the Food Stamp Act of 1977, the Welfare and Institutions Code Section 1000, Americans with Disability Act of 1990, California Department of Social Services Manual of Policies and Procedures Division 21, the Contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, creed, color, national origin, political affiliation, marital status, age, disability, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.*

**PROPOSER'S CERTIFICATION**

- |  | <u>Check One</u>                               |
|--|--|
| 1. The Proposer has a written policy statement prohibiting discrimination in all phases of employment.   | <input checked="" type="checkbox"/> Yes [ ] No |
| 2. The Proposer periodically conducts a self analysis or utilization analysis of its work force.   | <input checked="" type="checkbox"/> Yes [ ] No |
| 3. The Proposer has a system for determining if its employment practices are discriminatory against protected groups.  | <input checked="" type="checkbox"/> Yes [ ] No |
| 4. Where problem areas are identified in employment practices, the Proposer has a system for taking reasonable corrective action which includes the establishment of goals and timetables. | <input checked="" type="checkbox"/> Yes [ ] No |

Name (please print or type) Chris Hulick

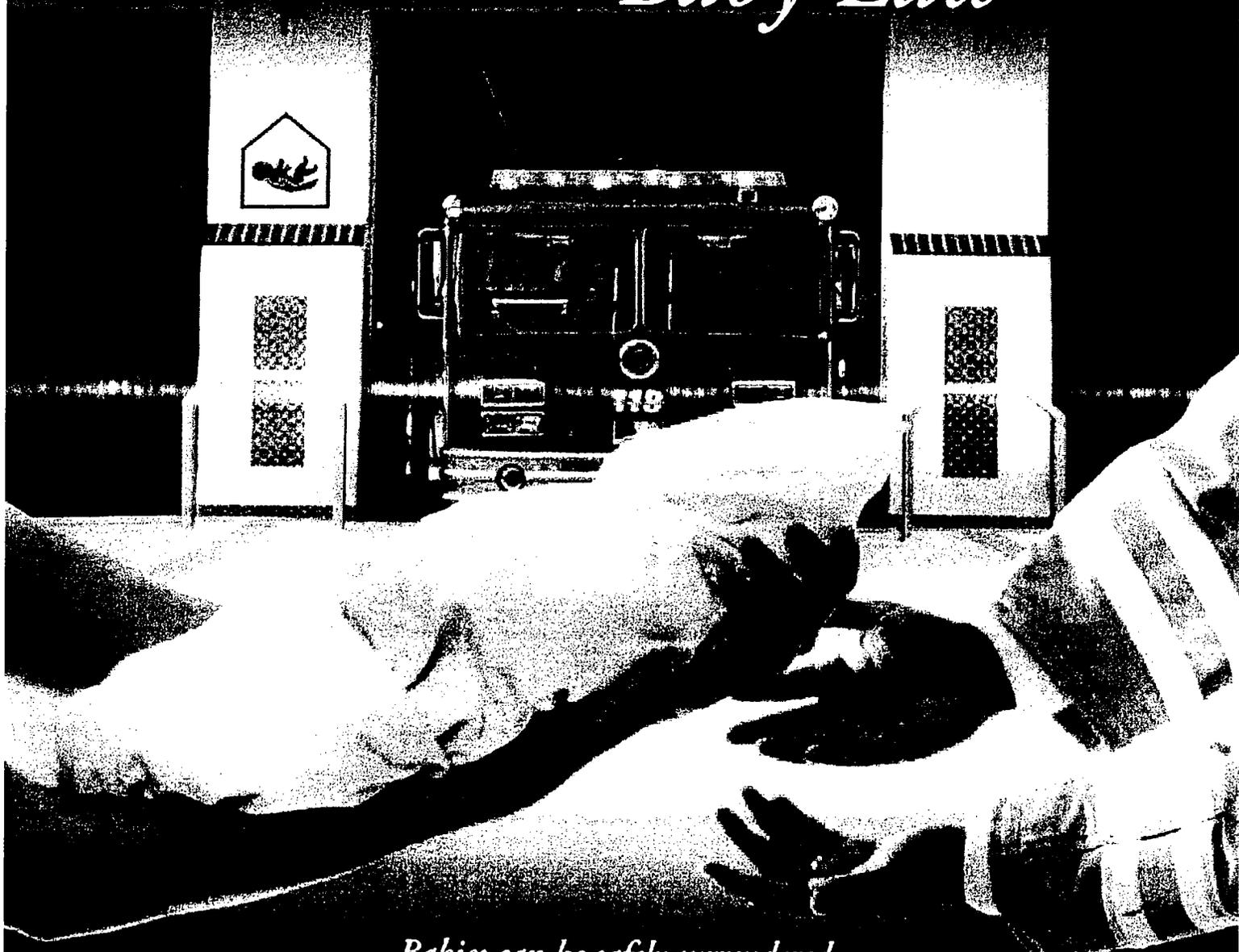
Title of Signer (please print or type) Division President

Signature *Chris Hulick* Date 4/18/13

# **EXHIBIT C**

## **SAFELY SURRENDERED BABY LAW**

# *Safely* Surrendered *Baby Law*



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

**No shame. No blame. No names.**

**In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723**

[www.babysafela.org](http://www.babysafela.org)



# Safely Surrendered Baby Law

## What is the Safely Surrendered Baby Law?

The Safely Surrendered Baby Law allows a parent or other person with lawful custody to legally and confidentially surrender a baby to hospital or fire station staff within three days (72 hours) after birth. The parent or other person must give permission in confidence to surrender a baby. The baby is then placed in the custody of a hospital or fire station staff member who has not been abused or neglected.

The parent or other person who surrenders the baby may be contacted by the hospital or fire station staff if the parent or other person wishes to reclaim the baby within 14 days. The parent or other person must be able to identify the baby and provide a matching bracelet.

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

## How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

## What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

## Can only a parent bring in the baby?

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

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

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

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

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

## What happens to the baby?

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

## What happens to the parent or surrendering adult?

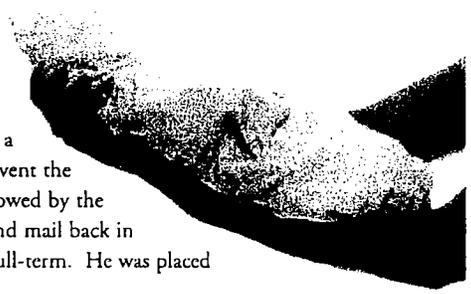
Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

## Why is California doing this?

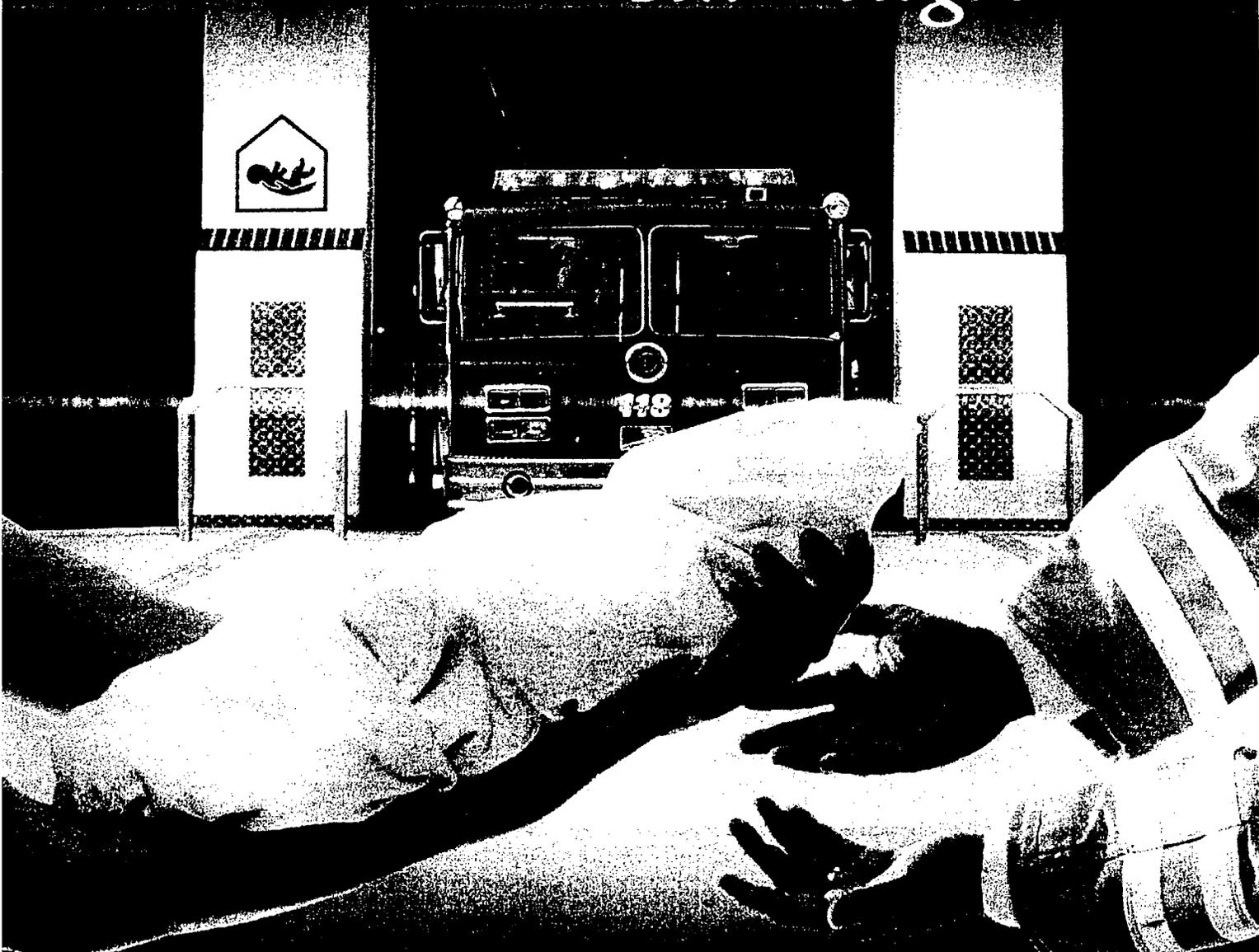
The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

## A baby's story

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



# *Ley de* Entrega de Bebés *Sin Peligro*



*Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles*

**Sin pena. Sin culpa. Sin nombres.**

**En el Condado de Los Angeles: 1-877-BABY SAFE • 1-877-222-9723**

[www.babysafela.org](http://www.babysafela.org)



# Ley de Entrega de Bebés Sin Peligro

## ¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro es una ley que permite a los padres o adultos que tienen un recién nacido entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

## ¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

## ¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles al 1-800-540-4000.

## ¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

## ¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

## ¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

## ¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

## ¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

## ¿Por qué se está haciendo esto en California? ?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

*Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.*

## Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



# **EXHIBIT D**

## COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

**Title 2 ADMINISTRATION**  
**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

**2.206.010 Findings and Declarations.**

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.020 Definitions.**

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
- G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

**Title 2 ADMINISTRATION**  
**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

**2.206.030 Applicability.**

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.040 Required Solicitation and Contract Language.**

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.050 Administration and compliance certification.**

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.
- B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

**Title 2 ADMINISTRATION**  
**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

**2.206.060 Exclusions/Exemptions.**

- A. This chapter shall not apply to the following contracts:
1. Chief Executive Office delegated authority agreements under \$50,000;
  2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
  3. A purchase made through a state or federal contract;
  4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
  5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
  6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
  7. Program agreements that utilize Board of Supervisors' discretionary funds;
  8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
  9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
  10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
  11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
  12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or

**Title 2 ADMINISTRATION**  
**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
  14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.
- B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.070 Enforcement and Remedies.**

- A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.
- B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.
- C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:
  1. Recommend to the Board of Supervisors the termination of the contract; and/or,
  2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
  3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.080 Severability.**

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)

# **EXHIBIT E**

## COUNTY'S SMOKING BAN ORDINANCE

**ORDINANCE NO. 2009-0044**

An ordinance amending Title – 17 Parks, Beaches and Other Public Places, to prohibit smoking in parks.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 17.04.035 is hereby added to read as follows:

**17.04.035 Contract-operated facilities.**

"Contract-operated facilities" means parks, which are operated, controlled, or maintained, in whole or in part, pursuant to an agreement with a lessee, concessionaire, operator, contractor, or vendor, for the purpose of providing recreational services to the public.

**SECTION 2.** Section 17.04.185 is hereby added to read as follows:

**17.04.185 Smoking.**

"Smoke" or "smoking" shall have the meaning as set forth in Section 11.64.020(B) of this code.

**SECTION 3.** Section 17.04.645 is hereby added to read as follows:

**17.04.645 Smoking Prohibited.**

Smoking shall be prohibited at all parks, except:

1. Smoking shall be permitted by actors who are acting during a permitted production or by models during a permitted photography session, unless otherwise determined by the Director, in consultation with the applicable Fire Official; and

2. Smoking shall be permitted within contract-operated facilities, in designated areas, at the discretion of the Director, in consultation with the operators of said facilities.

[1704035CSCC]

# **EXHIBIT F**

## **LIST OF COUNTY'S VENDING MACHINE FACILITIES**

## EXHIBIT F - CEO REGION 1: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 1	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
1	CHILDREN & FAMILY SERVICES	1933 S Broadway	LOS ANGELES	90007	5	3	0
2	PUBLIC HEALTH	3530 WILSHIRE BLVD.	LOS ANGELES	90010	1	1	0
3	CHIEF EXECUTIVE OFFICE (HALL OF ADM)	500 W. TEMPLE ST.	LOS ANGELES	90012	2	1	0
4	CHIEF EXECUTIVE OFFICE (REAL ESTATE)	222 S HILL ST	LOS ANGELES	90012	1	0	0
5	HEALTH SERVICES	313 N FIGUEROA AVE	LOS ANGELES	90012	2	1	0
6	PUBLIC HEALTH	241 FIGUEROA AVE.	LOS ANGELES	90012	1	0	0
7	SHERIFF (Jail)	429 N. BAUCHET ST.	LOS ANGELES	90012	2	1	0
8	SHERIFF (Jail)	450 BAUCHET ST.	LOS ANGELES	90012	6	6	2
9	SHERIFF (Jail)	441 BAUCHET ST	LOS ANGELES	90012	3	4	1
10	SHERIFF (Jail)	450 BAUCHET ST.	LOS ANGELES	90012	11	10	2
11	CHIEF EXECUTIVE OFFICE (Archive)	222 N. HILL	LOS ANGELES	90012	1	2	0
12	DISTRICT ATTORNEY (Hall of Records)	227 N. BROADWAY	LOS ANGELES	90012	1	1	0
13	MENTAL HEALTH	529 S. MAPLE AVE	LOS ANGELES	90013	1	1	0
14	PUBLIC HEALTH	714 W OLYMPIC BLVD	LOS ANGELES	90015	1	0	0
15	CHILD SUPPORT SERVICES	3160 W 6TH	LOS ANGELES	90020	1	0	0
16	CHILDREN & FAMILY SERVICES	3175 W. 6TH ST.	LOS ANGELES	90020	1	1	0
17	MENTAL HEALTH	550 S. VERMONT	LOS ANGELES	90020	2	2	0
18	CHILDREN & FAMILY SERVICES	425 SHATTO PL	LOS ANGELES	90020	2	2	0
19	CHILDREN & FAMILY SERVICES	501 SHATTO PL	LOS ANGELES	90020	1	1	0
20	PUBLIC WORKS	4801 E. 3RD ST	LOS ANGELES	90022	1	1	0
21	PUBLIC SOCIAL SERVICES	5026 SANTA MONICA	SANTA MONICA	90029			
22	PROBATION	1605 EASTLAKE AVE.	LOS ANGELES	90033	1	1	0
23	PROBATION	4549 Telegraph Rd	LOS ANGELES	90033	1	0	0

## EXHIBIT F - CEO REGION 1: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 1	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
24	MENTAL HEALTH	1224 Vine St.	HOLLYWOOD	90038	1	1	0
25	PUBLIC SOCIAL SERVICES	2601 WILSHIRE BLVD.	LOS ANGELES	90057	1	0	0
26	INTERNAL SERVICES	1100 N EASTERN	LOS ANGELES	90063	3	2	0
27	PUBLIC SOCIAL SERVICES	11110 W. PICO	W. LOS ANGELES	90064	1	0	0
28	PROBATION	1725 MAIN STREET	SANTA MONICA	90401			
29	PROBATION	14540 Haynes Street	VAN NUYS	91411	1	1	0
30	PROBATION	12310 LOWER AZUSA RD.	ARCADIA	91006	1	1	0
31	HEALTH SERVICES	300 WEST MAPLE STREET	MONROVIA	91016	1	1	0
32	PROBATION	12500 Big Tujunga Canyon	TUJUNGA	91042	1	0	0
33	CHILDREN & FAMILY SERVICES	532 E COLORADO BLVD	PASADENA	91101	2	1	0
34	PUBLIC SOCIAL SERVICES	4680 SAN FERNANDO	GLENDALE	91204	1	0	0
35	PROBATION	1301 N. Las Virgenes Rd	CALABASAS	91302	1	0	0
36	CHILDREN & FAMILY SERVICES	20151 NORDHOFF ST	CHATSWORTH	91311	2	2	0
37	MENTAL HEALTH	7621 CANOGA AVE.	CANOGA PARK	91324	1	0	0
38	INTERNAL SERVICES	13811 DEL SUR	SAN FERNANDO	91340	2	1	0
39	PROBATION	12653 N LITTLE TUJUNGA CANYON	SAN FERNANDO	91342	1	0	0
40	PROBATION	16350 FILBERT ST	SYLMAR	91342	6	3	1
41	MENTAL HEALTH	14659 OLIVE VIEW DRIVE	SYLMAR	91344	1	0	0
42	ASSESSOR	13800 BALBOA BLVD	SYLMAR	91344	1	1	0
43	PROBATION	14414 DELANO ST.	VAN NUYS	91401	1	1	0
44	PROBATION	7100 Van Nuys Blvd. Ste 206	VAN NUYS	91405	1	1	0
45	CHILD SUPPORT SERVICES	15531 VENTURA BLVD.	ENCINO	91436	1	1	0
46	PUBLIC HEALTH	5050 Commerce Dr	BALDWIN PARK	91706	2	1	0

## EXHIBIT F - CEO REGION 1: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 1	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
47	LIBRARY	208 N HARVARD AVE	CLAREMONT	91711	1	0	0
48	CHILD SUPPORT SERVICES	800 SO BARRANCA AVE.	COVINA	91724	1	0	0
49	CHILD SUPPORT SERVICES	1373 CENTER COURT DR.	COVINA	91724	1	0	0
50	HEALTH SERVICES	9320 TELSTAR AVE.	EL MONTE	91731	3	3	1
51	HEALTH SERVICES	10953 RAMONA BLVD.	EL MONTE	91731	1	2	1
52	PROBATION	11234 E VALLEY No. 302	EL MONTE	91731	2	1	0
53	PUBLIC SOCIAL SERVICES	3400 AEROJET AVE.	EL MONTE	91731	1	1	0
54	CHILDREN & FAMILY SERVICES	9320 TELSTAR AVE	EL MONTE	91731	1	2	1
55	PUBLIC SOCIAL SERVICES	4024 N. DURFEE AVE.	EL MONTE	91732	1	1	0
56	LIBRARY	1430 N CENTRAL AVE	S EL MONTE	91733	1	0	0
57	CHILDREN & FAMILY SERVICES	725 S GRAND	GLENDORA	91740	2	1	0
58	PROBATION	6631 N. Stephens Ranch Rd	La Verne, CA	91750	1	0	0
59	PROBATION	6601 N. Stephens Ranch Rd	La Verne, CA	91750	1	0	0
60	SHERIFF	4700 RAMONA BLVD.	MONTEREY PARK	91754	2	1	0
61	SHERIFF	1010 CENTRE PLAZA DRIVE	MONTEREY PARK	91754	1	1	0
62	CHILDREN & FAMILY SERVICES	2525 CORPORATE PL	MONTEREY PARK	91754	1	1	0
63	PUBLIC SOCIAL SERVICES	3220 ROSEMEAD BLVD.	EL MONTE	91763	0	0	0
64	PUBLIC HEALTH	750 D Park Ave.	POMONA	91766			
65	PROBATION	1660 W MISSION BLVD.	POMONA	91766	1	1	0
66	LIBRARY	8800 VALLEY BLVD	ROSEMEAD	91770	1	1	0
67	PROBATION	1900 Sycamore Canyon Rd	SAN DIMAS	91773	1	0	0
68	LIBRARY	1601 WEST COVINA PKWY	WEST COVINA	91790	3	2	0
69	CHILD SUPPORT SERVICES	2934 E GARVEY AVE	WEST COVINA	91791	1	0	0

## EXHIBIT F - CEO REGION 1: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 1	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
70	PROBATION	200 W. Woodward Ave.	ALHAMBRA	91801	1	1	0
71	PUBLIC HEALTH	1000 S. FREMONT AVE.	ALHAMBRA	91803	1	1	0
					<b>111</b>	<b>77</b>	<b>9</b>
<u>Region 1</u> : Approximate total no of vending machines					<b>197</b>		

# **EXHIBIT G**

## **COUNTY OF LOS ANGELES VENDING MACHINE NUTRITION POLICY**

<b>Policy #:</b>	<b>Title:</b>	<b>Effective Date:</b>
<b>3.115</b>	<b>County of Los Angeles Vending Machine Nutrition Policy</b>	<b>8/8/2006</b>

### **PURPOSE**

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Obesity rates are rising in the county among both children and adults. Obesity and poor nutrition are among the leading causes of chronic disease, including type 2 diabetes, heart disease, stroke, and cancer, and are major drivers of the escalating health care costs. The abundance of inexpensive low-nutrient, calorie-dense food and beverages in community and work environments are important contributors to unhealthy dietary practices. The purpose of the County of Los Angeles Vending Machine Nutrition Policy is to encourage healthier diets by increasing access to healthy food and beverages and reducing access to unhealthy food and beverage options for County employees and the public at County facilities.

### **REFERENCE**

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August 8, 2006, Board Order 25

February 17, 2009 - Board of Supervisors Statement of Proceedings:  
<http://file.lacounty.gov/bos/supdocs/47636.pdf>

August 18, 2009.- Board of Supervisors Statement of Proceedings

### **POLICY**

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This policy would affect County-contracted vending machine suppliers by requiring them to change the products they offer to meet County of Los Angeles Vending Machine Nutrition Policy guidelines in all County facilities and offices, except where exempted by the Board of Supervisors. This policy as it exists now or may exist in the future will apply to all new vending machine agreements as well as any new amendments to existing vending contracts. It is anticipated that County employees who purchase items from vending machines will be positively impacted by the policy by having a broad range of healthier foods and beverages from which to choose. County of Los Angeles Vending Machine Nutrition Policy guidelines are listed below. A list of examples of foods and beverages that comply with these guidelines are available upon request from the Department of Public Health.

All snacks and beverages sold in County-contracted vending machines must adhere to the following nutrition guidelines:

### **Snacks in Vending Machines**

An individually sold snack that has no more than:

- a) 35% of its calories from fat (excluding legumes, nuts, nut butters, seeds, eggs, non-fried vegetables, and cheese packaged for individual sale)
- b) 10% of its calories from saturated fat (excluding eggs and cheese packaged for individual sale)
- c) 35% sugar by weight (excluding fruits and vegetables)
- d) 250 calories per individual food item or package if a pre-packaged item
- e) 360 mg of sodium per individual food item or package if a pre-packaged item

### **Beverages in Vending Machines**

- a) Drinking water (including carbonated water products)
- b) Fruit-based drinks that are at least 50 percent fruit juice without added sweeteners
- c) Vegetable-based drinks that are at least 50 percent vegetable juice without added sweeteners
- d) Milk products, including two-percent, one-percent, nonfat, soy, rice and other similar non-dairy milk without added sweeteners
- e) Sugar sweetened or artificially sweetened beverages that do not exceed 25 calories per 8 ounces<sup>1</sup>

Vending machines with beverages should include bottled water as an option. The price of the bottled water should be no higher than the prices of the other beverage options in the vending machine.

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<sup>1</sup> Fresh coffee and tea dispensed from vending machines are exempted.

# **EXHIBIT H**

**SAMPLE CEO MONTHLY GROSS  
RECEIPTS AND REVENUE REPORT**

**EXHIBIT H  
COUNTY OF LOS ANGELES CHIEF EXECUTIVE OFFICE (CEO)  
MONTHLY GROSS RECEIPTS AND REVENUE REPORT**

Name of Licensee: \_\_\_\_\_

Collection Period: 8/1/2013 - 8/31/2013

Agreement Number: \_\_\_\_\_

**Location No.1: Machine No. 1: Address: 450 Bauchet Street LA, Twin Towers Lobby (including City, Bdg No., Floor No. & Room No.)**

Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Commission Amount
large bottle							
medium bottle							
can drink							
water bottle							

Machine Commission Total: \_\_\_\_\_

**Location No. 1: Machine No. 2: Address: 450 Bauchet Street LA, Inmate Reception Center (including Bdg No. Floor No. & Room No.)**

Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Comm. Amount
large snacks							
medium snacks							
small snacks							

Machine Commission Total: \_\_\_\_\_

**Location No. 2: Machine No. 2: Address: 7601 Imperial Hwy, Norwalk, 1st fl Lunch room (including Bdg No. Floor No. & Room No.)**

Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Comm. Amount
large hot bvg							
medium hot bvg							
small hot bvg							
water bottle							

Machine Commission Total: \_\_\_\_\_

**Location No. 2: Machine No.2: Address: 7601 Imperial Hwy, Norwalk, 1st fl Lunch room (including Bdg No. Floor No. & Room No.)**

Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Comm. Amount
large hot bvg							
medium hot bvg							
small hot bvg							
water bottle							

**COUNTY OF LOS ANGELES CHIEF EXECUTIVE OFFICE (CEO)  
MONTHLY GROSS RECEIPTS AND REVENUE REPORT**

**Name of Licensee:** \_\_\_\_\_

**Collection Period:** 8/1/2013 - 8/31/2013

**Agreement Number:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Machine Commission Total:** \_\_\_\_\_

# **EXHIBIT I**

## **COUNTY'S ARTIFICIAL TRANS FAT REDUCTION (ATFR) PROGRAM**

# ARTIFICIAL TRANS FAT REDUCTION (ATFR) PROGRAM

## ARTIFICIAL TRANS FAT REDUCTION PROGRAM



### Voluntary Artificial Trans Fat Reduction (ATFR) Program Application

The Los Angeles County (LAC) Environmental Health (EH), in recognition of those food facilities who are making the effort to voluntarily remove artificial trans fats from their menu, is implementing a placard recognition program. This placard can be proudly displayed at your food facility to let potential customers know that your facility is participating in the ATFR Program.

#### PURPOSE

The criteria and procedures set forth by LAC EH are intended to ensure that those food facilities who display this placard are honestly presenting their food items to the public as advertised. In fact, the success or failure of this placard program rests on the overall diligence of the participating facilities' integrity in maintaining a zero grams trans fat program in their respective food businesses. The goal is for this placard to be meaningful to the customer when they are making healthy choices for their dining experience.

#### APPLICATION/APPROVAL PROCESS

The following documents/requirements need to be submitted along with the completed application form. Please note that if any of the documents/requirements are not furnished during the initial submission, the application will be returned.

1. A completed application for the LAC EH placard program.

Food facility chains shall only be required to submit one application for all locations if all of the following conditions are met.

- a. Each location shares common ownership.
- b. Each location conducts food service operations consistent with the food facility chain's operational model.
- c. Foods received, prepared, and offered for sale at each location are the same for each location throughout the chain.

2. A signed "Conditions of Participation Agreement".
3. An application fee of \$204.00 made payable to the Los Angeles Department of Public Health.

Food facility chains that meet the conditions noted above (#1 a-c) shall be required to submit only one application fee of \$136.00, plus \$68.00 for each

## ARTIFICIAL TRANS FAT REDUCTION PROGRAM

location in the chain that will participate in the ATFR Program. For example, a chain with three locations participating in the program would pay a total of \$340.00 (\$136 + \$68 + \$68 + \$68).

4. Legible copies of original nutrition fact labels indicating the grams of trans fat per serving for all food products:
    - a. that are, or that contain, fats, oils or shortenings, and
    - b. that are, when purchased by the food facility, required by applicable federal and state law to have labels, and
    - c. that are currently being stored, distributed, held for service, used in preparation of any menu items, or served by the food facility.
  - *Documentation instead of labels. Documentation from the manufacturers of such food products, indicating whether the food products contain vegetable shortening, margarine, or any kind of partially hydrogenated vegetable oil, or indicating trans fat content, may be submitted for approval in lieu of copies of original labels.*
  - *Documentation required when food products are not labeled. If baked goods (or other food products restricted by the Department's ATFR Program standards) are not required to be labeled when purchased, copies of documentation from the manufacturer of the food products, (indicating whether the food products contain vegetable shortening, margarine or any kind of partially hydrogenated vegetable oil, or indicating trans fat content) may be submitted for approval in lieu of copies of original labels.*
5. A legible copy of the food facility's menu of food items, or a list of food items offered for sale by the facility.

### APPROVAL AND DENIAL OF PLACARD

The application will be approved or denied within 30 business days from the date that it is received. A decision letter will be sent to all applicants indicating approval or reason(s) for denial. Applications that are not complete will be automatically returned to the applicant.

If you are approved, a placard will be mailed to you with the approval letter.

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# ARTIFICIAL TRANS FAT REDUCTION PROGRAM



## APPLICATION FOR THE COUNTY OF LOS ANGELES VOLUNTARY ARTIFICIAL TRANS FAT REDUCTION PROGRAM

Name of Organization/Business: \_\_\_\_\_

Name: \_\_\_\_\_  
Last First Middle

Title/Position: \_\_\_\_\_

\*Mailing Address: \_\_\_\_\_  
Number Street

\_\_\_\_\_  
City State Zip Code Telephone

\*If you are submitting an application for a chain please list the address for each location on a separate sheet and submit it with your application. If approved, a placard will be mailed to each of the locations you've listed unless otherwise specified.

### APPLICATION CHECKLIST:

- ( ) Completed Application Form (with list of additional locations if applicable)
- ( ) Signed Condition of Approval Form
- ( ) Make check payable to: County of Los Angeles, Department of Public Health
- ( ) Legible copies of original nutrition fact labels indicating the grams of trans fat per serving for all products (*see application for details*)
- ( ) Legible copy of the food facility's menu of food items, or a list of food items offered for sale by the facility
- ( ) Mail your completed application and attachments to:

Environmental Health  
Attn. Consultation & Technical Services  
5050 Commerce Dr.  
Baldwin Park, CA 91706

# ARTIFICIAL TRANS FAT REDUCTION PROGRAM



## CONDITIONS OF PARTICIPATION AGREEMENT

You must be a permitted food facility in Los Angeles County to participate in this placard recognition program.

By posting the ATFR placard in your facility, you are accepting the responsibilities of "truth-in-menu." Should this facility ever have to substitute an ingredient with one that contains reportable levels of trans fat, the placard **MUST BE REMOVED IMMEDIATELY** from display. Only upon re-establishing the advertised "zero grams trans fat" status, can the placard be displayed once again.

The ATFR placard is meant to help set your facility apart from all others and to help the public make informed choices in their dining experience. To ensure that your staff understands the importance of this program, they should be trained in what "trans fats" are and where they may be found. This will help to create the trustworthy atmosphere to your customer base.

The ATFR placard may not be reproduced in any form without prior approval from LAC EH. Any other reproduction, transmission, displays, or editing of the ATFR placard by any means mechanical or electronic without the express written permission of LAC EH is strictly prohibited.

I have read and agree to the above conditions.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Position

# ARTIFICIAL TRANS FAT REDUCTION PROGRAM



## Committed to the Standard

Each participating food facility receives an ATFR inspection once per year to assure compliance with the program's standards. The ATFR inspection is separate from a regular food facility inspection and there is no additional cost for the inspection.

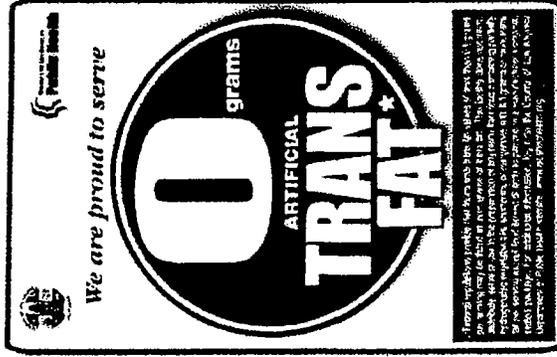
By assuring that all participating food facilities continue to meet the standard, both program participants and consumers can be confident that the decal/placard is meaningful and that it is reflective of a commitment to providing healthier dining options.

## Getting started

The County of Los Angeles Department of Public Health has brochures available to help you get started on the road to zero grams trans fat.

These brochures are available online at [www.lapublichealth.org](http://www.lapublichealth.org).

## VOLUNTARY ARTIFICIAL TRANS FAT REDUCTION (ATFR) PROGRAM



For more information:

[www.lapublichealth.org/eh](http://www.lapublichealth.org/eh)

[www.fda.gov/ftac/features/2003/503\\_fafr.html](http://www.fda.gov/ftac/features/2003/503_fafr.html)



County of Los Angeles Department of Public Health  
Environmental Health

County of Los Angeles  
Environmental Health  
5050 Commerce Drive  
Baldwin Park, CA 91706  
(626) 430 - 5320

## ARTIFICIAL TRANS FAT REDUCTION PROGRAM

Food facilities that serve food with zero grams of trans fat help provide a healthier alternative to consumers.

These food facilities should stand up and be recognized.

The County of Los Angeles Department of Public Health has developed a program to help these food facilities get the recognition they deserve.

Artificial Trans Fat Reduction Program  
✓ Zero Grams Trans Fat  
✓ Public Recognition

*Although many food facilities have begun their effort to eliminate trans fat from their menus, a simple way for consumers to identify these facilities had never been developed until now!*

### The Voluntary ATFR Program

The ATFR Program recognizes food facilities that do not store, use, or serve food containing partially hydrogenated vegetable oils, shortening, or margarines with 0.5 grams or more trans fat per serving, except food that is being served directly to patrons in a manufacturer's original sealed package. (Foods with trans fat values of less than 0.5 grams per serving are listed as zero grams of trans fat).

Participating food facilities that meet this standard are recognized with the issuance of an official ATFR Program decal/placard to notify consumers that they serve zero grams of trans fat.



Additionally, these food facilities are listed on the Department of Public Health website as active participants in the ATFR Program.

### Participating in the ATFR Program

Participation in the ATFR Program is strictly voluntary. Applications are available online at [www.lapublichealth.org](http://www.lapublichealth.org) or at your local County of Los Angeles Environmental Health district office.

Familiarizing yourself with the nutritional facts panels of the foods in your food facility will help you in providing the necessary information detailed in the application.

A one-time fee of \$204.00 is required with the application. If you have several locations that meet the ATFR Program's conditions for a "chain," only one application fee of \$136.00 is required plus \$68.00 for each participating location in your food facility chain.

### Benefits of Participation

By participating, you:

- Will receive an official ATFR Program decal/placard that states that the food you serve contains zero grams of trans fat.
- Will be recognized on the County of Los Angeles Department of Public Health website.
- Show that you recognize consumers who are looking for healthier dining options.
- Distinguish your food facility from other businesses that do not provide this healthier alternative.
- Will be able to take advantage of a unique marketing opportunity.

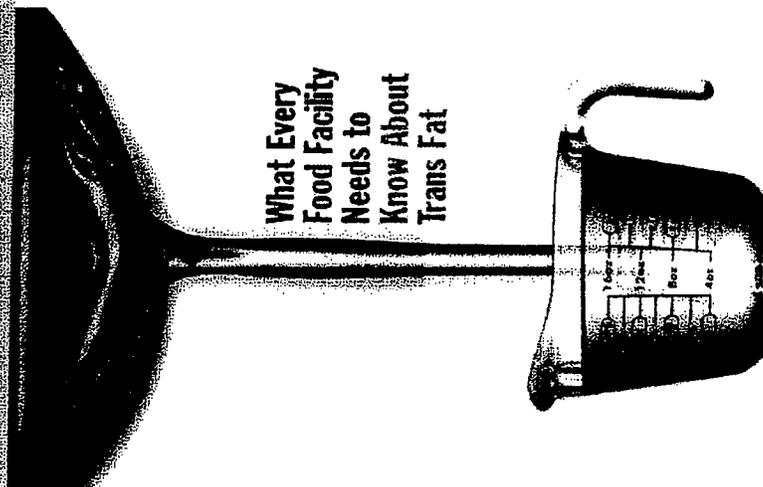
## ARTIFICIAL TRANS FAT REDUCTION PROGRAM

**Make all Oil Change**

**Does Your Kitchen Need an Oil Change?**

**What Every Food Facility Needs to Know About Trans Fat**

Source: Adapted with permission for the County of Los Angeles Department of Public Health from "Does Your Kitchen Need an Oil Change? What Every Restaurant and Food Service Establishment Needs to Know About Trans Fat," New York City Department of Health and Mental Hygiene, 2006. Available at: [www.nyc.gov/health](http://www.nyc.gov/health).



### 1. CHANGE your oils.

For cooking and frying, check the ingredients on all oils. If "partially hydrogenated" is listed, switch to a non-hydrogenated oil instead. If there is no ingredients list, ask your supplier or the manufacturer.

For baking, use non-hydrogenated oils or shortenings with low or *no trans fat*.

### 2. CHOOSE healthy spreads.

Instead of stick margarine or butter, use soft tub spreads with low saturated fat and *no trans fat*.

### 3. ORDER prepared foods without trans fat.

Check ingredients and ask your supplier for baked products, pre-fried, and pre-mixed foods that are free of partially hydrogenated vegetable oils.

**INGREDIENTS:** Pasteurized Grade A Non-fat Milk, Fructose, Red Bell Pepper, Partially Hydrogenated Soybean Oil, Salt, Modified Cornstarch, Garlic, Lemon Juice

# ARTIFICIAL TRANS FAT REDUCTION PROGRAM

**Trans fat** is made when hydrogen is added to vegetable oil.

These oils are called partially hydrogenated.

Any food made with partially hydrogenated oil contains trans fat.

Food facilities commonly cook and fry with partially hydrogenated oils. Trans fat is also found in many pre-fried, baked, and prepared foods served in food facilities.

**Partially Hydrogenated Vegetable Oil  
= Trans Fat  
= Heart Disease Risk**

Trans fat is unhealthy.

Trans fat — like saturated fat — increases the risk of heart disease by raising "bad" (LDL) cholesterol. The Food and Drug Administration and the County of Los Angeles Department of Public Health recommend that consumers ask about fats (including oils) used by food facilities and that they avoid trans fat.

Many food facilities have already begun to make an oil change. This booklet gives tips on how to do it.

**Are you serving trans fat?  
You won't know unless  
you check.**

While many commercial vegetable oils contain trans fat, non-hydrogenated versions are available. The only way to know for sure if the oil you use contains trans fat is to check labels and to talk to your suppliers.

**Common sources of trans fat found in food facility kitchens include:**

- Vegetable oils used for frying, baking, and cooking
- Shortening (hard vegetable oil)
- Margarine and other spreads
- Prepared foods, including:
  - Pre-fried foods, such as French fries, fried chicken, chicken nuggets, fish filets, chips, taco shells, and doughnuts
  - Baked goods, such as hamburger buns, pizza dough, crackers, cookies, cakes, pies, and pastries
  - Pre-mixed ingredients, such as pancake mix, hot chocolate, salad dressing, croutons, and breadcrumbs

All of these products are available without trans fat (made without partially hydrogenated vegetable oil).

## Not All Fats Are Created Equal

GOOD FATS Lower the risk of heart disease		
Type of Fat	Monounsaturated	Polysaturated
Important Sources	<ul style="list-style-type: none"> <li>• Olive, canola, and peanut oils</li> <li>• Olives</li> <li>• Cashews, almonds, and most other nuts</li> <li>• Avocados</li> </ul>	<ul style="list-style-type: none"> <li>• Corn, soybean, safflower, and sunflower, and cottonseed oils</li> <li>• Fish and seabod</li> </ul>
BAD FATS Increase the risk of heart disease		
Type of Fat	Trans*	Saturated
Important Sources	<ul style="list-style-type: none"> <li>• Partially hydrogenated vegetable oil</li> <li>• Most margarine and shortening foods</li> <li>• Many deep-fried foods</li> <li>• Most baked goods</li> </ul>	<ul style="list-style-type: none"> <li>• Whole milk, butter, cheese, and ice cream</li> <li>• Lard and suet</li> <li>• Meat (beef, pork, and deli meats)</li> <li>• Bacon, sausage, and deli meats</li> <li>• Chicken and other poultry have less, especially with skin removed</li> <li>• Chocolate and cocoa butter</li> <li>• Palm oil</li> <li>• Coconut products, including milk and oil</li> </ul>
<p>* Most foods that contain trans fat can be made with non-hydrogenated oils instead.</p>		

# **EXHIBIT J**

## LICENSEE'S PRODUCT PRICE LIST

**Compass Group USA, Inc.  
by through its  
Canteen Vending Services**

**PRODUCT PRICE LIST**

Compass Group USA, Inc. by through its Canteen Vending Services Division (Compass Group USA) shall supply and provide snacks and beverages that adhere to the 100 % healthy food and beverage options, consistent with the County of Los Angeles Vending Machine Nutrition Policy. Compass Group USA shall provide, for the County's review and approval, a planogram with healthful alternatives products that meet the 100% healthy food and beverage options, prior to the initiation of sales.

Listed below are examples of snacks and beverages that Compass Group USA will be offering:

**Salty Snacks**

Frito Sunchips/ SS Products  
Popchips

**Sweet Snacks**

Nature Valley Granola Bars  
Peeled Dried Fruit

**Dried Fruit**

Planters Nuts and Trail Mixes  
Mr. Nature Nuts and Trail Mixes

**List of Proposed Product Pricing:**

Product	Price
Sweet Snacks	\$ 1.50
Salty Snacks	\$ 1.50
Large Snacks	\$ 2.00
Coffee 12 oz.	\$ 1.00
Water 20 oz.	\$ 2.00
Isotonics 20 oz.	\$ 2.50
Juice 20 oz.	\$ 2.50

# **EXHIBIT K**

## **CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT**

**CONTRACTOR ACKNOWLEDGMENT AND CONFIDENTIALITY CERTIFICATION**

CONTRACTOR NAME Compass Group USA, Inc. by and through its Canteen Vending Services Division  
Contract No. \_\_\_\_\_

**GENERAL INFORMATION:**

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

**CONTRACTOR ACKNOWLEDGEMENT:**

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

**CONFIDENTIALITY AGREEMENT:**

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

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

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: Chris Hulick DATE: 7/2/13

PRINTED NAME: Chris Hulick

POSITION: Division President

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

# **EXHIBIT L**

CERTIFICATION OF COMPLIANCE  
WITH THE COUNTY'S ARTIFICIAL  
TRANS FAT REDUCTION PROGRAM

EXHIBIT 13

CERTIFICATION OF COMPLIANCE WITH ARTIFICIAL TRANS FAT  
REDUCTION PROGRAM

The Proposer certifies that:

- (1) It is familiar with the requirements for participation in the County's Artificial Trans Fat Reduction (ATFR) Program and will obtain the County's approval as a participant in the ATFR Program.
- (2) Within five days of County's execution of the Contract, it will submit to the County's Public Health Department all required application materials for participation in the ATFR Program, and thereafter diligently pursue approval as an ATFR participant.

Compass Group USA, Inc. by and through its  
Proposer name: Canteen Vending Services Division

BY: Chris Hulick  
Signature  
Chris Hulick  
Name  
Division President  
Title

# **EXHIBIT M**

## **GREEN INITIATIVES CERTIFICATION OF COMPLIANCE**

EXHIBIT 15-A

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE (CEO)

GREEN INITIATIVES  
CERTIFICATION OF COMPLIANCE

I, Chris Hulick, as the Division President  
Name (please print or type) Title  
Compass Group USA, Inc. by and through  
of its Canteen Vending Services Division providing services at  
Name of company  
Chief Executive Office County of Los Angeles  
County facility (ies)

I, hereby certify that our Company shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits. Our Company shall purchase, store, and use environmentally and human friendly products that are compatible with products used by the County of Los Angeles.

Chris Hulick 4/18/13  
Signed Dated

**LICENSE AGREEMENT  
BY AND BETWEEN**

**CHIEF EXECUTIVE OFFICE – Region 2**

**AND**

**COMPASS GROUP USA, INC. BY AND  
THROUGH ITS CANTEEN VENDING SERVICES  
DIVISION**

**FOR**

**VENDING MACHINE SERVICES**

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## **STANDARD EXHIBITS**

- A IRS NOTICE 1015
- B LICENSEE'S EEO CERTIFICATION
- C SAFELY SURRENDERED BABY LAW
- D COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM
- E COUNTY'S SMOKING BAN ORDINANCE
- F LIST OF COUNTY'S VENDING MACHINE FACILITIES
- G COUNTY OF LOS ANGELES VENDING MACHINE NUTRITION POLICY
- H SAMPLE CEO MONTHLY GROSS RECEIPTS AND REVENUE REPORT
- I COUNTY'S ARTIFICIAL TRANS FAT REDUCTION (ATFR) PROGRAM
- J LICENSEE'S PRODUCT PRICE LIST
- K CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
- L CERTIFICATION OF COMPLIANCE WITH THE COUNTY'S ARTIFICIAL TRANS FAT REDUCTION PROGRAM
- M GREEN INITIATIVES CERTIFICATION OF COMPLIANCE

**LICENSE AGREEMENT FOR THE  
VENDING MACHINE SERVICES  
AT VARIOUS COUNTY FACILITIES**

THIS LICENSE AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013,

BY AND BETWEEN

**COUNTY OF LOS ANGELES**, a body corporate and politic, hereinafter referred to as "County,"

AND

**COMPASS GROUP USA, INC. BY AND THROUGH ITS CANTEEN VENDING SERVICES DIVISION**, hereinafter referred to as "Licensee,"

**RECITALS**

**WHEREAS**, the County owns, operates, and leases a number of public buildings within which the work of county government is performed; and

**WHEREAS**, the County Board of Supervisors is authorized by the provision of Government Code Section 25536 to or grant vending machine licenses therein that are consistent with the government purposes served thereby; and

**WHEREAS**, a license for the provision of vending machine services to sell food and beverages is consistent with said purposes; and

**WHEREAS**, the County has determined that it is legal and feasible to authorize the service of selling food and beverages from vending machines; and

**WHEREAS**, the Licensee, which is a public or private firm specializing in providing the service of selling food and beverages from vending machines, is willing to exercise the grant of such a license in accordance with the terms and conditions prescribed therefore;

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

## **1.0 APPLICABLE DOCUMENTS**

Exhibits A, B, C, D, E, F, G, H, I, J, K, L and M are attached hereto and form a part of this License Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base License Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the License Agreement and then to the Exhibits according to the following priority:

- 1.1 EXHIBIT A - IRS Notice 1015
- 1.2 EXHIBIT B - Licensee's EEO Certification
- 1.3 EXHIBIT C - Safely Surrendered Baby Law
- 1.4 EXHIBIT D - Defaulted Property Tax Reduction Program
- 1.5 EXHIBIT E - County's Smoking Ban Ordinance
- 1.6 EXHIBIT F - List of County's Vending Machine Facilities
- 1.7 EXHIBIT G - County of Los Angeles Vending Machine Nutrition Policy
- 1.8 EXHIBIT H - Sample CEO Monthly Gross Receipts and Revenue Report
- 1.9 EXHIBIT I - County's Artificial Trans Fat Reduction (ATFR) Program
- 1.10 EXHIBIT J - Licensee's Product Price List
- 1.11 EXHIBIT K - Contractor Acknowledgement and Confidentiality Agreement
- 1.12 EXHIBIT L - Certification of Compliance with the County's Artificial Trans Fat Reduction Program
- 1.13 EXHIBIT M - Green Initiatives Certification of Compliance

## **2.0 DEFINITIONS**

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

- 2.2.1 **Agreement Year:** The 365 day period commencing on the commencement date of this License Agreement and each following 365 day period thereafter throughout the term of this License Agreement.
- 2.2.2 **Auditor-Controller:** The Auditor-Controller of the County of Los Angeles or an authorized representative thereof.
- 2.2.3 **Board of Supervisors:** The Board of Supervisors of the County of Los Angeles acting as governing body or their designee.
- 2.2.4 **Beverage:** 100% healthy beverage options that are consistent with the County of Los Angeles Vending Machine Nutrition Policy.
- 2.2.5 **Chief Executive Officer:** The Chief Executive Officer of the County of Los Angeles Chief Executive Office or an authorized representative thereof.
- 2.2.6 **County:** The County of Los Angeles.
- 2.2.7 **County of Los Angeles Vending Machine Facilities:** Those facilities which the County of Los Angeles Chief Executive Office has jurisdictional or operational authority over as identified in **Exhibit F**.
- 2.2.8 **Department:** The County of Los Angeles Chief Executive Office or an authorized representative thereof.
- 2.2.9 **Food/Snack:** 100% healthy food options that are consistent with the County of Los Angeles Vending Machine Nutrition Policy.
- 2.2.10 **Gross Receipts:** Except as specifically provided by policy statement issued by the Chief Executive Officer, the term "gross receipts" as used in this License Agreement, is defined to be the total amount received and/or collected, in money, cash receipts, assets, property or other things of value, including by barter or exchange. Gross receipts include but are not limited to: gross charges, sales, rentals, fees and commissions received and/or collected by the Licensee during the reporting period from any business, use or occupation, or any combination thereof, originating, transacted, or performed in whole or in part, on the premises, including but not limited to rentals, the

rendering or supplying of services and the sale of goods, wares or merchandise, including sales through vending machines. Gross receipts shall include the amount of any manufacturer's or importer's excise tax included in the prices of any property or material sold, even though the manufacturer or importer is also the retailer thereof, and it is immaterial whether the amount of such excise tax is stated as a separate charge.

Except as specifically provided below or by policy statement issued by Chief Executive Officer, there shall be no deduction from gross receipts for any overhead cost or expense of operations, such as, but without limitation to salaries, wages, costs of goods, interest, debt amortization, credit, collection costs, discount from credit card operations, insurance and taxes. If Licensee included an amount in gross receipts that Licensee subsequently determines is uncollectible (e.g., due non-sufficient funds of payor, etc.), Licensee may deduct such amount from Licensee's subsequent gross receipts to the extent Licensee previously included such amounts in gross receipts and paid the County all amounts due thereon. Licensee shall separately itemize any such deductions when reporting gross receipts. Licensee shall timely include such deductions when reporting gross receipts. If Licensee subsequently collects any amount previously deducted under this section, Licensee shall include such collection in gross receipts for the period the Licensee collected such amount.

a. Except as specifically provided below or by policy statement issued by the Chief Executive Officer, gross receipts reported by Licensee must include the full usual charges for any services, goods, rentals or facilities provided by Licensee. Gross receipts shall not include the following: direct taxes imposed upon the consumer and collected therefrom by the Licensee such as, but not limited to, Federal, State, or Municipal retail sales taxes, or related direct taxes, which are direct taxes paid periodically by

Licensee to a governmental agency accompanied by a tax return statement.

b. The Chief Executive Officer, by policy statement consistent with recognized and accepted business and accounting practices, upon consultation with Licensee, and with the approval of the Auditor-Controller and County Counsel, may further interpret the term "gross receipts" as used in this License Agreement.

- 2.2.11 **Inclement Weather:** Weather conditions that include, but are not limited to, rain, flooding, extreme cold or heat, that may impair travel conditions, cause power outages, or otherwise impede public safety or make opening a facility impossible or more difficult.
- 2.2.12 **License Agreement:** Agreement executed between County of Los Angeles and Licensee. It sets forth the terms and conditions for the License Agreement.
- 2.2.13 **Licensee:** The sole proprietor, partnership, or corporation that has entered into an License Agreement with the County of Los Angeles.
- 2.2.14 **Locations:** Those places within designated facilities at which one or more vending machine sites exist.
- 2.2.15 **Operations Manager:** Licensee's designated person whom the County of Los Angeles may deal with on a daily basis regarding the vending machine services.
- 2.2.16 **Product:** Specifically the approved beverages and food/snacks manufactured, sold and distributed by the Licensee and sold in vending machines by the Licensee on the County of Los Angeles Vending Machine Facilities.
- 2.2.17 **State:** The State of California.
- 2.2.18 **Vending Machine:** Patron operated mechanical dispenser of food/snacks and beverages accepting paper currency and/or coins.
- 2.2.19 **Vending Machine Site(s):** A place or places containing or capable of containing a vending machine at a location.

### 3.0 LICENSE GRANTED

- 3.1 The County of Los Angeles hereby grants to Licensee the authorization to place vending machines in the County of Los Angeles Vending Machine Facilities designated in Exhibit F. The Vending Machines shall provide 100% healthy food and beverage options, consistent with the County of Los Angeles Vending Machine Nutrition Policy (Exhibit G). Except as otherwise provided in this License Agreement, Licensee will be the exclusive food and beverage vending machine provider at the Vending Machine Facilities identified in Exhibit F.
- 3.2 Licensee shall display all bottled water in eye-level sections of the beverage vending machines. Only food and beverage products that meet the County of Los Angeles Vending Machine Nutrition Policy shall be advertised on snack and beverage vending machines. Beverages and snacks that meet the policy's nutrition guidelines can vary by brand; therefore, it is important to compare the Nutrition Facts label before including them as an acceptable stocking item.
- 3.3 Please contact the Los Angeles County Department of Public Health, Division of Chronic Disease and Injury Prevention at (213) 351-7825 or email: [chronic\\_disease@ph.lacounty.gov](mailto:chronic_disease@ph.lacounty.gov) if you have questions on the vending machine policy and product compliance.
- 3.4 Licensee understands and agrees that this License Agreement confers only permission to use the premises described for prescribed purposes in accordance with the terms and conditions hereinafter specified without granting or reserving to Licensee any interest or estate therein; the expenditure of capital and/or labor in the course of use and occupancy thereunder shall not confer any interest of estate in the premises by virtue of said use, occupancy and/or money thereon; and it is the intention of the parties to limit the right of use granted herein to a personal, revocable and unassignable privilege of use in the premises for the license granted herein.
- 3.5 Upon mutual agreement with Licensee, the County, through its Chief Executive Officer, reserves the right to authorize an increase or decrease in

the number of Vending Machine Facilities listed in Exhibit F served by Licensee, and the number of machines at said facilities. The County may authorize Licensee to provide vending services at facilities at which the County has existing Operating or Concession Agreements provided the vending service does not conflict with existing agreements. In the event as increase in the number of Vending Machine Facilities served by Licensee is contemplated, the site and locations within the site shall be mutually agreed upon. The Chief Executive Officer may authorize such modification, in writing, at any time during an Agreement Year. Licensee shall be granted a ninety (90) day review (review period) of revenue generated by such additional machines at the conclusion of the review period. Licensee may then request that said additional machines be removed without penalty. The percentage commissions per machine specified in sub-section 6.1 shall apply.

- 3.6 Licensee and County will mutually determine the placement of additional vending machines at the locations listed in Exhibit F.
- 3.7 Should Licensee determine that it will not place vending machine(s) at a location designated in Exhibit F, County reserves the right to authorize provision of vending services by other providers.

#### **4.0 LICENSED PREMISES**

- 4.1 The premises for the License Agreement shall be the designated machine sites within the County of Los Angeles Vending Machine Facilities.
- 4.2 The premises shall be used only for purposes authorized herein, and such other purposes as are directly related thereto provided express approval therefore is granted by the Chief Executive Officer, and for no other purposes whatsoever.
- 4.3 Licensee acknowledges personal inspection of the premises and the surrounding area and evaluation of the extent to which the physical condition thereof will affect its operations. Licensee accepts the premises in their

present physical condition, and agrees to make no demands upon County for any improvements or alterations thereof.

- 4.4 Licensee, at its sole expense, may make or construct or cause to be made or constructed additions, alterations, repairs or changes in the premises as authorized by the Chief Executive Officer provided that: (1) written approval thereof is first obtained from the Chief Executive Officer; (2) applicable permits are obtained therefore; and (3) there is compliance with such terms and conditions relating thereto as may be imposed thereon by the Chief Executive Officer.
- 4.5 Licensee hereby acknowledges the title of the United States of America, County, and/or any other public agencies having jurisdiction thereon, in and to the premises and the improvements located thereon, and covenants and agrees never to assail, contest or resist said title.
- 4.6 Upon termination of the License Agreement, whether by expiration of the term, cancellation, or otherwise, all equipment, trade fixtures, and furnishings provided by Licensee shall be removed from the premises by the Licensee at the Licensee's sole expense. Should Licensee fail to complete this removal within thirty (30) days of the expiration or termination of this License Agreement, said equipment may be sold, removed or demolished, and Licensee shall reimburse County for any cost or expense in connection therewith in excess of any consideration received by County as a result of said sale, removal or demolition.

## **5.0 TERM OF LICENSE AGREEMENT**

- 5.1 The term of the License Agreement shall be for a period of ten (10) years commencing on the first day of the month following the execution of this License Agreement by the Chief Executive Officer unless terminated sooner or extended, in whole or in part, as provided for in this License Agreement.
- 5.2 The parties may extend the License Agreement term for an additional one-five (5) year period by mutual written agreement.

## 6.0 CONSIDERATION

6.1 In consideration for the exclusive food and beverage vending machine service license granted herein, the Licensee shall pay County commissions on a monthly basis. The commissions are a percentage of gross receipts collected from the Licensee's vending machines less sales taxes and any applicable California Redemption Value for recyclable containers (CRV) as set forth below:

- 36 % of its gross receipts from the sales of food and snacks
- 36 % of its gross receipts from the sales of beverages

Any new products sold through vending machines during the term of the License Agreement shall be at the commission rates determined upon the mutual agreement of both parties.

6.2 The first annual cash bonus for each region is due to the Chief Executive Office (CEO) prior to the commencement of the License Agreements. Subsequent cash bonus payments shall be made on the anniversary date of each License Agreement Year. The annual cash bonus payment amounts for each region will be as follows:

License Agreement Term	Annual Cash Bonus		
	Region 1	Region 2	Region 3
Years 1 - 5	\$26,000	\$23,000	\$9,000
Years 6 - 10	\$27,000	\$24,000	\$10,000
Option years	\$28,000	\$25,000	\$11,000

6.3 Licensee's commission payment shall be accompanied by a monthly gross receipts report detailing the facility addresses served and the monthly sales of each vending machine at each facility.

6.4 Payment shall be by check or draft and made payable to the County of Los Angeles Chief Executive Office. However, if any check is returned for non-sufficient funds, or for any reason, the Licensee shall be required to pay an

additional thirty-three (\$33) dollar service fee, as well as any applicable late fee.

- 6.5 Licensee shall submit the monthly commission payment to the County by the 25<sup>th</sup> calendar day of the month, following the month of service. The monthly commission payment under this License Agreement shall be submitted to:

Auditor Controller  
Franchise/Concession Section  
County of Los Angeles  
500 Temple Street, Room 410  
Los Angeles, CA 90012

- 6.6 In the event payment is received on or before said date, a late payment charge of ten percent (10%) shall be added to the unpaid amount. The late payment charge may be waived whenever CEO, upon appeal of the Licensee, finds late payment excusable by reason of extenuating circumstances.
- 6.7 Any late payment charge shall be due and payable within the next payment schedule. County shall not be obligated at any time to notify Licensee of late payment charges or the accumulation thereof.

## **7.0 CHANGES AND AMENDMENTS**

- 7.1 The County's Board of Supervisors or its designee may require the addition and/or change of certain terms and conditions in the License Agreement during the term of this License Agreement. The County reserves the right to add/or change such provisions as required by the County's Board of Supervisors. To implement such orders, an Amendment to the License Agreement shall be prepared and executed by the Licensee and the Chief Executive Officer.
- 7.2 Notwithstanding the above, this License Agreement may be modified only by further written agreement between the parties. The County's Board of Supervisors hereby authorizes the Chief Executive Officer to act on its behalf

in negotiations, approval, preparation and execution of any modification deemed necessary in the proper administration of this License Agreement. Any such modification shall not be effective unless and until executed by Licensee and in the case of County, until approved by the Chief Executive Officer.

- 7.3 The Chief Executive Officer or his designee may at his/her sole discretion add or delete County of Los Angeles Vending Machine Facilities listed in Exhibit F to this License Agreement. The Chief Executive Officer may authorize such modifications, in writing, at any time during an Agreement Year.

## **8.0 ACCOUNTING RECORDS**

- 8.1 Licensee shall be required to maintain a method of accounting which shall, to the satisfaction of the Auditor-Controller, correctly and accurately reflect the gross receipts and disbursements of the Licensee in connection with the license. The method of accounting, including bank accounts, established for the license shall be separate from the accounting system used for any other business operated by Licensee or for recording Licensee's personal financial affairs. Such method shall include the keeping of the following documents:
- 8.1.1 Regular books of accounting such as general ledgers;
  - 8.1.2 Journals including any supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.;
  - 8.1.3 State and Federal income tax returns and sales tax returns and checks and other documents providing payment of sums shown which shall be kept in confidence by County;
  - 8.1.4 Daily sales reports;
  - 8.1.5 Any other accounting records that the Auditor-Controller deems necessary for proper reporting of receipts;
- 8.2 All documents, books and accounting records shall be open for inspection and re-inspection at any reasonable time during the term of this License Agreement and for five (5) years thereafter. In addition, the County may

from time to time conduct an audit and re-audit of the books and business conducted by Licensee and observe the operation of the business so that accuracy of the above records can be confirmed. All information obtained in connection with the County's inspection of records or audit shall be treated as confidential information and exempt from the public disclosure thereof to the extent permitted under the California Public Records Act (Government Code 6250-6270).

- 8.3 Licensee shall furnish the County a monthly gross receipts report identifying monthly sales on a per-machine basis and showing all revenues for the exclusive use of the vending machine license. Such report shall be submitted no later than the 25<sup>th</sup> day of month following the month in which services were provided, unless otherwise specified by the Chief Executive Officer. This monthly report shall include those listed Vending Machine Facilities (Exhibit F), and any newly added vending machine facilities added during the course of this License Agreement. Please find enclose a sample CEO Monthly Gross Receipts and Revenue Report (Exhibit H)
- 8.4 In the event that an audit or review conducted by the Auditor-Controller and/or Chief Executive Officer finds that, due to Licensee's non-compliance with its obligation to report gross receipts received in connection with its operations authorized herein, an actual loss and/or a projected loss of revenue to County can be determined, Chief Executive Officer may, at his option, (1) bill Licensee for said losses, said amount to be paid to County within thirty (30) days following billing therefor unless otherwise specified by Chief Executive Officer; and/or (2) use the Security Deposit as provided for herein;
- 8.5 Should the Chief Executive Officer find that the additional commission due to County exceeds two percent (2%) of the total amount which should have been paid as determined by such review or audit and observation, and there being no reasonable basis for the failure to report and pay thereon, Licensee shall also pay the cost of the audit as determined by County and pay any penalty heretofore provided for the delinquent payments.

8.6 Licensee shall cause all of its subcontractors to comply with these requirements except that a subcontractor shall only be required to establish and maintain those accounting records that the Auditor-Controller deems necessary to examine the reported gross receipts in accordance with generally accepted auditing standards.

## 9.0 SECURITY DEPOSIT

- 9.1 Prior to the commencement of this License Agreement, Licensee shall pay to the Department the sum of Seven Thousand Five Hundred Dollars (\$7,500) in the form of a **cashier's check** and made payable to the County of Los Angeles Chief Executive Office.
- 9.2 Said Security Deposit (Deposit) shall serve as security for faithful performance of all covenants, promises and conditions assumed herein by Licensee, and may be applied in satisfaction and/or mitigation of damages arising from a breach thereof, including, but not limited to, delinquent payments; correction of maintenance deficiencies; securing required insurance; loss of revenue due to abandonment, vacation or discontinuance of Licensee's operation; discrimination; a breach of obligations assumed by Licensee herein with respect to the requirements therefore by County, including the payment of mechanic's liens. Application of amounts on deposit in satisfaction and/or mitigation of damages shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this License Agreement.
- 9.3 In the event any or all of said Deposit is applied in satisfaction and/or mitigation of damages, Licensee shall immediately make payment in same manner and delivered to same payee such sums as are necessary to restore the Deposit to the full amount required hereunder.
- 9.4 Said Deposit shall be returned to Licensee upon termination of this License Agreement less any amounts that may be withheld therefrom by County as heretofore provided.

## **10.0 DESTRUCTION OF THE LICENSED PREMISES**

- 10.1 In the event the licensed premises shall be totally or partially destroyed, either party shall have the right to terminate this License Agreement. Sections 10.2 shall be applicable upon mutual agreement of the parties.
- 10.2 If the premises are restored, this License Agreement shall continue in full force and effect, except that the payment to be made by Licensee shall be abated and/or other relief afforded to the extent that the Chief Executive Officer may determine the damage and/or restoration interferes with the license operation provided a claim therefor is filed with the Chief Executive Officer within one hundred (100) days of notice of election to restore the licensed premises. Any such claim shall be denied if the destruction of the licensed premises is found by the Chief Executive Officer to have been caused by the fault or neglect of Licensee. Licensee agrees to cooperate in the determination of the abatement and/or other relief to be provided by furnishing all information requested relative to the license operation, and permitting examination and audit of all accounting records kept in connection with the conduct thereof.
- 10.3 Licensee shall cooperate in the restoration of the licensed premises by vacating and removing therefrom all items of inventory, trade fixtures, equipment and furnishings for such periods as are required for the restoration thereof.
- 10.4 Licensee agrees to accept the remedy heretofore provided in the event of a partial or total destruction of the licensed premises and hereby waives any and all additional rights and remedies for relief or compensation that are presently available or may hereafter be made available under the laws and statutes of this State.

## **11.0 CONSTRUCTION BY COUNTY AFFECTING LICENSED PREMISES**

- 11.1 In the event County shall construct or cause construction on or near the licensed premises, this License Agreement shall continue in full force and effect, except that the payments to be made by Licensee shall be abated and/or other relief afforded to the extent that the Chief Executive Officer may determine the construction interferes with the authorized operations, provided a claim therefor is filed with the Chief Executive Officer within one hundred (100) days of commencement of construction.
- 11.2 In the event the construction affects the licensed premises, Licensee agrees to cooperate with County by vacating and removing therefrom all items of inventory, trade fixtures, equipment and furnishings for such periods as are required by the construction. Licensee further agrees to cooperate in the determination of the abatement and/or other relief to be provided by furnishing all information requested relative to the operation and permitting examination and audit of all accounting records kept in connection with the conduct thereof.
- 11.3 Following completion of the construction, Licensee shall resume its operations therefrom within thirty (30) days of written notice from the Chief Executive Officer that the licensed premises are tenantable.
- 11.4 The aforementioned provisions of this section shall also be applicable in the event of performance of work at County of Los Angeles Vending Machine Facilities generally, and/or the licensed premises specifically, that requires a partial or total closure thereof, except that the abatement and/or other relief to be provided shall be based upon the extent the Chief Executive Officer may determine that the reduction in the public's use of the said facilities due to the partial or total closure thereof, has affected the Licensee's operations.
- 11.5 Licensee agrees to accept the remedy heretofore provided in the event of construction upon the licensed premises, and/or County of Los Angeles Vending Machine Facilities hereby waives any and all additional rights and remedies for relief or compensation that are presently available or may be made available hereafter under the laws and statutes of this State.

## **12.0 OPERATING RESPONSIBILITIES**

### **12.1 ADVERTISING AND PUBLICITY MATERIALS**

12.1.1 Licensee shall not, nor shall it authorize another to promulgate or cause to be distributed any advertising or publicity materials unless prior approval thereof is obtained from the Chief Executive Officer. Said approval shall not be unreasonably withheld or delayed. Such materials included, but not limited to: advertising in newspapers, magazines and trade journals, the internet, and radio and/or television commercials.

12.1.2 In recognition of the Licensee's need to identify its services and related clients to sustain itself, the County shall not prohibit the Licensee from publishing in any of its bids, proposals, and sales materials that it has been awarded this License Agreement by the County of Los Angeles, with the understanding that such materials are to be prepared in a professional manner, and that the materials are subject to the requirements of Subsection 12.1.3.

#### **12.1.3 Credit for the County**

Licensee agrees that any advertising or promotional materials promulgated by Licensee, which contain the names of the County Vending Machine Facilities used for vending machine operations, or any derivative of said names, shall also include the phrase "unit(s) of the County of Los Angeles" with the County of Los Angeles logo, unless specifically approved otherwise by the Chief Executive Officer.

### **12.2 COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Licensee shall conform to and abide by all municipal and County ordinances, and all State and Federal laws and regulations, insofar as the same or any of them are applicable; and where permits and/or licenses are required for the license agreement, any related activity, and/or construction authorized herein, the same must be first obtained

from the regulatory agency having jurisdiction thereover. Further, Licensee shall conform to and abide by all rules and regulations and policies of the County's Board of Supervisors, the Chief Executive Officer of the Chief Executive Office, and any other County agencies insofar as the same or any of them are applicable.

### 12.3 LICENSEE'S STAFF AND EMPLOYMENT PRACTICES

12.3.1 Licensee shall maintain adequate and proper staff for its authorized operations. Licensee shall designate an Operations Manager with whom County may deal with on a daily basis. Any person selected by Licensee as an Operations Manager shall be skilled in the management of businesses similar to the operation and shall be subject to approval by the Chief Executive Officer. The Operations Manager shall devote substantial time and attention to the operation authorized herein and render such services and convenience to the public as are required. The Operations Manager shall be fully acquainted with the operation, familiar with the terms and the conditions prescribed therefor by this License Agreement, and authorized to act in the day-to-day operation thereof.

12.3.2 The Chief Executive Officer may at any time give Licensee written notice to the effect that the conduct or action of a designated employee of Licensee is, in the reasonable belief of the Chief Executive Officer, detrimental to the interest of the public patronizing the Licensed premises. Licensee shall transfer or reassign any such employee within a reasonable period of time following notice thereof from the Chief Executive Officer, and such employee shall not be assigned to any other County Vending Machine Facility provided, however, that the right to discontinue use of a Compass employee, and Compass' obligation to comply with any such request, shall be subject to restrictions imposed upon Compass by any federal, state or local

statute, law code, regulation or ordinance or by a collective bargaining agreement or other contract affecting such employee.

- 12.3.3 The Licensee warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this License Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Licensee shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Licensee shall retain all such documentation for all covered employees for the period prescribed by law.
- 12.3.4 Prior to the commencement of the License Agreement, the Licensee shall: 1) establish an identification system; 2) identify each person assigned to the equipment installation, stocking of the products, and machine maintenance and repair; and 3) submit the identification system and list of personnel to the Chief Executive Officer for review and approval. The identification system shall be furnished at the Licensee's expense and may include but is not limited to appropriate uniform attire and name badges.
- 12.3.5 At any time prior to or during the term of this License Agreement, the County shall require that all of the Licensee's staff performing work under this License Agreement undergo and pass, to the satisfaction of the County, a background investigation, as a condition of beginning and continuing to work under this License Agreement. The County shall use its discretion in determining the method of background clearance to

be used, up to and including a County performed fingerprint security clearance. The fees associated with obtaining the background information shall be at the sole expense of the Licensee, regardless if the Licensee's staff passes or fails the background clearance investigation. All background reports on current and future staff hired by the Licensee will be submitted to the Chief Executive Officer.

- 12.3.6 Licensee shall exercise and maintain a sufficient degree of control over all its employees, equipment, and other agents/or subcontractors in order to prevent any unauthorized, illegal or unsafe activities.
- 12.3.7 Licensee shall notify its employees, and shall require each Subcontractor, if any, to notify its employees, that they may be eligible for Federal Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Notice No. 1015, Exhibit A of this License Agreement.

#### 12.4 CONFIDENTIALITY

- 12.4.1 Licensee shall maintain the confidentiality of all records and information obtained from the County under this Licensee Agreement in accordance with all applicable Federal, State or local laws, ordinances, regulations and directives relating to confidentiality.
- 12.4.2 To the extent permitted by applicable law, each party shall indemnify, defend, and hold harmless the other party, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and reasonable attorney fees, arising from, the negligent acts or omissions of the indemnifying party, its officers, employees, agents, or subcontractors, to comply with this Paragraph 12.4. Any legal

defense shall be conducted by the Indemnified Party and performed by counsel selected by such party. Notwithstanding the preceding sentence, the Indemnified Party shall have the right to participate in any such defense at its sole cost and expense.

12.4.3 Licensee shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this License Agreement.

12.4.4 Licensee shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Exhibit K.

#### 12.5 DAMAGE TO PREMISES AND WALK-THROUGH INSPECTION

12.5.1 Licensee shall repair or replace any County personal and/or real property or any other improvements damaged or destroyed as a result of, or connected with Licensee's operations.

12.5.2 In order to reasonably access damage, if any, to the premises, Licensee shall meet with the Chief Executive Officer's authorized representative for walk-through inspections of the vending machine sites. Said inspections shall take place (a) prior to the installation of Licensee's equipment, and (b) within twenty-four (24) hours following the complete removal of said equipment.

#### 12.6 EASEMENTS

County reserves the right to establish, grant or utilize easements or rights of way over, under, along and across the licensed premises for utilities and/or public access provided that County shall exercise such rights in a manner as will avoid any substantial interference with the operations to be conducted hereunder. Should the establishment of such easements permanently deprive Licensee of the use of a portion of the licensed premises, an abatement of payments and/or other relief shall be provided at the discretion of the Chief Executive Officer.

#### 12.7 DAYS AND HOURS OF OPERATION

Licensee shall have the right to use the licensed premises during the normal hours of operation of the County of Los Angeles Vending Machine Facilities where the vending machine sites are located.

#### 12.8 ILLEGAL ACTIVITIES

Licensee shall not knowingly permit any illegal activities to be conducted upon the licensed premises.

#### 12.9 MAINTENANCE

Licensee is hereby required to provide maintenance services, including, but not limited to, equipment installation, stocking of product, and machine maintenance, and repair.

#### 12.10 NON-INTERFERENCE

Licensee shall not interfere with the public use of and the programming within the Vending Machine Facilities where the vending machines are located.

#### 12.11 PATRON/NON-PATRON COMPLAINTS

The Licensee shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

12.11.1 Within ten (10) business days after the License Agreement effective date, the Licensee shall provide the County with the Licensee's policy for receiving, investigating and responding to user complaints.

12.11.2 The County will review the Licensee's policy and provide the Licensee with approval of said plan or with requested changes.

12.11.3 If the County requests changes in the Licensee's policy, the Licensee shall make such changes and resubmit the plan within five (5) business days for County approval.

12.11.4 If, at any time, the Licensee wishes to change the Licensee's policy, the Licensee shall submit proposed changes to the County for approval before implementation.

- 12.11.5 The Licensee shall preliminarily investigate all complaints and notify the Park Superintendent of the status of the investigation within five (5) business days of receiving the complaint.
- 12.11.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 12.11.7 Copies of all written responses shall be sent to the County within three (3) business days of mailing to the complainant.

#### 12.12 PRICES

- 12.12.1 Licensee shall at all times maintain a complete list of the Product's Prices (Exhibit J) collected by Licensee for all food/snacks and beverages supplied to the public and/or County employees on or from the licensed premises. The Chief Executive Officer hereby reserves the right to review and approve said fees and any increase requires approval from the Chief Executive Officer. Said prices shall be fair and reasonable based upon the following considerations: comparability with prices charged for similar products in the Los Angeles Metropolitan Area; and reasonableness of profit margin in view of the cost of providing same in compliance with the obligations assumed in this License Agreement.
- 12.12.2 In the event the Chief Executive Officer notifies Licensee that prices being charged are not fair and reasonable, Licensee shall have the right to confer with the Chief Executive Officer and justify said prices. Following reasonable conference and consultation thereon, Licensee shall make such price adjustments as may be ordered by the Chief Executive Officer. Licensee may appeal the determination of the Chief Executive Officer to the Board of Supervisors, whose decision thereon shall be final and conclusive. Notwithstanding the foregoing, Licensee's requests for price increases shall not be

unreasonably withheld upon a demonstrated showing by Licensee of increased costs.

12.12.3 A complete list of the Product's Prices (Exhibit J) shall be submitted for Chief Executive Officer's review prior to the commencement of advertising prices to the general public.

12.12.4 Vending machines with beverages should include bottled water as an option. The price of the bottled water should be no higher than the prices of the other beverage options in the vending machine.

#### 12.13 PROGRAMMED EVENTS

Licensee shall not promote or sponsor private or public events requiring the use of any other areas within the County of Los Angeles Vending Machine Facilities designated in Exhibit F. However, this provision shall not prohibit Licensee from generally advertising or encouraging public use of the County of Los Angeles Vending Machine Facilities.

#### 12.14 QUALITY OF GOODS AND SERVICES

12.14.1 Service to the public, with goods, services, and merchandise of the best quality and at reasonable charges, is of prime concern to County and is considered a part of the consideration for this License Agreement. Therefore, Licensee agrees to operate and conduct its operation in a first-class manner, providing similar activities, programs and services. Licensee, following receipt of written notification therefore, shall immediately withdraw or remove from sale any goods, services, and/or merchandise which may be found objectionable to the Chief Executive Officer based on findings that the provision of such goods or services are harmful to the public welfare.

12.14.2 Licensee shall bear the cost of installation, service, regular maintenance and stocking of Product. Licensee shall bear the cost of replacement of any vending machine that is damaged by the elements, vandalism, and ordinary wear and tear or

otherwise. Licensee shall bear the cost of vending machine relocation or removal from the licensed premises. Licensee shall reimburse the County for any costs associated with any damage resulting from Licensee's operations.

12.14.3 Licensee shall respond to all County calls for vending machine service within 24 hours.

#### 12.15 REPORTING

12.15.1 The Licensee shall meet with the Chief Executive Officer or its representative as many times as may be required by the Chief Executive Officer to review Licensee's performance under this License Agreement and to discuss any problems or matters as determined by the Chief Executive Officer and/or Licensee.

12.15.2 Licensee shall furnish the County with a monthly gross receipts report identifying monthly sales on a per-machine basis and showing all revenues for the exclusive use of the vending machine license. Such report shall be submitted no later than the 25<sup>th</sup> day of month following the month in which services were provided, unless otherwise specified by the Chief Executive Officer.

#### 12.16 SAFETY

Licensee shall immediately correct any unsafe condition of the licensed premises, as well as any unsafe practices occurring thereon. Licensee shall cooperate and comply fully with County, State, municipal, federal or any other regulatory agency having jurisdiction thereover, regarding any safety inspections and certifications of any and all Licensee's vehicles and equipment.

#### 12.17 SANITATION

No offensive matter or refuse, or substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted or remain on the licensed premises. Licensee

shall prevent the accumulation of trash and debris for a distance of ten (10) feet from the licensed premises.

#### 12.18 SECURITY DEVICES

Licensee, at its own expense, may provide any legal devices or equipment and the installation thereof, designated for the purpose of protecting the licensed premises from theft, burglary or vandalism, provided written approval for the installation thereof is first obtained from the Chief Executive Officer.

#### 12.19 SIGNS

Licensee shall not post signs upon licensed premises or improvements thereon unless prior approval thereof is obtained from the Chief Executive Officer. Signs shall also be subject to review and control by the Chief Executive Officer. Licensee is encouraged to prominently display *Choose Health LA* signage that promotes healthy food and beverage options on all vending machines (signage shall be provided by the Los Angeles County Department of Public Health).

#### 12.20 TEMPORARY STRUCTURES/EQUIPMENT

Licensee, at its own expense, shall provide, place, operate and maintain all the vending machines in the Vending Machine Facilities listed in Exhibit F. Licensee shall remove same from the licensed premises no later than date set for the take-down and removal of said temporary vending machines and equipment at the Licensee's sole expense. Should Licensee fail to complete this removal within thirty (30) days of the expiration or termination of this License Agreement, said equipment may be sold, removed or demolished, and Licensee shall reimburse County for any cost or expense in connection therewith in excess of any consideration received by County as a result of said sale, removal or demolition.

#### 12.21 UTILITIES

12.21.1 County shall provide and pay for any utilities serving the licensed premises. Licensee waives any and all claims against

County for compensation for loss or damage cause by a defect, deficiency or impairment of any utility system, electrical apparatus or wires serving the licensed premises.

12.21.2 Licensee shall not in any way alter or modify any of the County's utilities systems and/or equipment without specific authorization from the Chief Executive Officer.

#### 12.22 VANDALISM

Licensee shall report all incidents of vandalism resulting in the damage or destruction of vending machines operated pursuant to this License Agreement. Such reports shall identify the facility, location and serial number of the subject machine, and shall be faxed to: **FAX (213) 217-4968, Attention: Eliza Jung** or such other number as may hereinafter be designated in writing to Licensee by the Chief Executive Officer. Upon the occurrence of three or more incidents of documented vandalism at a single machine location within a twelve-month period, Licensee may elect to remove subject machine from location.

### **13.0 TERMS AND CONDITIONS**

#### 13.1 LICENSE AGREEMENT ENFORCEMENT

13.1.1 The Chief Executive Officer shall be responsible for the enforcement of this License Agreement on behalf of County and the United States and shall be assisted therein by those officers and employees of County having duties in connection with the administration thereof.

13.1.2 Any officers and/or authorized employees of County may enter upon the licensed premises at any and all reasonable times for the purpose of determining whether or not Licensee is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of County within the licensed premises.

- 13.1.3 In the event County commences legal proceedings for the enforcement of this License Agreement or recovery of the licensed premises herein, Licensee does hereby agree to pay any sum which may be awarded to the County by the Court for attorney's fees and costs incurred in the action brought thereon.

## 13.2 CANCELLATION

- 13.2.1 Upon the occurrence of any one or more of the events of default hereinafter described in Subparagraph 13.12, this License Agreement shall be subject to cancellation. As a condition precedent thereto, the Chief Executive Officer shall give Licensee ten (10) days notice by registered or certified mail of the date set for cancellation thereof; the grounds therefore; and that an opportunity to be heard thereon will be afforded on or before said date, if request is made therefor.
- 13.2.2 Upon cancellation, County shall have the right to take possession of the licensed premises.
- 13.2.3 Action by County to effectuate a cancellation and forfeiture of possession shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this License Agreement.
- 13.2.4 Any trustee, beneficiary, mortgagee or lender (hereinafter: Lender) under a hypothecation or mortgage previously approved by the Chief Executive Officer shall have the right at any time during the term of this License Agreement to undertake any and all action that may be required in order to prevent a cancellation of this License Agreement and a forfeiture of the use granted. Accordingly, the Chief Executive Officer shall send a copy of any intended cancellation of this License Agreement to any such Lender whose security would be affected thereby, provided that such Lender shall have

previously registered with the Chief Executive Officer by written notice specifying the name and address of said Lender; and upon request thereof for postponement, extend the date set therefor by such time as the Chief Executive Officer finds reasonable in order to allow said parties to correct the grounds therefor or to provide a new Licensee under a power of sale or foreclosure contained in the hypothecation or mortgage, who upon transfer thereto shall become responsible for the correction thereof within such time as may be allowed by the Chief Executive Officer.

- 13.2.5 In the event that, following service of the Notice of Cancellation of this License Agreement under the provisions of this clause, it is determined for any reason that the Licensee was not in default under the provisions of this clause, that the default was excusable under provisions of this clause, or Licensee has, to the satisfaction of the Chief Executive Officer, cured any default, the Chief Executive Officer shall issue, within five (5) business days, a rescission of the Notice of Cancellation, and the rights and obligations of the parties shall be the same as if the Notice of Cancellation had not been issued.

### 13.3 COMPLIANCE WITH CIVIL RIGHTS LAW

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

13.4 LICENSEE'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

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

13.5 LICENSEE'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

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

13.6 LICENSEE'S NON-COMPLIANCE

13.6.1 In the event the Chief Executive Officer determines that there are deficiencies in Licensee's operations authorized and required herein, the Chief Executive Officer will provide, as specified herein in the section of this License Agreement entitled Events of Default, a written notice to the Licensee to correct said deficiencies within specified time frames.

13.6.2 In the event that Licensee fails to correct the deficiencies within the prescribed time frames the Chief Executive Officer may, at his option: (1) use the Security Deposit as provided for herein,

(2) exercise its rights under the Sub-Section 13.25 (Right of Entry).

### 13.7 LICENSEE RESPONSIBILITY AND DEBARMENT

#### 13.7.1 Responsible Licensee

A responsible Licensee is a Licensee who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the License Agreement. It is the County's policy to conduct business only with responsible Licensees.

#### 13.7.2 Chapter 2.202 of the County Code

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

#### 13.7.3 Non-responsible Licensee

The County may debar a Licensee if the Board of Supervisors finds, in its discretion, that the Licensee has done any of the following: (1) violated a term of a License Agreement with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Licensee's quality, fitness or capacity to perform a License Agreement with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a

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

#### 13.7.4 Contractor Hearing Board

1. If there is evidence that the Licensee may be subject to debarment, the Department will notify the Licensee in writing of the evidence which is the basis for the proposed debarment and will advise the Licensee of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Licensee and/or the Licensee'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 Licensee should be debarred, and, if so, the appropriate length of time of the debarment. The Licensee and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

4. If a Licensee has been debarred for a period longer than five (5) years, that Licensee may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Licensee has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Licensee has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the

period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

13.7.5 Subcontractors of Licensee

These terms shall also apply to Subcontractors of County Licensees.

13.8 LICENSEE'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

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

13.8.2 As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Licensee's duty under this License Agreement to comply with all applicable provisions of law, Licensee warrants that it is now in compliance and shall during the term of this License Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

13.9 LICENSEE'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED  
PROPERTY TAX REDUCTION PROGRAM

13.9.1 Licensee acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are currently in paying their property tax obligations (secured and unsecured toll) in order to mitigate the economic burden otherwise imposed upon County and its tax payers.

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

13.10 CONFLICT OF INTEREST

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

13.10.2 The Licensee shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this License Agreement. The Licensee warrants that it is not now aware of any facts that create a conflict of interest. If the Licensee hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure

shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

#### 13.11 COUNTY'S QUALITY ASSURANCE PLAN

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

#### 13.12 EVENTS OF DEFAULT

- 13.12.1 The abandonment, vacation or discontinuance of operations on the licensed premises for more than two (2) weeks during the time each event to the public, without approval thereof by the Chief Executive Officer.
- 13.12.2 The failure of Licensee to punctually pay or make the payments required herein when due, where the delinquency continues beyond seven (7) days following written notice for payment thereof.
- 13.12.3 The failure of Licensee to operate in the manner required by this License Agreement, where such failure continues for more than three (3) days after written notice from the Chief Executive Officer to correct the condition.
- 13.12.4 The failure to maintain the licensed premises and the improvements constructed thereon in the state of repair required herein, and in a clean, sanitary, safe and satisfactory

condition, where such failure continues for more than three (3) days after written notice from the Chief Executive Officer to correct the condition.

- 13.12.5 The failure of Licensee to keep, perform and observe all of the other promises, covenants, conditions and agreements set forth in this License Agreement, where such failure continues for more than thirty (30) days after written notice from the Chief Executive Officer for correction thereof, provided that where fulfillment of such obligation requires activity over a period of time and Licensee shall have commenced to perform whatever may be required to cure the particular default within ten (10) days after such notice and continues such performance diligently, said time limit may be waived in the manner and to the extent allowed by the Chief Executive Officer.
- 13.12.6 Determination by the County, the California Fair Employment and Housing Commission, or the Federal Equal Employment Opportunity Commission of discrimination having been practiced by Licensee in violation of State and/or Federal laws thereon.
- 13.12.7 Transfer of the majority controlling interest of Licensee to persons other than those who are in control at the time of the execution of this License Agreement without approval thereof by the Chief Executive Officer.
- 13.12.8 Failure of Licensee to keep, perform and observe all other promises, covenants, conditions and agreements set forth herein.

### 13.13 FAIR LABOR STANDARDS

The Licensee shall comply with all applicable provisions of the Federal Fair Labor Standards Act.

#### 13.14 FORCE MAJEURE; TIME EXTENSIONS

- 13.14.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this License Agreement, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").
- 13.14.2 Notwithstanding the foregoing, a default by a subcontractor of Licensee shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Licensee and such subcontractor, and without any fault or negligence of either of them. In such case, Licensee shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Licensee to meet the required performance schedule. As used in this sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.
- 13.14.3 In the event Licensee's failure to perform arises out of a force majeure event, Licensee agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

#### 13.15 GOVERNING LAW, JURISDICTION, AND VENUE

This License Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Licensee agrees and consents to the exclusive jurisdiction of the courts of the

State of California for all purposes regarding this License Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

13.16 INDEPENDENT LICENSEE

This License Agreement is by and between the County of Los Angeles and Licensee and is not intended, and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association, as between County and Licensee. Licensee understands and agrees that all persons furnishing services on behalf of Licensee pursuant to this License Agreement are employees solely of Licensee and not of County. Licensee shall bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services on behalf of Licensee pursuant to this License Agreement.

13.17 INDEMNIFICATION

To the extent permitted by applicable law, each party shall indemnify, defend and hold harmless the other party, its Special Districts, the United States, the County of Los Angeles Flood Control District, their elected and appointed officers, employees, officers, directors, and agents ("Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including reasonable attorney fees), arising from the indemnifying party's negligent acts and/or omissions arising from and/or relating to this License Agreement, except for such loss or damage arising from the negligence or willful misconduct of the Indemnitees. The duty to indemnify shall survive the expiration or other termination of this License Agreement.

13.18 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Licensee shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 13.18 and 13.19 of this License Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to

and separate from any other contractual obligation imposed upon Licensee pursuant to this License Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Licensee for liabilities which may arise from or relate to this License Agreement.

13.18.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County. The County and the County of Los Angeles Flood Control District, their agents, officers, and employees (defined below) shall be listed as additional insureds under the Licensee's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this License Agreement.
- Renewal Certificates shall be provided to County not less than 10 days prior to Licensee's policy expiration dates.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this License Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Licensee identified as the contracting party in this License Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Licensee, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

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

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012

Attention: Christopher Montana, Acting Director of Real Estate Licensee also shall promptly report to County any injury or property damage accident or incident, including any injury to a Licensee employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Licensee.

13.18.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, the County of Los Angeles Flood Control District, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Licensee's General Liability policy with respect to liability arising out of Licensee's ongoing and completed operations performed on behalf of the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

13.18.3 Cancellation of or Changes in Insurance

Licensee shall provide County with, or Licensee's insurance policies shall contain a provision that County shall receive, written notice of cancellation of the general liability policy. The written notice shall be provided in accordance with the policy

provision. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the License Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this License Agreement.

13.18.4 Failure to Maintain Insurance

Licensee's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the License Agreement, upon which County immediately may withhold payments due to Licensee, and/or suspend or terminate this License Agreement. County, at its sole discretion, may obtain damages from Licensee resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Licensee, deduct the premium cost from sums due to Licensee or pursue Licensee reimbursement.

13.18.5 Insurer Financial Ratings

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

13.18.6 Licensee's Insurance Shall Be Primary

Licensee's general liability insurance policy, with respect to any claims related to this License Agreement, shall be primary with respect to all other sources of coverage available to Licensee.

13.18.7 Waivers of Subrogation

To the fullest extent permitted by law, the Licensee hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this License Agreement. The Licensee shall

require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

**13.18.8 Sub-Contractor Insurance Coverage Requirements**

Licensee shall include all Sub-Contractors as insureds under Licensee's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Licensee shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Licensee as additional insureds on the Sub-Contractor's General Liability policy. Licensee shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

**13.18.9 Claims Made Coverage**

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

**13.18.10 Application of Excess Liability Coverage**

Licensees may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

**13.18.11 Separation of Insureds**

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision.

## 13.19 INSURANCE COVERAGE REQUIREMENTS

### 13.19.1 Commercial General Liability

Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

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

### 13.19.2 Automobile Liability

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

### 13.19.3 Workers Compensation and Employers' Liability

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

any federal workers or workmen's compensation law or any federal occupational disease law.

13.19.4 Property Coverage

Licensees given exclusive use of County owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The County and its Agents shall be named as Loss Payee on Licensee's insurance as its interests may appear. Mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value.

13.19.5 Notwithstanding the above and in the event that Licensee fails to comply with any insurance requirements of this License Agreement, and such failure to comply results in any costs to County, Licensee shall pay full compensation for all costs incurred by County.

13.20 NON-DISCRIMINATION AND AFFIRMATIVE ACTION

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

13.20.2 The Licensee shall certify to and comply with the provisions of Exhibit B, Licensee's EEO Certification.

13.20.3 The Licensee shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in

compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- 13.20.4 The Licensee certifies and agrees that it will deal with its subcontractors, bidders and vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 13.20.5 The Licensee certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this License Agreement or under any other project, program, or activity supported by this License Agreement.
- 13.20.6 The Licensee shall allow County representatives access to the Licensee's employment/volunteer records during regular business hours to verify compliance with the provisions of this Subparagraph 13.20 when so requested by the County.
- 13.20.7 If the County finds that any provisions of this Sub-Paragraph 13.20 have been violated, such violation shall constitute a material breach of this License Agreement upon which the County may terminate or suspend this License Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this License

Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Licensee has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Licensee has violated the anti-discrimination provisions of this License Agreement.

13.20.8 The parties agree that in the event Licensee violates the non-discrimination provisions of this License Agreement, County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code 1671 as liquidated damages in lieu of canceling, terminating or suspending this License Agreement.

13.21 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY

LAW

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

### 13.22 NOTICES

Any notice required to be given under the terms of this License Agreement or any law applicable thereto may be: (1) delivered by personal service; facsimile or email or (2) placed in a sealed envelope, with postage paid, return receipt requested, addressed to the person on whom it is to be served, and deposited in a post office, mailbox, sub-post office, substation or mail chute, or other like facility regularly maintained by the United States Postal Service. The address to be used for any notice served by mail upon Licensee shall be:

Compass Group USA, Inc.  
5000 Hopyard Road, Suite 322  
Pleasanton, CA 94588  
Attn: Chris Hulick, Division President

With a copy to:  
Compass Group USA, Inc.  
2400 Yorkmont Road  
Charlotte, NC 28217  
Attn: (i) General Counsel; and (ii) President,  
Canteen Refreshment Services Division

The address to be used for any notice served by mail upon County shall be the County of Los Angeles, Chief Executive Office, Real Estate Division, 222 South Hill Street, 3<sup>rd</sup> Floor, Los Angeles, CA 90012, Attention: Christopher M. Montana, or such other place as may hereafter be designated in writing to Licensee by the Executive Chief Officer. Service by mail; facsimile or email and shall be deemed complete upon deposit in the above mentioned manner.

### 13.23 PUBLIC RECORDS ACT

Any documents submitted by Licensee; all information obtained in connection with the County's right to audit and inspect Licensee's documents, books, and accounting records pursuant to Paragraph 8.0 of this License Agreement; as well as those documents which were required to be submitted in response to the solicitation process for this License Agreement, become the exclusive property of the County. All such

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

#### 13.24 RECYCLED BOND PAPER

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

#### 13.25 RIGHT OF ENTRY

- 13.25.1 County may enter upon the Licensed Premises at any and all reasonable times for the purpose of determining whether or not Licensee is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of the County within the licensed premises.
- 13.25.2 In the event of an abandonment, vacation or discontinuance of operations for a period in excess of two (2) weeks, Licensee hereby irrevocably appoints County as an agent for continuing operation of the use granted herein, and in connection therewith authorizes the officers and employees thereof to (1) take possession of the licensed premises, including all improvements, equipment and inventory thereon; (2) remove any and all persons or property on said licensed premises and place any such property in storage for the account of and at the expense of Licensee; (3) subagreement or sublicense the licensed premises; and (4) after payment of all expenses of such subleasing or sublicensing, apply all payments realized therefrom to the satisfaction and/or mitigation of all damages

arising from Licensee's breach of this License Agreement. Entry by the officers and employees of County upon the licensed premises for the purpose of exercising the authority conferred hereon as agent of Licensee shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this License Agreement.

- 13.25.3 No re-entry or taking of the licensed premises by County pursuant to Sub-Paragraph 13.25.2 of this section shall be construed as an election to terminate this License Agreement unless a written notice of such intention is given to Licensee or unless the termination thereof be decreed by a court of competent jurisdiction.

#### 13.26 SEVERABILITY

If any provision of this License Agreement is determined to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall not be affected thereby and shall remain in full force and effect.

#### 13.27 SUBLICENSES

- 13.27.1 Licensee shall not, without the prior written consent of the Chief Executive Officer, sublicense any portion of the Licensed Premises, or sublicense any of the operation or activities authorized or required by this License Agreement.
- 13.27.2 In the event the County determines that the Licensee has violated the sublicense provision contained herein, the same shall constitute a material breach of License Agreement upon which the County may determine to cancel, terminate, or suspend this License Agreement.

#### 13.28 SURRENDER OF LICENSED PREMISES

Upon termination, expiration of the term hereof, or cancellation thereof as herein provided, Licensee shall peaceably vacate the licensed premises and any and all improvements located thereon and deliver up the same

to County in a reasonably good condition, ordinary wear and tear excepted, subject to the right of County to demand removal thereof to the extent that Paragraph 4.6 hereinbefore may be applicable thereto.

13.29 TAXES AND ASSESSMENTS

13.29.1 The property interest conveyed herein may be subject to real property taxation and/or assessment thereon, and in the event thereof, Licensee shall pay before delinquency all lawful taxes, including but not limited to possessory interest taxes, assessments, fees or charges which at any time may be levied by the State, County, City or any other tax or assessment-levying body upon the licensed premises and any improvements located thereon.

13.29.2 Licensee shall also pay all taxes, assessments, fees and charges on goods, merchandise, fixtures, appliances and equipment owned or used therein.

13.30 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE

Failure of Licensee to maintain compliance with the requirements set for in Subsection 13.8, Licensee's Warranty of Adherence to County's Child Support Compliance Program, shall constitute a default by Licensee under this License Agreement. Without limiting the rights and remedies available to County under any other provision of this License Agreement, failure to cure such default within 90 days of notice by the County of Los Angeles District Attorney shall be grounds upon which the county Board of Supervisors may terminate this License Agreement pursuant to Subsection 13.2, Cancellation.

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

Failure of Licensee to maintain compliance with the requirements set for in Paragraph 13.9, Licensee's Warranty of Compliance with County's Defaulted Property Tax Reduction Program, shall constitute default under

this License Agreement. Without limiting the rights and remedies available to County under any other provisions of this License Agreement, failure of Licensee to cure such default within 10 days of notice shall be grounds upon which County may terminate this License Agreement and/or pursue debarment of Licensee, pursuant to County code chapter 2.206.

### 13.32 TERMINATION FOR CONVENIENCE; SUSPENSION

#### 13.32.1 Termination for Convenience

The License Agreement may be terminated, in whole or in part, by County or Licensee in its sole discretion for whatever reason. Termination of License Agreement hereunder shall be effected by delivery to Licensee or County of a written notice of termination for convenience from the Chief Executive Officer or Licensee specifying the extent to which performance is terminated and the date upon which such termination shall become effective. The date upon which such termination becomes effective shall be no less than one hundred eighty (180) days after notice by the terminating party.

#### 13.32.2 Suspension

County, at its convenience, and without further liability, may suspend Licensee's performance under this License Agreement, in whole or in part, by written notice to Licensee from the Chief Executive Officer specifying the effective date and extent of the suspension.

13.32.2.1 Licensee shall immediately discontinue all services unless otherwise indicated by Chief Executive Officer.

13.32.2.2 In the event the entire License Agreement is suspended and the period of suspension exceeds one (1) calendar year, this License Agreement may

be deemed terminated for convenience at the option of either party, upon written notice to the other party.

13.33 TERMINATION FOR IMPROPER CONSIDERATION

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

13.33.2 Licensee shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the Auditor-Controller's Fraud Hotline at (800) 544-6861 or to such other number as may be provided to Licensee in writing by County

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

13.34 TERMINATION FOR INSOLVENCY

13.34.1 The County may terminate this License Agreement forthwith in the event of the occurrence of any of the following:

- Insolvency of the Licensee. The Licensee shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot

pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Licensee is insolvent within the meaning of Federal Bankruptcy Code;

13.34.2 To the extent permitted by law, the County may terminate this License Agreement forthwith in the event of the occurrence of any of the following:

- The filing of a voluntary or involuntary petition regarding the Licensee under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for Licensee; or

13.34.3 The rights and remedies of County provided in this Sub-Section 13.34 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this License Agreement.

#### 13.35 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

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

#### 13.36 TERMINATION UPON TRANSFER OF TITLE OR VENDING MACHINE FACILITY CLOSURE

13.36.1 Notwithstanding any other provision of this License Agreement, in the event the County transfers title of any or all of the County of Los Angeles Vending Machine Facilities containing the licensed premises to a governmental agency (assignee), the County reserves the right to: terminate this License Agreement; or provided there is consent by an assignee, assign the

County's interest in this License Agreement to said assignee. County shall provide the Licensee with notice of termination or assignment of this License Agreement pursuant to this provision. If the License Agreement is so terminated by the County, County, shall within thirty (30) days, reimburse the Licensee the unearned portion of the Annual Cash bonus paid in accordance to the annual cash bonus amount of this License Agreement Year in which License Agreement is terminated. Such reimbursement shall be determined by multiplying that annual cash bonus by a fraction, the numerator of which is the number of months remaining in this current License Agreement Year at the time such termination occurs and denominator of which is 12.

- 13.36.2 Notwithstanding any other provision of this License Agreement, in the event the County closes any or all the County of Los Angeles Vending Machine Facilities containing the licensed premises, this License Agreement shall be amended or terminated upon the effective date of such closure(s). Upon the effective date of vending machine facility closure, Licensee shall immediately cease its operations, and within fifteen (15) days therefrom remove all items of its personal property, equipment, and inventory. County shall provide advance notice to the Licensee of such vending machine facility closure.

### 13.37 TRANSFERS

- 13.37.1 Licensee shall not, without written consent of the Chief Executive Officer, transfer, assign, sublicense, hypothecate or mortgage this License Agreement. Any attempted transfer, assignment, sublicense, hypothecation or mortgage without the written consent of the Chief Executive Officer shall be null and void, and shall constitute a material breach of this License Agreement.

- 13.37.2 Each and all of the provisions, agreements, terms, covenants and conditions herein contained to be performed by Licensee shall be binding upon any transferee thereof.
- 13.37.3 Shareholders and/or partners of Licensee 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 Licensee to any persons, corporation, partnership or legal entity other than the majority controlling interest therein at the time of the execution of this License Agreement, the Chief Executive Officer's approval thereof shall be required. Consent to any such transfer shall be refused if the Chief Executive Officer finds that the transferee is lacking in experience and/or financial ability to conduct the license.
- 13.37.4 The prohibition herein contained shall not be applicable with respect to transfers of this License Agreement arising from the exercise of a power of sale or judicial foreclosure pursuant to the terms and conditions of a hypothecation or mortgage previously approved by the Chief Executive Officer.
- 13.37.5 In the event Licensee shall request the prior written consent of Chief Executive Officer to give, assign, transfer or grant control of this License Agreement, and Chief Executive Officer gives written consent to the assignment, a transfer fee equal to \$35,000 shall be paid to County. Said sum shall be payable to County in full either within thirty (30) days after said consent is given or prior to the close of any escrow, whichever occurs first. Prior to Chief Executive Officer's consent to such assignment, the assignor shall first deliver to assignee a written schedule of all sums due and owing to County from the assignor with such schedule in a form subject to the approval

of the Chief Executive Officer in all respects, and second, shall deliver to Chief Executive Officer, as part of the acceptance of the assignment, a written acknowledgment by the assignee that the assignee (a) affirms the sums due and owing to County and (b) accepts responsibility for payment of such sums directly to County. Exempted from said transfer fee shall be the following:

- a. A transfer of an undivided interest in the license agreement between or among co-workers or affiliated entities which results in a change in method of holding title but does not result in a change to the proportional interests held by the co-owners or affiliated entities prior to the transfer;
- b. An assignment which serves as security for the repayment of a loan from any lender but which does not entitle the assignee to an immediate right to use, occupy, possess or receive the rents or profits from the license agreement for so long as the assignor makes the required periodic payments and complies with other provisions of the loan;
- c. A transfer of title of the license agreement to a lender purchaser at the foreclosure sale under a deed of trust on the property or by assignment to the lender or its nominee in lieu of foreclosure;
- d. Such other assignment for which the Chief Executive Officer determines that the ownership interests in this License Agreement have remained unchanged, such as a change in the legal or fictitious name of the Licensee without any other change in the equity, in beneficial use of, or legal title to the license agreement as an asset, or the income produced thereby. The Chief Executive Officer's decision in such cases shall be appealable to the Board of Supervisors within ten (10) days after receipt of written

notice of the Chief Executive Officer's decision. Any such appeal request shall be accompanied by a Certificate of Deposit filed with the Chief Executive Officer in the full amount of the transfer fee; the Certificate of Deposit shall be payable to County, and the interest thereon shall accumulate, but the principal sum and interest shall remain the property of Licensee in the event the Chief Executive Officer's decision is reversed.

13.38 WAIVER

- 13.38.1 Any waiver by County of any breach of any one or more of the covenants, conditions, terms and agreements herein contained shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or agreement herein contained, nor shall failure on the part of County to require exact, full and complete compliance with any of the covenants, conditions, terms or agreements herein contained be construed as in any manner changing the terms of this License Agreement or stopping County from enforcing the full provisions thereof.
- 13.38.2 No delay, failure, or omission of County to re-enter the licensed premises or to exercise any right, power, privilege or option, arising from any default, nor any subsequent acceptance of payments then or thereafter accrued shall impair any such right, power, privilege or option, or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right.
- 13.38.3 No notice to Licensee shall be required to restore or revive "time of the essence" after the waiver by County of any default.
- 13.38.4 No option, right, power, remedy or privilege of County shall be construed as being exhausted by the exercise thereof in one or

more instances. The rights, powers, options and remedies given County by this License Agreement shall be cumulative.

#### 13.39 WARRANTY AGAINST CONTINGENT FEES

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

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

#### 13.40 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

The Licensee shall maintain accurate and complete financial records of its activities and operations relating to this License Agreement in accordance with generally accepted accounting principles. The Licensee shall also maintain accurate and complete employment and other records relating to its performance of this License Agreement. The Licensee agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this License Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, appropriate documentation for voided transactions (including approval for the void), and proprietary data and information, shall be kept and maintained by the Licensee and shall be made available to the County during the term of this License Agreement and for a period of five (5) years thereafter unless the

County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Licensee at a location in the County of Los Angeles, provided that if any such material is located outside the County of Los Angeles, then, at the County's option, the Licensee shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

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

13.40.2 Failure on the part of the Licensee to comply with any of the provisions of this Sub-paragraph 13.40 shall constitute a material breach of this License Agreement upon which the County may terminate or suspend this License Agreement.

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

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

13.40.4 If the County notifies the Licensee that the Licensee did/does not, to the reasonable satisfaction of the County (1) adequately maintain the documents required under Section 13.40 of the license agreement, and/or (2) did/does not have adequate internal controls, such that financial records could contain errors and/or omissions that would not be prevented and/or detected in the normal course of business, and/or (3) if the County is not able to reasonably determine whether the Licensee reported and paid the correct amount due to the County under this license agreement, then the County will assess penalties specified in this section upon the Licensee.

13.40.5 In the event the County hires an Independent Certified Public Accounting firm (CPA) to perform an audit of the Licensee's gross receipts and/or payments to the County, and if the CPA concludes that, due to inadequate records maintained by the Licensee, the CPA is unable to issue an unqualified opinion as to gross receipts for the Licensee, the CPA may employ alternative methods to impute rent for the period of inadequate records and calculate rent due. The CPA (or the Count) may use the Licensee's gross receipts last audited (in which an unqualified audit opinion was expressed), inflated by the Consumer Price Index for All Urban Consumers for the Los Angeles, Riverside, and Orange County areas. Interest/late fees

may also be separately applied. In addition, the County may require the Licensee to pay for the cost of the CPA's audit.

- 13.40.6 In the event the County and/or a CPA firm concludes that the Licensee under-reported Gross Receipts to the County, and that under-reporting is equal to or greater than 5% of the current or previous year's Gross Receipts reported by the Licensee, as determined at the sole discretion of the County, the Licensee shall pay for the cost of the CPA's audit and/or the County's review (including County costs associated with the CPA's audit, such as monitoring the audit, etc.).
- 13.40.7 Licensee shall at all times during license agreement period and for five (5) years after the termination/expiration of the license agreement, keep, or cause to be kept, locally, to the reasonable satisfaction of the County true, accurate, and complete records for all accounting years covered by this license agreement. Records will show all transactions relative to the conduct of operations, and be supported by data of original entry. Records shall detail transactions conducted on or from the licensed premises separate and apart from those in connection with Licensee's other business operations, if any.
- 13.40.8 All sales and/or services shall be recorded by cash registers or computers which automatically issue a customer's receipt or certify the amount in a sales slip. Cash registers shall have locked in sales totals and transaction counters that constantly accumulate and cannot be reset, and issue a tape (or other equivalent security mechanism) that imprints sequential transaction numbers and sales details. Beginning and ending cash register readings shall be made a matter of daily record. Signs shall be visibly posted near all cash registers requesting the payer to ask the cashier for a receipt and, if possible, the sign should include a sample of the appropriate receipt.

### 13.41 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

- 13.41.1 Should the Licensee require additional or replacement personnel after the effective date of this License Agreement, the Licensee 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 Licensee's minimum qualification for the open position. For this purpose, consideration shall mean that the Licensee will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Licensee.
- 13.41.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

### 13.42 GREEN INITIATIVES

Licensee shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits. Licensee shall purchase, store, and use environmentally and human friendly products that are compatible with products used by County. County shall determine and approve Licensee's products prior to their use. In addition, Licensee must complete and submit the Green Initiative Compliance Form as set forth in Exhibit M.

## **14.0 COUNTY'S SMOKING BAN ORDINANCE**

This License Agreement is subject to the provisions of the County's ordinance entitled Los Angeles County Code Title 17, Parks, Beaches, and Other Public Places, prohibiting smoking at County Parks ("Smoking Ban Ordinance") as codified in Sections 17.04.185 through 17.04.650 of the Los Angeles County Code, a copy of which is attached as Exhibit E and incorporated by reference into and made part of this License Agreement.

## **15.0 USE OF EXPANDED POLYSTYRENE (EPS) FOOD CONTAINERS**

The Licensee is required to comply with the County's policy on restricting its purchase and use of EPS food containers on County-owned facilities.

## **16.0 ARTIFICIAL TRANS FAT REDUCTION PROGRAM:**

- 16.1 Licensee agrees that it will participate in the County's Artificial Trans Fat Reduction (ATFR) Program, which mandates that no foods containing 0.5 grams or more of artificial trans fat per serving be stored, distributed, held for service, and/or used in the preparation of any menu item or in the Licensed Premises, except for food that is being served directly to consumers in a manufacturer's original sealed package, as more specifically set forth in Exhibit I hereto. Licensee shall provide the written certification attached hereto as Exhibit L stating that it has reviewed and is familiar with the requirements of the ATFR Program and will promptly obtain approval as a participant from the County's Public Health Department. Further information can be found at [www.lapublichealth.org](http://www.lapublichealth.org).
- 16.2 Within 5 days of the County's execution of this License Agreement, Licensee shall submit to the County's Public Health Department all required application materials for participation in the ATFR Program, and shall thereafter diligently pursue approval as an ATFR participant. Licensee's failure to do either of the foregoing shall constitute a material breach of this License Agreement and shall be grounds for immediate termination by the County. County shall have the right, in its sole discretion, to extend the time limit for submission of any and all application documents.
- 16.3 Upon County's approval of the Licensee's participation in the ATFR Program, Licensee shall have the same rights and obligations as any voluntary member of the ATFR Program (e.g., use of Program decal/logo, status updating, etc.), except for the right to terminate participation and as otherwise set forth herein.

- 16.4 In addition to any remedies provided the County by the ATFR Program's rules, any failure by Licensee to comply with the ATFR Program standards shall constitute a material breach of this License Agreement entitling the County to terminate the License Agreement in its entirety or, if the Licensee provides service to multiple Licensed Premises, with respect to the non-compliant facility. Prior to and/or in lieu of termination, the County may also, at its discretion, do any or all of the following:
- a. Require removal of all ATFR Program logo, signage and other advertising materials from the non-compliant License Premises and from any other location where such materials are used by the Licensee, including without limitation menus, menu boards, and dining table tent cards.
  - b. Require Licensee to cure its non-compliance with ATFR Program standards within a period prescribed by the County, in its discretion.

## **17.0 LICENSEE Performance**

- 17.1 The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.
- 17.2 The Department of Public Health (DPH) may periodically monitor this License Agreement to ensure the Licensee's compliance with the County of Los Angeles Vending Machine Nutrition Policy. DPH shall communicate its findings to the Chief Executive Office. Failure to comply with the County of Los Angeles Vending Machine Nutrition Policy may, in the Chief Executive Officer's sole discretion, constitute a breach of this License Agreement.

## **18.0 ENTIRE LICENSE AGREEMENT**

This document and the Exhibit(s) attached hereto constitute the entire License Agreement between County and Licensee and its subcontractors, if any, for Vending Machine Services at the County of Los Angeles Vending Machine Facilities. All other license agreements, promises and representations with respect thereto, other than contained herein, are expressly revoked, as it has been the intention of the parties to provide for a complete integration within the provisions of this document, and the Exhibit(s) attached hereto, the terms, conditions, promises and covenants relating to the license and the premises to be used in the conduct thereof. The unenforceability, invalidity, or illegality of any provision of this License Agreement shall not render the other provisions thereof unenforceable, invalid or illegal.

## **19.0 AUTHORIZATION WARRANTY**

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

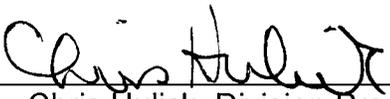
IN WITNESS WHEREOF, Licensee has executed this License Agreement, or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this License Agreement to be executed on its behalf by the Chief Executive Officer of the Chief Executive Office, the month, day and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
William T Fujioka, Chief Executive Officer  
Chief Executive Office

LICENSEE

SEE ATTACHED  
ACKNOWLEDGEMENT

By  \_\_\_\_\_  
Chris Hulick, Division President

JUL 18 2013

APPROVED AS TO FORM:

JOHN KRATTLI  
County Counsel

By  \_\_\_\_\_  
Christina A. Salseda, Principal Deputy

**CALIFORNIA ALL-PURPOSE CERTIFICATE  
OF ACKNOWLEDGMENT**

**State of California**  
**County of ALAMEDA**

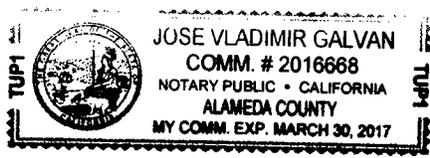
On JUL 18 2013 before me, **JOSE VLADIMIR GALVAN, NOTARY PUBLIC**

personally appeared CHRISTOPHER NEIL HULICK

\_\_\_\_\_ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the state of California that the foregoing paragraph is true and correct.

Jose Galvan  
Signature of Notary



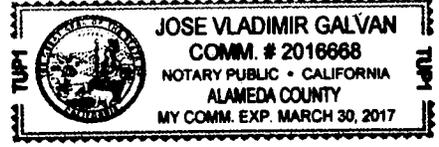
**Optional Information**

Date of Document: JUL 18 2013

Type or Title of Document: \_\_\_\_\_

Number of Pages in Document: \_\_\_\_\_

Document in a Foreign Language: \_\_\_\_\_



**Type of Satisfactory Evidence:**

- \_\_\_\_\_ Personally known with Paper Identification
- \_\_\_\_\_ Paper Identification
- \_\_\_\_\_ Credible Witness(es)

**Other Information**

**Capacity of Signer:**

- \_\_\_\_\_ Trustee
- \_\_\_\_\_ Power of Attorney
- \_\_\_\_\_ CEO/CFO/COO
- \_\_\_\_\_ President/Vice-President/Secretary/Treasurer
- \_\_\_\_\_ Other: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# **EXHIBIT A**

IRS NOTICE 1015



Department of the Treasury  
Internal Revenue Service

## Notice 1015

(Rev. December 2012)

### Have You Told Your Employees About the Earned Income Credit (EIC)?

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#### What is the EIC?

The EIC is a refundable tax credit for certain workers.

#### Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

**Note.** You are encouraged to notify each employee whose wages for 2012 are less than \$50,270 that he or she may be eligible for the EIC.

#### How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must

notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2013.

You must hand the notice directly to the employee or send it by first-class mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice from IRS.gov or by calling 1-800-829-3676.

#### How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see Pub. 596, Earned Income Credit (EIC), or the instructions for Form 1040, 1040A, or 1040EZ.

#### How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2012 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2012 and owes no tax but is eligible for a credit of \$800, he or she must file a 2012 tax return to get the \$800 refund.

# **EXHIBIT B**

## **LICENSEE'S EEO CERTIFICATION**

**EXHIBIT 8**

**PROPOSER'S EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION**

Compass Group USA, Inc. by and through its Canteen Vending Services Division  
 Proposer's Name

5000 Hopyard Road, Suite 322, Pleasanton CA  
 Business Address

56-1874931  
 Internal Revenue Service Employer Identification Number

**GENERAL**

In accordance with *Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000e through 2000e-17, Section 504 of the Rehabilitation Act of 1975, the Food Stamp Act of 1977, the Welfare and Institutions Code Section 1000, Americans with Disability Act of 1990, California Department of Social Services Manual of Policies and Procedures Division 21, the Contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, creed, color, national origin, political affiliation, marital status, age, disability, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.*

**PROPOSER'S CERTIFICATION**

- |  | <u>Check One</u>                               |
|--|--|
| 1. The Proposer has a written policy statement prohibiting discrimination in all phases of employment.   | <input checked="" type="checkbox"/> Yes [ ] No |
| 2. The Proposer periodically conducts a self analysis or utilization analysis of its work force.   | <input checked="" type="checkbox"/> Yes [ ] No |
| 3. The Proposer has a system for determining if its employment practices are discriminatory against protected groups.  | <input checked="" type="checkbox"/> Yes [ ] No |
| 4. Where problem areas are identified in employment practices, the Proposer has a system for taking reasonable corrective action which includes the establishment of goals and timetables. | <input checked="" type="checkbox"/> Yes [ ] No |

Name (please print or type) Chris Hulick

Title of Signer (please print or type) Division President

Signature Chris Hulick Date: 4/18/13

# **EXHIBIT C**

## **SAFELY SURRENDERED BABY LAW**

# *Safely* Surrendered *Baby Law*



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

**No shame. No blame. No names.**

**In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723**

[www.babysafeja.org](http://www.babysafeja.org)



# Safely Surrendered Baby Law

## What is the Safely Surrendered Baby Law?

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

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

## How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

## What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

## Can only a parent bring in the baby?

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

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

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

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

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

## What happens to the baby?

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

## What happens to the parent or surrendering adult?

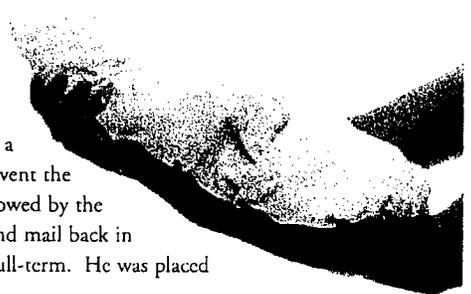
Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

## Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

## A baby's story

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



# *Ley de* Entrega de Bebés *Sin Peligro*



*Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles*

**Sin pena. Sin culpa. Sin nombres.**

**En el Condado de Los Angeles: 1-877-BABY SAFE • 1-877-222-9723**

[www.babysafela.org](http://www.babysafela.org)



# Ley de Entrega de Bebés Sin Peligro

## ¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro es una ley que permite a los padres o adultos que tienen un recién nacido entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

*Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.*

## Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.

## ¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

## ¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al 1-800-540-4000.

## ¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

## ¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

## ¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

## ¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

## ¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

## ¿Por qué se está haciendo esto en California? ¿?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.



# **EXHIBIT D**

## COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

**Title 2 ADMINISTRATION**  
**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

**2.206.010 Findings and Declarations.**

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.020 Definitions.**

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
- G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

**Title 2 ADMINISTRATION**  
**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

**2.206.030 Applicability.**

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.040 Required Solicitation and Contract Language.**

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.050 Administration and compliance certification.**

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.
- B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

**Title 2 ADMINISTRATION**  
**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

**2.206.060 Exclusions/Exemptions.**

- A. This chapter shall not apply to the following contracts:
1. Chief Executive Office delegated authority agreements under \$50,000;
  2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
  3. A purchase made through a state or federal contract;
  4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
  5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
  6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
  7. Program agreements that utilize Board of Supervisors' discretionary funds;
  8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
  9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
  10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
  11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
  12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or

**Title 2 ADMINISTRATION**

**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
  14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.
- B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.070 Enforcement and Remedies.**

- A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.
- B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.
- C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:
  1. Recommend to the Board of Supervisors the termination of the contract; and/or,
  2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
  3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.080 Severability.**

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)

# **EXHIBIT E**

## **COUNTY'S SMOKING BAN ORDINANCE**

**ORDINANCE NO. 2009-0044**

An ordinance amending Title – 17 Parks, Beaches and Other Public Places, to prohibit smoking in parks.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 17.04.035 is hereby added to read as follows:

**17.04.035 Contract-operated facilities.**

"Contract-operated facilities" means parks, which are operated, controlled, or maintained, in whole or in part, pursuant to an agreement with a lessee, concessionaire, operator, contractor, or vendor, for the purpose of providing recreational services to the public.

**SECTION 2.** Section 17.04.185 is hereby added to read as follows:

**17.04.185 Smoking.**

"Smoke" or "smoking" shall have the meaning as set forth in Section 11.64.020(B) of this code.

**SECTION 3.** Section 17.04.645 is hereby added to read as follows:

**17.04.645 Smoking Prohibited.**

Smoking shall be prohibited at all parks, except:

1. Smoking shall be permitted by actors who are acting during a permitted production or by models during a permitted photography session, unless otherwise determined by the Director, in consultation with the applicable Fire Official; and

2. Smoking shall be permitted within contract-operated facilities, in designated areas, at the discretion of the Director, in consultation with the operators of said facilities.

{1704035CSCC}

# **EXHIBIT F**

## **LIST OF COUNTY'S VENDING MACHINE FACILITIES**

## EXHIBIT F - CEO REGION 2: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 2	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
1	PROBATION	8526 GRAPE St/lobby/LunchRm	LOS ANGELES	90001	2	1	0
2	PUBLIC SOCIAL SERVICES	2707 S. GRAND/cafeteria	LOS ANGELES	90007	1	1	0
3	PROBATION	5811 S. SAN PEDRO/ Lobby	LOS ANGELES	90011	1	1	0
4	PROBATION	3606 W. EXPOSITION Blvd.	LOS ANGELES	90016	1	1	0
5	PUBLIC HEALTH	3834 S WESTERN Ave	LOS ANGELES	90018	1	1	0
6	HEALTH SERVICE	5555 FERGUSON Drive	COMMERCE	90022	2	3	1
7	SHERIFF	144 S FETTERLY AVE.	E LOS ANGELES	90022	1	1	0
8	PUBLIC WORKS	4801 E. 3RD STREET (ELA Civic Plaza)	LOS ANGELES	90022	1	1	0
9	PUBLIC SOCIAL SERVICES	2855 E OLYMPIC 1st Fl	LOS ANGELES	90023	1	1	0
10	PROBATION	3965 S.VERMONT/3rd Flr at Exposition Park	LOS ANGELES	90037	1	1	0
11	PROBATION	1500 Mcdonnell/frnt Lobb	COMMERCE	90040	2	1	0
12	CHILD SUPPORT SERVICES	5770 S EASTERN Ave 4th F	COMMERCE	90040	1	1	0
13	CHILD SUPPORT SERVICES	5770 S EASTERN Ave 2nd F	COMMERCE	90040	1	1	0
14	CHILD SUPPORT SERVICES	5701 S EASTERN Ave 4th F	COMMERCE	90040	1	1	0
15	CHILD SUPPORT SERVICES	5500 S EASTERN Ave 2nd F	COMMERCE	90040	2	1	0
16	CHILDREN & FAMILY SERVICES	5835 S EASTERN AVE	COMMERCE	90040	2	3	0
17	PUBLIC SOCIAL SERVICES	2700 S GARFIELD AVE.	LOS ANGELES	90040	1	0	0
18	CHILDREN & FAMILY SERVICES	5835 S. EASTERN Avenue	LOS ANGELES	90040	1	0	0
19	CHILDREN & FAMILY SVR	8300 VERMONT/1st Fl lunchroom	LOS ANGELES	90044	1	0	0
20	CHILDREN & FAMILY SVR	8300 VERMONT 2nd Fl lunchroom	LOS ANGELES	90044	1	1	0
21	CHILDREN & FAMILY SVR	8300 VERMONT/3rd Fl lunchroom	LOS ANGELES	90044	1	1	0
22	CHILDREN & FAMILY SVR	8300 VERMONT/4th Fl lunchroom	LOS ANGELES	90044	1	1	0
23	PROBATION	1320 W. IMPERIAL Hwy.	LOS ANGELES	90044	2	1	0
24	PROBATION	11701 S. La Cienega 4thfl (Airport Courthouse)	LOS ANGELES	90045	1	0	0
25	PUBLIC SOCIAL SERVICES	1819 W. 120th St./lunchroom	LOS ANGELES	90047		2	0

## EXHIBIT F - CEO REGION 2: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 2	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
26	CHILDREN & FAMILY SVR	5100 W GOLDLEAF CIR BUILDING C	LOS ANGELES	90056	1	2	0
27	HEALTH SERVICE (MLK HOSPITAL)	12021 Wilmington (Person)	LOS ANGELES	90059	1	1	
28	HEALTH SERVICE (MLK HOSPITAL)	12021 Wilmington (Emergency)	LOS ANGELES	90059	1	1	
29	HEALTH SERVICE (MLK HOSPITAL)	12021 Wilmington (Intern)	LOS ANGELES	90059	1	1	
30	HEALTH SERVICE (MLK HOSPITAL)	12021 Wilmington (Ment/Hea2N)	LOS ANGELES	90059	1	1	
31	PUBLIC HEALTH	11833 WILMINGTON 2nd 2900B (near MLK)	LOS ANGELES	90059	1	1	0
32	LIBRARY	5218 SANTA ANA ST	CUDAHY	90201	1	0	0
33	LIBRARY	7110 S GARFIELD AVE	BELL GARDENS	90201	1	0	0
34	LIBRARY	240 W COMPTON BLVD	COMPTON	90220			
35	PROBATION	200 W. COMPTON Blvd. No.300	COMPTON	90220			
36	PUBLIC SOCIAL SERVICES	2959 Victoria St 1st Br	RANCHO DOMINGUEZ	90221	1	1	0
37	PUBLIC SOCIAL SERVICES	17600 S.Santa Fe	RANCHO DOMINGUEZ	90221	1	1	0
38	CHILDREN & FAMILY SVR	921 E COMPTON BLVD	COMPTON	90221	1	1	0
39	INTERNAL SERVICES	11236 Playa Court 1st Fl	CULVER CITY	90230	1	1	0
40	ASSESSOR	6120 BRISTOL PKWY	CULVER CITY	90230	2	1	0
41	LIBRARY	4975 OVERLAND AVE	CULVER CITY	90230	1	0	0
42	PROBATION	9150 E IMPERIAL K-111	DOWNEY	90242	1	1	1
43	PROBATION	9150 E IMPERIAL Rm124	DOWNEY	90242	2	1	0
44	PROBATION	9150 E IMPERIAL Rm16	DOWNEY	90242	1	1	0
45	PROBATION	7285 QUILL DR. lunch area	DOWNEY	90242	1	0	0
46	PUBLIC HEALTH	12750 ERICKSON/lab Rm 10	DOWNEY	90242	1	1	0
47	LIBRARY	7400 E IMPERIAL HWY	DOWNEY	90242	1	1	1
48	HEALTH SERVICES (Rancho Hospital)	7601 IMPERIAL HWY 1st floor	DOWNEY	90242	1	1	0
49	HEALTH SERVICES (Rancho Hospital)	7601 IMPERIAL HWY 2nd floor	DOWNEY	90242	1	1	0
50	HEALTH SERVICES (Rancho Hospital)	7601 IMPERIAL HWY 3rd floor	DOWNEY	90242	1	1	0

## EXHIBIT F - CEO REGION 2: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 2	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
51	HEALTH SERVICES (Rancho Hospital)	7601 IMPERIAL HWY 100 Main	DOWNEY	90242	2	1	0
52	PUBLIC SOCIAL SERVICES	12000 S. HAWTHORNE Blvd	HAWTHORNE	90250	1	1	0
53	CHILDREN & FAMILY SERVICES	11539 S HAWTHORNE BLVD	HAWTHORNE	90250	1	1	0
54	LIBRARY	12700 S GREVILLEA AVE	HAWTHORNE	90250			
55	MENTAL HEALTH	2311 W. EL SEGUNDO	HAWTHORNE	90250	1	0	0
56	LIBRARY	6518 MILES AVE	HUNTINGTON PARK	90255	1	0	0
57	SHERIFF	11705 S. ALAMEDA (Lynwood Detention Ctr)	LYNWOOD	90262	2	2	0
58	SHERIFF	11705 S. ALAMEDA 1st Fl	LYNWOOD	90262	2	1	0
59	SHERIFF	11705 S. ALAMEDA 2nd Fl	LYNWOOD	90262	1	0	1
60	SHERIFF	11703 ALAMEDA PROBATION	LYNWOOD	90262	1	0	0
61	PROBATION	11701 ALAMEDA	LYNWOOD	90262	1	1	0
62	PROBATION	1320 HIGHLAND AVE	MANHATTAN BEACH	90266	1	0	0
63	FIRE	2300 OCEAN FRONT WALK (Life Guard)	VENICE	90291	1	0	0
64	SHERIFF	13837 W FIJIWAY Outside	MARINA DEL REY	90292	1	1	0
65	PUBLIC HEALTH	123 W MANCHESTER BLVD	ENGLEWOOD	90301	1	1	0
66	CHILDREN & FAMILY SERVICES	2325 CRENSHAW BLVD (PARK DEL AMO)	TORRANCE	90501	2	1	0
67	CHILD SUPPORT SERVICES	20221 S HAMILTON ST	TORRANCE	90502	1	0	0
68	HEALTH SERVICES (Harbor UCLA)	1000 W. Carson	TORRANCE	90502	2	1	1
69	PROBATION	8240 S BROADWAY	WHITTIER	90602	1	1	0
70	PUBLIC HEALTH	7643 S PAINTER AVE	WHITTIER	90602	0	0	0
71	LIBRARY	14433 LEFFINGWELL RD	WHITTIER	90604	0	0	0
72	LIBRARY	13800 MIRADA BLVD	LA MIRADA	90638	0	0	0
73	REGISTER RECORDER	12400 IMPERIAL HWY.	NORWALK	90650	6	1	0
74	PUBLIC SOCIAL SERVICES	12440 IMPERIAL HWY	NORWALK	90650	0	1	0
75	LIBRARY	12350 IMPERIAL HWY	NORWALK	90650	1	0	0

## EXHIBIT F - CEO REGION 2: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 2	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
76	PUBLIC SOCIAL SERVICES	12727 NORWALK BLVD	NORWALK	90650	1	1	0
77	CHILD SUPPORT SERVICES	10355 SLUSHER DR.	SANTA FE SPRINGS	90670	1	0	0
78	LIBRARY	9945 E FLOWER ST	BELLFLOWER	90706	1	0	0
79	CHILDREN & FAMILY SERVICES	4060 WATSON PLAZA DR	LAKEWOOD	90712	1	1	0
80	LIBRARY	4990 N CLARK AVE	LAKEWOOD	90712	1	0	0
81	PROBATION	24330 NARBONNE AVE 1st flr	LOMITA	90717	1	0	0
82	LIBRARY	151 E CARSON ST	CARSON	90745	1	0	0
83	ASSESSOR	1401 E WILLOW ST	SIGNAL HILL	90806	1	1	0
84	HEALTH SERVICE	1333 CHESTNUT 2nd fl	LONG BEACH	90813	1	1	0
85	PUBLIC SOCIAL SERVICES	12900 CROSSROADS PKWY	INDUSTRY	91746	0	1	0
86	PUBLIC SOCIAL SERVICES	12860 CROSSROADS PKWY	INDUSTRY	91746	2	1	0
87	LIBRARY	1850 NOGALES ST	ROWLAND HEIGHTS	91748	1	0	0
					<b>97</b>	<b>66</b>	<b>5</b>
<u>Region 2</u> : Approximate total no of vending machines					<b>168</b>		

# **EXHIBIT G**

## **COUNTY OF LOS ANGELES VENDING MACHINE NUTRITION POLICY**

<b>Policy #:</b>	<b>Title:</b>	<b>Effective Date:</b>
<b>3.115</b>	<b>County of Los Angeles Vending Machine Nutrition Policy</b>	<b>8/8/2006</b>

### **PURPOSE**

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Obesity rates are rising in the county among both children and adults. Obesity and poor nutrition are among the leading causes of chronic disease, including type 2 diabetes, heart disease, stroke, and cancer, and are major drivers of the escalating health care costs. The abundance of inexpensive low-nutrient, calorie-dense food and beverages in community and work environments are important contributors to unhealthy dietary practices. The purpose of the County of Los Angeles Vending Machine Nutrition Policy is to encourage healthier diets by increasing access to healthy food and beverages and reducing access to unhealthy food and beverage options for County employees and the public at County facilities.

### **REFERENCE**

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August 8, 2006, Board Order 25

February 17, 2009 - Board of Supervisors Statement of Proceedings:  
<http://file.lacounty.gov/bos/supdocs/47636.pdf>

August 18, 2009 - Board of Supervisors Statement of Proceedings

### **POLICY**

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This policy would affect County-contracted vending machine suppliers by requiring them to change the products they offer to meet County of Los Angeles Vending Machine Nutrition Policy guidelines in all County facilities and offices, except where exempted by the Board of Supervisors. This policy as it exists now or may exist in the future will apply to all new vending machine agreements as well as any new amendments to existing vending contracts. It is anticipated that County employees who purchase items from vending machines will be positively impacted by the policy by having a broad range of healthier foods and beverages from which to choose. County of Los Angeles Vending Machine Nutrition Policy guidelines are listed below. A list of examples of foods and beverages that comply with these guidelines are available upon request from the Department of Public Health.

All snacks and beverages sold in County-contracted vending machines must adhere to the following nutrition guidelines:

### **Snacks in Vending Machines**

An individually sold snack that has no more than:

- a) 35% of its calories from fat (excluding legumes, nuts, nut butters, seeds, eggs, non-fried vegetables, and cheese packaged for individual sale)
- b) 10% of its calories from saturated fat (excluding eggs and cheese packaged for individual sale)
- c) 35% sugar by weight (excluding fruits and vegetables)
- d) 250 calories per individual food item or package if a pre-packaged item
- e) 360 mg of sodium per individual food item or package if a pre-packaged item

### **Beverages in Vending Machines**

- a) Drinking water (including carbonated water products)
- b) Fruit-based drinks that are at least 50 percent fruit juice without added sweeteners
- c) Vegetable-based drinks that are at least 50 percent vegetable juice without added sweeteners
- d) Milk products, including two-percent, one-percent, nonfat, soy, rice and other similar non-dairy milk without added sweeteners
- e) Sugar sweetened or artificially sweetened beverages that do not exceed 25 calories per 8 ounces<sup>1</sup>

Vending machines with beverages should include bottled water as an option. The price of the bottled water should be no higher than the prices of the other beverage options in the vending machine.

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<sup>1</sup> Fresh coffee and tea dispensed from vending machines are exempted.

# **EXHIBIT H**

## **SAMPLE CEO MONTHLY GROSS RECEIPTS AND REVENUE REPORT**

**EXHIBIT H**  
**COUNTY OF LOS ANGELES CHIEF EXECUTIVE OFFICE (CEO)**  
**MONTHLY GROSS RECEIPTS AND REVENUE REPORT**

Name of Licensee: \_\_\_\_\_

Collection Period: 8/1/2013 - 8/31/2013

Agreement Number: \_\_\_\_\_

Location No.1: Machine No. 1: Address: 450 Bauchet Street LA, Twin Towers Lobby (including City, Bdg No., Floor No. & Room No.)							
Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Commission Amount
large bottle							
medium bottle							
can drink							
water bottle							

Machine Commission Total: \_\_\_\_\_

Location No. 1: Machine No. 2: Address: 450 Bauchet Street LA, Inmate Reception Center (including Bdg No. Floor No. & Room No.)							
Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Comm. Amount
large snacks							
medium snacks							
small snacks							

Machine Commission Total: \_\_\_\_\_

Location No. 2: Machine No.1: Address: 7601 Imperial Hwy, Norwalk, 1st fl Lunch room (including Bdg No. Floor No. & Room No.)							
Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Comm. Amount
large hot bvg							
medium hot bvg							
small hot bvg							
water bottle							

Machine Commission Total: \_\_\_\_\_

Location No. 2: Machine No.2: Address: 7601 Imperial Hwy, Norwalk, 1st fl Lunch room (including Bdg No. Floor No. & Room No.)							
Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Comm. Amount
large hot bvg							
medium hot bvg							
small hot bvg							
water bottle							

**COUNTY OF LOS ANGELES CHIEF EXECUTIVE OFFICE (CEO)  
MONTHLY GROSS RECEIPTS AND REVENUE REPORT**

Name of Licensee: \_\_\_\_\_

Collection Period: 8/1/2013 - 8/31/2013

Agreement Number: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Machine Commission Total: \_\_\_\_\_

# **EXHIBIT I**

## **COUNTY'S ARTIFICIAL TRANS FAT REDUCTION (ATFR) PROGRAM**

# ARTIFICIAL TRANS FAT REDUCTION (ATFR) PROGRAM

# ARTIFICIAL TRANS FAT REDUCTION PROGRAM



## Voluntary Artificial Trans Fat Reduction (ATFR) Program Application

The Los Angeles County (LAC) Environmental Health (EH), in recognition of those food facilities who are making the effort to voluntarily remove artificial trans fats from their menu, is implementing a placard recognition program. This placard can be proudly displayed at your food facility to let potential customers know that your facility is participating in the ATFR Program.

### PURPOSE

The criteria and procedures set forth by LAC EH are intended to ensure that those food facilities who display this placard are honestly presenting their food items to the public as advertised. In fact, the success or failure of this placard program rests on the overall diligence of the participating facilities' integrity in maintaining a zero grams trans fat program in their respective food businesses. The goal is for this placard to be meaningful to the customer when they are making healthy choices for their dining experience.

### APPLICATION/APPROVAL PROCESS

The following documents/requirements need to be submitted along with the completed application form. Please note that if any of the documents/requirements are not furnished during the initial submission, the application will be returned.

1. A completed application for the LAC EH placard program.

Food facility chains shall only be required to submit one application for all locations if all of the following conditions are met.

- a. Each location shares common ownership.
- b. Each location conducts food service operations consistent with the food facility chain's operational model.
- c. Foods received, prepared, and offered for sale at each location are the same for each location throughout the chain.

2. A signed "Conditions of Participation Agreement".
3. An application fee of \$204.00 made payable to the Los Angeles Department of Public Health.

Food facility chains that meet the conditions noted above (#1a-c) shall be required to submit only one application fee of \$136.00, plus \$68.00 for each

## ARTIFICIAL TRANS FAT REDUCTION PROGRAM

location in the chain that will participate in the ATFR Program. For example, a chain with three locations participating in the program would pay a total of \$340.00 (\$136 + \$68 + \$68 + \$68).

4. Legible copies of original nutrition fact labels indicating the grams of trans fat per serving for all food products:
  - a. that are, or that contain, fats, oils or shortenings, and
  - b. that are, when purchased by the food facility, required by applicable federal and state law to have labels, and
  - c. that are currently being stored, distributed, held for service, used in preparation of any menu items, or served by the food facility.
  - *Documentation instead of labels. Documentation from the manufacturers of such food products, indicating whether the food products contain vegetable shortening, margarine, or any kind of partially hydrogenated vegetable oil, or indicating trans fat content, may be submitted for approval in lieu of copies of original labels.*
  - *Documentation required when food products are not labeled. If baked goods (or other food products restricted by the Department's ATFR Program standards) are not required to be labeled when purchased, copies of documentation from the manufacturer of the food products, (indicating whether the food products contain vegetable shortening, margarine or any kind of partially hydrogenated vegetable oil, or indicating trans fat content) may be submitted for approval in lieu of copies of original labels.*
5. A legible copy of the food facility's menu of food items, or a list of food items offered for sale by the facility.

### APPROVAL AND DENIAL OF PLACARD

The application will be approved or denied within 30 business days from the date that it is received. A decision letter will be sent to all applicants indicating approval or reason(s) for denial. Applications that are not complete will be automatically returned to the applicant.

If you are approved, a placard will be mailed to you with the approval letter.

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# ARTIFICIAL TRANS FAT REDUCTION PROGRAM



## APPLICATION FOR THE COUNTY OF LOS ANGELES VOLUNTARY ARTIFICIAL TRANS FAT REDUCTION PROGRAM

Name of  
Organization/Business: \_\_\_\_\_

Name: \_\_\_\_\_  
Last First Middle

Title/Position: \_\_\_\_\_

\*Mailing Address: \_\_\_\_\_  
Number Street

\_\_\_\_\_  
City State Zip Code Telephone

\*If you are submitting an application for a chain please list the address for each location on a separate sheet and submit it with your application. If approved, a placard will be mailed to each of the locations you've listed unless otherwise specified.

### APPLICATION CHECKLIST:

- ( ) Completed Application Form (with list of additional locations if applicable)
- ( ) Signed Condition of Approval Form
- ( ) Make check payable to: County of Los Angeles, Department of Public Health
- ( ) Legible copies of original nutrition fact labels indicating the grams of trans fat per serving for all products (*see application for details*)
- ( ) Legible copy of the food facility's menu of food items, or a list of food items offered for sale by the facility
- ( ) Mail your completed application and attachments to:

Environmental Health  
Attn. Consultation & Technical Services  
5050 Commerce Dr.  
Baldwin Park, CA 91706

# ARTIFICIAL TRANS FAT REDUCTION PROGRAM



## CONDITIONS OF PARTICIPATION AGREEMENT

You must be a permitted food facility in Los Angeles County to participate in this placard recognition program.

By posting the ATFR placard in your facility, you are accepting the responsibilities of "truth-in-menu." Should this facility ever have to substitute an ingredient with one that contains reportable levels of trans fat, the placard **MUST BE REMOVED IMMEDIATELY** from display. Only upon re-establishing the advertised "zero grams trans fat" status, can the placard be displayed once again.

The ATFR placard is meant to help set your facility apart from all others and to help the public make informed choices in their dining experience. To ensure that your staff understands the importance of this program, they should be trained in what "trans fats" are and where they may be found. This will help to create the trustworthy atmosphere to your customer base.

The ATFR placard may not be reproduced in any form without prior approval from LAC EH. Any other reproduction, transmission, displays, or editing of the ATFR placard by any means mechanical or electronic without the express written permission of LAC EH is strictly prohibited.

I have read and agree to the above conditions.

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Signature

Date

---

Print Name

Position

## ARTIFICIAL TRANS FAT REDUCTION PROGRAM



### Committed to the Standard

Each participating food facility receives an ATFR inspection once per year to assure compliance with the program's standards. The ATFR inspection is separate from a regular food facility inspection and there is no additional cost for the inspection.

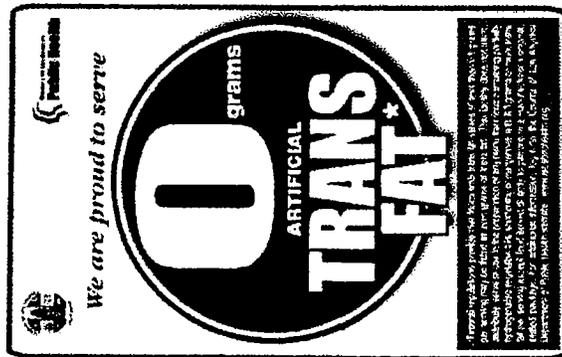
By assuring that all participating food facilities continue to meet the standard, both program participants and consumers can be confident that the decal/placard is meaningful and that it is reflective of a commitment to providing healthier dining options.

### Getting Started

The County of Los Angeles Department of Public Health has brochures available to help you get started on the road to zero grams trans fat.

These brochures are available online at [www.lapublichealth.org](http://www.lapublichealth.org).

## VOLUNTARY ARTIFICIAL TRANS FAT REDUCTION (ATFR) PROGRAM



### For more information:

[www.lapublichealth.org/atfr](http://www.lapublichealth.org/atfr)

[www.fda.gov/ftac/features/2003/503\\_fats.html](http://www.fda.gov/ftac/features/2003/503_fats.html)



County of Los Angeles Department of Public Health  
Environmental Health

County of Los Angeles  
Environmental Health  
5050 Commerce Drive  
Baldwin Park, CA 91706  
(626) 430 - 5320



## ARTIFICIAL TRANS FAT REDUCTION PROGRAM

*Food facilities that serve food with zero grams of trans fat help provide a healthier alternative to consumers.*

*These food facilities should stand up and be recognized.*

*The County of Los Angeles Department of Public Health has developed a program to help these food facilities get the recognition they deserve.*

Artificial Trans Fat Reduction Program  
✓ Zero Grams Trans Fat  
✓ Public Recognition

*Although many food facilities have begun their effort to eliminate trans fat from their menus, a simple way for consumers to identify these facilities had never been developed until now!*

### The Voluntary ATFR Program

The ATFR Program recognizes food facilities that do not store, use, or serve food containing partially hydrogenated vegetable oils, shortening, or margerines with 0.5 grams or more trans fat per serving, except food that is being served directly to patrons in a manufacturer's original sealed package. (Foods with trans fat values of less than 0.5 grams per serving are listed as zero grams of trans fat).

Participating food facilities that meet this standard are recognized with the issuance of an official ATFR Program decal/placard to notify consumers that they serve zero grams of trans fat.



Additionally, these food facilities are listed on the Department of Public Health website as active participants in the ATFR Program.

### Participating in the ATFR Program

Participation in the ATFR Program is strictly voluntary. Applications are available online at [www.lapublichealth.org](http://www.lapublichealth.org) or at your local County of Los Angeles Environmental Health district office.

Familiarizing yourself with the nutritional facts panels of the foods in your food facility will help you in providing the necessary information detailed in the application.

A one-time fee of \$204.00 is required with the application. If you have several locations that meet the ATFR Program's conditions for a "chain," only one application fee of \$136.00 is required plus \$68.00 for each participating location in your food facility chain.

### Benefits of Participation

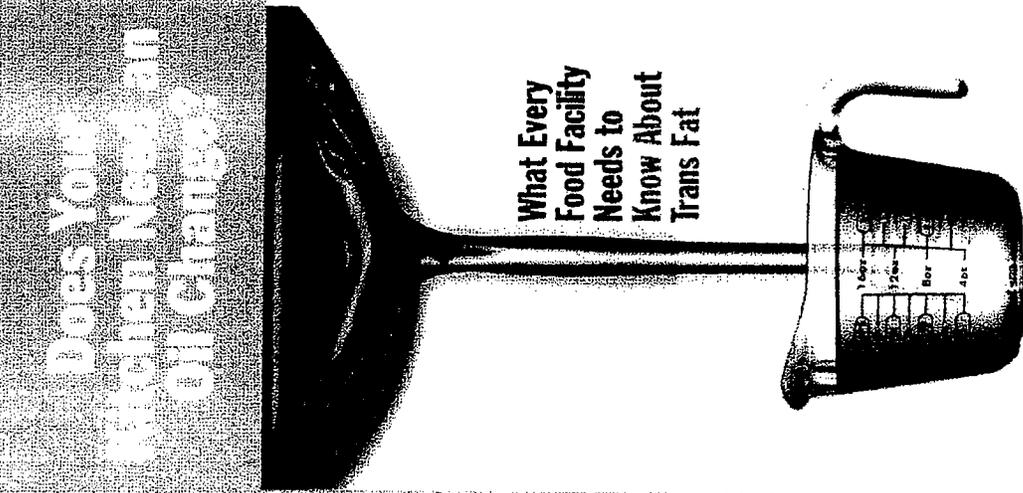
By participating, you:

- Will receive an official ATFR Program decal/placard that states that the food you serve contains zero grams of trans fat.
- Will be recognized on the County of Los Angeles Department of Public Health website.
- Show that you recognize consumers who are looking for healthier dining options.
- Distinguish your food facility from other businesses that do not provide this healthier alternative.
- Will be able to take advantage of a unique marketing opportunity.

# ARTIFICIAL TRANS FAT REDUCTION PROGRAM

**Make an Oil Change**  
Your menu and your profit margins can benefit from switching to healthier oils.

**Does Your Kitchen Need an Oil Change?**



**What Every Food Facility Needs to Know About Trans Fat**

Source: Adapted with permission for the County of Los Angeles Department of Public Health from: Does Your Kitchen Need an Oil Change? What Every Restaurant and Food Service Establishment Needs to Know About Trans Fat. New York City Department of Health and Mental Hygiene, 2006. Available at: [www.nyc.gov/health](http://www.nyc.gov/health)



### 1. CHANGE your oils.

For cooking and frying, check the ingredients on all oils. If "partially hydrogenated" is listed, switch to a non-hydrogenated oil instead. If there is no ingredients list, ask your supplier or the manufacturer.

For baking, use non-hydrogenated oils or shortenings with low or no trans fat.

### 2. CHOOSE healthy spreads.

Instead of stick margarine or butter, use soft tub spreads with low saturated fat and no trans fat.

### 3. ORDER prepared foods without trans fat.

Check ingredients and ask your supplier for baked products, pre-fried, and pre-mixed foods that are free of partially hydrogenated vegetable oils.

**INGREDIENTS:** Pasteurized Grade A Non-fat Milk, Fructose, Red Bell Pepper, Partially Hydrogenated Soybean Oil, Salt, Modified Cornstarch, Garlic, Lemon Juice

## ARTIFICIAL TRANS FAT REDUCTION PROGRAM

**Trans fat is what you should avoid.** It is a type of fat that is found in many processed foods. It is a type of fat that is not good for you.

These oils are called **partially hydrogenated**. Any food made with partially hydrogenated oil contains **trans fat**.

Food facilities commonly cook and fry with partially hydrogenated oils. Trans fat is also found in many pre-fried, baked, and prepared foods served in food facilities.

**Partially Hydrogenated Vegetable Oil**  
= **Trans Fat**  
= **Heart Disease Risk**

**Trans fat is unhealthy.**

Trans fat – like saturated fat – increases the risk of heart disease by raising "bad" (LDL) cholesterol. The Food and Drug Administration and the County of Los Angeles Department of Public Health recommend that consumers ask about fats (including oils) used by food facilities and that they avoid trans fat.

Many food facilities have already begun to make an oil change. This booklet gives tips on how to do it.

**Are you serving trans fat? You won't know unless you check!**

While many commercial vegetable oils contain trans fat, non-hydrogenated versions are available. The only way to know for sure if the oil you use contains trans fat is to check labels and to talk to your suppliers.

**Common sources of trans fat found in food facility kitchens include:**

- Vegetable oils used for frying, baking, and cooking
  - Shortening (hard vegetable oil)
  - Margarine and other spreads
  - Prepared foods, including:
    - Pre-fried foods, such as French fries, fried chicken, chicken nuggets, fish filets, chips, taco shells, and doughnuts
    - Baked goods, such as hamburger buns, pizza dough, crackers, cookies, cakes, pies, and pastries
    - Pre-mixed ingredients, such as pancake mix, hot chocolate, salad dressing, croutons, and breadcrumbs
- All of these products are available without trans fat (made without partially hydrogenated vegetable oil).

## Not All Fats Are Created Equal

<b>GOOD FATS</b> Lower the risk of heart disease	
Type of Fat	Polysaturated
<b>Monounsaturated</b>	<ul style="list-style-type: none"> <li>• Olive, canola, and peanut oils</li> <li>• Olives</li> <li>• Cashews, almonds, peanuts, and most other nuts</li> <li>• Avocados</li> </ul>
<b>Important Sources</b>	<ul style="list-style-type: none"> <li>• Corn, soybean, safflower, and sunflower, and cottonseed oils</li> <li>• Fish and seafood</li> </ul>
<b>BAD FATS</b> Increase the risk of heart disease	
Type of Fat	Saturated
<b>Trans*</b>	<ul style="list-style-type: none"> <li>• Partially hydrogenated vegetable oil</li> <li>• Most margarine and shortening</li> <li>• Many deep-fried foods</li> <li>• Many fast foods</li> <li>• Most baked goods</li> </ul>
<b>Important Sources</b>	<ul style="list-style-type: none"> <li>• Whole milk, butter, cheese, and ice cream</li> <li>• Lard and suet</li> <li>• Meat (beef, pork, bacon, sausage, and deli meats have the most)</li> <li>• Chicken and other poultry have less, especially with skin removed</li> <li>• Chocolate and cocoa butter</li> <li>• Palm oil</li> <li>• Coconut products, including milk and oil</li> </ul>
<p>* Most foods that contain trans fat can be made with non-hydrogenated oils instead.</p>	

# **EXHIBIT J**

## **LICENSEE'S PRODUCT PRICE LIST**

**Compass Group USA, Inc.  
by through its  
Canteen Vending Services**

**PRODUCT PRICE LIST**

Compass Group USA, Inc. by through its Canteen Vending Services Division (Compass Group USA) shall supply and provide snacks and beverages that adhere to the 100 % healthy food and beverage options, consistent with the County of Los Angeles Vending Machine Nutrition Policy. Compass Group USA shall provide, for the County's review and approval, a planogram with healthful alternatives products that meet the 100% healthy food and beverage options, prior to the initiation of sales.

Listed below are examples of snacks and beverages that Compass Group USA will be offering:

**Salty Snacks**

Frito Sunchips/ SS Products  
Popchips

**Sweet Snacks**

Nature Valley Granola Bars  
Peeled Dried Fruit

**Dried Fruit**

Planters Nuts and Trail Mixes  
Mr. Nature Nuts and Trail Mixes

**List of Proposed Product Pricing:**

Product	Price
Sweet Snacks	\$ 1.50
Salty Snacks	\$ 1.50
Large Snacks	\$ 2.00
Coffee 12 oz.	\$ 1.00
Water 20 oz.	\$ 2.00
Isotonics 20 oz.	\$ 2.50
Juice 20 oz.	\$ 2.50

# **EXHIBIT K**

## CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

**CONTRACTOR ACKNOWLEDGMENT AND CONFIDENTIALITY CERTIFICATION**

CONTRACTOR NAME Compass Group USA, Inc. by and through its Canteen Vending Services Division  
Contract No. \_\_\_\_\_

**GENERAL INFORMATION:**

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

**CONTRACTOR ACKNOWLEDGEMENT:**

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

**CONFIDENTIALITY AGREEMENT:**

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

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

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: Chris Hulick DATE: 7/2/13

PRINTED NAME: Chris Hulick

POSITION: Division President

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

# **EXHIBIT L**

CERTIFICATION OF COMPLIANCE  
WITH THE COUNTY'S ARTIFICIAL  
TRANS FAT REDUCTION PROGRAM

EXHIBIT 13

CERTIFICATION OF COMPLIANCE WITH ARTIFICIAL TRANS FAT  
REDUCTION PROGRAM

The Proposer certifies that:

- (1) It is familiar with the requirements for participation in the County's Artificial Trans Fat Reduction (ATFR) Program and will obtain the County's approval as a participant in the ATFR Program.
- (2) Within five days of County's execution of the Contract, it will submit to the County's Public Health Department all required application materials for participation in the ATFR Program, and thereafter diligently pursue approval as an ATFR participant.

Compass Group USA, Inc. by and through its  
Proposer name: Canteen Vending Services Division

BY: Chris Hulick  
Signature  
Chris Hulick  
Name  
Division President  
Title

# **EXHIBIT M**

## **GREEN INITIATIVES CERTIFICATION OF COMPLIANCE**

**EXHIBIT 15-A**  
**COUNTY OF LOS ANGELES**  
**CHIEF EXECUTIVE OFFICE (CEO)**  
**GREEN INITIATIVES**  
**CERTIFICATION OF COMPLIANCE**

I, Chris Hulick, as the Division President  
Name (please print or type) Title  
Compass Group USA, Inc. by and through  
Of Its Canteen Vending Services Division providing services at  
Name of company  
Chief Executive Office County of Los Angeles  
County facility (ies)

I, hereby certify that our Company shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits. Our Company shall purchase, store, and use environmentally and human friendly products that are compatible with products used by the County of Los Angeles.

Chris Hulick 4/18/13  
Signed Dated

**LICENSE AGREEMENT  
BY AND BETWEEN**

**CHIEF EXECUTIVE OFFICE – Region 3**

**AND**

**COMPASS GROUP USA, INC. BY AND  
THROUGH ITS CANTEEN VENDING SERVICES  
DIVISION**

**FOR**

**VENDING MACHINE SERVICES**

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**STANDARD EXHIBITS**

- A IRS NOTICE 1015
- B LICENSEE'S EEO CERTIFICATION
- C SAFELY SURRENDERED BABY LAW
- D COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM
- E COUNTY'S SMOKING BAN ORDINANCE
- F LIST OF COUNTY'S VENDING MACHINE FACILITIES
- G COUNTY OF LOS ANGELES VENDING MACHINE NUTRITION POLICY
- H SAMPLE CEO MONTHLY GROSS RECEIPTS AND REVENUE REPORT
- I COUNTY'S ARTIFICIAL TRANS FAT REDUCTION (ATFR) PROGRAM
- J LICENSEE'S PRODUCT PRICE LIST
- K CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
- L CERTIFICATION OF COMPLIANCE WITH THE COUNTY'S ARTIFICIAL TRANS FAT REDUCTION PROGRAM
- M GREEN INITIATIVES CERTIFICATION OF COMPLIANCE

**LICENSE AGREEMENT FOR THE  
VENDING MACHINE SERVICES  
AT VARIOUS COUNTY FACILITIES**

THIS LICENSE AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013,

BY AND BETWEEN

**COUNTY OF LOS ANGELES**, a  
body corporate and politic,  
hereinafter referred to as  
"County,"

AND

**COMPASS GROUP USA, INC. BY  
AND THROUGH ITS CANTEEN  
VENDING SERVICES DIVISION**,  
hereinafter referred to as "Licensee,"

**RECITALS**

**WHEREAS**, the County owns, operates, and leases a number of public buildings within which the work of county government is performed; and

**WHEREAS**, the County Board of Supervisors is authorized by the provision of Government Code Section 25536 to or grant vending machine licenses therein that are consistent with the government purposes served thereby; and

**WHEREAS**, a license for the provision of vending machine services to sell food and beverages is consistent with said purposes; and

**WHEREAS**, the County has determined that it is legal and feasible to authorize the service of selling food and beverages from vending machines; and

**WHEREAS**, the Licensee, which is a public or private firm specializing in providing the service of selling food and beverages from vending machines, is willing to exercise the grant of such a license in accordance with the terms and conditions prescribed therefore;

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

## **1.0 APPLICABLE DOCUMENTS**

Exhibits A, B, C, D, E, F, G, H, I, J, K, L and M are attached hereto and form a part of this License Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base License Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the License Agreement and then to the Exhibits according to the following priority:

- 1.1 EXHIBIT A - IRS Notice 1015
- 1.2 EXHIBIT B - Licensee's EEO Certification
- 1.3 EXHIBIT C - Safely Surrendered Baby Law
- 1.4 EXHIBIT D - Defaulted Property Tax Reduction Program
- 1.5 EXHIBIT E - County's Smoking Ban Ordinance
- 1.6 EXHIBIT F - List of County's Vending Machine Facilities
- 1.7 EXHIBIT G - County of Los Angeles Vending Machine Nutrition Policy
- 1.8 EXHIBIT H - Sample CEO Monthly Gross Receipts and Revenue Report
- 1.9 EXHIBIT I - County's Artificial Trans Fat Reduction (ATFR) Program
- 1.10 EXHIBIT J - Licensee's Product Price List
- 1.11 EXHIBIT K - Contractor Acknowledgement and Confidentiality Agreement
- 1.12 EXHIBIT L - Certification of Compliance with the County's Artificial Trans Fat Reduction Program
- 1.13 EXHIBIT M - Green Initiatives Certification of Compliance

## **2.0 DEFINITIONS**

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

- 2.2.1 **Agreement Year:** The 365 day period commencing on the commencement date of this License Agreement and each following 365 day period thereafter throughout the term of this License Agreement.
- 2.2.2 **Auditor-Controller:** The Auditor-Controller of the County of Los Angeles or an authorized representative thereof.
- 2.2.3 **Board of Supervisors:** The Board of Supervisors of the County of Los Angeles acting as governing body or their designee.
- 2.2.4 **Beverage:** 100% healthy beverage options that are consistent with the County of Los Angeles Vending Machine Nutrition Policy.
- 2.2.5 **Chief Executive Officer:** The Chief Executive Officer of the County of Los Angeles Chief Executive Office or an authorized representative thereof.
- 2.2.6 **County:** The County of Los Angeles.
- 2.2.7 **County of Los Angeles Vending Machine Facilities:** Those facilities which the County of Los Angeles Chief Executive Office has jurisdictional or operational authority over as identified in **Exhibit F**.
- 2.2.8 **Department:** The County of Los Angeles Chief Executive Office or an authorized representative thereof.
- 2.2.9 **Food/Snack:** 100% healthy food options that are consistent with the County of Los Angeles Vending Machine Nutrition Policy.
- 2.2.10 **Gross Receipts:** Except as specifically provided by policy statement issued by the Chief Executive Officer, the term "gross receipts" as used in this License Agreement, is defined to be the total amount received and/or collected, in money, cash receipts, assets, property or other things of value, including by barter or exchange. Gross receipts include but are not limited to: gross charges, sales, rentals, fees and commissions received and/or collected by the Licensee during the reporting period from any business, use or occupation, or any combination thereof, originating, transacted, or performed in whole or in part, on the premises, including but not limited to rentals, the

rendering or supplying of services and the sale of goods, wares or merchandise, including sales through vending machines. Gross receipts shall include the amount of any manufacturer's or importer's excise tax included in the prices of any property or material sold, even though the manufacturer or importer is also the retailer thereof, and it is immaterial whether the amount of such excise tax is stated as a separate charge.

Except as specifically provided below or by policy statement issued by Chief Executive Officer, there shall be no deduction from gross receipts for any overhead cost or expense of operations, such as, but without limitation to salaries, wages, costs of goods, interest, debt amortization, credit, collection costs, discount from credit card operations, insurance and taxes. If Licensee included an amount in gross receipts that Licensee subsequently determines is uncollectible (e.g., due non-sufficient funds of payor, etc.), Licensee may deduct such amount from Licensee's subsequent gross receipts to the extent Licensee previously included such amounts in gross receipts and paid the County all amounts due thereon. Licensee shall separately itemize any such deductions when reporting gross receipts. Licensee shall timely include such deductions when reporting gross receipts. If Licensee subsequently collects any amount previously deducted under this section, Licensee shall include such collection in gross receipts for the period the Licensee collected such amount.

- a. Except as specifically provided below or by policy statement issued by the Chief Executive Officer, gross receipts reported by Licensee must include the full usual charges for any services, goods, rentals or facilities provided by Licensee. Gross receipts shall not include the following: direct taxes imposed upon the consumer and collected therefrom by the Licensee such as, but not limited to, Federal, State, or Municipal retail sales taxes, or related direct taxes, which are direct taxes paid periodically by

Licensee to a governmental agency accompanied by a tax return statement.

- b. The Chief Executive Officer, by policy statement consistent with recognized and accepted business and accounting practices, upon consultation with Licensee, and with the approval of the Auditor-Controller and County Counsel, may further interpret the term "gross receipts" as used in this License Agreement.

2.2.11 **Inclement Weather:** Weather conditions that include, but are not limited to, rain, flooding, extreme cold or heat, that may impair travel conditions, cause power outages, or otherwise impede public safety or make opening a facility impossible or more difficult.

2.2.12 **License Agreement:** Agreement executed between County of Los Angeles and Licensee. It sets forth the terms and conditions for the License Agreement.

2.2.13 **Licensee:** The sole proprietor, partnership, or corporation that has entered into an License Agreement with the County of Los Angeles.

2.2.14 **Locations:** Those places within designated facilities at which one or more vending machine sites exist.

2.2.15 **Operations Manager:** Licensee's designated person whom the County of Los Angeles may deal with on a daily basis regarding the vending machine services.

2.2.16 **Product:** Specifically the approved beverages and food/snacks manufactured, sold and distributed by the Licensee and sold in vending machines by the Licensee on the County of Los Angeles Vending Machine Facilities.

2.2.17 **State:** The State of California.

2.2.18 **Vending Machine:** Patron operated mechanical dispenser of food/snacks and beverages accepting paper currency and/or coins.

2.2.19 **Vending Machine Site(s):** A place or places containing or capable of containing a vending machine at a location.

### 3.0 LICENSE GRANTED

- 3.1 The County of Los Angeles hereby grants to Licensee the authorization to place vending machines in the County of Los Angeles Vending Machine Facilities designated in Exhibit F. The Vending Machines shall provide 100% healthy food and beverage options, consistent with the County of Los Angeles Vending Machine Nutrition Policy (Exhibit G). Except as otherwise provided in this License Agreement, Licensee will be the exclusive food and beverage vending machine provider at the Vending Machine Facilities identified in Exhibit F.
- 3.2 Licensee shall display all bottled water in eye-level sections of the beverage vending machines. Only food and beverage products that meet the County of Los Angeles Vending Machine Nutrition Policy shall be advertised on snack and beverage vending machines. Beverages and snacks that meet the policy's nutrition guidelines can vary by brand; therefore, it is important to compare the Nutrition Facts label before including them as an acceptable stocking item.
- 3.3 Please contact the Los Angeles County Department of Public Health, Division of Chronic Disease and Injury Prevention at (213) 351-7825 or email: [chronic\\_disease@ph.lacounty.gov](mailto:chronic_disease@ph.lacounty.gov) if you have questions on the vending machine policy and product compliance.
- 3.4 Licensee understands and agrees that this License Agreement confers only permission to use the premises described for prescribed purposes in accordance with the terms and conditions hereinafter specified without granting or reserving to Licensee any interest or estate therein; the expenditure of capital and/or labor in the course of use and occupancy thereunder shall not confer any interest of estate in the premises by virtue of said use, occupancy and/or money thereon; and it is the intention of the parties to limit the right of use granted herein to a personal, revocable and unassignable privilege of use in the premises for the license granted herein.
- 3.5 Upon mutual agreement with Licensee, the County, through its Chief Executive Officer, reserves the right to authorize an increase or decrease in

the number of Vending Machine Facilities listed in Exhibit F served by Licensee, and the number of machines at said facilities. The County may authorize Licensee to provide vending services at facilities at which the County has existing Operating or Concession Agreements provided the vending service does not conflict with existing agreements. In the event as increase in the number of Vending Machine Facilities served by Licensee is contemplated, the site and locations within the site shall be mutually agreed upon. The Chief Executive Officer may authorize such modification, in writing, at any time during an Agreement Year. Licensee shall be granted a ninety (90) day review (review period) of revenue generated by such additional machines at the conclusion of the review period. Licensee may then request that said additional machines be removed without penalty. The percentage commissions per machine specified in sub-section 6.1 shall apply.

- 3.6 Licensee and County will mutually determine the placement of additional vending machines at the locations listed in Exhibit F.
- 3.7 Should Licensee determine that it will not place vending machine(s) at a location designated in Exhibit F, County reserves the right to authorize provision of vending services by other providers.

#### **4.0 LICENSED PREMISES**

- 4.1 The premises for the License Agreement shall be the designated machine sites within the County of Los Angeles Vending Machine Facilities.
- 4.2 The premises shall be used only for purposes authorized herein, and such other purposes as are directly related thereto provided express approval therefore is granted by the Chief Executive Officer, and for no other purposes whatsoever.
- 4.3 Licensee acknowledges personal inspection of the premises and the surrounding area and evaluation of the extent to which the physical condition thereof will affect its operations. Licensee accepts the premises in their

present physical condition, and agrees to make no demands upon County for any improvements or alterations thereof.

- 4.4 Licensee, at its sole expense, may make or construct or cause to be made or constructed additions, alterations, repairs or changes in the premises as authorized by the Chief Executive Officer provided that: (1) written approval thereof is first obtained from the Chief Executive Officer; (2) applicable permits are obtained therefore; and (3) there is compliance with such terms and conditions relating thereto as may be imposed thereon by the Chief Executive Officer.
- 4.5 Licensee hereby acknowledges the title of the United States of America, County, and/or any other public agencies having jurisdiction thereon, in and to the premises and the improvements located thereon, and covenants and agrees never to assail, contest or resist said title.
- 4.6 Upon termination of the License Agreement, whether by expiration of the term, cancellation, or otherwise, all equipment, trade fixtures, and furnishings provided by Licensee shall be removed from the premises by the Licensee at the Licensee's sole expense. Should Licensee fail to complete this removal within thirty (30) days of the expiration or termination of this License Agreement, said equipment may be sold, removed or demolished, and Licensee shall reimburse County for any cost or expense in connection therewith in excess of any consideration received by County as a result of said sale, removal or demolition.

## **5.0 TERM OF LICENSE AGREEMENT**

- 5.1 The term of the License Agreement shall be for a period of ten (10) years commencing on the first day of the month following the execution of this License Agreement by the Chief Executive Officer unless terminated sooner or extended, in whole or in part, as provided for in this License Agreement.
- 5.2 The parties may extend the License Agreement term for an additional one-five (5) year period by mutual written agreement.

## 6.0 CONSIDERATION

6.1 In consideration for the exclusive food and beverage vending machine service license granted herein, the Licensee shall pay County commissions on a monthly basis. The commissions are a percentage of gross receipts collected from the Licensee's vending machines less sales taxes and any applicable California Redemption Value for recyclable containers (CRV) as set forth below:

- 36 % of its gross receipts from the sales of food and snacks
- 36 % of its gross receipts from the sales of beverages

Any new products sold through vending machines during the term of the License Agreement shall be at the commission rates determined upon the mutual agreement of both parties.

6.2 The first annual cash bonus for each region is due to the Chief Executive Office (CEO) prior to the commencement of the License Agreements. Subsequent cash bonus payments shall be made on the anniversary date of each License Agreement Year. The annual cash bonus payment amounts for each region will be as follows:

License Agreement Term	Annual Cash Bonus		
	Region 1	Region 2	Region 3
Years 1 - 5	\$26,000	\$23,000	\$9,000
Years 6 - 10	\$27,000	\$24,000	\$10,000
Option years	\$28,000	\$25,000	\$11,000

6.3 Licensee's commission payment shall be accompanied by a monthly gross receipts report detailing the facility addresses served and the monthly sales of each vending machine at each facility.

6.4 Payment shall be by check or draft and made payable to the County of Los Angeles Chief Executive Office. However, if any check is returned for non-sufficient funds, or for any reason, the Licensee shall be required to pay an

additional thirty-three (\$33) dollar service fee, as well as any applicable late fee.

- 6.5 Licensee shall submit the monthly commission payment to the County by the 25<sup>th</sup> calendar day of the month, following the month of service. The monthly commission payment under this License Agreement shall be submitted to:

Auditor Controller  
Franchise/Concession Section  
County of Los Angeles  
500 Temple Street, Room 410  
Los Angeles, CA 90012

- 6.6 In the event payment is received on or before said date, a late payment charge of ten percent (10%) shall be added to the unpaid amount. The late payment charge may be waived whenever CEO, upon appeal of the Licensee, finds late payment excusable by reason of extenuating circumstances.
- 6.7 Any late payment charge shall be due and payable within the next payment schedule. County shall not be obligated at any time to notify Licensee of late payment charges or the accumulation thereof.

## **7.0 CHANGES AND AMENDMENTS**

- 7.1 The County's Board of Supervisors or its designee may require the addition and/or change of certain terms and conditions in the License Agreement during the term of this License Agreement. The County reserves the right to add/or change such provisions as required by the County's Board of Supervisors. To implement such orders, an Amendment to the License Agreement shall be prepared and executed by the Licensee and the Chief Executive Officer.
- 7.2 Notwithstanding the above, this License Agreement may be modified only by further written agreement between the parties. The County's Board of Supervisors hereby authorizes the Chief Executive Officer to act on its behalf

in negotiations, approval, preparation and execution of any modification deemed necessary in the proper administration of this License Agreement. Any such modification shall not be effective unless and until executed by Licensee and in the case of County, until approved by the Chief Executive Officer.

- 7.3 The Chief Executive Officer or his designee may at his/her sole discretion add or delete County of Los Angeles Vending Machine Facilities listed in Exhibit F to this License Agreement. The Chief Executive Officer may authorize such modifications, in writing, at any time during an Agreement Year.

## **8.0 ACCOUNTING RECORDS**

- 8.1 Licensee shall be required to maintain a method of accounting which shall, to the satisfaction of the Auditor-Controller, correctly and accurately reflect the gross receipts and disbursements of the Licensee in connection with the license. The method of accounting, including bank accounts, established for the license shall be separate from the accounting system used for any other business operated by Licensee or for recording Licensee's personal financial affairs. Such method shall include the keeping of the following documents:
- 8.1.1 Regular books of accounting such as general ledgers;
  - 8.1.2 Journals including any supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.;
  - 8.1.3 State and Federal income tax returns and sales tax returns and checks and other documents providing payment of sums shown which shall be kept in confidence by County;
  - 8.1.4 Daily sales reports;
  - 8.1.5 Any other accounting records that the Auditor-Controller deems necessary for proper reporting of receipts;
- 8.2 All documents, books and accounting records shall be open for inspection and re-inspection at any reasonable time during the term of this License Agreement and for five (5) years thereafter. In addition, the County may

from time to time conduct an audit and re-audit of the books and business conducted by Licensee and observe the operation of the business so that accuracy of the above records can be confirmed. All information obtained in connection with the County's inspection of records or audit shall be treated as confidential information and exempt from the public disclosure thereof to the extent permitted under the California Public Records Act (Government Code 6250-6270).

- 8.3 Licensee shall furnish the County a monthly gross receipts report identifying monthly sales on a per-machine basis and showing all revenues for the exclusive use of the vending machine license. Such report shall be submitted no later than the 25<sup>th</sup> day of month following the month in which services were provided, unless otherwise specified by the Chief Executive Officer. This monthly report shall include those listed Vending Machine Facilities (Exhibit F), and any newly added vending machine facilities added during the course of this License Agreement. Please find enclose a sample CEO Monthly Gross Receipts and Revenue Report (Exhibit H)
- 8.4 In the event that an audit or review conducted by the Auditor-Controller and/or Chief Executive Officer finds that, due to Licensee's non-compliance with its obligation to report gross receipts received in connection with its operations authorized herein, an actual loss and/or a projected loss of revenue to County can be determined, Chief Executive Officer may, at his option, (1) bill Licensee for said losses, said amount to be paid to County within thirty (30) days following billing therefor unless otherwise specified by Chief Executive Officer; and/or (2) use the Security Deposit as provided for herein;
- 8.5 Should the Chief Executive Officer find that the additional commission due to County exceeds two percent (2%) of the total amount which should have been paid as determined by such review or audit and observation, and there being no reasonable basis for the failure to report and pay thereon, Licensee shall also pay the cost of the audit as determined by County and pay any penalty heretofore provided for the delinquent payments.

8.6 Licensee shall cause all of its subcontractors to comply with these requirements except that a subcontractor shall only be required to establish and maintain those accounting records that the Auditor-Controller deems necessary to examine the reported gross receipts in accordance with generally accepted auditing standards.

## 9.0 SECURITY DEPOSIT

- 9.1 Prior to the commencement of this License Agreement, Licensee shall pay to the Department the sum of Seven Thousand Five Hundred Dollars (\$7,500) in the form of a **cashier's check** and made payable to the County of Los Angeles Chief Executive Office.
- 9.2 Said Security Deposit (Deposit) shall serve as security for faithful performance of all covenants, promises and conditions assumed herein by Licensee, and may be applied in satisfaction and/or mitigation of damages arising from a breach thereof, including, but not limited to, delinquent payments; correction of maintenance deficiencies; securing required insurance; loss of revenue due to abandonment, vacation or discontinuance of Licensee's operation; discrimination; a breach of obligations assumed by Licensee herein with respect to the requirements therefore by County, including the payment of mechanic's liens. Application of amounts on deposit in satisfaction and/or mitigation of damages shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this License Agreement.
- 9.3 In the event any or all of said Deposit is applied in satisfaction and/or mitigation of damages, Licensee shall immediately make payment in same manner and delivered to same payee such sums as are necessary to restore the Deposit to the full amount required hereunder.
- 9.4 Said Deposit shall be returned to Licensee upon termination of this License Agreement less any amounts that may be withheld therefrom by County as heretofore provided.

## **10.0 DESTRUCTION OF THE LICENSED PREMISES**

- 10.1 In the event the licensed premises shall be totally or partially destroyed, either party shall have the right to terminate this License Agreement. Sections 10.2 shall be applicable upon mutual agreement of the parties.
- 10.2 If the premises are restored, this License Agreement shall continue in full force and effect, except that the payment to be made by Licensee shall be abated and/or other relief afforded to the extent that the Chief Executive Officer may determine the damage and/or restoration interferes with the license operation provided a claim therefor is filed with the Chief Executive Officer within one hundred (100) days of notice of election to restore the licensed premises. Any such claim shall be denied if the destruction of the licensed premises is found by the Chief Executive Officer to have been caused by the fault or neglect of Licensee. Licensee agrees to cooperate in the determination of the abatement and/or other relief to be provided by furnishing all information requested relative to the license operation, and permitting examination and audit of all accounting records kept in connection with the conduct thereof.
- 10.3 Licensee shall cooperate in the restoration of the licensed premises by vacating and removing therefrom all items of inventory, trade fixtures, equipment and furnishings for such periods as are required for the restoration thereof.
- 10.4 Licensee agrees to accept the remedy heretofore provided in the event of a partial or total destruction of the licensed premises and hereby waives any and all additional rights and remedies for relief or compensation that are presently available or may hereafter be made available under the laws and statutes of this State.

## **11.0 CONSTRUCTION BY COUNTY AFFECTING LICENSED PREMISES**

- 11.1 In the event County shall construct or cause construction on or near the licensed premises, this License Agreement shall continue in full force and effect, except that the payments to be made by Licensee shall be abated and/or other relief afforded to the extent that the Chief Executive Officer may determine the construction interferes with the authorized operations, provided a claim therefor is filed with the Chief Executive Officer within one hundred (100) days of commencement of construction.
- 11.2 In the event the construction affects the licensed premises, Licensee agrees to cooperate with County by vacating and removing therefrom all items of inventory, trade fixtures, equipment and furnishings for such periods as are required by the construction. Licensee further agrees to cooperate in the determination of the abatement and/or other relief to be provided by furnishing all information requested relative to the operation and permitting examination and audit of all accounting records kept in connection with the conduct thereof.
- 11.3 Following completion of the construction, Licensee shall resume its operations therefrom within thirty (30) days of written notice from the Chief Executive Officer that the licensed premises are tenantable.
- 11.4 The aforementioned provisions of this section shall also be applicable in the event of performance of work at County of Los Angeles Vending Machine Facilities generally, and/or the licensed premises specifically, that requires a partial or total closure thereof, except that the abatement and/or other relief to be provided shall be based upon the extent the Chief Executive Officer may determine that the reduction in the public's use of the said facilities due to the partial or total closure thereof, has affected the Licensee's operations.
- 11.5 Licensee agrees to accept the remedy heretofore provided in the event of construction upon the licensed premises, and/or County of Los Angeles Vending Machine Facilities hereby waives any and all additional rights and remedies for relief or compensation that are presently available or may be made available hereafter under the laws and statutes of this State.

## **12.0 OPERATING RESPONSIBILITIES**

### **12.1 ADVERTISING AND PUBLICITY MATERIALS**

12.1.1 Licensee shall not, nor shall it authorize another to promulgate or cause to be distributed any advertising or publicity materials unless prior approval thereof is obtained from the Chief Executive Officer. Said approval shall not be unreasonably withheld or delayed. Such materials included, but not limited to: advertising in newspapers, magazines and trade journals, the internet, and radio and/or television commercials.

12.1.2 In recognition of the Licensee's need to identify its services and related clients to sustain itself, the County shall not prohibit the Licensee from publishing in any of its bids, proposals, and sales materials that it has been awarded this License Agreement by the County of Los Angeles, with the understanding that such materials are to be prepared in a professional manner, and that the materials are subject to the requirements of Subsection 12.1.3.

#### **12.1.3 Credit for the County**

Licensee agrees that any advertising or promotional materials promulgated by Licensee, which contain the names of the County Vending Machine Facilities used for vending machine operations, or any derivative of said names, shall also include the phrase "unit(s) of the County of Los Angeles" with the County of Los Angeles logo, unless specifically approved otherwise by the Chief Executive Officer.

### **12.2 COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Licensee shall conform to and abide by all municipal and County ordinances, and all State and Federal laws and regulations, insofar as the same or any of them are applicable; and where permits and/or licenses are required for the license agreement, any related activity, and/or construction authorized herein, the same must be first obtained

from the regulatory agency having jurisdiction thereover. Further, Licensee shall conform to and abide by all rules and regulations and policies of the County's Board of Supervisors, the Chief Executive Officer of the Chief Executive Office, and any other County agencies insofar as the same or any of them are applicable.

### 12.3 LICENSEE'S STAFF AND EMPLOYMENT PRACTICES

12.3.1 Licensee shall maintain adequate and proper staff for its authorized operations. Licensee shall designate an Operations Manager with whom County may deal with on a daily basis. Any person selected by Licensee as an Operations Manager shall be skilled in the management of businesses similar to the operation and shall be subject to approval by the Chief Executive Officer. The Operations Manager shall devote substantial time and attention to the operation authorized herein and render such services and convenience to the public as are required. The Operations Manager shall be fully acquainted with the operation; familiar with the terms and the conditions prescribed therefor by this License Agreement, and authorized to act in the day-to-day operation thereof.

12.3.2 The Chief Executive Officer may at any time give Licensee written notice to the effect that the conduct or action of a designated employee of Licensee is, in the reasonable belief of the Chief Executive Officer, detrimental to the interest of the public patronizing the Licensed premises. Licensee shall transfer or reassign any such employee within a reasonable period of time following notice thereof from the Chief Executive Officer, and such employee shall not be assigned to any other County Vending Machine Facility provided, however, that the right to discontinue use of a Compass employee, and Compass' obligation to comply with any such request, shall be subject to restrictions imposed upon Compass by any federal, state or local

statute, law code, regulation or ordinance or by a collective bargaining agreement or other contract affecting such employee.

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

12.3.4 Prior to the commencement of the License Agreement, the Licensee shall: 1) establish an identification system; 2) identify each person assigned to the equipment installation, stocking of the products, and machine maintenance and repair; and 3) submit the identification system and list of personnel to the Chief Executive Officer for review and approval. The identification system shall be furnished at the Licensee's expense and may include but is not limited to appropriate uniform attire and name badges.

12.3.5 At any time prior to or during the term of this License Agreement, the County shall require that all of the Licensee's staff performing work under this License Agreement undergo and pass, to the satisfaction of the County, a background investigation, as a condition of beginning and continuing to work under this License Agreement. The County shall use its discretion in determining the method of background clearance to

be used, up to and including a County performed fingerprint security clearance. The fees associated with obtaining the background information shall be at the sole expense of the Licensee, regardless if the Licensee's staff passes or fails the background clearance investigation. All background reports on current and future staff hired by the Licensee will be submitted to the Chief Executive Officer.

- 12.3.6 Licensee shall exercise and maintain a sufficient degree of control over all its employees, equipment, and other agents/or subcontractors in order to prevent any unauthorized, illegal or unsafe activities.
- 12.3.7 Licensee shall notify its employees, and shall require each Subcontractor, if any, to notify its employees, that they may be eligible for Federal Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Notice No. 1015, Exhibit A of this License Agreement.

#### 12.4 CONFIDENTIALITY

- 12.4.1 Licensee shall maintain the confidentiality of all records and information obtained from the County under this Licensee Agreement in accordance with all applicable Federal, State or local laws, ordinances, regulations and directives relating to confidentiality.
- 12.4.2 To the extent permitted by applicable law, each party shall indemnify, defend, and hold harmless the other party, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and reasonable attorney fees, arising from, the negligent acts or omissions of the indemnifying party, its officers, employees, agents, or subcontractors, to comply with this Paragraph 12.4. Any legal

defense shall be conducted by the Indemnified Party and performed by counsel selected by such party. Notwithstanding the preceding sentence, the Indemnified Party shall have the right to participate in any such defense at its sole cost and expense.

12.4.3 Licensee shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this License Agreement.

12.4.4 Licensee shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Exhibit K.

#### 12.5 DAMAGE TO PREMISES AND WALK-THROUGH INSPECTION

12.5.1 Licensee shall repair or replace any County personal and/or real property or any other improvements damaged or destroyed as a result of, or connected with Licensee's operations.

12.5.2 In order to reasonably access damage, if any, to the premises, Licensee shall meet with the Chief Executive Officer's authorized representative for walk-through inspections of the vending machine sites. Said inspections shall take place (a) prior to the installation of Licensee's equipment, and (b) within twenty-four (24) hours following the complete removal of said equipment.

#### 12.6 EASEMENTS

County reserves the right to establish, grant or utilize easements or rights of way over, under, along and across the licensed premises for utilities and/or public access provided that County shall exercise such rights in a manner as will avoid any substantial interference with the operations to be conducted hereunder. Should the establishment of such easements permanently deprive Licensee of the use of a portion of the licensed premises, an abatement of payments and/or other relief shall be provided at the discretion of the Chief Executive Officer.

#### 12.7 DAYS AND HOURS OF OPERATION

Licensee shall have the right to use the licensed premises during the normal hours of operation of the County of Los Angeles Vending Machine Facilities where the vending machine sites are located.

#### 12.8 ILLEGAL ACTIVITIES

Licensee shall not knowingly permit any illegal activities to be conducted upon the licensed premises.

#### 12.9 MAINTENANCE

Licensee is hereby required to provide maintenance services, including, but not limited to, equipment installation, stocking of product, and machine maintenance, and repair.

#### 12.10 NON-INTERFERENCE

Licensee shall not interfere with the public use of and the programming within the Vending Machine Facilities where the vending machines are located.

#### 12.11 PATRON/NON-PATRON COMPLAINTS

The Licensee shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

12.11.1 Within ten (10) business days after the License Agreement effective date, the Licensee shall provide the County with the Licensee's policy for receiving, investigating and responding to user complaints.

12.11.2 The County will review the Licensee's policy and provide the Licensee with approval of said plan or with requested changes.

12.11.3 If the County requests changes in the Licensee's policy, the Licensee shall make such changes and resubmit the plan within five (5) business days for County approval.

12.11.4 If, at any time, the Licensee wishes to change the Licensee's policy, the Licensee shall submit proposed changes to the County for approval before implementation.

- 12.11.5 The Licensee shall preliminarily investigate all complaints and notify the Park Superintendent of the status of the investigation within five (5) business days of receiving the complaint.
- 12.11.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 12.11.7 Copies of all written responses shall be sent to the County within three (3) business days of mailing to the complainant.

#### 12.12 PRICES

- 12.12.1 Licensee shall at all times maintain a complete list of the Product's Prices (Exhibit J) collected by Licensee for all food/snacks and beverages supplied to the public and/or County employees on or from the licensed premises. The Chief Executive Officer hereby reserves the right to review and approve said fees and any increase requires approval from the Chief Executive Officer. Said prices shall be fair and reasonable based upon the following considerations: comparability with prices charged for similar products in the Los Angeles Metropolitan Area; and reasonableness of profit margin in view of the cost of providing same in compliance with the obligations assumed in this License Agreement.
- 12.12.2 In the event the Chief Executive Officer notifies Licensee that prices being charged are not fair and reasonable, Licensee shall have the right to confer with the Chief Executive Officer and justify said prices. Following reasonable conference and consultation thereon, Licensee shall make such price adjustments as may be ordered by the Chief Executive Officer. Licensee may appeal the determination of the Chief Executive Officer to the Board of Supervisors, whose decision thereon shall be final and conclusive. Notwithstanding the foregoing, Licensee's requests for price increases shall not be

unreasonably withheld upon a demonstrated showing by Licensee of increased costs.

12.12.3 A complete list of the Product's Prices (Exhibit J) shall be submitted for Chief Executive Officer's review prior to the commencement of advertising prices to the general public.

12.12.4 Vending machines with beverages should include bottled water as an option. The price of the bottled water should be no higher than the prices of the other beverage options in the vending machine.

#### 12.13 PROGRAMMED EVENTS

Licensee shall not promote or sponsor private or public events requiring the use of any other areas within the County of Los Angeles Vending Machine Facilities designated in Exhibit F. However, this provision shall not prohibit Licensee from generally advertising or encouraging public use of the County of Los Angeles Vending Machine Facilities.

#### 12.14 QUALITY OF GOODS AND SERVICES

12.14.1 Service to the public, with goods, services, and merchandise of the best quality and at reasonable charges, is of prime concern to County and is considered a part of the consideration for this License Agreement. Therefore, Licensee agrees to operate and conduct its operation in a first-class manner, providing similar activities, programs and services. Licensee, following receipt of written notification therefore, shall immediately withdraw or remove from sale any goods, services, and/or merchandise which may be found objectionable to the Chief Executive Officer based on findings that the provision of such goods or services are harmful to the public welfare.

12.14.2 Licensee shall bear the cost of installation, service, regular maintenance and stocking of Product. Licensee shall bear the cost of replacement of any vending machine that is damaged by the elements, vandalism, and ordinary wear and tear or

otherwise. Licensee shall bear the cost of vending machine relocation or removal from the licensed premises. Licensee shall reimburse the County for any costs associated with any damage resulting from Licensee's operations.

12.14.3 Licensee shall respond to all County calls for vending machine service within 24 hours.

#### 12.15 REPORTING

12.15.1 The Licensee shall meet with the Chief Executive Officer or its representative as many times as may be required by the Chief Executive Officer to review Licensee's performance under this License Agreement and to discuss any problems or matters as determined by the Chief Executive Officer and/or Licensee.

12.15.2 Licensee shall furnish the County with a monthly gross receipts report identifying monthly sales on a per-machine basis and showing all revenues for the exclusive use of the vending machine license. Such report shall be submitted no later than the 25<sup>th</sup> day of month following the month in which services were provided, unless otherwise specified by the Chief Executive Officer.

#### 12.16 SAFETY

Licensee shall immediately correct any unsafe condition of the licensed premises, as well as any unsafe practices occurring thereon. Licensee shall cooperate and comply fully with County, State, municipal, federal or any other regulatory agency having jurisdiction thereover, regarding any safety inspections and certifications of any and all Licensee's vehicles and equipment.

#### 12.17 SANITATION

No offensive matter or refuse, or substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted or remain on the licensed premises. Licensee

shall prevent the accumulation of trash and debris for a distance of ten (10) feet from the licensed premises.

#### 12.18 SECURITY DEVICES

Licensee, at its own expense, may provide any legal devices or equipment and the installation thereof, designated for the purpose of protecting the licensed premises from theft, burglary or vandalism, provided written approval for the installation thereof is first obtained from the Chief Executive Officer.

#### 12.19 SIGNS

Licensee shall not post signs upon licensed premises or improvements thereon unless prior approval thereof is obtained from the Chief Executive Officer. Signs shall also be subject to review and control by the Chief Executive Officer. Licensee is encouraged to prominently display *Choose Health LA* signage that promotes healthy food and beverage options on all vending machines (signage shall be provided by the Los Angeles County Department of Public Health).

#### 12.20 TEMPORARY STRUCTURES/EQUIPMENT

Licensee, at its own expense, shall provide, place, operate and maintain all the vending machines in the Vending Machine Facilities listed in Exhibit F. Licensee shall remove same from the licensed premises no later than date set for the take-down and removal of said temporary vending machines and equipment at the Licensee's sole expense. Should Licensee fail to complete this removal within thirty (30) days of the expiration or termination of this License Agreement, said equipment may be sold, removed or demolished, and Licensee shall reimburse County for any cost or expense in connection therewith in excess of any consideration received by County as a result of said sale, removal or demolition.

#### 12.21 UTILITIES

12.21.1 County shall provide and pay for any utilities serving the licensed premises. Licensee waives any and all claims against

County for compensation for loss or damage cause by a defect, deficiency or impairment of any utility system, electrical apparatus or wires serving the licensed premises.

- 12.21.2 Licensee shall not in any way alter or modify any of the County's utilities systems and/or equipment without specific authorization from the Chief Executive Officer.

#### 12.22 VANDALISM

Licensee shall report all incidents of vandalism resulting in the damage or destruction of vending machines operated pursuant to this License Agreement. Such reports shall identify the facility, location and serial number of the subject machine, and shall be faxed to: **FAX (213) 217-4968, Attention: Eliza Jung** or such other number as may hereinafter be designated in writing to Licensee by the Chief Executive Officer. Upon the occurrence of three or more incidents of documented vandalism at a single machine location within a twelve-month period, Licensee may elect to remove subject machine from location.

### **13.0 TERMS AND CONDITIONS**

#### 13.1 LICENSE AGREEMENT ENFORCEMENT

- 13.1.1 The Chief Executive Officer shall be responsible for the enforcement of this License Agreement on behalf of County and the United States and shall be assisted therein by those officers and employees of County having duties in connection with the administration thereof.
- 13.1.2 Any officers and/or authorized employees of County may enter upon the licensed premises at any and all reasonable times for the purpose of determining whether or not Licensee is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of County within the licensed premises.

13.1.3 In the event County commences legal proceedings for the enforcement of this License Agreement or recovery of the licensed premises herein, Licensee does hereby agree to pay any sum which may be awarded to the County by the Court for attorney's fees and costs incurred in the action brought thereon.

## 13.2 CANCELLATION

- 13.2.1 Upon the occurrence of any one or more of the events of default hereinafter described in Subparagraph 13.12, this License Agreement shall be subject to cancellation. As a condition precedent thereto, the Chief Executive Officer shall give Licensee ten (10) days notice by registered or certified mail of the date set for cancellation thereof; the grounds therefore; and that an opportunity to be heard thereon will be afforded on or before said date, if request is made therefor.
- 13.2.2 Upon cancellation, County shall have the right to take possession of the licensed premises.
- 13.2.3 Action by County to effectuate a cancellation and forfeiture of possession shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this License Agreement.
- 13.2.4 Any trustee, beneficiary, mortgagee or lender (hereinafter: Lender) under a hypothecation or mortgage previously approved by the Chief Executive Officer shall have the right at any time during the term of this License Agreement to undertake any and all action that may be required in order to prevent a cancellation of this License Agreement and a forfeiture of the use granted. Accordingly, the Chief Executive Officer shall send a copy of any intended cancellation of this License Agreement to any such Lender whose security would be affected thereby, provided that such Lender shall have

previously registered with the Chief Executive Officer by written notice specifying the name and address of said Lender; and upon request thereof for postponement, extend the date set therefor by such time as the Chief Executive Officer finds reasonable in order to allow said parties to correct the grounds therefor or to provide a new Licensee under a power of sale or foreclosure contained in the hypothecation or mortgage, who upon transfer thereto shall become responsible for the correction thereof within such time as may be allowed by the Chief Executive Officer.

13.2.5 In the event that, following service of the Notice of Cancellation of this License Agreement under the provisions of this clause, it is determined for any reason that the Licensee was not in default under the provisions of this clause, that the default was excusable under provisions of this clause, or Licensee has, to the satisfaction of the Chief Executive Officer, cured any default, the Chief Executive Officer shall issue, within five (5) business days, a rescission of the Notice of Cancellation, and the rights and obligations of the parties shall be the same as if the Notice of Cancellation had not been issued.

### 13.3 COMPLIANCE WITH CIVIL RIGHTS LAW

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

13.4 LICENSEE'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

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

13.5 LICENSEE'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

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

13.6 LICENSEE'S NON-COMPLIANCE

- 13.6.1 In the event the Chief Executive Officer determines that there are deficiencies in Licensee's operations authorized and required herein, the Chief Executive Officer will provide, as specified herein in the section of this License Agreement entitled Events of Default, a written notice to the Licensee to correct said deficiencies within specified time frames.
- 13.6.2 In the event that Licensee fails to correct the deficiencies within the prescribed time frames the Chief Executive Officer may, at his option: (1) use the Security Deposit as provided for herein,

(2) exercise its rights under the Sub-Section 13.25 (Right of Entry).

### 13.7 LICENSEE RESPONSIBILITY AND DEBARMENT

#### 13.7.1 Responsible Licensee

A responsible Licensee is a Licensee who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the License Agreement. It is the County's policy to conduct business only with responsible Licensees.

#### 13.7.2 Chapter 2.202 of the County Code

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

#### 13.7.3 Non-responsible Licensee

The County may debar a Licensee if the Board of Supervisors finds, in its discretion, that the Licensee has done any of the following: (1) violated a term of a License Agreement with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Licensee's quality, fitness or capacity to perform a License Agreement with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a

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

#### 13.7.4 Contractor Hearing Board

1. If there is evidence that the Licensee may be subject to debarment, the Department will notify the Licensee in writing of the evidence which is the basis for the proposed debarment and will advise the Licensee of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Licensee and/or the Licensee'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 Licensee should be debarred, and, if so, the appropriate length of time of the debarment. The Licensee and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

4. If a Licensee has been debarred for a period longer than five (5) years, that Licensee may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Licensee has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Licensee has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the

period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

13.7.5 Subcontractors of Licensee

These terms shall also apply to Subcontractors of County Licensees.

13.8 LICENSEE'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

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

13.8.2 As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Licensee's duty under this License Agreement to comply with all applicable provisions of law, Licensee warrants that it is now in compliance and shall during the term of this License Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

13.9 LICENSEE'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED  
PROPERTY TAX REDUCTION PROGRAM

13.9.1 Licensee acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are currently in paying their property tax obligations (secured and unsecured toll) in order to mitigate the economic burden otherwise imposed upon County and its tax payers.

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

13.10 CONFLICT OF INTEREST

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

13.10.2 The Licensee shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this License Agreement. The Licensee warrants that it is not now aware of any facts that create a conflict of interest. If the Licensee hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure

shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

#### 13.11 COUNTY'S QUALITY ASSURANCE PLAN

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

#### 13.12 EVENTS OF DEFAULT

- 13.12.1 The abandonment, vacation or discontinuance of operations on the licensed premises for more than two (2) weeks during the time each event to the public, without approval thereof by the Chief Executive Officer.
- 13.12.2 The failure of Licensee to punctually pay or make the payments required herein when due, where the delinquency continues beyond seven (7) days following written notice for payment thereof.
- 13.12.3 The failure of Licensee to operate in the manner required by this License Agreement, where such failure continues for more than three (3) days after written notice from the Chief Executive Officer to correct the condition.
- 13.12.4 The failure to maintain the licensed premises and the improvements constructed thereon in the state of repair required herein, and in a clean, sanitary, safe and satisfactory

condition, where such failure continues for more than three (3) days after written notice from the Chief Executive Officer to correct the condition.

- 13.12.5 The failure of Licensee to keep, perform and observe all of the other promises, covenants, conditions and agreements set forth in this License Agreement, where such failure continues for more than thirty (30) days after written notice from the Chief Executive Officer for correction thereof, provided that where fulfillment of such obligation requires activity over a period of time and Licensee shall have commenced to perform whatever may be required to cure the particular default within ten (10) days after such notice and continues such performance diligently, said time limit may be waived in the manner and to the extent allowed by the Chief Executive Officer.
- 13.12.6 Determination by the County, the California Fair Employment and Housing Commission, or the Federal Equal Employment Opportunity Commission of discrimination having been practiced by Licensee in violation of State and/or Federal laws thereon.
- 13.12.7 Transfer of the majority controlling interest of Licensee to persons other than those who are in control at the time of the execution of this License Agreement without approval thereof by the Chief Executive Officer.
- 13.12.8 Failure of Licensee to keep, perform and observe all other promises, covenants, conditions and agreements set forth herein.

### 13.13 FAIR LABOR STANDARDS

The Licensee shall comply with all applicable provisions of the Federal Fair Labor Standards Act.

#### 13.14 FORCE MAJEURE; TIME EXTENSIONS

- 13.14.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this License Agreement, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").
- 13.14.2 Notwithstanding the foregoing, a default by a subcontractor of Licensee shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Licensee and such subcontractor, and without any fault or negligence of either of them. In such case, Licensee shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Licensee to meet the required performance schedule. As used in this sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.
- 13.14.3 In the event Licensee's failure to perform arises out of a force majeure event, Licensee agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

#### 13.15 GOVERNING LAW, JURISDICTION, AND VENUE

This License Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Licensee agrees and consents to the exclusive jurisdiction of the courts of the

State of California for all purposes regarding this License Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

#### 13.16 INDEPENDENT LICENSEE

This License Agreement is by and between the County of Los Angeles and Licensee and is not intended, and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association, as between County and Licensee. Licensee understands and agrees that all persons furnishing services on behalf of Licensee pursuant to this License Agreement are employees solely of Licensee and not of County. Licensee shall bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services on behalf of Licensee pursuant to this License Agreement.

#### 13.17 INDEMNIFICATION

To the extent permitted by applicable law, each party shall indemnify, defend and hold harmless the other party, its Special Districts, the United States, the County of Los Angeles Flood Control District, their elected and appointed officers, employees, officers, directors, and agents ("Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including reasonable attorney fees), arising from the indemnifying party's negligent acts and/or omissions arising from and/or relating to this License Agreement, except for such loss or damage arising from the negligence or willful misconduct of the Indemnitees. The duty to indemnify shall survive the expiration or other termination of this License Agreement.

#### 13.18 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Licensee shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 13.18 and 13.19 of this License Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to

and separate from any other contractual obligation imposed upon Licensee pursuant to this License Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Licensee for liabilities which may arise from or relate to this License Agreement.

13.18.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County. The County and the County of Los Angeles Flood Control District, their agents, officers, and employees (defined below) shall be listed as additional insureds under the Licensee's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this License Agreement.
- Renewal Certificates shall be provided to County not less than 10 days prior to Licensee's policy expiration dates.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this License Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Licensee identified as the contracting party in this License Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Licensee, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

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

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012

Attention: Christopher Montana, Acting Director of Real Estate Licensee also shall promptly report to County any injury or property damage accident or incident, including any injury to a Licensee employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Licensee.

13.18.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, the County of Los Angeles Flood Control District, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Licensee's General Liability policy with respect to liability arising out of Licensee's ongoing and completed operations performed on behalf of the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

13.18.3 Cancellation of or Changes in Insurance

Licensee shall provide County with, or Licensee's insurance policies shall contain a provision that County shall receive, written notice of cancellation of the general liability policy. The written notice shall be provided in accordance with the policy

provision. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the License Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this License Agreement.

**13.18.4 Failure to Maintain Insurance**

Licensee's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the License Agreement, upon which County immediately may withhold payments due to Licensee, and/or suspend or terminate this License Agreement. County, at its sole discretion, may obtain damages from Licensee resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Licensee, deduct the premium cost from sums due to Licensee or pursue Licensee reimbursement.

**13.18.5 Insurer Financial Ratings**

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

**13.18.6 Licensee's Insurance Shall Be Primary**

Licensee's general liability insurance policy, with respect to any claims related to this License Agreement, shall be primary with respect to all other sources of coverage available to Licensee.

**13.18.7 Waivers of Subrogation**

To the fullest extent permitted by law, the Licensee hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this License Agreement. The Licensee shall

require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

**13.18.8 Sub-Contractor Insurance Coverage Requirements**

Licensee shall include all Sub-Contractors as insureds under Licensee's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Licensee shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Licensee as additional insureds on the Sub-Contractor's General Liability policy. Licensee shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

**13.18.9 Claims Made Coverage**

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

**13.18.10 Application of Excess Liability Coverage**

Licensees may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

**13.18.11 Separation of Insureds**

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision.

## 13.19 INSURANCE COVERAGE REQUIREMENTS

### 13.19.1 Commercial General Liability

Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

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

### 13.19.2 Automobile Liability

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

### 13.19.3 Workers Compensation and Employers' Liability

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

any federal workers or workmen's compensation law or any federal occupational disease law.

13.19.4 Property Coverage

Licensees given exclusive use of County owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The County and its Agents shall be named as Loss Payee on Licensee's insurance as its interests may appear. Mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value.

13.19.5 Notwithstanding the above and in the event that Licensee fails to comply with any insurance requirements of this License Agreement, and such failure to comply results in any costs to County, Licensee shall pay full compensation for all costs incurred by County.

13.20 NON-DISCRIMINATION AND AFFIRMATIVE ACTION

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

13.20.2 The Licensee shall certify to and comply with the provisions of Exhibit B, Licensee's EEO Certification.

13.20.3 The Licensee shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in

compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

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

13.20.5 The Licensee certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this License Agreement or under any other project, program, or activity supported by this License Agreement.

13.20.6 The Licensee shall allow County representatives access to the Licensee's employment/volunteer records during regular business hours to verify compliance with the provisions of this Subparagraph 13.20 when so requested by the County.

13.20.7 If the County finds that any provisions of this Sub-Paragraph 13.20 have been violated, such violation shall constitute a material breach of this License Agreement upon which the County may terminate or suspend this License Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this License

Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Licensee has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Licensee has violated the anti-discrimination provisions of this License Agreement.

- 13.20.8 The parties agree that in the event Licensee violates the non-discrimination provisions of this License Agreement, County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code 1671 as liquidated damages in lieu of canceling, terminating or suspending this License Agreement.

13.21 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY

LAW

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

### 13.22 NOTICES

Any notice required to be given under the terms of this License Agreement or any law applicable thereto may be: (1) delivered by personal service; facsimile or email or (2) placed in a sealed envelope, with postage paid, return receipt requested, addressed to the person on whom it is to be served, and deposited in a post office, mailbox, sub-post office, substation or mail chute, or other like facility regularly maintained by the United States Postal Service. The address to be used for any notice served by mail upon Licensee shall be:

Compass Group USA, Inc.  
5000 Hopyard Road, Suite 322  
Pleasanton, CA 94588  
Attn: Chris Hulick, Division President

With a copy to:  
Compass Group USA, Inc.  
2400 Yorkmont Road  
Charlotte, NC 28217  
Attn: (i) General Counsel; and (ii) President,  
Canteen Refreshment Services Division

The address to be used for any notice served by mail upon County shall be the County of Los Angeles, Chief Executive Office, Real Estate Division, 222 South Hill Street, 3<sup>rd</sup> Floor, Los Angeles, CA 90012, Attention: Christopher M. Montana, or such other place as may hereafter be designated in writing to Licensee by the Executive Chief Officer. Service by mail; facsimile or email and shall be deemed complete upon deposit in the above mentioned manner.

### 13.23 PUBLIC RECORDS ACT

Any documents submitted by Licensee; all information obtained in connection with the County's right to audit and inspect Licensee's documents, books, and accounting records pursuant to Paragraph 8.0 of this License Agreement; as well as those documents which were required to be submitted in response to the solicitation process for this License Agreement, become the exclusive property of the County. All such

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

#### 13.24 RECYCLED BOND PAPER

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

#### 13.25 RIGHT OF ENTRY

13.25.1 County may enter upon the Licensed Premises at any and all reasonable times for the purpose of determining whether or not Licensee is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of the County within the licensed premises.

13.25.2 In the event of an abandonment, vacation or discontinuance of operations for a period in excess of two (2) weeks, Licensee hereby irrevocably appoints County as an agent for continuing operation of the use granted herein, and in connection therewith authorizes the officers and employees thereof to (1) take possession of the licensed premises, including all improvements, equipment and inventory thereon; (2) remove any and all persons or property on said licensed premises and place any such property in storage for the account of and at the expense of Licensee; (3) subagreement or sublicense the licensed premises; and (4) after payment of all expenses of such subleasing or sublicensing, apply all payments realized therefrom to the satisfaction and/or mitigation of all damages

arising from Licensee's breach of this License Agreement. Entry by the officers and employees of County upon the licensed premises for the purpose of exercising the authority conferred hereon as agent of Licensee shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this License Agreement.

- 13.25.3 No re-entry or taking of the licensed premises by County pursuant to Sub-Paragraph 13.25.2 of this section shall be construed as an election to terminate this License Agreement unless a written notice of such intention is given to Licensee or unless the termination thereof be decreed by a court of competent jurisdiction.

#### 13.26 SEVERABILITY

If any provision of this License Agreement is determined to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall not be affected thereby and shall remain in full force and effect.

#### 13.27 SUBLICENSES

- 13.27.1 Licensee shall not, without the prior written consent of the Chief Executive Officer, sublicense any portion of the Licensed Premises, or sublicense any of the operation or activities authorized or required by this License Agreement.
- 13.27.2 In the event the County determines that the Licensee has violated the sublicense provision contained herein, the same shall constitute a material breach of License Agreement upon which the County may determine to cancel, terminate, or suspend this License Agreement.

#### 13.28 SURRENDER OF LICENCED PREMISES

Upon termination, expiration of the term hereof, or cancellation thereof as herein provided, Licensee shall peaceably vacate the licensed premises and any and all improvements located thereon and deliver up the same

to County in a reasonably good condition, ordinary wear and tear excepted, subject to the right of County to demand removal thereof to the extent that Paragraph 4.6 hereinbefore may be applicable thereto.

13.29 TAXES AND ASSESSMENTS

13.29.1 The property interest conveyed herein may be subject to real property taxation and/or assessment thereon, and in the event thereof, Licensee shall pay before delinquency all lawful taxes, including but not limited to possessory interest taxes, assessments, fees or charges which at any time may be levied by the State, County, City or any other tax or assessment-levying body upon the licensed premises and any improvements located thereon.

13.29.2 Licensee shall also pay all taxes, assessments, fees and charges on goods, merchandise, fixtures, appliances and equipment owned or used therein.

13.30 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE

Failure of Licensee to maintain compliance with the requirements set for in Subsection 13.8, Licensee's Warranty of Adherence to County's Child Support Compliance Program, shall constitute a default by Licensee under this License Agreement. Without limiting the rights and remedies available to County under any other provision of this License Agreement, failure to cure such default within 90 days of notice by the County of Los Angeles District Attorney shall be grounds upon which the county Board of Supervisors may terminate this License Agreement pursuant to Subsection 13.2, Cancellation.

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

Failure of Licensee to maintain compliance with the requirements set for in Paragraph 13.9, Licensee's Warranty of Compliance with County's Defaulted Property Tax Reduction Program, shall constitute default under

this License Agreement. Without limiting the rights and remedies available to County under any other provisions of this License Agreement, failure of Licensee to cure such default within 10 days of notice shall be grounds upon which County may terminate this License Agreement and/or pursue debarment of Licensee, pursuant to County code chapter 2.206.

### 13.32 TERMINATION FOR CONVENIENCE; SUSPENSION

#### 13.32.1 Termination for Convenience

The License Agreement may be terminated, in whole or in part, by County or Licensee in its sole discretion for whatever reason. Termination of License Agreement hereunder shall be effected by delivery to Licensee or County of a written notice of termination for convenience from the Chief Executive Officer or Licensee specifying the extent to which performance is terminated and the date upon which such termination shall become effective. The date upon which such termination becomes effective shall be no less than one hundred eighty (180) days after notice by the terminating party.

#### 13.32.2 Suspension

County, at its convenience, and without further liability, may suspend Licensee's performance under this License Agreement, in whole or in part, by written notice to Licensee from the Chief Executive Officer specifying the effective date and extent of the suspension.

13.32.2.1 Licensee shall immediately discontinue all services unless otherwise indicated by Chief Executive Officer.

13.32.2.2 In the event the entire License Agreement is suspended and the period of suspension exceeds one (1) calendar year, this License Agreement may

be deemed terminated for convenience at the option of either party, upon written notice to the other party.

13.33 TERMINATION FOR IMPROPER CONSIDERATION

- 13.33.1 County may, by written notice to Licensee, immediately terminate the right of Licensee to proceed under this License Agreement if it is found that consideration, in any form, was offered or given by Licensee, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the License Agreement or securing favorable treatment with respect to the award, amendment or extension of the License Agreement or the making of any determinations with respect to the Licensee's performance pursuant to the License Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Licensee as it could pursue in the event of default by the Licensee.
- 13.33.2 Licensee shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the Auditor-Controller's Fraud Hotline at (800) 544-6861 or to such other number as may be provided to Licensee in writing by County
- 13.33.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

13.34 TERMINATION FOR INSOLVENCY

- 13.34.1 The County may terminate this License Agreement forthwith in the event of the occurrence of any of the following:
- Insolvency of the Licensee. The Licensee shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot

pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Licensee is insolvent within the meaning of Federal Bankruptcy Code;

13.34.2 To the extent permitted by law, the County may terminate this License Agreement forthwith in the event of the occurrence of any of the following:

- The filing of a voluntary or involuntary petition regarding the Licensee under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for Licensee; or

13.34.3 The rights and remedies of County provided in this Sub-Section 13.34 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this License Agreement.

#### 13.35 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

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

#### 13.36 TERMINATION UPON TRANSFER OF TITLE OR VENDING MACHINE FACILITY CLOSURE

13.36.1 Notwithstanding any other provision of this License Agreement, in the event the County transfers title of any or all of the County of Los Angeles Vending Machine Facilities containing the licensed premises to a governmental agency (assignee), the County reserves the right to: terminate this License Agreement; or provided there is consent by an assignee, assign the

County's interest in this License Agreement to said assignee. County shall provide the Licensee with notice of termination or assignment of this License Agreement pursuant to this provision. If the License Agreement is so terminated by the County, County, shall within thirty (30) days, reimburse the Licensee the unearned portion of the Annual Cash bonus paid in accordance to the annual cash bonus amount of this License Agreement Year in which License Agreement is terminated. Such reimbursement shall be determined by multiplying that annual cash bonus by a fraction, the numerator of which is the number of months remaining in this current License Agreement Year at the time such termination occurs and denominator of which is 12.

- 13.36.2 Notwithstanding any other provision of this License Agreement, in the event the County closes any or all the County of Los Angeles Vending Machine Facilities containing the licensed premises, this License Agreement shall be amended or terminated upon the effective date of such closure(s). Upon the effective date of vending machine facility closure, Licensee shall immediately cease its operations, and within fifteen (15) days therefrom remove all items of its personal property, equipment, and inventory. County shall provide advance notice to the Licensee of such vending machine facility closure.

### 13.37 TRANSFERS

- 13.37.1 Licensee shall not, without written consent of the Chief Executive Officer, transfer, assign, sublicense, hypothecate or mortgage this License Agreement. Any attempted transfer, assignment, sublicense, hypothecation or mortgage without the written consent of the Chief Executive Officer shall be null and void, and shall constitute a material breach of this License Agreement.

- 13.37.2 Each and all of the provisions, agreements, terms, covenants and conditions herein contained to be performed by Licensee shall be binding upon any transferee thereof.
- 13.37.3 Shareholders and/or partners of Licensee 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 Licensee to any persons, corporation, partnership or legal entity other than the majority controlling interest therein at the time of the execution of this License Agreement, the Chief Executive Officer's approval thereof shall be required. Consent to any such transfer shall be refused if the Chief Executive Officer finds that the transferee is lacking in experience and/or financial ability to conduct the license.
- 13.37.4 The prohibition herein contained shall not be applicable with respect to transfers of this License Agreement arising from the exercise of a power of sale or judicial foreclosure pursuant to the terms and conditions of a hypothecation or mortgage previously approved by the Chief Executive Officer.
- 13.37.5 In the event Licensee shall request the prior written consent of Chief Executive Officer to give, assign, transfer or grant control of this License Agreement, and Chief Executive Officer gives written consent to the assignment, a transfer fee equal to \$35,000 shall be paid to County. Said sum shall be payable to County in full either within thirty (30) days after said consent is given or prior to the close of any escrow, whichever occurs first. Prior to Chief Executive Officer's consent to such assignment, the assignor shall first deliver to assignee a written schedule of all sums due and owing to County from the assignor with such schedule in a form subject to the approval

of the Chief Executive Officer in all respects, and second, shall deliver to Chief Executive Officer, as part of the acceptance of the assignment, a written acknowledgment by the assignee that the assignee (a) affirms the sums due and owing to County and (b) accepts responsibility for payment of such sums directly to County. Exempted from said transfer fee shall be the following:

- a. A transfer of an undivided interest in the license agreement between or among co-workers or affiliated entities which results in a change in method of holding title but does not result in a change to the proportional interests held by the co-owners or affiliated entities prior to the transfer;
- b. An assignment which serves as security for the repayment of a loan from any lender but which does not entitle the assignee to an immediate right to use, occupy, possess or receive the rents or profits from the license agreement for so long as the assignor makes the required periodic payments and complies with other provisions of the loan;
- c. A transfer of title of the license agreement to a lender purchaser at the foreclosure sale under a deed of trust on the property or by assignment to the lender or its nominee in lieu of foreclosure;
- d. Such other assignment for which the Chief Executive Officer determines that the ownership interests in this License Agreement have remained unchanged, such as a change in the legal or fictitious name of the Licensee without any other change in the equity, in beneficial use of, or legal title to the license agreement as an asset, or the income produced thereby. The Chief Executive Officer's decision in such cases shall be appealable to the Board of Supervisors within ten (10) days after receipt of written

notice of the Chief Executive Officer's decision. Any such appeal request shall be accompanied by a Certificate of Deposit filed with the Chief Executive Officer in the full amount of the transfer fee; the Certificate of Deposit shall be payable to County, and the interest thereon shall accumulate, but the principal sum and interest shall remain the property of Licensee in the event the Chief Executive Officer's decision is reversed.

13.38 WAIVER

- 13.38.1 Any waiver by County of any breach of any one or more of the covenants, conditions, terms and agreements herein contained shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or agreement herein contained, nor shall failure on the part of County to require exact, full and complete compliance with any of the covenants, conditions, terms or agreements herein contained be construed as in any manner changing the terms of this License Agreement or stopping County from enforcing the full provisions thereof.
- 13.38.2 No delay, failure, or omission of County to re-enter the licensed premises or to exercise any right, power, privilege or option, arising from any default, nor any subsequent acceptance of payments then or thereafter accrued shall impair any such right, power, privilege or option, or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right.
- 13.38.3 No notice to Licensee shall be required to restore or revive "time of the essence" after the waiver by County of any default.
- 13.38.4 No option, right, power, remedy or privilege of County shall be construed as being exhausted by the exercise thereof in one or

more instances. The rights, powers, options and remedies given County by this License Agreement shall be cumulative.

13.39 WARRANTY AGAINST CONTINGENT FEES

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

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

13.40 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

The Licensee shall maintain accurate and complete financial records of its activities and operations relating to this License Agreement in accordance with generally accepted accounting principles. The Licensee shall also maintain accurate and complete employment and other records relating to its performance of this License Agreement. The Licensee agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this License Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, appropriate documentation for voided transactions (including approval for the void), and proprietary data and information, shall be kept and maintained by the Licensee and shall be made available to the County during the term of this License Agreement and for a period of five (5) years thereafter unless the

County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Licensee at a location in the County of Los Angeles, provided that if any such material is located outside the County of Los Angeles, then, at the County's option, the Licensee shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

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

13.40.2 Failure on the part of the Licensee to comply with any of the provisions of this Sub-paragraph 13.40 shall constitute a material breach of this License Agreement upon which the County may terminate or suspend this License Agreement.

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

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

13.40.4 If the County notifies the Licensee that the Licensee did/does not, to the reasonable satisfaction of the County (1) adequately maintain the documents required under Section 13.40 of the license agreement, and/or (2) did/does not have adequate internal controls, such that financial records could contain errors and/or omissions that would not be prevented and/or detected in the normal course of business, and/or (3) if the County is not able to reasonably determine whether the Licensee reported and paid the correct amount due to the County under this license agreement, then the County will assess penalties specified in this section upon the Licensee.

13.40.5 In the event the County hires an Independent Certified Public Accounting firm (CPA) to perform an audit of the Licensee's gross receipts and/or payments to the County, and if the CPA concludes that, due to inadequate records maintained by the Licensee, the CPA is unable to issue an unqualified opinion as to gross receipts for the Licensee, the CPA may employ alternative methods to impute rent for the period of inadequate records and calculate rent due. The CPA (or the Count) may use the Licensee's gross receipts last audited (in which an unqualified audit opinion was expressed), inflated by the Consumer Price Index for All Urban Consumers for the Los Angeles, Riverside, and Orange County areas. Interest/late fees

may also be separately applied. In addition, the County may require the Licensee to pay for the cost of the CPA's audit.

13.40.6 In the event the County and/or a CPA firm concludes that the Licensee under-reported Gross Receipts to the County, and that under-reporting is equal to or greater than 5% of the current or previous year's Gross Receipts reported by the Licensee, as determined at the sole discretion of the County, the Licensee shall pay for the cost of the CPA's audit and/or the County's review (including County costs associated with the CPA's audit, such as monitoring the audit, etc.).

13.40.7 Licensee shall at all times during license agreement period and for five (5) years after the termination/expiration of the license agreement, keep, or cause to be kept, locally, to the reasonable satisfaction of the County true, accurate, and complete records for all accounting years covered by this license agreement. Records will show all transactions relative to the conduct of operations, and be supported by data of original entry. Records shall detail transactions conducted on or from the licensed premises separate and apart from those in connection with Licensee's other business operations, if any.

13.40.8 All sales and/or services shall be recorded by cash registers or computers which automatically issue a customer's receipt or certify the amount in a sales slip. Cash registers shall have locked in sales totals and transaction counters that constantly accumulate and cannot be reset, and issue a tape (or other equivalent security mechanism) that imprints sequential transaction numbers and sales details. Beginning and ending cash register readings shall be made a matter of daily record. Signs shall be visibly posted near all cash registers requesting the payer to ask the cashier for a receipt and, if possible, the sign should include a sample of the appropriate receipt.

#### 13.41 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

- 13.41.1 Should the Licensee require additional or replacement personnel after the effective date of this License Agreement, the Licensee 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 Licensee's minimum qualification for the open position. For this purpose, consideration shall mean that the Licensee will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Licensee.
- 13.41.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

#### 13.42 GREEN INITIATIVES

Licensee shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits. Licensee shall purchase, store, and use environmentally and human friendly products that are compatible with products used by County. County shall determine and approve Licensee's products prior to their use. In addition, Licensee must complete and submit the Green Initiative Compliance Form as set forth in Exhibit M.

### **14.0 COUNTY'S SMOKING BAN ORDINANCE**

This License Agreement is subject to the provisions of the County's ordinance entitled Los Angeles County Code Title 17, Parks, Beaches, and Other Public Places, prohibiting smoking at County Parks ("Smoking Ban Ordinance") as codified in Sections 17.04.185 through 17.04.650 of the Los Angeles County Code, a copy of which is attached as Exhibit E and incorporated by reference into and made part of this License Agreement.

## **15.0 USE OF EXPANDED POLYSTYRENE (EPS) FOOD CONTAINERS**

The Licensee is required to comply with the County's policy on restricting its purchase and use of EPS food containers on County-owned facilities.

## **16.0 ARTIFICIAL TRANS FAT REDUCTION PROGRAM:**

- 16.1 Licensee agrees that it will participate in the County's Artificial Trans Fat Reduction (ATFR) Program, which mandates that no foods containing 0.5 grams or more of artificial trans fat per serving be stored, distributed, held for service, and/or used in the preparation of any menu item or in the Licensed Premises, except for food that is being served directly to consumers in a manufacturer's original sealed package, as more specifically set forth in Exhibit I hereto. Licensee shall provide the written certification attached hereto as Exhibit L stating that it has reviewed and is familiar with the requirements of the ATFR Program and will promptly obtain approval as a participant from the County's Public Health Department. Further information can be found at [www.lapublichealth.org](http://www.lapublichealth.org).
- 16.2 Within 5 days of the County's execution of this License Agreement, Licensee shall submit to the County's Public Health Department all required application materials for participation in the ATFR Program, and shall thereafter diligently pursue approval as an ATFR participant. Licensee's failure to do either of the foregoing shall constitute a material breach of this License Agreement and shall be grounds for immediate termination by the County. County shall have the right, in its sole discretion, to extend the time limit for submission of any and all application documents.
- 16.3 Upon County's approval of the Licensee's participation in the ATFR Program, Licensee shall have the same rights and obligations as any voluntary member of the ATFR Program (e.g., use of Program decal/logo, status updating, etc.), except for the right to terminate participation and as otherwise set forth herein.

- 16.4 In addition to any remedies provided the County by the ATFR Program's rules, any failure by Licensee to comply with the ATFR Program standards shall constitute a material breach of this License Agreement entitling the County to terminate the License Agreement in its entirety or, if the Licensee provides service to multiple Licensed Premises, with respect to the non-compliant facility. Prior to and/or in lieu of termination, the County may also, at its discretion, do any or all of the following:
- a. Require removal of all ATFR Program logo, signage and other advertising materials from the non-compliant License Premises and from any other location where such materials are used by the Licensee, including without limitation menus, menu boards, and dining table tent cards.
  - b. Require Licensee to cure its non-compliance with ATFR Program standards within a period prescribed by the County, in its discretion.

## **17.0 LICENSEE Performance**

- 17.1 The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.
- 17.2 The Department of Public Health (DPH) may periodically monitor this License Agreement to ensure the Licensee's compliance with the County of Los Angeles Vending Machine Nutrition Policy. DPH shall communicate its findings to the Chief Executive Office. Failure to comply with the County of Los Angeles Vending Machine Nutrition Policy may, in the Chief Executive Officer's sole discretion, constitute a breach of this License Agreement.

## **18.0 ENTIRE LICENSE AGREEMENT**

This document and the Exhibit(s) attached hereto constitute the entire License Agreement between County and Licensee and its subcontractors, if any, for Vending Machine Services at the County of Los Angeles Vending Machine Facilities. All other license agreements, promises and representations with respect thereto, other than contained herein, are expressly revoked, as it has been the intention of the parties to provide for a complete integration within the provisions of this document, and the Exhibit(s) attached hereto, the terms, conditions, promises and covenants relating to the license and the premises to be used in the conduct thereof. The unenforceability, invalidity, or illegality of any provision of this License Agreement shall not render the other provisions thereof unenforceable, invalid or illegal.

## **19.0 AUTHORIZATION WARRANTY**

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

IN WITNESS WHEREOF, Licensee has executed this License Agreement, or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this License Agreement to be executed on its behalf by the Chief Executive Officer of the Chief Executive Office, the month, day and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
William T Fujioka, Chief Executive Officer  
Chief Executive Office

LICENSEE

SEE ATTACHED  
ACKNOWLEDGEMENT

By Chris Hulick  
Chris Hulick, Division President

JUL 18 2013

APPROVED AS TO FORM:

JOHN KRATTLI  
County Counsel

By Christina A. Salseda  
Christina A. Salseda, Principal Deputy

**CALIFORNIA ALL-PURPOSE CERTIFICATE  
OF ACKNOWLEDGMENT**

**State of California**  
**County of ALAMEDA**

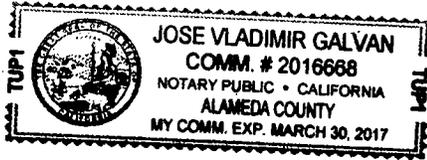
On JUL 18 2013 before me, **JOSE VLADIMIR GALVAN, NOTARY PUBLIC**

personally appeared CHRISTOPHER NEIL HULICK

\_\_\_\_\_ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the state of California that the forgoing paragraph is true and correct.

Jose Galvan  
Signature of Notary



**Optional Information**

Date of Document: JUL 18 2013

Type or Title of Document: \_\_\_\_\_

Number of Pages in Document: \_\_\_\_\_

Document in a Foreign Language: \_\_\_\_\_

**Type of Satisfactory Evidence:**

- Personally known with Paper Identification
- Paper Identification
- Credible Witness(es)

**Other Information**

**Capacity of Signer:**

- Trustee
- Power of Attorney
- CEO/CFO/COO
- President/Vice-President/Secretary/Treasurer
- Other: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# **EXHIBIT A**

IRS NOTICE 1015



Department of the Treasury  
Internal Revenue Service

## Notice 1015

(Rev. December 2012)

### Have You Told Your Employees About the Earned Income Credit (EIC)?

---

#### What is the EIC?

The EIC is a refundable tax credit for certain workers.

#### Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

**Note.** You are encouraged to notify each employee whose wages for 2012 are less than \$50,270 that he or she may be eligible for the EIC.

#### How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must

notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2013.

You must hand the notice directly to the employee or send it by first-class mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice from IRS.gov or by calling 1-800-829-3676.

#### How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see Pub. 596, Earned Income Credit (EIC), or the instructions for Form 1040, 1040A, or 1040EZ.

#### How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2012 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2012 and owes no tax but is eligible for a credit of \$800, he or she must file a 2012 tax return to get the \$800 refund.

# **EXHIBIT B**

## **LICENSEE'S EEO CERTIFICATION**

**EXHIBIT 8**

**PROPOSER'S EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION**

Compass Group USA, Inc. by and through its Canteen Vending Services Division  
 Proposer's Name

5000 Hopyard Road, Suite 322, Pleasanton CA  
 Business Address

56-1874931  
 Internal Revenue Service Employer Identification Number

**GENERAL**

*In accordance with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000e through 2000e-17, Section 504 of the Rehabilitation Act of 1975, the Food Stamp Act of 1977, the Welfare and Institutions Code Section 1000, Americans with Disability Act of 1990, California Department of Social Services Manual of Policies and Procedures Division 21, the Contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, creed, color, national origin, political affiliation, marital status, age, disability, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.*

**PROPOSER'S CERTIFICATION**

- |  | <u>Check One</u>                               |
|--|--|
| 1. The Proposer has a written policy statement prohibiting discrimination in all phases of employment.   | <input checked="" type="checkbox"/> Yes [ ] No |
| 2. The Proposer periodically conducts a self analysis or utilization analysis of its work force.   | <input checked="" type="checkbox"/> Yes [ ] No |
| 3. The Proposer has a system for determining if its employment practices are discriminatory against protected groups.  | <input checked="" type="checkbox"/> Yes [ ] No |
| 4. Where problem areas are identified in employment practices, the Proposer has a system for taking reasonable corrective action which includes the establishment of goals and timetables. | <input checked="" type="checkbox"/> Yes [ ] No |

Name (please print or type) Chris Hulick

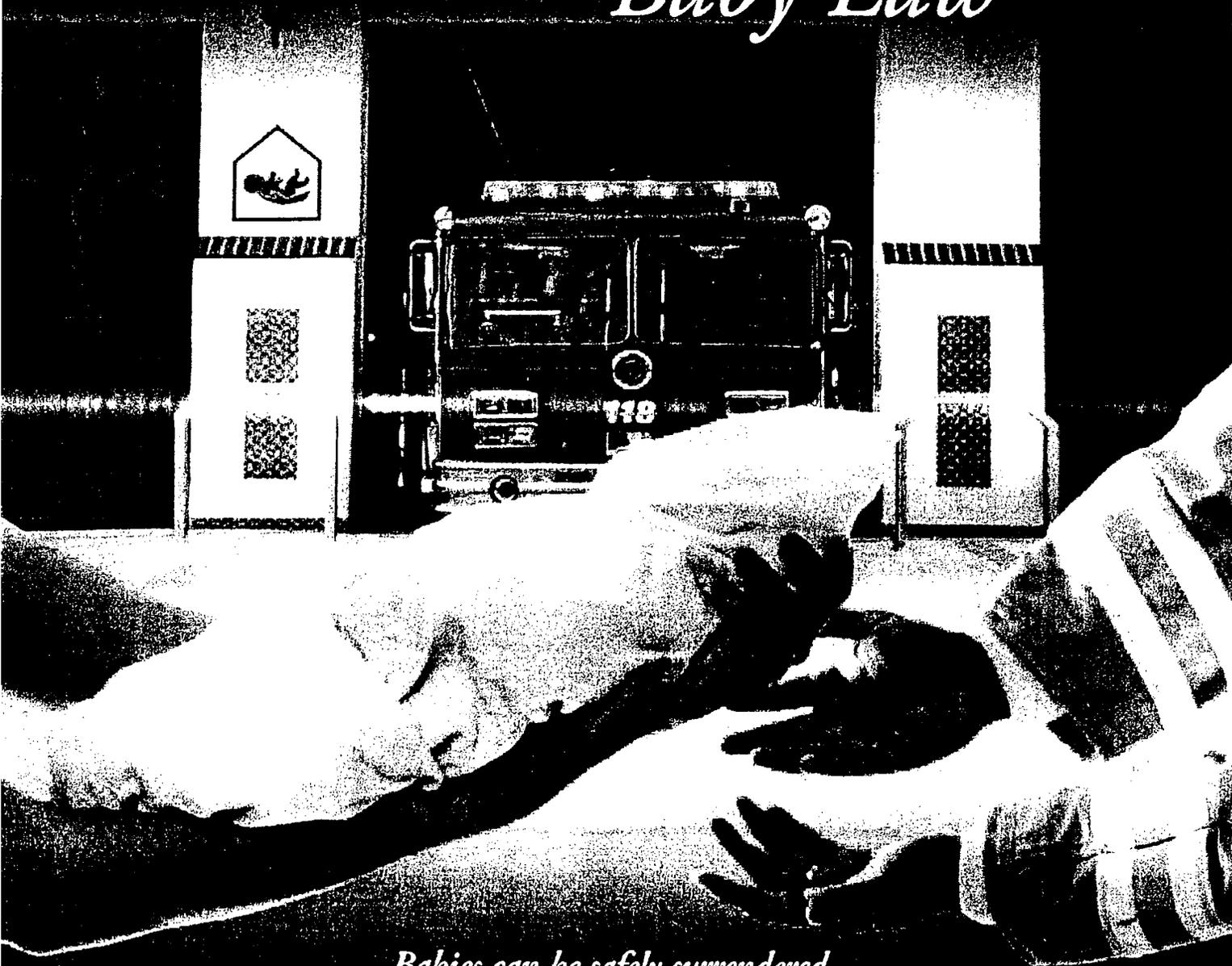
Title of Signer (please print or type) Division President

Signature Chris Hulick Date 4/18/13

# **EXHIBIT C**

## **SAFELY SURRENDERED BABY LAW**

# *Safely* Surrendered *Baby Law*



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

**No shame. No blame. No names.**

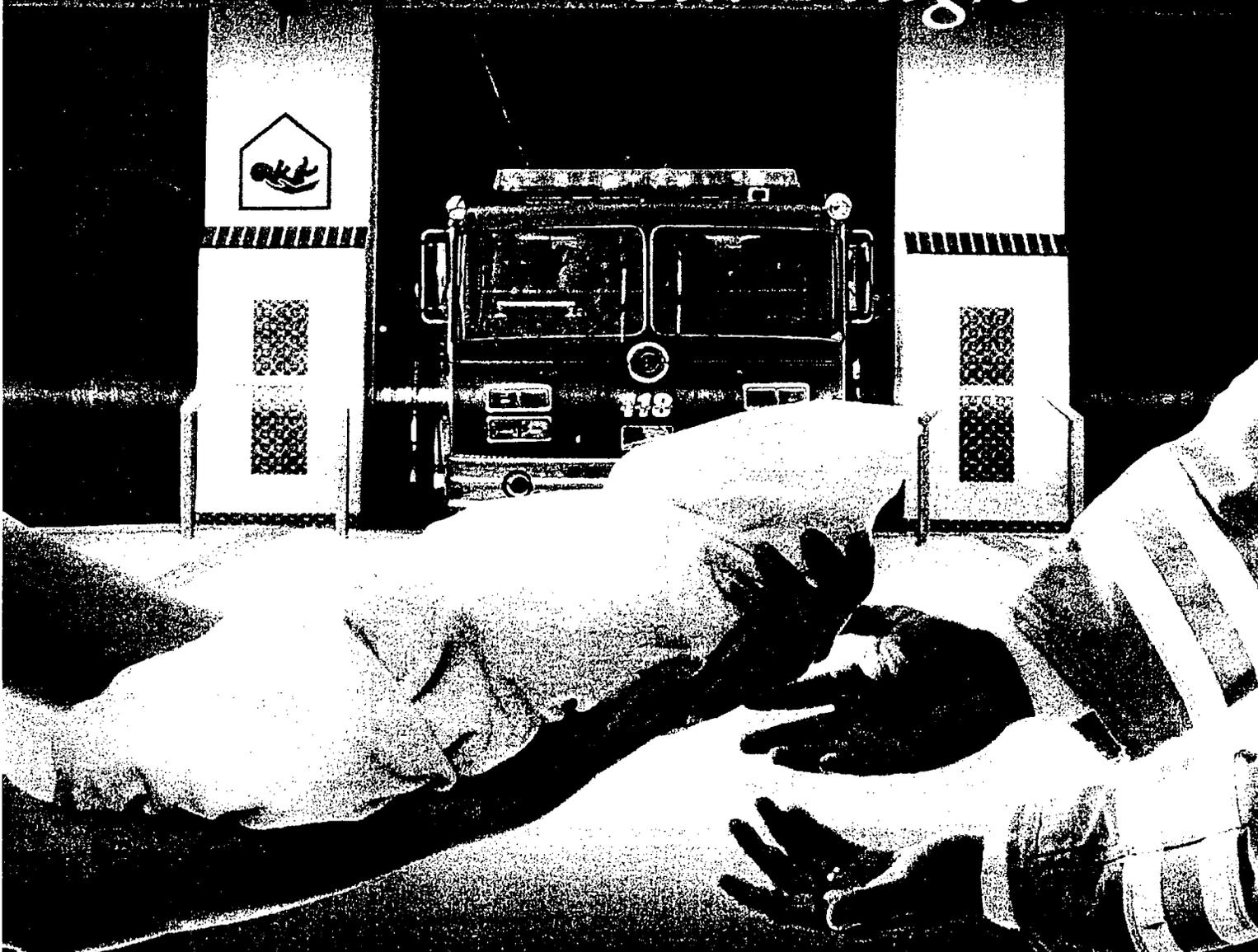
**In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723**

[www.babysafela.org](http://www.babysafela.org)





# *Ley de* Entrega de Bebés *Sin Peligro*



*Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles*

**Sin pena. Sin culpa. Sin nombres.**

**En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723**

[www.babysafela.org](http://www.babysafela.org)



# Ley de Entrega de Bebés Sin Peligro

## ¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro es una ley que permite a los padres o adultos que tienen un recién nacido entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

## ¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

## ¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al 1-800-540-4000.

## ¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

## ¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

## ¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

## ¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

## ¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

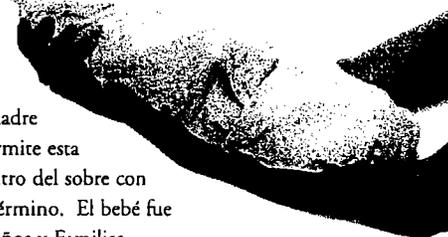
## ¿Por qué se está haciendo esto en California?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

*Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.*

## Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



# **EXHIBIT D**

## **COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

**Title 2 ADMINISTRATION**  
**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

**2.206.010 Findings and Declarations.**

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.020 Definitions.**

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
- G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

**Title 2 ADMINISTRATION**  
**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

**2.206.030 Applicability.**

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.040 Required Solicitation and Contract Language.**

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.050 Administration and compliance certification.**

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.
- B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

**Title 2 ADMINISTRATION**  
**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

**2.206.060 Exclusions/Exemptions.**

- A. This chapter shall not apply to the following contracts:
1. Chief Executive Office delegated authority agreements under \$50,000;
  2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
  3. A purchase made through a state or federal contract;
  4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
  5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
  6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
  7. Program agreements that utilize Board of Supervisors' discretionary funds;
  8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
  9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
  10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
  11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
  12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or

**Title 2 ADMINISTRATION**  
**Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
  14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.
- B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.070 Enforcement and Remedies.**

- A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.
- B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.
- C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:
  1. Recommend to the Board of Supervisors the termination of the contract; and/or,
  2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
  3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

**2.206.080 Severability.**

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)

# **EXHIBIT E**

## COUNTY'S SMOKING BAN ORDINANCE

**ORDINANCE NO. 2009-0044**

An ordinance amending Title – 17 Parks, Beaches and Other Public Places, to prohibit smoking in parks.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 17.04.035 is hereby added to read as follows:

**17.04.035 Contract-operated facilities.**

"Contract-operated facilities" means parks, which are operated, controlled, or maintained, in whole or in part, pursuant to an agreement with a lessee, concessionaire, operator, contractor, or vendor, for the purpose of providing recreational services to the public.

**SECTION 2.** Section 17.04.185 is hereby added to read as follows:

**17.04.185 Smoking.**

"Smoke" or "smoking" shall have the meaning as set forth in Section 11.64.020(B) of this code.

**SECTION 3.** Section 17.04.645 is hereby added to read as follows:

**17.04.645 Smoking Prohibited.**

Smoking shall be prohibited at all parks, except:

1. Smoking shall be permitted by actors who are acting during a permitted production or by models during a permitted photography session, unless otherwise determined by the Director, in consultation with the applicable Fire Official; and

2. Smoking shall be permitted within contract-operated facilities, in designated areas, at the discretion of the Director, in consultation with the operators of said facilities.

[1704035CSCC]

# **EXHIBIT F**

## **LIST OF COUNTY'S VENDING MACHINE FACILITIES**

## EXHIBIT F - CEO REGION 3: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 3	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
1	PUBLIC SOCIAL SERVICES	27233 CAMP PLENTY DR.	SANTA CLARITA	91351	2	1	0
2	LIBRARY	18601 SOLEDAD CANYON RD	SANTA CLARITA	91351	1	1	0
3	CHILDREN & FAMILY SERVICES	28490 AVENUE STANFORD	SANTA CLARITA	91355	1	1	0
4	LIBRARY	23743 W VALENCIA BLVD	SANTA CLARITA	91355	1	1	0
5	PUBLIC SOCIAL SERVICES	23747 VALENCIA BLVD.	VALENCIA	91384	1	1	0
6	PROBATION	23759 VALENCIA BLVD	VALENCIA	91355			
7	SHERIFF	29320 THE OLD ROAD (Pitchess)	CASTAIC	91384	3	1	0
8	SHERIFF	29310 THE OLD ROAD (Pitchess)	CASTAIC	91384	3	2	0
9	SHERIFF	BISCALUZ RD (Pitchess)	SANTA CLARITA	91384	1	1	0
10	SHERIFF	29340 THE OLD ROAD (Pitchess)	CASTAIC	91384	4	5	0
11	SHERIFF	23747 VALENCIA BLVD. (Pitchess)	VALENCIA	91384	1	1	0
12	SHERIFF	BISCALUZ RD. (Pitchess Main Gate)	SANTA CLARITA	91384	1	1	0
13	SHERIFF	29300 THE OLD ROAD	CASTAIC	91384	2		0
14	ANIMAL CONTROL	31044 N. CHARKIE CANYON	CASTAIC	91384	1		0
15	PROBATION	28700 N. BOUQUET CANYON RD (Camp Scott)	SAUGUS	91390	1		0
16	PROBATION	28750 N. BOUQUET CANYON (Kenyon Scudder)	SAUGUS	91390	1		0
17	PROBATION	42220 N LAKE HUGHES RD (Camp Muntz)	LAKE HUGHES	93532			0

## EXHIBIT F - CEO REGION 3: List of County's Vending Machine Facilities

Location No.	County Departments	Locations in Region 3	City	Zip	No. cold drink machines	No. snacks machines	No. hot beverage machines
18	PROBATION	42230 N LAKE HUGHES RD (Camp Mendenhall)	LAKE HUGHES	93532			0
19	PROBATION	42011 4TH ST. WEST SUITE 1900	LANCASTER	93534	1	1	0
20	LIBRARY	601 W. LANCASTER BLVD	LANCASTER	93534	1		0
21	PROBATION	321 E. AVENUE K-4 (Juvenile)	LANCASTER	93534	1	1	0
22	PUBLIC SOCIAL SERVICES	333-337 E. K-10	LANCASTER	93535	1	1	0
23	HEALTH SERVICES	44990 N. 60TH ST. WEST	LANCASTER	93536	2	2	0
24	PROBATION	5300 W AVENUE I (Challenger Camp)	LANCASTER	93536	2	2	0
25	PUBLIC SOCIAL SERVICES	1150 W AVE J @KINGTREE	LANCASTER	93536	1		0
26	PUBLIC SOCIAL SERVICES	349 E. AVE K-6	LANCASTER	93536	2	1	0
27	SHERIFF	45100 NORTH 60TH ST. WEST (Mira Loma Detention Ctr)	LANCASTER	93536	3		0
28	LIBRARY	35119 80TH ST E	LITTLE ROCK	93543			0
29	CHILDREN & FAMILY SERVICES	39959 SIERRA HWY SUITE A150	PALMDALE	93550	2	1	0
30	PUBLIC WORKS	10TH STREET AT PALMDALE ROAD	PALMDALE	93550			0
					<b>40</b>	<b>25</b>	<b>0</b>
<u>Region 3</u> : Approximate total no of vending machines					<b>65</b>		

# **EXHIBIT G**

## **COUNTY OF LOS ANGELES VENDING MACHINE NUTRITION POLICY**

<b>Policy #:</b>	<b>Title:</b>	<b>Effective Date:</b>
<b>3.115</b>	<b>County of Los Angeles Vending Machine Nutrition Policy</b>	<b>8/8/2006</b>

### **PURPOSE**

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Obesity rates are rising in the county among both children and adults. Obesity and poor nutrition are among the leading causes of chronic disease, including type 2 diabetes, heart disease, stroke, and cancer, and are major drivers of the escalating health care costs. The abundance of inexpensive low-nutrient, calorie-dense food and beverages in community and work environments are important contributors to unhealthy dietary practices. The purpose of the County of Los Angeles Vending Machine Nutrition Policy is to encourage healthier diets by increasing access to healthy food and beverages and reducing access to unhealthy food and beverage options for County employees and the public at County facilities.

### **REFERENCE**

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August 8, 2006, Board Order 25

February 17, 2009 - Board of Supervisors Statement of Proceedings:  
<http://file.lacounty.gov/bos/supdocs/47636.pdf>

August 18, 2009 - Board of Supervisors Statement of Proceedings

### **POLICY**

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This policy would affect County-contracted vending machine suppliers by requiring them to change the products they offer to meet County of Los Angeles Vending Machine Nutrition Policy guidelines in all County facilities and offices, except where exempted by the Board of Supervisors. This policy as it exists now or may exist in the future will apply to all new vending machine agreements as well as any new amendments to existing vending contracts. It is anticipated that County employees who purchase items from vending machines will be positively impacted by the policy by having a broad range of healthier foods and beverages from which to choose. County of Los Angeles Vending Machine Nutrition Policy guidelines are listed below. A list of examples of foods and beverages that comply with these guidelines are available upon request from the Department of Public Health.

All snacks and beverages sold in County-contracted vending machines must adhere to the following nutrition guidelines:

#### **Snacks in Vending Machines**

An individually sold snack that has no more than:

- a) 35% of its calories from fat (excluding legumes, nuts, nut butters, seeds, eggs, non-fried vegetables, and cheese packaged for individual sale)
- b) 10% of its calories from saturated fat (excluding eggs and cheese packaged for individual sale)
- c) 35% sugar by weight (excluding fruits and vegetables)
- d) 250 calories per individual food item or package if a pre-packaged item
- e) 360 mg of sodium per individual food item or package if a pre-packaged item

#### **Beverages in Vending Machines**

- a) Drinking water (including carbonated water products)
- b) Fruit-based drinks that are at least 50 percent fruit juice without added sweeteners
- c) Vegetable-based drinks that are at least 50 percent vegetable juice without added sweeteners
- d) Milk products, including two-percent, one-percent, nonfat, soy, rice and other similar non-dairy milk without added sweeteners
- e) Sugar sweetened or artificially sweetened beverages that do not exceed 25 calories per 8 ounces<sup>1</sup>

Vending machines with beverages should include bottled water as an option. The price of the bottled water should be no higher than the prices of the other beverage options in the vending machine.

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<sup>1</sup> Fresh coffee and tea dispensed from vending machines are exempted.

# **EXHIBIT H**

## **SAMPLE CEO MONTHLY GROSS RECEIPTS AND REVENUE REPORT**

**EXHIBIT H**  
**COUNTY OF LOS ANGELES CHIEF EXECUTIVE OFFICE (CEO)**  
**MONTHLY GROSS RECEIPTS AND REVENUE REPORT**

Name of Licensee: \_\_\_\_\_

Collection Period: 8/1/2013 - 8/31/2013

Agreement Number: \_\_\_\_\_

**Location No.1: Machine No. 1: Address: 450 Bauchet Street LA, Twin Towers Lobby (including City, Bdg No., Floor No. & Room No.)**

Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Commission Amount
large bottle							
medium bottle							
can drink							
water bottle							

Machine Commission Total: \_\_\_\_\_

**Location No. 1: Machine No. 2: Address: 450 Bauchet Street LA, Inmate Reception Center (including Bdg No. Floor No. & Room No.)**

Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Comm. Amount
large snacks							
medium snacks							
small snacks							

Machine Commission Total: \_\_\_\_\_

**Location No. 2: Machine No.1: Address: 7601 Imperial Hwy, Norwalk, 1st fl Lunch room (including Bdg No. Floor No. & Room No.)**

Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Comm. Amount
large hot bvg							
medium hot bvg							
small hot bvg							
water bottle							

Machine Commission Total: \_\_\_\_\_

**Location No. 2: Machine No.2: Address: 7601 Imperial Hwy, Norwalk, 1st fl Lunch room (including Bdg No. Floor No. & Room No.)**

Product	Sell Price	Quantity	Gross Sales	Sales Tax	Net Sales	Commission Rate	Comm. Amount
large hot bvg							
medium hot bvg							
small hot bvg							
water bottle							

**COUNTY OF LOS ANGELES CHIEF EXECUTIVE OFFICE (CEO)  
MONTHLY GROSS RECEIPTS AND REVENUE REPORT**

**Name of Licensee:** \_\_\_\_\_

**Collection Period:** 8/1/2013 - 8/31/2013

**Agreement Number:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ **Machine Commission Total:** \_\_\_\_\_

# **EXHIBIT I**

## **COUNTY'S ARTIFICIAL TRANS FAT REDUCTION (ATFR) PROGRAM**

ARTIFICIAL TRANS FAT REDUCTION  
(ATFR) PROGRAM

## ARTIFICIAL TRANS FAT REDUCTION PROGRAM



### Voluntary Artificial Trans Fat Reduction (ATFR) Program Application

The Los Angeles County (LAC) Environmental Health (EH), in recognition of those food facilities who are making the effort to voluntarily remove artificial trans fats from their menu, is implementing a placard recognition program. This placard can be proudly displayed at your food facility to let potential customers know that your facility is participating in the ATFR Program.

#### PURPOSE

The criteria and procedures set forth by LAC EH are intended to ensure that those food facilities who display this placard are honestly presenting their food items to the public as advertised. In fact, the success or failure of this placard program rests on the overall diligence of the participating facilities' integrity in maintaining a zero grams trans fat program in their respective food businesses. The goal is for this placard to be meaningful to the customer when they are making healthy choices for their dining experience.

#### APPLICATION/APPROVAL PROCESS

The following documents/requirements need to be submitted along with the completed application form. Please note that if any of the documents/requirements are not furnished during the initial submission, the application will be returned.

1. A completed application for the LAC EH placard program.

Food facility chains shall only be required to submit one application for all locations if all of the following conditions are met.

- a. Each location shares common ownership.
- b. Each location conducts food service operations consistent with the food facility chain's operational model.
- c. Foods received, prepared, and offered for sale at each location are the same for each location throughout the chain.

2. A signed "Conditions of Participation Agreement".
3. An application fee of \$204.00 made payable to the Los Angeles Department of Public Health.

Food facility chains that meet the conditions noted above (#1a-c) shall be required to submit only one application fee of \$136.00, plus \$68.00 for each

## ARTIFICIAL TRANS FAT REDUCTION PROGRAM

location in the chain that will participate in the ATFR Program. For example, a chain with three locations participating in the program would pay a total of \$340.00 (\$136 + \$68 + \$68 + \$68).

4. Legible copies of original nutrition fact labels indicating the grams of trans fat per serving for all food products:
  - a. that are, or that contain, fats, oils or shortenings, and
  - b. that are, when purchased by the food facility, required by applicable federal and state law to have labels, and
  - c. that are currently being stored, distributed, held for service, used in preparation of any menu items, or served by the food facility.
  - Documentation instead of labels. Documentation from the manufacturers of such food products, indicating whether the food products contain vegetable shortening, margarine, or any kind of partially hydrogenated vegetable oil, or indicating trans fat content, may be submitted for approval in lieu of copies of original labels.
  - Documentation required when food products are not labeled. If baked goods (or other food products restricted by the Department's ATFR Program standards) are not required to be labeled when purchased, copies of documentation from the manufacturer of the food products, (indicating whether the food products contain vegetable shortening, margarine or any kind of partially hydrogenated vegetable oil, or indicating trans fat content) may be submitted for approval in lieu of copies of original labels.
5. A legible copy of the food facility's menu of food items, or a list of food items offered for sale by the facility.

### APPROVAL AND DENIAL OF PLACARD

The application will be approved or denied within 30 business days from the date that it is received. A decision letter will be sent to all applicants indicating approval or reason(s) for denial. Applications that are not complete will be automatically returned to the applicant.

If you are approved, a placard will be mailed to you with the approval letter.

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ARTIFICIAL TRANS FAT REDUCTION PROGRAM



APPLICATION FOR THE COUNTY OF LOS ANGELES  
VOLUNTARY ARTIFICIAL TRANS FAT REDUCTION PROGRAM

Name of Organization/Business: \_\_\_\_\_

Name: \_\_\_\_\_  
Last First Middle

Title/Position: \_\_\_\_\_

\*Mailing Address: \_\_\_\_\_  
Number Street

\_\_\_\_\_  
City State Zip Code Telephone

\*If you are submitting an application for a chain please list the address for each location on a separate sheet and submit it with your application. If approved, a placard will be mailed to each of the locations you've listed unless otherwise specified.

APPLICATION CHECKLIST:

- ( ) Completed Application Form (with list of additional locations if applicable)
- ( ) Signed Condition of Approval Form
- ( ) Make check payable to: County of Los Angeles, Department of Public Health
- ( ) Legible copies of original nutrition fact labels indicating the grams of trans fat per serving for all products (see application for details)
- ( ) Legible copy of the food facility's menu of food items, or a list of food items offered for sale by the facility
- ( ) Mail your completed application and attachments to:

Environmental Health  
Attn. Consultation & Technical Services  
5050 Commerce Dr.  
Baldwin Park, CA 91706

## ARTIFICIAL TRANS FAT REDUCTION PROGRAM



### CONDITIONS OF PARTICIPATION AGREEMENT

You must be a permitted food facility in Los Angeles County to participate in this placard recognition program.

By posting the ATFR placard in your facility, you are accepting the responsibilities of "truth-in-menu." Should this facility ever have to substitute an ingredient with one that contains reportable levels of trans fat, the placard **MUST BE REMOVED IMMEDIATELY** from display. Only upon re-establishing the advertised "zero grams trans fat" status, can the placard be displayed once again.

The ATFR placard is meant to help set your facility apart from all others and to help the public make informed choices in their dining experience. To ensure that your staff understands the importance of this program, they should be trained in what "trans fats" are and where they may be found. This will help to create the trustworthy atmosphere to your customer base.

The ATFR placard may not be reproduced in any form without prior approval from LAC EH. Any other reproduction, transmission, displays, or editing of the ATFR placard by any means mechanical or electronic without the express written permission of LAC EH is strictly prohibited.

I have read and agree to the above conditions.

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Signature

Date

---

Print Name

Position

## ARTIFICIAL TRANS FAT REDUCTION PROGRAM



### Committed to the Standard

Each participating food facility receives an ATFR inspection once per year to assure compliance with the program's standards. The ATFR inspection is separate from a regular food facility inspection and there is no additional cost for the inspection.

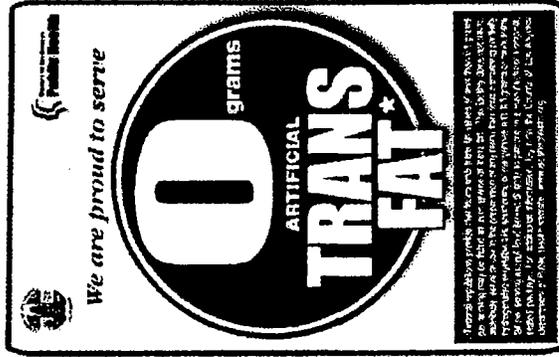
By assuring that all participating food facilities continue to meet the standard, both program participants and consumers can be confident that the decal/placard is meaningful and that it is reflective of a commitment to providing healthier dining options.

### Getting Started

The County of Los Angeles Department of Public Health has brochures available to help you get started on the road to zero grams trans fat.

These brochures are available online at [www.lapublichealth.org](http://www.lapublichealth.org).

## VOLUNTARY ARTIFICIAL TRANS FAT REDUCTION (ATFR) PROGRAM



For more information:

[www.lapublichealth.org/elh](http://www.lapublichealth.org/elh)

[www.fda.gov/ftac/features/2003/503\\_fats.html](http://www.fda.gov/ftac/features/2003/503_fats.html)



County of Los Angeles Department of Public Health,  
Environmental Health

County of Los Angeles  
Environmental Health  
5050 Commerce Drive  
Baldwin Park, CA 91706  
(626) 430 - 5320

## ARTIFICIAL TRANS FAT REDUCTION PROGRAM

*Food facilities that serve food with zero grams of trans fat help provide a healthier alternative to consumers.*

*These food facilities should stand up and be recognized.*

*The County of Los Angeles Department of Public Health has developed a program to help these food facilities get the recognition they deserve.*

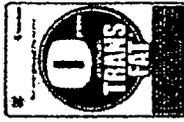


*Although many food facilities have begun their effort to eliminate trans fat from their menus, a simple way for consumers to identify these facilities had never been developed until now!*

### The Voluntary ATFR Program

The ATFR Program recognizes food facilities that do not store, use, or serve food containing partially hydrogenated vegetable oils, shortening, or margarines with 0.5 grams or more trans fat per serving, except food that is being served directly to patrons in a manufacturer's original sealed package. (Foods with trans fat values of less than 0.5 grams per serving are listed as zero grams of trans fat).

Participating food facilities that meet this standard are recognized with the issuance of an official ATFR Program



decal/placard to notify consumers that they serve zero grams of trans fat.

Additionally, these food facilities are listed on the Department of Public Health website as active participants in the ATFR Program.

### Participating in the ATFR Program

Participation in the ATFR Program is strictly *voluntary*. Applications are available online at [www.lapublichealth.org](http://www.lapublichealth.org) or at your local County of Los Angeles Environmental Health district office.

Familiarizing yourself with the nutritional facts panels of the foods in your food facility will help you in providing the necessary information detailed in the application.

A one-time fee of \$204.00 is required with the application. If you have several locations that meet the ATFR Program's conditions for a "chain," only one application fee of \$136.00 is required plus \$68.00 for each participating location in your food facility chain.

### Benefits of Participation

By participating, you:

- Will receive an official ATFR Program decal/placard that states that the food you serve contains zero grams of trans fat.
- Will be recognized on the County of Los Angeles Department of Public Health website.
- Show that you recognize consumers who are looking for healthier dining options.
- Distinguish your food facility from other businesses that do not provide this healthier alternative.
- Will be able to take advantage of a unique marketing opportunity.

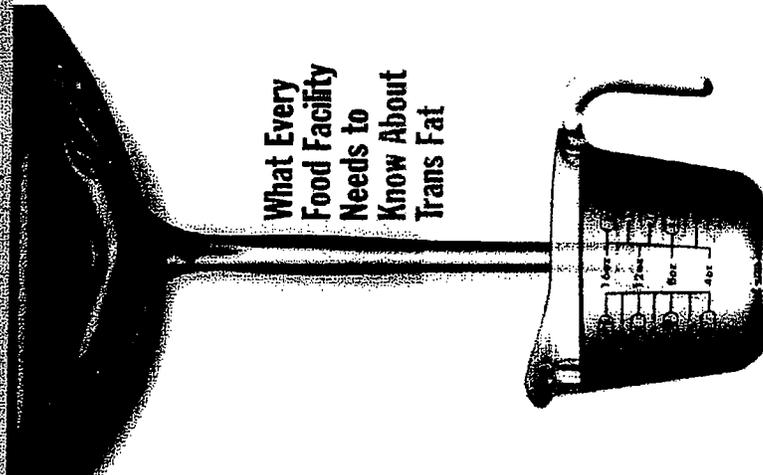
## ARTIFICIAL TRANS FAT REDUCTION PROGRAM

**Make an Oil Change**

**Does Your Kitchen Need an Oil Change?**

**What Every Food Facility Needs to Know About Trans Fat**

Source: Adapted with permission for the County of Los Angeles Department of Public Health, from: Does Your Kitchen Need an Oil Change? What Every Restaurant and Food Service Establishment Needs to Know About Trans Fat, New York City Department of Health and Mental Hygiene, 2006. Available at: [www.nyc.gov/health](http://www.nyc.gov/health).



### 1. CHANGE your oils.

For cooking and frying, check the ingredients on all oils. If "partially hydrogenated" is listed, switch to a non-hydrogenated oil instead. If there is no ingredients list, ask your supplier or the manufacturer.

For baking, use non-hydrogenated oils or shortenings with low or no *trans fat*.

### 2. CHOOSE healthy spreads.

Instead of stick margarine or butter, use soft tub spreads with low saturated fat and no *trans fat*.

### 3. ORDER prepared foods without trans fat.

Check ingredients and ask your supplier for baked products, pre-fried, and pre-mixed foods that are free of partially hydrogenated vegetable oils.

**INGREDIENTS:** Pasteurized Grade A Non-fat Milk, Fructose, Red Bell Pepper, Partially Hydrogenated Soybean Oil, Salt, Modified Cornstarch, Garlic, Lemon Juice

# ARTIFICIAL TRANS FAT REDUCTION PROGRAM

**Trans fat** is trans- which hydrogen is added to a vegetable oil.

These oils are called partially hydrogenated. Any food made with partially hydrogenated oil contains trans fat.

Food facilities commonly cook and fry with partially hydrogenated oils. Trans fat is also found in many pre-fried, baked, and prepared foods served in food facilities.

**Partially Hydrogenated Vegetable Oil**  
= Trans Fat  
= Heart Disease Risk

**Trans fat is unhealthy.**

Trans fat - like saturated fat - increases the risk of heart disease by raising "bad" (LDL) cholesterol. The Food and Drug Administration and the County of Los Angeles Department of Public Health recommend that consumers ask about fats (including oils) used by food facilities and that they avoid trans fat.

Many food facilities have already begun to make an oil change. This booklet gives tips on how to do it.

**Are you serving trans fat? You won't know unless you check!**

While many commercial vegetable oils contain trans fat, non-hydrogenated versions are available. The only way to know for sure if the oil you use contains trans fat is to check labels and to talk to your suppliers.

**Common sources of trans fat found in food facility kitchens include:**

- Vegetable oils used for frying, baking, and cooking
- Shortening (hard vegetable oil)
- Margarine and other spreads
- Prepared foods, including:
  - Pre-fried foods, such as French fries, fried chicken, chicken nuggets, fish filets, chips, taco shells, and doughnuts
  - Baked goods, such as hamburger buns, pizza dough, crackers, cookies, cakes, pies, and pastries
  - Pre-mixed ingredients, such as pancake mix, hot chocolate, salad dressing, croutons, and breadcrumbs

All of these products are available without trans fat (made without partially hydrogenated vegetable oil).

## Not All Fats Are Created Equal

GOOD FATS Lower the risk of heart disease	
Type of Fat	Polysaturated
Important Sources	<ul style="list-style-type: none"> <li>• Olive, canola, and peanut oils</li> <li>• Olives</li> <li>• Cashews, almonds, peanuts, and most other nuts</li> <li>• Avocados</li> </ul>
	<ul style="list-style-type: none"> <li>• Corn, soybean, safflower, and sunflower, and cottonseed oils</li> <li>• Fish and seafood</li> </ul>
BAD FATS Increase the risk of heart disease	
Type of Fat	Saturated
Important Sources	<ul style="list-style-type: none"> <li>• Partially hydrogenated vegetable oil and shortening</li> <li>• Most margarine and shortening foods</li> <li>• Many fast foods</li> <li>• Most baked goods</li> </ul>
	<ul style="list-style-type: none"> <li>• Whole milk, butter, cheese, and ice cream</li> <li>• Lard and suet</li> <li>• Meat (beef, pork, bacon, sausage, and deli meats have the most)</li> <li>• Chicken and other poultry have less, especially with skin removed</li> <li>• Chocolate and cocoa butter</li> <li>• Palm oil</li> <li>• Coconut products, including milk and oil</li> </ul>
	<ul style="list-style-type: none"> <li>• Most foods that contain trans fat can be made with non-hydrogenated oils instead.</li> </ul>

# **EXHIBIT J**

## **LICENSEE'S PRODUCT PRICE LIST**

**Compass Group USA, Inc.  
by through its  
Canteen Vending Services**

**PRODUCT PRICE LIST**

Compass Group USA, Inc. by through its Canteen Vending Services Division (Compass Group USA) shall supply and provide snacks and beverages that adhere to the 100 % healthy food and beverage options, consistent with the County of Los Angeles Vending Machine Nutrition Policy. Compass Group USA shall provide, for the County's review and approval, a planogram with healthful alternatives products that meet the 100% healthy food and beverage options, prior to the initiation of sales.

Listed below are examples of snacks and beverages that Compass Group USA will be offering:

**Salty Snacks**

Frito Sunchips/ SS Products  
Popchips

**Sweet Snacks**

Nature Valley Granola Bars  
Peeled Dried Fruit

**Dried Fruit**

Planters Nuts and Trail Mixes  
Mr. Nature Nuts and Trail Mixes

**List of Proposed Product Pricing:**

Product	Price
Sweet Snacks	\$ 1.50
Salty Snacks	\$ 1.50
Large Snacks	\$ 2.00
Coffee 12 oz.	\$ 1.00
Water 20 oz.	\$ 2.00
Isotonics 20 oz.	\$ 2.50
Juice 20 oz.	\$ 2.50

# **EXHIBIT K**

## **CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT**

**CONTRACTOR ACKNOWLEDGMENT AND CONFIDENTIALITY CERTIFICATION**

CONTRACTOR NAME Compass Group USA, Inc. by and through its Canteen Vending Services Division  
Contract No. \_\_\_\_\_

**GENERAL INFORMATION:**

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

**CONTRACTOR ACKNOWLEDGEMENT:**

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

**CONFIDENTIALITY AGREEMENT:**

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

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

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: Chris Hulick DATE: 7/2/13

PRINTED NAME: Chris Hulick

POSITION: Division President

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

# **EXHIBIT L**

**CERTIFICATION OF COMPLIANCE  
WITH THE COUNTY'S ARTIFICIAL  
TRANS FAT REDUCTION PROGRAM**

EXHIBIT 13

CERTIFICATION OF COMPLIANCE WITH ARTIFICIAL TRANS FAT  
REDUCTION PROGRAM

The Proposer certifies that:

- (1) It is familiar with the requirements for participation in the County's Artificial Trans Fat Reduction (ATFR) Program and will obtain the County's approval as a participant in the ATFR Program.
- (2) Within five days of County's execution of the Contract, it will submit to the County's Public Health Department all required application materials for participation in the ATFR Program, and thereafter diligently pursue approval as an ATFR participant.

Compass Group USA, Inc. by and through its  
Proposer name: Canteen Vending Services Division

BY: Chris Hulick  
Signature  
Chris Hulick  
Name  
Division President  
Title

# **EXHIBIT M**

## **GREEN INITIATIVES CERTIFICATION OF COMPLIANCE**

EXHIBIT 15-A

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE (CEO)

GREEN INITIATIVES  
CERTIFICATION OF COMPLIANCE

I, Chris Hulick, as the Division President  
Name (please print or type) Title  
Compass Group USA, Inc. by and through  
Of its Canteen Vending Services Division providing services at  
Name of company  
Chief Executive Office County of Los Angeles  
County facility (ies)

I, hereby certify that our Company shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits. Our Company shall purchase, store, and use environmentally and human friendly products that are compatible with products used by the County of Los Angeles.

Chris Hulick 4/18/13  
Signed Dated