



County of Los Angeles
INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue
Los Angeles, California 90063

"To enrich lives through effective and caring service"

Telephone: (323) 267-2101
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July 15, 2014

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

12 July 15, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**TERMINATION OF CUSTODIAL SERVICES CONTRACTS FOR DEFAULT
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

Termination of five custodial services contracts with Diamond Contract Services, Inc., for default.

IT IS RECOMMENDED THAT THE BOARD:

IT IS JOINTLY RECOMMENDED BY THE INTERNAL SERVICES DEPARTMENT, DEPARTMENT OF MEDICAL EXAMINER - CORONER, AND DEPARTMENT OF BEACHES AND HARBORS THAT YOUR BOARD:

Terminate custodial services contracts with Diamond Contract Services, Inc. (Diamond), numbers 77892, 77896 and 77812 with the Internal Services Department (ISD), number 76585 with the Department of the Medical Examiner - Coroner (Coroner) and number 77371 with the Department of Beaches and Harbors (DBH), in whole, for default.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Diamond was contracted to provide custodial services to seventy facilities countywide (Attachment I) under five separate Board approved contracts. The Board contracts were awarded by ISD, Coroner, and DBH based on competitive solicitations conducted by each department.

On June 5, 2014, Diamond notified the County that they did not have the funds to procure the contractually required workers' compensation insurance premium. As a result, Diamond was unable to provide the required custodial services for any of the County departments after June 8, 2014.

To avoid a disruption in services, ISD utilized its delegated authority to effectuate the following actions:

- Add the custodial services provided by Diamond for ISD's Region 1 (Contract #77892), Region 6 (Contract #77896), and Probation facilities (Contract #77812 which is managed by ISD) to two of its existing custodial contracts. Region 1 and the Probation facilities were added to the contract with DMS Facility Services, Inc. (DMS) Contract #77893, and Region 6 was added to the contract with Pride Industries One, Inc. (Pride), Contract #77895. Twenty (facilities in Region 1, thirty-seven facilities in Region 6, and two Probation facilities were affected.
- Add the custodial services provided by Diamond for the Coroner (Contract #76585) to ISD's contract with DMS (Contract #77893), as the Coroner does not have any other custodial contracts in place. One facility was affected.
- Add the custodial services provided by Diamond for DBH (Contract #77371) to ISD's contract with DMS (Contract #77893), as DBH does not have any other custodial contracts in place. Ten facilities were affected.

Due to Diamond's inability to provide the required workers' compensation insurance and, consequently, provide the required contracted services, ISD, Coroner, and DBH jointly recommend that your Board terminate the contracts with Diamond pursuant to the Termination for Default provision within each contract. The termination of each contract will be effective the day following Board action. The specific contractual provisions that were violated for each contract are identified in Attachment II.

Implementation of Strategic Plan Goals

The recommended action supports County Strategic Plan Goals Number 1 (Operational Effectiveness) maximize the effectiveness of the County's processes structure and operations to support timely delivery of customer oriented and efficient public service.

FISCAL IMPACT/FINANCING

The custodial services currently provided by Diamond were redistributed among other current ISD custodial contractors under the existing contracts' terms and conditions, including cost. Because ISD will now manage their custodial services, DBH and Coroner will incur a combined total of roughly \$150,000 for ISD service management.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Immediately following the notification from Diamond to the County, ISD provided Diamond with a formal written notice that the County intended to terminate Diamond's contracts for default, upon approval by your Board, for violating contract provisions including, but not limited to a) Work, b) Term of Contract, c) General Provisions for all Insurance Coverage, and d) Insurance Coverage. Attachment II lists the specific provisions for each of the five contracts. The Coroner and DBH also provided Diamond with a formal notification of its intent to terminate the contract for default.

Your Board approved the following actions on the dates indicated below:

- On December 11, 2012, contract with Diamond and ISD for custodial services for Regions 1 and 6, for two years with three one-year extension options.

- On July 3, 2012, contract with Diamond and ISD for custodial services at Barry J. Nidorf Juvenile Hall and Court, and Kenyon Juvenile Justice Center Sub-Office for three years with two two-year extension options.
- On June 4, 2008, contract with Diamond and Coroner for custodial services for five years with two one-year extension options.
- On July 6, 2010, contract with Diamond and DBH for custodial services for three years with two one-year extension options.

ISD executed contract amendments to add the affected facilities to the contracts with DMS and Pride effective June 9, 2014. Consistent with the Displaced Janitor Opportunities Act and the County's Living Wage Ordinance, DMS and Pride absorbed qualified Diamond contract workers.

ISD will work with County Counsel to analyze potential remedies and penalties available as a result of this action.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

ISD added the affected facilities to existing ISD contracts which minimized disruptions in services.

CONCLUSION

The Executive Office of the Board of Supervisors is requested to return one stamped copy of the approved Board letter to the Director of ISD.

Respectfully submitted,

A handwritten signature in cursive script that reads "JE Jones".

JIM JONES

Director

A handwritten signature in cursive script that reads "Mark A Fajardo, M.D.".

MARK A. FAJARDO

Chief Medical Examiner-Coroner

A handwritten signature in cursive script that reads "G Jones".

GARY JONES

Director

JJ:JS:YY

Enclosures

c: Chief Executive Officer
County Counsel
Auditor-Controller

CONTRACT #77892 (ISD - REGION 1)

TRANSFERRED FROM DIAMOND CONTRACT #77892 TO DMS CONTRACT #77893

NO.	FACILITY LOCATION	ADDRESS	CITY
1	Burbank Courthouse	300 E. Olive Ave.	Burbank
2	Clara Shortridge Foltz, CJC	210 W. Temple St.	Los Angeles
3	Community & Senior Svs-Le Sage	3175 W. 6th St.	Los Angeles
4	DPW-Building & Safety/Probation Center	1320/1330 West Imperial	Los Angeles
5	Eastlake Juvenile Court	1601 Eastlake Ave.	Los Angeles
6	Eastlake Juvenile Hall/Various Mental Health Offices/Areas	1605 Eastlake Ave.	Los Angeles
7	Mental Health Hdqtrs-Le Sage	550 So. Vermont Ave.	Los Angeles
8	Mental Health/Camp Afflerbaugh/Paige School Building Room 4	6631 N. Stephen Ranch Road	La Verne
9	Mental Health/Coastal Asian Pacific Mental Health Office	14112 S. Kingsley Drive	Gardena
10	Mental Health/Dorothy Kirby Probation Camp	1500 S. McDonnell Ave.	Commerce
11	Parks & Recreation Hdqtrs	433 So. Vermont Ave.	Los Angeles
12	Parks & Recreation- Le Sage	510 So. Vermont Ave.	Los Angeles
13	Probation-Central Jail	433 Bauchet St.	Los Angeles
14	Public Social Services-Belvedere	5445 Whittier Blvd.	Los Angeles
15	Public Social Services-Metro East	2855 E. Olympic Blvd	Los Angeles
16	Public Social Services-Metro North	2601 Wilshire Blvd.	Los Angeles
17	Public Social Services-Southwest Family	923 E. Redondo Beach Blvd	Inglewood
18	Public Social Services-Wilshire Special Dist	2415 W. 6th Street	Los Angeles
19	Sheriff Scientific Svs Bureau-Latent Prints & Polygraph	2020 W. Beverly Blvd.	Los Angeles
20	Sheriff Special Enforcement Bureau-Biscailuz Gym	1060 N. Eastern Ave.	Los Angeles

CONTRACT #77896 (ISD - REGION 6)

TRANSFERRED FROM DIAMOND CONTRACT #77896 TO PRIDE CONTRACT #77895

NO.	FACILITY LOCATION	ADDRESS	CITY
1	Agricultural Commissioner Weights & Measures-Lancaster Warehouse	44720 Yucca Ave.	Lancaster
2	Alfred J. McCourtney Juvenile Justice Center	1040 W. Avenue J	Lancaster
3	Alfred J. McCourtney Juvenile Justice Center-Annex	1040 W. Avenue J	Lancaster
4	Animal Care and Control #5	5210 W. Avenue I	Lancaster
5	Children & Family Services-Lancaster Administration Units A-D	300 E. Ave. K-6, Bldg A	Lancaster
6	Community & Senior Services-Antelope Valley	777 Jackman St.	Lancaster
7	Community & Senior Services-Santa Clarita	24271 San Fernando Rd.	Santa Clarita
8	Fire Department - Pacoima Support Services Complex (Main Office and Warehouse)	12605 Osborne St.	Pacoima
9	Fire Department- Training Admin Building, Battalion Chief Office, C&M Building, Classrooms A-D, Guard Shack, Hazmat Warehouse, Old Ranch House, Public Restroom Building	28101 Chiquito Canyon Rd.	Castaic
10	Fire-Hazardous Waste Control	14425 Olive View Drive	Sylmar
11	Fire-Station 129	42110 6TH St. West	Lancaster
12	ISD-ITS Communication Pacoima Shop	12441 Osborne St.	Pacoima
13	ISD-Maintenance & Operations District 2	13811 Del Sur St	San Fernando
14	ISD-Radio County Building #7	4555 W. Ave. G	Lancaster
15	Mental Health-Olive View Urgent Care Center	14659 Olive View Drive	Sylmar
16	Mental Health-San Antonio Center	23501 Cinema Drive	Santa Clarita
17	Mental Health-West Valley Clinic	7621 Canoga Ave.	Canoga Park
18	Probation-Santa Clarita Civic Center	23759 W. Valencia Blvd.	Valencia
19	Public Health-Acton Rehabilitation Center	30500 Arrastre Canyon Rd.	Acton
20	Public Health-Environmental Health Headquarters	5050 Commerce Dr.	Baldwin Park
21	Public Social Services-Antelope Valley Admin Center	349 Avenue K-6	Lancaster
22	Public Social Services-San Fernando Valley Grow	9188 Glenoaks Blvd.	Sun Valley

NO.	FACILITY LOCATION	ADDRESS	CITY
23	Public Social Services-Santa Clarita	27233 Camp Plenty Rd.	Canyon Country
24	Public Social Services-Van Nuys	14545 Lanark	Panorama City
25	Public Social Svs-Antelope Valley GAIN Region II	1050 E. Palmdale Blvd.	Palmdale
26	Public Social Svs-Antelope Valley Regional Center	335 East Avenue K-6	Lancaster
27	Public Works-Metro Station Acton Grade	730 W. Sierra Highway	Acton
28	Public Works-Santa Clarita Civic Center	23757 W. Valencia Blvd.	Valencia
29	Public Works-Sewer Maint North Yard	45712 Division	Lancaster
30	Public Works-Waterworks Hdqts	260 E. Avenue K-8	Lancaster
31	Registrar/Recorder-Van Nuys County Administration Center	14340 West Sylvan St.	Van Nuys
32	San Fernando Courthouse	900 Third St.	San Fernando
33	Santa Clarita (Valencia) Courthouse	23747 W. Valencia Blvd.	Valencia
34	Sheriff-Antelope Valley Station	1010 W. Avenue J	Lancaster
35	Sheriff-Castaic Lake Park Services	32132 Ridge Route Rd.	Castaic
36	Sheriff-Juvenile Dependency Court	1000 W. Avenue J	Lancaster
37	Sheriff-Lancaster Crime Lab	45021 Sierra Highway	Lancaster

CONTRACT #77812 (ISD - PROBATION FACILITIES)**TRANSFERRED FROM DIAMOND CONTRACT #77812 TO DMS CONTRACT #77893**

NO.	FACILITY LOCATION	ADDRESS	CITY
1	Probation - Barry J. Nidorf Juvenile Hall and Court	16350 Filbert Street	Sylmar
2	Probation - Kenyon Juvenile Justice Center Sub-Office	7625 South Central Avenue	Los Angeles

CONTRACT #76585 (MEDICAL EXAMINER-CORONER)**TRANSFERRED FROM DIAMOND CONTRACT #76585 TO DMS CONTRACT #77893**

NO.	FACILITY LOCATION	ADDRESS	CITY
1	Medical Examiner-Coroner	1104 N. Mission Road	Los Angeles

CONTRACT #77371 (BEACHES AND HARBORS)**TRANSFERRED FROM DIAMOND CONTRACT #77371 TO DMS CONTRACT #77893**

NO.	FACILITY LOCATION	ADDRESS	CITY
1	Beaches and Harbors - Administration Building	13837 Fiji Way	Marina Del Rey
2	Beaches and Harbors - Beaches and Harbor Warehouse	516 N. Broadway	Redondo Beach
3	Beaches and Harbors - Burton W. Chace Park & Public Restroom Facilities	13650 Mindanao	Marina Del Rey
4	Beaches and Harbors - Burton W. Chace Park Community Building	13650 Mindanao	Marina Del Rey
5	Beaches and Harbors - Dockweiler Youth Center	12505 Vista del Mar	Los Angeles
6	Beaches and Harbors - Financial Services Building (Beaches and Harbor Office Space only)	13575 Mindanao Way	Marina Del Rey
7	Beaches and Harbors - Marina Information Center	4701 Admiralty Way	Marina Del Rey
8	Beaches and Harbors - Parking Kiosk-Imperial Hwy at Dockweiler Beach	12001 Vista del Mar	Los Angeles
9	Beaches and Harbors - Santa Monica Yacht Club-Parcel 47	13589 Mindanao Way	Marina Del Rey
10	Beaches and Harbors - Trailer Complex (5 Temporary Buildings)	13483 Fiji Way	Marina Del Rey

CONTRACTUAL VIOLATIONS

ISD REGION 1, CONTRACT NUMBER 77892

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein.

4.0 TERM OF CONTRACT

- 4.1 The contract term shall be for a period of two (2) years, commencing on January 28, 2013, unless sooner terminated or extended, in whole or in part, as provided in the Contract.

8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.24 and 8.25 of this Contract. 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 Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.3 Cancellation of Insurance or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may

CONTRACTUAL VIOLATIONS

withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

- 8.25.3 **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 Contractor 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 Contractor'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.

CONTRACTUAL VIOLATIONS

ISD REGION 6, CONTRACT NUMBER 77896

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein.

4.0 TERM OF CONTRACT

- 4.1 The contract term shall be for a period of two (2) years, commencing on February 19, 2013, unless sooner terminated or extended, in whole or in part, as provided in the Contract.

8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.24 and 8.25 of this Contract. 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 Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.3 Cancellation of Insurance or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material

CONTRACTUAL VIOLATIONS

breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

- 8.25.3 **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 Contractor 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 Contractor'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.

CONTRACTUAL VIOLATIONS

ISD PROBATION FACILITIES, CONTRACT NUMBER 77812

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, the CONTRACTOR shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be for a period three (3) years, commencing after execution by COUNTY'S Board of Supervisors or August 1, 2012, whichever is later, unless sooner terminated or extended, in whole or in part, as provided in this Contract.

8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.24 and 8.25 of this Contract. 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 Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.3 Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

CONTRACTUAL VIOLATIONS**8.24.4 Failure to Maintain Insurance**

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

- 8.25.3 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 CONTRACTOR 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 CONTRACTOR'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.

CONTRACTUAL VIOLATIONS

DEPARTMENT OF MEDICAL EXAMINER - CORONER, CONTRACT NUMBER 76585

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be five (5) years commencing after execution by County's Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Contract.

8.24 GENERAL INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the County and during the term of this Contract, the Contractor shall provide and maintain, and shall require all of its Subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County. Such coverage shall be provided and maintained at the Contractor's own expense.

- 8.24.3 Failure to Maintain Coverage: Failure by the Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the County, shall constitute a material breach of the Contract upon which the County may immediately terminate or suspend this Contract. The County, at its sole option, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase such required insurance coverage, and without further notice to the Contractor, the County may deduct from sums due to the Contractor any premium costs advanced by the County for such insurance.

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

- 8.25.3 Workers' Compensation and Employers' Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which the Contractor is responsible. If the Contractor's employees will be engaged in maritime employment, coverage shall provide workers' compensation benefits as required by the U.S. Longshore and Harbor

CONTRACTUAL VIOLATIONS

Workers' Compensation Act, Jones Act or any other federal law for which the Contractor is responsible.

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

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

CONTRACTUAL VIOLATIONS**BEACHES AND HARBORS, CONTRACT NUMBER 77371****1.1.5 Work to be Performed**

Contractor shall perform the work set forth in Attachment B, Statement of Work and Form P-3. Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time all tasks, deliverables, services and other work as set forth herein. If the Contractor provides any tasks, deliverables, goods, services or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

1.3 CONTRACT TERM**1.3.1 Initial Term**

The initial Contract term shall be three years commencing August 1, 2010 or after execution by County's Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Contract.

2.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 2.24 and 2.25 of this Contract. 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 Contractor pursuant to this Contract.

The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

2.24.3 Cancellation of Insurance

Except in the case of cancellation for non-payment of premium, Contractor's insurance policies shall provide, and Certificates shall specify, that County shall receive not less than thirty (30) days advance written notice by mail of any cancellation of the Required Insurance. Ten (10) days prior notice may be given to County in event of cancellation for non-payment of premium.

2.24.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to

CONTRACTUAL VIOLATIONS

Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach.

2.25.3 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 Contractor 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 Contractor'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.