



FESIA A. DAVENPORT
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

DATE: April 14, 2021
TIME: 2:00 p.m. – 4:00 p.m.
LOCATION: **TELECONFERENCE CALL-IN NUMBER: 1(323)776-6996**
TELECONFERENCE ID: 605696861#

To join via phone, dial 1(323)776-6996, then press 605696861#.

YOU CAN ALSO JOIN THIS MEETING BY CLICKING ON THE FOLLOWING LINK:

[Click here to join the meeting](#)

**DUE TO THE CLOSURE OF ALL COUNTY BUILDINGS, MEMBERS OF THE PUBLIC
WILL NEED TO CALL IN TO PARTICIPATE IN THE MEETING.**

AGENDA

Members of the Public may address the Operations Cluster on any agenda
item after all Informational Items are presented.
Two (2) minutes are allowed for each item.

1. **Call to order – Tamela Omoto-Frias/Anthony Baker**

2. **INFORMATIONAL ITEM(S):**
(5 minutes)

A) Board Letter:

AMENDMENT TO THE DEVELOPMENT AGREEMENT AND FORM OF
GROUND LEASE FOR THE DEVELOPMENT, CONSTRUCTION, AND
OPERATION OF THE SEED LOS ANGELES SCHOOL AS PART OF
THE VERMONT MANCHESTER TRANSIT PRIORITY JOINT
DEVELOPMENT PROJECT

CEO – Tiana Murillo, Assistant Chief Executive Officer and
Vincent Holmes, Principal Analyst

CONTINUED ON PAGE 2

B) Board Letter:

APPROVAL TO EXERCISE AN EXISTING CONTRACT EXTENSION
TO SOLE SOURCE AGREEMENT NO. HA-707648 WITH GARTNER,
INC. FOR SPECIALIZED INFORMATION TECHNOLOGY
CONSULTING SERVICES

DHS – Kevin Lynch, Chief, Information Systems;
Christopher Kinney, Section Manager; and
Lillian Anjargolian, Deputy County Counsel

C) Board Letter:

AUTHORIZE ISSUANCE OF TAXABLE COMMERCIAL PAPER NOTES
TO FINANCE TENANT IMPROVEMENT COSTS FOR VARIOUS
LEASES

CEO/RE – Michael Navarro, Chief Program Specialist

D) Board Letter:

APPROVE SOLE SOURCE AMENDMENT NUMBER EIGHT TO
EXTEND AGREEMENT NUMBER 77675 WITH NICE SYSTEMS, INC.
FOR CONTINUED DIGITAL VOICE LOGGING RECORDER SYSTEM
MAINTENANCE AND SUPPORT SERVICES

LASD – Angelo Faiella, Contracts Manager and Lt. Scott Ponder

3. **PRESENTATION/DISCUSSION ITEMS:**

None available.

4. **Public Comment**

(2 minutes each speaker)

5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:

EO – APPROVAL OF AN ORDINANCE TO AMEND LOS ANGELES COUNTY
CODE TITLE 2 ADMINISTRATION TO IMPLEMENT A FILING FEE FOR
ASSESSMENT APPEAL APPLICATIONS

TTC – ISSUANCE AND SALE OF 2021-22 TAX AND REVENUE
ANTICIPATION NOTES

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	4/14/2021	
BOARD MEETING	4/20/2021	
DELEGATED AUTHORITY BOARD LETTER	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	Supervisory District 2	
DEPARTMENT	Chief Executive Office (CEO)	
SUBJECT	Approval of the recommended actions will approve and authorize the Chief Executive Officer (CEO) to enter into amended agreements with the SEED Foundation, Inc. and/or its subsidiaries or affiliates, including SEED LA Facilities (SEED Facilities) and the SEED School of Los Angeles County, Inc. (SEED LA) (collectively, SEED) to develop, fund, construct, and operate a public charter boarding school designed to prepare youth for college and careers within the transportation, infrastructure and STEM fields (School) as a part of the Vermont Manchester Transit Priority Joint Development Project (Project), on a parcel of land on the east side of the 8400 and 8500 blocks of South Vermont Avenue in the City of Los Angeles (Project Site).	
PROGRAM	Development of SEED Los Angeles School	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	Board action is being requested to ensure SEED's ability to meet the additional guarantees requested by their lenders.	
COST & FUNDING	Total cost: \$	Funding source: TERMS (if applicable): Explanation:
PURPOSE OF REQUEST	To provide the CEO with additional authority to execute an amended development agreement and ground lease agreement with SEED for the establishment of a 400 student college preparatory boarding school located at the Vermont Manchester Transit Priority Joint Development Site, land acquired by the Board via eminent domain in December 2017.	
BACKGROUND (include internal/external issues that may exist)	The trial in the Eminent Domain Action, which will determine the final amount of fair compensation for the Project Site, has been continued to September 21, 2021. On October 23, 2020, the former owners of the Project Site filed a lawsuit challenging the CEQA determination for a street vacation by the City of Los Angeles associated with the Project (Street Vacation Action). These unforeseen events have materially affected SEED's ability to close financing. SEED has requested additional guarantees from the County to ensure the Project will continue notwithstanding the unresolved pending legal actions described above.	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> Tiana Murillo, Assistant Chief Executive Officer, 213-974-1186, tmurillo@ceo.lacounty.gov Vincent Holmes, Principal Analyst, 213-974-5950, vhomes@ceo.lacounty.gov 	



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>

FESIA A. DAVENPORT
Chief Executive Officer

April 20, 2021

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

Dear Supervisors:

**AMENDMENT TO THE DEVELOPMENT AGREEMENT AND FORM OF GROUND
LEASE FOR THE DEVELOPMENT, CONSTRUCTION, AND OPERATION OF THE
SEED LOS ANGELES SCHOOL AS PART OF THE VERMONT MANCHESTER
TRANSIT PRIORITY JOINT DEVELOPMENT PROJECT
(SECOND DISTRICT)
(3-VOTES)**

SUBJECT

Approval of the recommended actions will approve and authorize the Chief Executive Officer (CEO) to enter into amended agreements with the SEED Foundation, Inc. and/or its subsidiaries or affiliates, including SEED LA Facilities (SEED Facilities) and the SEED School of Los Angeles County, Inc. (SEED LA) (collectively, SEED) to develop, fund, construct, and operate a public charter boarding school designed to prepare youth for college and careers within the transportation, infrastructure and STEM fields (School) as a part of the Vermont Manchester Transit Priority Joint Development Project (Project), on a parcel of land on the east side of the 8400 and 8500 blocks of South Vermont Avenue in the City of Los Angeles (Project Site).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are within the scope of the Board of Supervisors' (Board) December 5, 2017 determination that the Project is exempt from the California Environmental Quality Act pursuant to Section 211551.1 of the California Public Resources Code, for the reasons stated in this Board Letter and in the record of the Project.

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

"To Enrich Lives Through Effective And Caring Service"

2. Approve and authorize the Chief Executive Officer (CEO), or her designee, to execute the following documents in substantially similar form, upon approval as to form by County Counsel: (i) the development agreement between the County, the SEED Foundation, Inc., and SEED Facilities (Exhibit A); and (ii) the form of ground lease between the County and SEED Facilities (Exhibit B), upon meeting the conditions for entering into the ground lease set forth in the development agreement.
3. Authorize the CEO, or her designee, to negotiate and execute any other documents ancillary to the Project, upon approval as to form by County Counsel, and take other actions consistent with the implementation of these recommendations.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions seek to approve and authorize the CEO to execute amendments agreements with the SEED Foundation, Inc. and/or its subsidiaries or affiliates to develop, construct, and operate the School on the Project Site.

Background

On December 5, 2017, the Board approved the acquisition of the Project Site via eminent domain for the purpose of constructing and operating a development that would provide housing, economic, transportation and educational opportunities. Specifically, the Project encompasses mixed-use affordable housing, commercial retail, and the School. For the School, the County proposed to establish a 400-student public charter college-preparatory boarding school that would prepare Los Angeles County youth for careers and college pathways in the transportation and infrastructure industry by teaching them transferrable industry skills.

On February 19, 2019, the Board authorized the CEO to enter into an operational funding agreement, development agreement, ground lease and other documents necessary to develop, fund, construct, and operate the School.

On December 20, 2019, the County and SEED Facilities entered into a development agreement with a form of ground lease (Development Agreement). The Development Agreement contains obligations on the part of SEED Facilities to meet certain deadlines for performance, including completing Finance Closing, commencing construction and achieving Substantial Completion of the Project. On August 18, 2020, the parties amended the Development Agreement to adjust the project schedule to reflect new milestone dates for the completion of the Project.

Since then, SEED has requested additional guarantees and material modifications to the agreements to meet the requirements of its lenders. The CEO now seeks approval and

authority to amend the Development Agreement and Ground Lease in substantially similar form to Exhibits A and B.

Implementation of Strategic Plan Goals

This Project is consistent with the Countywide Strategic Plan. Specifically, the Project advances the following County goals: (i) Goal I.1.5 – Develop or preserve affordable housing units in the County; (ii) Goal I.2.4 – Increase the number of youth known to the County, who are linked to employment, a job interview, or a job readiness program, while prioritizing foster and probation youth; (iii) Goal II.1.3 – Identify and align workforce development programs to provide career pathways for high-need, priority populations and to support the labor needs of the County’s high-growth industry sectors; (iv) Goal II.2.4 – Conduct outreach to high-need, traditionally underserved populations within the County by supporting safe and comfortable built environments that encourage physical activity and access to healthy foods; (v) Goal II.3.2 – Promote diverse, clean and renewable energy systems, support energy efficiency, and support strategies to ensure reliability of the energy work; and (vi) Goal II.3.3 – Create and implement policies and programs to reduce the emission of greenhouse gases from all sectors of our community; ensure that community climate resilience is integrated into our programs and plans; and inspire others to take action.

FISCAL IMPACT/FINANCING

There will be no net County cost impact to the County General Fund. Funding for the acquisition of the Project Site and all activities necessary, incidental or convenient to the acquisition of the Project Site have been identified through Second Supervisorial District Capital Projects budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 5, 2017, the Board approved the acquisition of the Project Site and directed County Counsel to initiate eminent domain proceedings (Eminent Domain Action). The Board further found that the Project is necessary to meet the social needs of the population of the County in the area of education, pursuant to Government Code section 26227.

On December 20, 2019, the County and SEED Facilities entered into the Development Agreement, which contains obligations on the part of SEED Facilities to meet certain deadlines for performance. SEED has been impeded in its progress toward meeting these deadlines as a result of the COVID-19 pandemic and related government restrictions. On August 18, 2020, the parties amended the Development Agreement to adjust the project schedule to reflect new dates for the completion of the Project.

On April 5, 2019, County obtained title to, and possession of, the Project Site. However, the trial in the Eminent Domain Action, which will determine the final amount of fair compensation for the Project Site, has been continued to September 21, 2021 due to COVID-19 related court delays. Until the County prosecutes the Eminent Domain Action to a final, non-appealable judgment or settles the action, the County has a statutory right to voluntarily abandon the Eminent Domain Action.

On October 23, 2020, the former owners of the Project Site filed a lawsuit challenging the CEQA determination for a street vacation by the City of Los Angeles associated with the Project (Street Vacation Action).

The above unforeseen events have materially affected SEED's ability to close financing.

SEED Construction Financing

The total loan amount for development and construction of the School is approximately \$87 million. SEED's lender will fund the construction loans in three tranches. The first tranche is approximately \$41 million. The second and third tranches are approximately \$46 million combined, which lenders are not required to fund until a final judgment has been rendered in the Eminent Domain Action and Street Vacation Action. These loan amounts include projected New Market Tax Credit equity of approximately \$20.5 million, earned over 7 years.

Material Changes to the Development Agreement and Ground Lease

SEED has requested additional guarantees from the County to ensure the Project will continue notwithstanding the unresolved pending legal actions described above.

Second Amended Development Agreement:

- New project schedule (see below).
- Express agreement that force majeure delay includes delay caused by any laws, rules, regulations or orders adopted or issued by any governmental or regulatory authority in response to the COVID-19 pandemic.
- Any delay caused by work stoppages, permit revocation, permit reissuance or work stoppage order issued by the court in the Street Vacation Action shall toll the substantial completion date for Project construction.

Project Schedule

Finance Closing Deadline

- | | |
|-------------------------|-------------------|
| • Original Date: | July 31, 2020 |
| • First Amendment Date: | December 31, 2020 |

- Proposed Second Amendment Date: April 30, 2021

Commencement of Construction Deadline

- Original Date: September 30, 2020
- First Amendment Date: January 31, 2021
- Proposed Second Amendment Date: April 30, 2021

Substantial Completion Deadline

- Original Date: September 30, 2022
- First Amendment Date: January 31, 2023
- Proposed Second Amendment Date: April 30, 2023

Ground Lease:

- County represents and warrants that it will either (1) prosecute the Eminent Domain Action until a final, non-appealable judgment is entered by the Court and shall pay any such judgment; (2) settle the Eminent Domain Action and pay sums due pursuant to such settlement, if any; or (3) pay actual damages sustained by Lessee in an amount not to exceed \$60,000,000 as a result of the County not proceeding under (1) or (2) above. County's liability to SEED in connection with this representation and warranty will be limited to \$60,000,000 in the event the County were not to proceed with (1) or (2) above.
- County represents and warrants that it will diligently pursue the resolution and dismissal, removal, and/or appeal of the Street Vacation Action.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed activities are not anticipated to have any impact on current services.

Conclusion

The Board previously approved the acquisition of the Project Site, including the funding to acquire the property based on the initial appraisal of the Property, with the intent of developing educational, housing and community use projects to benefit the surrounding community. Additionally, the Board previously approved funding to support planning and pre-development efforts necessary to determine the Project's feasibility. The CEO's recommendations are necessary to ensure the Project moves forward as directed by the Board.

In making this determination, and in consultation with County Counsel, the CEO evaluated the additional guarantees requested by SEED and found them to be reasonable and appropriate in the circumstances. The CEO will continue to work with all relevant County Departments and partners to implement the Board's directives.

The Honorable Board of Supervisors
April 20, 2021
Page 6

It is requested that the Executive Officer, Board of Supervisors, return two certified copies of the Minute Order, and the adopted, stamped Board letter to the Chief Executive Office, Attention Tiana Murillo, Strategic Integration Branch, at 500 W. Temple Street, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

XXXXXXXXXXXXXXXXX
Chief Executive Officer

FAD:JN:TM
ET:VH:ma

Attachments (3)

c: Executive Office, Board of Supervisors
County Counsel

Second Amendment to Development Agreement

This Second Amendment to Development Agreement (this “**Second Amendment**”) is made to be effective as of April ____, 2021 (the “**Effective Date**”), by and between COUNTY OF LOS ANGELES, a public body, corporate and politic (“**Owner**”), and The SEED Foundation, Inc., a nonprofit District of Columbia charitable corporation (“**SEED Foundation**”), and SEED LA FACILITIES LLC, a California limited liability company (“**SEED Facilities**,” who collectively, jointly and severally with SEED Foundation shall be the “**Developer**”), with reference to the following facts:

RECITALS

WHEREAS, Owner and Developer entered into (i) a Development Agreement dated December 20, 2019 (the “**Original Agreement**”) pertaining to certain real property on the east side of 8400 and 8500 blocks of South Vermont Avenue, City of Los Angeles, County of Los Angeles, State of California, as described therein (the “**Property**”), and (ii) a First Amendment to Development Agreement effective as of August 18, 2020 (the “**First Amendment**,” and together with the Original Agreement, the “**Development Agreement**”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Development Agreement; and

WHEREAS, the Development Agreement contains obligations on the part of the Developer to meet certain deadlines for performance, including completing the Finance Closing, commencing Construction, and achieving Substantial Completion of the Project. However, Developer has been impeded in its progress toward meeting these deadlines as a result of the COVID-19 pandemic and related governmental restrictions, and may be additionally impeded in its progress by a third party lawsuit (the “**Lawsuit**”) filed against the City of Los Angeles and others (but not against Developer) on October 23, 2020 to challenge a necessary Project approval issued by the City of Los Angeles (the “**City**”). The County is providing defense to the City pursuant to an indemnity agreement. In the First Amendment the Developer and Owner adjusted the Project Schedule to reflect the new milestone dates for the completion of the Project; and

WHEREAS, this Second Amendment shall be incorporated into the Development Agreement as the parties desire to further amend, clarify, modify and/or revise the terms of the Development Agreement pursuant to Section 15.8 of the Development Agreement; and

WHEREAS, Owner and Developer have agreed to modify such deadlines to reflect what they believe is reasonably achievable under the circumstances and, in particular, wish to amend the Project Schedule, attached to the Development Agreement as Exhibit D, the Commencement Date set forth in the Development Agreement as well as the date for Substantial Completion of the Project; and

WHEREAS, where any section or portion of the Development Agreement is amended or superseded, the balance of that particular section or portion not specifically amended or superseded shall remain in effect as originally written. Where any section or portion of the Development Agreement is supplemented, that supplement shall be considered added thereto, and the original provisions of that section or portion shall remain in effect as originally written. Where any Paragraph, Section, Portion or Exhibit is referenced without qualification, such Paragraph, Section, Portion or Exhibit shall be superseded and replaced in its entirety by the language herein. To the extent the terms of this Second Amendment differ, vary, conflict or are otherwise inconsistent with any terms of the original Development Agreement and/or any previous amendment/addendum, the Owner and Developer agree that the terms of this Second Amendment shall be controlling. This Second Amendment, taken together with the Original Agreement and the First Amendment, represents the new Development Agreement.

NOW THEREFORE, in consideration of mutual covenants, benefits and agreements hereinafter contained, Owner and Developer hereby agree as follows:

1. Amended Project Schedule and Substantial Completion Deadline. The Project Schedule attached to the Development Agreement as Exhibit D is hereby replaced by the amended Project Schedule attached hereto this Second Amendment as Attachment 1 (“**Amended Project Schedule.**”). The Commencement of Construction deadline (aka the “**Commencement Date**”) set forth in Section 2.6.5 of the Development Agreement is hereby extended as set forth in the Amended Project Schedule.
2. COVID Impact. Notwithstanding the definition of “Force Majeure Delay” in the Development Agreement, the Owner and Developer agree that such definition shall also include delay caused by any laws, rules, regulations or orders adopted or issued by any governmental or regulatory authority in response to the COVID-19 pandemic after the Effective Date of this Second Amendment.
3. Lawsuit Impact. The Owner and Developer agree that any delay due to any permit revocation, permit reissuance or work stoppage order issued by the Court in the Lawsuit shall toll the Substantial Completion of the Project Construction. The Owner further agrees that it shall be obligated to diligently pursue the resolution and dismissal, removal, and/or appeal of the Lawsuit, including but not limited to any restraining order or injunction.
4. Amend Ground Lease Form. Delete EXHIBIT B of the Original Agreement in its entirety and replace it with the Ground Lease form attached to this Second Amendment as Attachment 2.
5. Development Agreement Remains Effective. Except as amended herein, the Development Agreement remains in full force and effect.
6. Construction. The Recitals set forth above and Attachments 1 and 2 attached hereto are hereby incorporated into and constitute a part of this Second Amendment. The Development Agreement and this Second Amendment shall be construed together as a single agreement.
7. Counterparts/Electronic Signature. This Second Amendment may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Second Amendment and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Second Amendment had been delivered had been signed using a handwritten signature. Developer and County (i) agree that an electronic signature, whether digital or encrypted, of a party to this agreement is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this agreement based on the foregoing forms of signature. If this Second Amendment has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 (“E-SIGN”) and California Uniform Electronic Transactions Act (“UETA”)(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

IN WITNESS WHEREOF, Owner and Developer have executed this Second Amendment as of the dates set forth with the respective signatures.

OWNER:

County of Los Angeles
FESIA A. DAVENPORT
CHIEF EXECUTIVE OFFICER

By _____ Date _____
DAVID P. HOWARD
Assistant Chief Executive Officer

APPROVED AS TO FORM FOR THE COUNTY:

RODRIGO CASTRO-SILVA
County Counsel

By _____
Sonia L. Chan
Deputy County Counsel

APPROVED AS TO FORM FOR THE COUNTY:

Atkinson, Andelson, Loya, Ruud & Romo

By: _____

DEVELOPER:

The SEED Foundation, Inc., a District of Columbia charitable corporation

By: _____
Lesley Poole
Chief Executive Officer

Date: _____

SEED LA FACILITIES LLC

a California limited liability company

BY: The SEED School of Los Angeles County, a California nonprofit public benefit corporation, its sole member

By: _____
Lesley Poole
President & CEO

Date: _____

Attachment 1
Amended Project Schedule
As of Effective Date of Second Amendment

Project Milestone	Status deadline per First Amendment	Revised Estimated Date per Second Amendment
Execution of SEED Predevelopment Funding Agreement	COMPLETE	N/A
Submission of Site Plan Review	COMPLETE	N/A
Completion of Design Development and Submission of Charter Petition.	COMPLETE	N/A
Completion of 50% of Construction Drawings	COMPLETE	N/A
Completion of 100% of Construction Drawings	COMPLETE	N/A
Finance Closing Deadline	December 31, 2020	April 30, 2021
Commencement of Construction Deadline	January 31, 2021	April 30, 2021
Substantial Completion Deadline (Sec. 2.11)	January 31, 2023	April 30, 2023

Attachment 2

(ATTACH NEW GROUND LEASE FORM)

DRAFT

FORM OF GROUND LEASE

GROUND LEASE AGREEMENT

by and between

County of Los Angeles

a n d

SEED LA Facilities, LLC

(Boarding School on Vermont Manchester Site)

Dated as of April __, 2021

TABLE OF CONTENTS

1.	BACKGROUND AND GENERAL.....	6
1.1	Definitions.....	6
1.2	Lease.....	9
1.3	As-Is.	9
1.4	Title and Possession of Premises.	10
1.5	Representations and Warranties of Lessee.	10
1.6	Representations and Warranties of County.	11
2.	TERM.	12
2.1	Term.	12
2.2	Ownership of Improvements During Term.	13
2.3	Lessee's Demolition Requirement.	13
2.4	Reversion of Premises and Improvements.	13
2.5	Transfer of Operational Assets and/or Services.....	14
3.	USE OF PREMISES.	14
3.1	Specific Primary Use.	14
3.2	Requirements for Lessee's Use.	14
3.3	County's Use.....	14
3.4	Alternative Uses.	14
3.5	Nuisance.	15
3.6	Parking Plan.	16
3.7	Pedestrian Safety Plan.....	16
3.8	Signage.	16
3.9	Compliance with Regulations.....	16
3.10	Reservations.....	16
4.	PAYMENTS TO LESSOR AND USE OF FUNDS	16
4.1	Net Lease.	16
4.2	Annual Minimum Rent.	17
4.3	Salaries.....	17
4.4	Naming Rights.	18
4.5	Proposed Transfers.	18
4.6	Calculation and Payment.....	18
5.	CONSTRUCTION OF IMPROVEMENTS	18
5.1	Development Work.....	18
5.2	Alterations.....	18
5.3	Conditions Precedent to the Commencement of Construction of Alterations.....	19
5.4	Manner of Construction of Alterations.	19
5.5	Protection of Lessor.....	19
5.6	Liens; Indemnity.....	20
5.7	Demolition and Capital Reserve Fund.	20

5.8	Reserve Study.....	22
6.	CONDEMNATION.....	25
6.1	Definitions.....	25
6.2	Parties' Rights and Obligations to be Governed by Lease.	26
6.3	Total Taking.....	26
6.4	Effect of Partial Taking.....	26
6.5	Waiver of Code of Civil Procedure Section 1265.130.	27
6.6	Payment of Award.....	27
6.7	Lessor as Condemning Authority.	28
7.	LESSEE INDEMNITY.....	28
8.	INSURANCE.....	28
8.2	Provisions Pertaining to Property Insurance.....	32
8.3	General Insurance Requirements.....	32
8.4	Additional Required Provisions.....	33
8.5	Failure to Procure Insurance.....	34
8.6	Adjustment to Amount of Liability Coverage.	34
8.7	Notification of Incidents, Claims or Suits.	34
9.	MAINTENANCE AND REPAIR; DAMAGE AND DESTRUCTION.....	34
9.1	Lessee's Maintenance and Repair Obligations.....	34
9.2	Deficiency Notices.	35
9.3	Repair of Improvements; Option to Terminate for Uninsured Casualty.....	35
9.4	No Option to Terminate for Insured Casualty.	36
9.5	No Lessor Obligation to Make Repairs.....	36
9.6	Notice of Damage.....	36
9.7	Waiver of Civil Code Sections.	36
10.	ASSIGNMENT AND SUBLEASE.	36
10.1	Definition of Sublease.....	36
10.2	Lessee's Right to Sublease.....	37
10.3	Approval of Assignments.....	37
10.4	Involuntary Transfers Prohibited.	37
10.5	Terms Binding Upon Successors, Assigns and Subtenants.	37
11.	ENCUMBRANCES	37
11.1	Encumbrance of Leasehold Estate.....	37
11.2	Bankruptcy of Lessor.....	42
11.3	Liability of Leasehold Mortgagee.....	43
11.4	Casualty and Condemnation.....	43
11.5	Estoppel Certificate.	43
12.	DEFAULT.	44
12.1	Events of Default.....	44
12.2	Effect of Notices.....	46

12.3	Limitation on Events of Default.	46
12.4	Remedies.	47
12.5	Damages.	47
12.6	Default by Lessor.	48
13.	ACCOUNTING.....	48
13.1	Maintenance of Records and Accounting Method.....	48
13.2	Availability of Records for Inspector's Audit.	48
13.3	Cost of Audit.....	48
13.4	Annual Financial Statements.....	49
13.5	Accounting Obligations of Sublessees.....	49
14.	MISCELLANEOUS.....	49
14.1	Time is of the Essence.....	49
14.2	Lessor Disclosure and Lessee's Waiver.....	49
14.3	Right of Offset.....	50
14.4	Holding Over.....	50
14.5	Waiver of Conditions or Covenants.....	51
14.6	Remedies Cumulative.....	51
14.7	Authorized Right of Entry.....	51
14.8	Place of Payment and Filing.....	52
14.9	Service of Written Notice or Process.....	52
14.10	Interest.....	54
14.11	Captions.....	54
14.12	Attorneys' Fees.....	54
14.13	Amendments.....	54
14.14	Time for Lessor Approvals.....	54
14.15	Time for Lessor Action.....	54
14.16	Estoppel Certificates; Nondisturbance Agreement.....	54
14.17	Nondisturbance.....	55
14.18	Indemnity Obligations.....	56
15.	DEFINITION OF TERMS; INTERPRETATION.....	56
15.1	Meanings of Words Not Specifically Defined.....	56
15.2	Tense; Gender; Number, Person.....	56
15.3	Business Days.....	56
15.4	Parties Represented by Consultants, Counsel.....	56
15.5	Governing Law.....	56
15.6	Reasonableness Standard.....	57
15.7	Venue.....	57
15.8	Memorandum of Lease.....	57
15.9	Force Majeure.....	57
15.10	Counterparts.....	57
15.11	Third Party Rights.....	57
15.12	Entire Agreement.....	57
15.13	Integration.....	57
15.14	OFAC Restrictions.....	57

15.15	CASp.....	58
15.16	Nondiscrimination in Employment.....	58
15.17	Assurance of Compliance with Civil Rights Laws.	58
15.18	Solicitation of Consideration.....	58
15.19	Acknowledgment of Ineligibility of Relocation Assistance.	59
15.20	County Lobbyist.....	59

EXHIBITS

- A. Legal Description and Depiction of the Leased Premises
- B. Parking Plan [Sec. 3.6]
- C. Pedestrian Safety Plan [Sec. 3.7]
- D. Form of Memo of Lease [Sec. 15.8]
- E. Specific Insurance Information or Requirements [Secs. 8.1.5.1, 8.1.5.2, & 8.1.5.6]

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (“Lease”) is made and entered into as of the day of April __, 2021 (“Effective Date”), by and between the COUNTY OF LOS ANGELES, a public body, corporate and politic (“County” or “Lessor”), as lessor, and SEED LA Facilities, LLC, a California limited liability company organized for charitable purposes (together with its permitted successors and assigns, “Lessee”), as lessee.

WITNESSETH

WHEREAS, Lessor owns certain real property on the east side of 8400 and 8500 blocks of South Vermont Avenue, City of Los Angeles, County of Los Angeles, State of California, more commonly known as the Vermont Manchester Site, a portion of which will be leased to the Lessee as more particularly described in the legal description and depiction of the leased premises attached hereto as Exhibit A (“Premises”);

WHEREAS, Lessee intends to construct on the Premises a new charter boarding school, with a STEM, transportation and infrastructure focus for 400 students with enrollment preferences for resilient youth throughout Los Angeles County (“Project”) as more fully described in the Development Agreement dated December 20, 2019, as amended (“Development Agreement”) between County and SEED Foundation, Inc. (“SEED Foundation”), a 501(c) (3) non-profit organization, and Lessee;

WHEREAS, SEED Foundation (a) has established (i) The SEED School of Los Angeles County (“SEED LA” or “Sublessee”), a California nonprofit corporation, to operate the charter boarding school, and (ii) Lessee, a California limited liability company organized for charitable purposes, to develop the Project, for lease to SEED LA for operation of the school upon completion and (b) retains a close association with SEED LA pursuant to a Management Agreement executed as of June 3, 2020, as amended, by and between SEED Foundation and SEED LA, and SEED LA, in turn, controls SEED Facilities as its sole member, provided that SEED LA intends to transfer its membership interest in SEED Facilities to SEED LA Support Corp (“Support Corp”), a California nonprofit public benefit corporation organized and operated exclusively to support SEED LA and controlled by SEED LA by SEED LA’s holding the power to designate a majority of the directors of Support Corp. Lessee represents and warrants that it will maintain non-profit organization status pursuant to Government Code section 26227 so long as this Lease is effective;

WHEREAS, Lessee desires to lease from Lessor the Premises and Lessor has agreed to lease the Premises to Lessee pursuant to Government Code Section 26227 on the terms, covenant, and conditions stated in this Lease;

WHEREAS, Lessee further intends to sublease the Premises to SEED LA a California non-profit corporation that will operate the new charter school once complete; and

WHEREAS, SEED LA has obtained all required approvals of its charter school petition from the LA County Board of Education;

NOW, THEREFORE, in reliance on the foregoing and in consideration of the mutual covenants, agreements and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto and each of them do agree as follows:

1. BACKGROUND AND GENERAL

1.1 Definitions. The defined terms in this Lease shall have the meanings as follows:

1.1.1 “ACTUAL COST” shall mean the actual, reasonable out-of-pocket costs and expenses incurred by Lessor or Lessee with respect to a particular activity or procedure, including without limitation, expenditures to third party legal counsel, financial consultants and advisors.

1.1.2 “ADA” shall have the meaning set forth in Section 1.3.

1.1.3 “ADMINISTRATIVE CHARGE” shall have the meaning set forth in Section 4.5

1.1.4 “ANNUAL MINIMUM RENT” shall have the meaning set forth in Section 4.2.

1.1.5 “APPLICABLE LAWS” shall have the meaning set forth in Section 1.3.

1.1.6 “APPLICABLE RATE” shall mean an annually compounded rate of interest equal to the lesser of (a) ten percent (10%) per annum, or (b) the Prime Rate, plus three percent (3%) per annum; however, the Applicable Rate shall in no event exceed the maximum rate of interest which may be charged pursuant to Applicable Laws. In the event that the Applicable Rate as determined by the first sentence of this definition exceeds such maximum rate of interest, then the Applicable Rate shall be deemed the maximum rate permissible under Applicable Laws notwithstanding the first sentence of this definition.

1.1.7 “AWARD” shall have the meaning set forth in Section 6.1.3.

1.1.8 “BOARD” shall mean the County of Los Angeles Board of Supervisors.

1.1.9 “BUSINESS DAY” shall have the meaning set forth in Section 15.3.

1.1.10 “CITY” shall mean the City of Los Angeles, California.

1.1.11 “CEQA ACTION” shall have the meaning set forth in Section 1.5.4.

1.1.12 “CONDEMNATION” shall have the meaning set forth in Section 6.1.1.

1.1.13 “CONDEMNOR” shall have the meaning set forth in Section 6.1.4.

1.1.14 “CONSUMER PRICE INDEX” shall mean the Consumer Price Index-All Urban Consumers for Los Angeles/Riverside/Orange Counties, as published from time to time by the United States Department of Labor or, in the event such index is no longer published or otherwise available, such replacement index as may be agreed upon by Lessor and Lessee.

1.1.15 “COUNTY” shall mean the County of Los Angeles.

1.1.16 “DATE OF TAKING” shall have the meaning set forth in Section 6.1.2.

1.1.17 “DEMOLITION AND CAPITAL RESERVE FUND” shall have the meaning set forth in Section 5.7.

1.1.18 “DEVELOPMENT WORK” shall have the meaning set forth in Section 5.1.

1.1.19 “EFFECTIVE DATE” shall mean the date set forth in the first paragraph of this Lease.

1.1.20 “EMINENT DOMAIN ACTION” shall have the meaning set forth in Section 1.5.4.

1.1.21 “ENCUMBRANCE” shall have the meaning set forth in Section 11.1.

1.1.22 “ENTITLEMENTS” shall mean all discretionary planning, zoning, land use, and other entitlements, permits, and approvals (including, without limitation, licenses, variances, certificates, consents, exemptions, decisions, actions, and/or approvals) of any governmental authorities and/or agencies which Lessee, in good faith, determines are required for Lessee’s performance of the development and use and operation of the Premises as a charter boarding school.

1.1.23 “EVENTS OF DEFAULT” shall have the meaning set forth in Section 12.1.

1.1.24 “EXCLUDED TRANSFER” shall mean the following transfers: (a) a transfer of a beneficial interest resulting from public offering or trading in the stock or securities of an entity, where such entity is a corporation or other entity whose stock or securities is/are traded publicly on a national stock exchange or is traded in the over-the-counter market and whose price is regularly quoted in recognized national quotation services; (b) a mere change in the form, method or status of ownership (including, without limitation, the creation of single purpose entities) so long as the ultimate beneficial ownership remains the same as immediately prior to the subject transfer, or otherwise does not constitute a Change of Ownership; (c) any transfer resulting from a Condemnation; (d) any assignment or transfer of this Lease by Lessee to a parent, subsidiary or affiliate of Lessee (including, without limitation, an entity controlled by or under common control with Lessee; (e) any Change of Ownership transaction, following which Lessee is owned or controlled by a parent, subsidiary, or affiliate of Lessee (including, without limitation, an entity controlled by or under common control with Lessee), or (f) any sublease permitted by Section 10.1.

1.1.25 “EXPIRATION DATE” shall have the meaning set forth in Section 2.1.

1.1.26 “EXTENDED TIME” shall have the meaning set forth in Section 14.14.

1.1.27 “FISCAL YEAR” shall mean July 1st though June 30th.

1.1.28 “FORCE MAJEURE” shall mean any occurrences or circumstances resulting in unforeseen delays in a party’s ability to perform its obligations under this Lease such as, by way of example but not limitation, delays due to fire, earthquake, flood, tornado or other act of God, civil disturbance, war, organized labor dispute, freight embargo or other unforeseeable event reasonably beyond the control of Lessee, or a hidden condition, including without limitation environmental contamination, relating to the foundation, substructure or subsurface of the Premises. Furthermore, “Force Majeure” shall also include delays due to any laws, rules, regulations or orders adopted or issued by any governmental or regulatory authority in response to the COVID-19 pandemic that require a construction work stoppage on the Project. Furthermore, “Force Majeure” shall also include delays in the commencement, prosecution, and/or completion of construction caused by a third party lawsuit, restraining order, or injunction, expressly including the Pending Actions, and provided that Lessee shall be obligated to diligently pursue the resolution and dismissal, removal, and/or appeal of any lawsuit, restraining order, or injunction other than the Pending Actions.

1.1.29 “IMPROVEMENTS” means all buildings, structures, fixtures, fences, fountains, walls, paving, parking areas, driveways, walkways, plazas, landscaping, permanently affixed utility systems and other improvements now or hereafter located on the Premises.

1.1.30 “INCOME APPROACH” shall have the meaning set forth in Section 6.4.3.

1.1.31 “INSURANCE REASSESSMENT DATE” shall have the meaning set forth in Section 8.6.

1.1.32 “LEASE” shall mean this Lease Agreement.

1.1.33 “LEASEHOLD MORTGAGEE” shall have the meaning set forth in Section 11.1.

1.1.34 “LEASE YEAR” shall have the meaning set forth in Section 2.1.

1.1.35 “LESSEE” shall have the meaning set forth in the first paragraph of this Lease.

1.1.36 “LESSOR” shall have the meaning set forth in the first paragraph of this Lease.

1.1.37 “NET AWARDS AND PAYMENTS” shall have the meaning set forth in Section 6.6.

1.1.38 “PARTIAL TAKING” shall have the meaning set forth in Section 6.4.3.

1.1.39 “PENDING ACTIONS” shall have the meaning set forth in Section 1.5.4.

1.1.40 “PERMITTED USES” shall have the meaning set forth in Section 3.1.

1.1.41 “PREMISES” shall have the meaning set forth in the preamble to this Lease.

1.1.42 “PRIME RATE” shall mean the prime or reference rate announced from time to time by Bank of America, N.A. or its successor, or if Bank of America, N.A. and its successor cease to exist then the prime or reference rate announced from time to time by the largest state chartered bank in California in term of deposits.

1.1.43 “PROJECT” shall have the meaning set forth in the third paragraph of this Lease.

1.1.44 “SECTION” shall mean a section of this Lease.

1.1.45 “SHALL” and “WILL” are mandatory and the word “MAY” is permissive.

1.1.46 “STATE” shall mean the State of California.

1.1.47 “TERM” shall have the meaning set forth in Section 2.2.

1.1.48 “UNINSURED LOSS” shall have the meaning set forth in Section 9.3.

1.2 Lease. For and in consideration of the payment of rentals and the performance of all the covenants and conditions of this Lease, subject to Lessor’s express representations and warranties contained in this Lease, Lessor hereby leases to Lessee, and Lessee hereby leases and hires from Lessor, an exclusive right to possess and use, as Lessee, the Premises for the Term (as hereinafter defined) and upon the terms and conditions and subject to the requirements set forth herein.

1.3 As-Is. Lessee accepts the Premises in their present condition notwithstanding the fact that there may be certain defects in the Premises, whether or not known to either party to this Lease, at the time of the Effective Date and Lessee hereby represents that it has performed all investigations necessary, including without limitation soils and engineering inspections, in connection with its acceptance of the Premises “AS IS WITH ALL FAULTS”. Lessee hereby accepts the Premises on an “AS IS WITH ALL FAULTS” basis and, except as expressly set forth

in this Lease, Lessee is not relying on any representation or warranty of any kind whatsoever, express or implied, from Lessor or any other governmental authority or public agency, or their respective agents or employees, as to any matters concerning the Premises and/or any Improvements located thereon, including without limitation: (i) the quality, nature, adequacy and physical condition and aspects of the Premises and/or any Improvements located thereon, including, but not limited to, the structural elements, foundation, roof, protections against ocean damage, erosion, appurtenances, access, landscaping, parking facilities and the electrical, mechanical, HVAC, plumbing, sewage and utility systems, facilities and appliances, and the square footage of the land and within the Improvements and within each space therein, (ii) the quality, nature, adequacy and physical condition of soils, geology and any groundwater, (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Premises and/or any Improvements located thereon, (iv) the development potential of the Premises, and the use, habitability, merchantability or fitness, or the suitability, value or adequacy of the Premises and/or any Improvements located thereon for any particular purpose, (v) the zoning or other legal status or entitlement or lack thereof of the Premises or any other public or private restrictions on use of the Premises, (vi) the compliance of the Premises and/or any Improvements located thereon with any applicable codes, laws, rules, regulations, statutes, resolutions, ordinances, covenants, conditions and restrictions of Lessor, City, State, the United States of America and/or any other governmental or quasi-governmental entity ("Applicable Laws") or of any other person or entity (including, without limitation, relevant provisions of the Americans with Disabilities Act ("ADA")), (vii) the presence of any underground storage tank or hazardous materials on, under or about the Premises or the adjoining or neighboring property, (viii) the quality of any labor and materials used in any Improvements, (ix) subject to Section 1.4 below, the condition of title to the Premises, and (x) the economics of the operation of the Premises and/or any Improvements located thereon.

1.4 Title and Possession of Premises. Notwithstanding the existence of the Pending Actions, Lessor represents that it has sufficient title to the Premises to provide Lessor with the right and authority to enter into this Lease and to enable Lessor to grant to Lessee a valid leasehold interest in the Premises. Each Leasehold Mortgagee shall be a third-party beneficiary of the foregoing representation, regardless of whether such Leasehold Mortgagee elects to exercise its foreclosure right hereunder. Lessee and each Leasehold Mortgagee hereby acknowledge Lessor's ownership of the Premises, and covenant and agree to never contest or challenge Lessor's right to possession or title to the Premises, except as is necessary to ensure that Lessee may occupy the Premises pursuant to the terms and conditions of this Lease.

1.5 Representations and Warranties of Lessee. Lessee hereby makes the following representations and warranties as of the Effective Date.

1.5.1 Legal Power. Lessee has the legal power, right and authority to enter into this Ground Lease and to consummate the transactions contemplated and described herein.

1.5.2 Binding Obligation of Lessee. This Ground Lease is a valid and legally binding obligation of Lessee and the applicable provisions hereof enforceable against Lessee in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization

and moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

1.5.3 Compliance with Organizational Documents. There is no charter, bylaw, or capital stock provision of Lessee, and no provision of any indenture, instrument, or agreement, written or oral, to which Lessee is a party or which governs the actions of Lessee or which is otherwise binding upon Lessee, nor to Lessee's knowledge is there any judgment, decree or order of any governmental authority or court binding on Lessee which would be contravened by the execution, delivery or performance by Lessee of this Ground Lease.

1.5.4 Litigation Pending. Except for (i) the proceeding in the Superior Court of Los Angeles, Case #BC686141, entitled County of Los Angeles, a California public entity v. 8400 S. Vermont Avenue, L.P., et al. (the "Eminent Domain Action"), and (ii) the proceeding in the Superior Court of Los Angeles, Case #20STCP03499, filed by a third party against the City of Los Angeles and another developer (the "CEQA Action," and together with the Eminent Domain Action the "Pending Actions") and to Lessee's knowledge, there is no action, suit, or proceeding at law or in equity or by or before any governmental authority now pending, or threatened against or affecting Lessee, which, if adversely determined, would materially impair Lessee's right or ability to execute or perform its obligations under this Ground Lease.

1.5.5 No Breach of Indebtedness Requirements. Neither the execution and delivery of this Ground Lease, nor the incurrence of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Ground Lease conflict with or result in a material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, encumbrance, deed of trust, loan, lease or other instrument to which Lessee is a party.

1.5.6 No Insolvency. To Lessee's knowledge, no attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against Lessee, nor are any of such proceedings contemplated by Lessee.

1.5.7 Accuracy of Materials. To Lessee's knowledge, all written reports, documents, and instruments prepared by Lessee or an affiliate thereof and delivered to County in connection with entering into this Ground Lease are accurate, correct and sufficiently complete to give County true and accurate knowledge of their subject matter, and do not contain any material misrepresentation or material omission.

1.5.8 No Gratuity. Neither Lessee, nor its directors, officers, employees or affiliates, nor any individual representing Lessee, nor anyone holding an interest in Lessee has offered or given to any official or employee of County any gratuity (in any form) for the intent or purpose of securing favorable treatment under this Ground Lease or the approval or execution hereof.

1.5.9 No Solicitation. Lessee has not employed or retained any person, other than a bona fide employee working solely for Lessee, to solicit or secure this Ground Lease

and it has not paid or agreed to pay any person, other than a bona fide employee working solely for Lessee or financing fees payable to third parties in connection with the financing of the Project, any fee, commission, percentage, brokerage fee, gifts or any other consideration, contingent upon or resulting from the award or making of this Ground Lease.

1.5.10 Authority to Execute. The individual(s) signing this Ground Lease on behalf of Lessee is or are authorized to execute this Ground Lease and bind Lessee to its terms and conditions, and, upon such execution, this Ground Lease shall be legally binding on Lessee and, if Lessee is a corporation for which a single individual is signing, have provided County with a corporate resolution stating that such individual is duly empowered to by such corporation to enter into this Ground Lease.

1.5.11 Lessee represents and warrants that it is a non-profit corporation or association pursuant to Government Code section 26227 and will maintain such status so long as this Lease is effective.

1.6 Representations and Warranties of County. County hereby makes the following representations and warranties as of the Effective Date:

1.6.1 Legal Power. County has the legal power, right and authority to enter into this Ground Lease, and to consummate the transactions contemplated hereby herein.

1.6.2 Binding Obligations of County. This Ground Lease is the valid and legally binding obligation of County and the applicable provisions hereof are enforceable against County in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization and moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

1.6.3 Compliance with Organizational Documents. There is no provision of any indenture, instrument, or agreement, written or oral, to which County is a party or which governs the actions of County or which is otherwise binding upon County, nor is there any judgment, decree or order of any governmental authority or court binding on County which would be contravened by the execution, delivery or performance of this Ground Lease by County.

1.6.4 Litigation Pending. To County's knowledge, aside from the Pending Actions, there is no action, suit, or proceeding at law or in equity or by or before any governmental authority now pending, or threatened against or affecting County, which, if adversely determined, would materially impair County's right or ability to execute or perform its obligations under this Ground Lease. County represents and warrants that it will: (i) prosecute the Eminent Domain Action until a final, non-appealable judgment is entered by the Court and shall pay any such judgment in accordance with Code of Civil Procedure Section 1268.010; or (ii) settle the Eminent Domain Action and pay sums due pursuant to such settlement, if any. Although it is the understanding of the parties that the County intends and expects to take the actions described in the preceding sentence, if for any reason the County does not do so and the Lessee's interest in the Property is terminated, the County agrees to pay or reimburse the Lessee in an amount equal to the actual, documented amounts expended or incurred by the Lessee after

the Effective Date of this Lease in connection with the construction of the Project, but in no event shall such an amount be in excess of \$60,000,000.00. County also represents and warrants that it will diligently pursue the resolution and dismissal, removal, and/or appeal of the CEQA Action, including but not limited to relief from any restraining order or injunction that may be entered therein, and undertake and pursue such further proceedings and/or procedures as are legally required to cure any prior deficiencies of the nature alleged in the CEQA Action.

1.6.5 No Breach of Indebtedness Requirements. Neither the execution and delivery of this Ground Lease, nor the incurrence of the obligations set forth herein, nor the consummation of the transactions herein or therein contemplated, nor compliance with the terms of this Ground Lease conflict with or result in a material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, encumbrance, deed of trust, loan, lease or other instrument to which County is a party.

1.6.6 No Insolvency. To County's knowledge, no attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or are threatened against County, nor are any of such proceedings contemplated by County.

1.6.7 Authority to Execute. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. The individual(s) signing this Ground Lease on behalf of County are authorized to execute this Ground Lease and bind County to its terms and conditions, and, upon such execution, this Ground Lease shall be legally binding on County.

2. TERM.

2.1 Term. The initial term of this Lease ("Initial Term") shall commence on the Effective Date set forth herein. Unless terminated sooner in accordance with the provisions of this Lease, or extended as provided below, the Term shall expire at 11:59 p.m. on the first June 30 to occur after the forty-five (45) year anniversary of the Effective Date ("Expiration Date"). For purposes of this Lease, "Lease Year" shall mean each successive twelve-month period which occurs during the Term of this Lease. Notwithstanding the foregoing, in the event that the Effective Date is not July 1, then (i) the first Lease Year shall be the period of time from the Effective Date to the second June 30 occurring after the Effective Date, (ii) succeeding Lease Years shall run from each July 1 to the following June 30, and (iii) the Expiration Date shall be the second June 30 to occur after the 45th anniversary of the Effective Date.

2.1.1 Lessee's Option for Extensions. Subject to there being no existing Lessee Event of Default, as defined under Section 12, either when an option is exercised or when the Option term is scheduled to commence, Lessee may exercise its option of one ten (10) year extension ("First Extension") by providing notice to the County not less than twelve (12) months prior to the expiration of the Initial Term. If the Lessee remains in good standing under the Lease through the duration of the First Extension, Lessee has the option of another ten (10) year extension ("Second Extension") by providing notice to the County of at least twelve (12) months prior to expiration of the First Extension.

2.2 Ownership of Improvements During Term. Until the expiration of the Initial Term or any Extension exercised by Lessee ("Term"), or sooner termination of this Lease as provided herein, Lessee shall own all Improvements hereafter constructed by Lessee upon the Premises, and all alterations, additions, or betterments made thereto by Lessee. Thereafter, all ownerships of Improvement will revert to Lessor as set forth in Section 2.4 of this Lease.

2.3 Demolition Requirement. Unless Lessor requests, in writing, for the Improvements or any portion of the Improvements to remain on the Premises as provided below, Lessee shall demolish and remove any and all Improvements upon any Event of Default or at the end of the Lease Term as applicable (the "Demolition Requirement"). Should an Event of Default occur, Lessee shall remove all Improvements, facilities, utilities, materials, rubble, debris, trash and personal property and return the Premises to its original condition as of the Effective Date. Upon an Event of Default, the Lease Term shall continue on a month-to month basis for no more than nine (9) months thereafter in order to allow Lessee to complete the demolition and removal of the improvements unless otherwise set forth in the Notice of Termination issued by the Lessor. In the event the Lease Term ends upon the Expiration Date, instead of terminating as of June 30, the Lease Term shall continue on a month-to month basis for no more than nine (9) months thereafter in order to allow Lessee to complete the demolition and removal of the Improvements. Lessee shall be solely responsible and bear all costs of completing the demolition and removal of any and all Improvements in accordance with this Section 2.3. Funds for Demolition including removal of demolished items shall be placed in the Demolition and Capital Reserve Fund as set forth in Section 5.7. The Final Reserve Study (as defined below) shall include a report prepared by a construction and demolition expert reasonably approved by County that details and estimates the cost and required time period for the demolition and removal of all Improvements on the Premises at the expiration of the Term. Lessor shall notify Lessee in writing of any Improvements or any portion of the Improvements it does not wish to be demolished at least nine (9) months prior to the expiration of the Term. Upon any Event of Default, Lessor shall notify Lessee in writing of any Improvements or any portion of the Improvements it does not wish to be demolished. Upon such a notice, said Improvements shall be surrendered to the County in the condition in which the Premises and Improvements are required to be maintained and repaired under the Lease.

2.4 Reversion of Premises and Improvements. Upon the expiration of the Term or any early termination of this Lease, whether by cancellation, forfeiture or otherwise, all structures, buildings, Improvements and all alterations, additions, and betterments thereto, and all other Improvements made to or upon the Premises, if not demolished in accordance with Section 2.3 and this Section 2.4, shall remain upon and be surrendered with the Premises as part thereof and title thereto shall vest in Lessor without compensation therefor to Lessee. Nothing contained herein shall be construed to deny or abrogate the right of Lessee, prior to the expiration of the Term or termination of this Lease, to receive any and all proceeds which are attributable to the Condemnation of business installations, Improvements, structures and buildings belonging to Lessee immediately prior to the taking of possession by the Condemnor as said rights are set forth in Section 6 of this Lease, or to remove any furniture or equipment not intended to be permanently affixed to the Premises, any signage identifying Lessee (as opposed to other signage used in the operation of the Premises and associated Improvements), or any personal property, upon the expiration of the Term or earlier termination of this Lease or at any time during the Term.

2.5 Transfer of Operational Assets and/or Services. Upon the termination of the Lease, unless the Demolition Requirement applies, all of Lessee's fixtures and service agreements in connection with operating or maintaining the Premises, after payment or discharge of its indebtedness and liabilities, shall be assigned or otherwise transferred to Lessor, subject to any limitations imposed by the relevant vendors.

3. USE OF PREMISES.

3.1 Specific Primary Use. The Premises shall be used by Lessee for the development, operation and management of a charter boarding school, and such other related and incidental uses (collectively, the foregoing shall be referred to herein as the "Permitted Uses"). Except as specifically provided herein, the Premises shall be used for no other purpose without the prior written consent of Lessor. Lessor makes no representation or warranty regarding the continued legality of the Permitted Uses or any of them, and Lessee bears all risk of an adverse change in Applicable Laws.

3.2 Requirements for Lessee's Use. Any use of the Premises by the Lessee must be in compliance with Lessee's charter and Lessee must maintain non-profit organization status as a condition to any use of the Premises. Lessee shall promptly notify Lessor of any changes to its charter or any violations to its charter. Lessee shall also promptly notify Lessor of any changes to its non-profit status or its membership structure. Additionally, the charter boarding school shall not charge any fees including but not limited to tuition or boarding fees, to its students.

3.3 County's Use. The County reserves the right to use the gym or multipurpose room to be constructed on the Premises up to four times annually at times mutually agreed upon by the parties for events to be determined by the County. The County shall not be responsible to pay any real estate fees, rent, or costs for use of the space, however, County will be responsible for any third-party expenses incurred in connection with the County's use.

3.4 Alternative Uses. Lessee represents and warrants that it intends to operate a charter boarding school for the entire term of the Lease. In the event that Lessee or its Sublessee reasonably determine that the financial support needed to continue the boarding program component of the school is or will become unavailable for any reason other than a default by Lessee under this Lease, Lessee may request to modify the Permitted Uses of the Premises in a manner that is consistent with California Government Code section 26227 and California Code of Civil Procedure section 1245.245, and that requires Lessee to provide services necessary to meet the social needs of the population of the County. Any such change in the Permitted Use is subject to and contingent upon approval by the Board after compliance with the California Environmental Quality Act. If approved, the revised use shall be memorialized in a written amendment pursuant to Section 14.13. The Parties acknowledge that the Board approval process for the Lessor is estimated to be two (2) years from the time Lessee makes its request to modify the use; accordingly Lessee shall use reasonable efforts to submit written notice of its request to County at least two years in advance of the intended effective date of the amendment.

3.4.1 At any time in which (i) financial support for the boarding program is provided by Lessor or LACMTA (defined below) in accordance with the Operational Funding Agreement between the County of Los Angeles and The Seed

Foundation, Inc. for the Vermont Manchester Joint Development Transit Priority Project Transportation Boarding School Development, and (ii) such financial support is terminated by Lessor, Lessee may request to modify the Permitted Uses of the Premises and Lessor agrees to cooperate with Lessee in considering and evaluating Lessee's request to modify the Permitted Uses as provided above commencing immediately upon notice of funding termination from Lessor. Any such change in the Permitted Use is subject to and contingent upon approval by the Board after compliance with the California Environmental Quality Act.

3.5 Nuisance. Lessee shall not conduct or knowingly permit to be conducted any private or public nuisance on or about the Premises nor commit any waste thereon. No rubbish, trash, waste, residue, brush, weeds or undergrowth or debris of any kind or character shall ever be placed or permitted to accumulate upon any portion of the Premises, except in appropriate receptacles intended for such purposes, nor shall Lessee knowingly permit any portion of the Premises be maintained so as to render said Premises a fire hazard or an imminent risk to public health and safety. Lessee shall be permitted to perform the Development Work on the Premises pursuant to Section 5 of this Lease.

3.5.1 Restrictions and Prohibited Uses. Without expanding upon or enlarging the Permitted Uses of the Premises as set forth in this Lease, the following uses of the Premises are expressly prohibited. To the extent not already specified below, Lessee shall not engage in or cause any of the following prohibited uses to occur on the Premises, and Lessee shall not knowingly permit any third party to engage in the following uses on the Premises, provided that if any resident or other third party engages or causes to occur any of the following prohibited uses on the Premises, Lessee shall not be in default under this Lease so long as Lessee uses commercially reasonable efforts to cause the violating conduct to cease:

3.5.1.1 The Premises shall not be used or developed in any way which is in violation of any Applicable Laws;

3.5.1.2 The Premises shall not be used or developed in any way in a manner inconsistent with the Permitted Uses;

3.5.1.3 All Improvements shall at all times be kept in good condition and repair consistent with the requirements of Section 9.1 of this Lease;

3.5.1.4 No condition shall be permitted to exist upon the Premises which shall induce, breed or harbor infectious plant diseases, rodents, or noxious insects and Lessee shall take such measures as are appropriate to prevent any conditions from existing on the Premises which create a danger to the health or safety of any persons residing or working at, or persons visiting, the Premises; and

3.5.1.5 No adverse environmental condition in violation of Applicable Laws shall be permitted to exist on any portion of the Premises, nor shall any toxic or hazardous wastes be permitted to be generated, treated, stored, disposed of, or otherwise deposited in or on or allowed to emanate from the Premises or any portion thereof; provided, however, that toxic or hazardous substances may be stored or used, so long as such storage and use is (a)

ancillary to the ordinary course of business of an otherwise Permitted Use with the intent that such substances will be used in the ordinary course of business, and (b) conducted in compliance with all Applicable Laws.

3.6 Parking Plan. Lessee has entered into an agreement with VM Mixed Use LLC, a California limited liability company ("VMMU") to pay for 80 dedicated parking spaces in the "Parking Garage" that VMMU is to develop as part of its project. The general terms of the proposed Parking Plan are set forth in Exhibit B attached hereto. VMMU and Lessee will determine the design, allocation and operation of the Parking Garage and Lessee shall provide the final Parking Plan to the County for approval once the design of the Parking Garage is complete. Lessee agrees to adhere to the general Parking Plan attached hereto as Exhibit B, for Lessee's employees, students, and other invitees unless otherwise approved by the County.

3.7 Pedestrian Safety Plan. Lessee shall have established within the Project a pedestrian safety plan for the safe arrival and departure of students and staff to and from the school campus for the Lessor approval (the "Pedestrian Safety Plan"). The Pedestrian Safety Plan is generally depicted in Exhibit C attached hereto. The final Pedestrian Safety Plan shall be submitted to the County for approval on a future date to be agreed upon in writing between the County and Lessee. Lessee shall pay any and all costs for capital improvements, as well as any and all operating costs associated with the implementation of such pedestrian safety measures, controls or monitoring.

3.8 Signage. Upon the exterior of, and within, the buildings of the Project, Lessee shall be allowed to establish identification and directional signage. Lessee shall be required to obtain any and all governmental approvals as be applicable to installation of permitted Lessee signage. Lessee shall be required to procure all applicable permits and approvals for Lessee's signage required under Applicable Laws.

3.9 Compliance with Regulations. Lessee shall comply with all Applicable Laws and shall pay for and maintain any and all licenses and permits related to or affecting the use, operation, maintenance, repair or improvement of the Premises.

3.10 Reservations. Lessee expressly agrees that this Lease and all rights hereunder shall be subject to all Permitted Exceptions, as defined in the Development Agreement. Notwithstanding the foregoing or anything herein to the contrary, Lessor agrees to cooperate with Lessee, at no out-of-pocket cost or expense to Lessor, in Lessee's efforts to address title matters, as provided in the Development Agreement.

4. PAYMENTS TO LESSOR AND USE OF FUNDS

4.1 Net Lease. The parties acknowledge that the rent to be paid by Lessee under this Lease is intended to be absolutely net to Lessor. The rent and other sums to be paid to Lessor hereunder are not subject to any demand, set-off or other withholding. Except as specifically set forth herein, Lessee shall be solely responsible for all capital costs (including, without limitation, all structural and roof repairs or replacements) and operating expenses attributable to the operation and maintenance of the Premises.

4.1.1 Utilities. In addition to the rental charges as herein provided, Lessee shall pay, or cause to be paid to the appropriate utility provider, all utility and service charges for furnishing water, power, sewage disposal, light, telephone service, garbage and trash collection and all other utilities and services, to said Premises.

4.1.2 Taxes and Assessments.

4.1.2.1 Lessee agrees to pay before delinquency all lawful taxes, assessments, fees, or charges which at any time may be levied by the State, County, City or any tax or assessment levying body upon any interest in this Lease or any possessory right which Lessee may have in or to the Premises covered hereby or to the Improvements thereon for any reason, as well as all taxes, assessments, fees, and charges on goods, merchandise, fixtures, appliances, equipment, and property owned by it in, on or about the Premises. Lessee's obligation to pay taxes and assessments hereunder shall include but is not limited to the obligation to pay any taxes and/or assessments, or increases in taxes and/or assessments arising as a result of this Lease. Lessee shall have the right to contest the amount of any assessment imposed against the Premises or the possessory interest therein; provided, however, the entire expense of any such contest (including interest and penalties which may accrue in respect of such taxes) shall be the responsibility of Lessee.

4.1.2.2 Pursuant to Section 107.6 of the California Revenue and Taxation Code ("Code"), Lessor hereby notifies Lessee that: (i) a possessory interest with respect to the Premises is created and/or continued pursuant to the Lease ("Possessory Interest") and is subject to property taxation under the Code; and (ii) Lessee shall be subject to, and shall bear, the payment of all property taxes and related charges and expenses attributable to all periods during the term of this Lease with respect to the Possessory Interest and Development Work (collectively, "Taxes"). Lessee acknowledges that the foregoing complies with Section 107.6 of the Code. Lessee shall indemnify, defend and hold harmless the Lessor against all Taxes which are payable by Lessee during the Term hereof pursuant to this Section 4.1.2.2.

4.2 Annual Minimum Rent. Throughout the Term, for the possession and use of the Premises granted herein, Lessee shall pay Lessor \$12.00 per annum ("Annual Minimum Rent"). Payments of Annual Minimum Rent shall be received by Lessor on or before the commencement of such Lease Year. Payment may be made by check or draft issued and payable to County of Los Angeles, and mailed or otherwise delivered to the following address unless otherwise indicated to Lessee by written notice from Lessor:

County of Los Angeles
500 West Temple Street Room 410
Los Angeles, CA 90012
Attn: Franchise/Concessions Section

Lessee acknowledges that Lessor shall have no obligation to issue rental statements, invoices or other demands for payment, and that the rental payments required herein shall be payable notwithstanding the fact that Lessee has received no such statement, invoice or demand.

4.3 Salaries. All salaries to employees and independent contractors, fees, wages, and compensation garnished by Lessee in connection with the operation of the charter boarding school shall be consistent with industry standards taking into account the salary expenditures of similarly situated charter boarding schools.

4.4 Naming Rights. When necessary and desirable in relation to a grant or donation, Lessee shall have the right to name separate rooms, halls, buildings, or other space on the Premises for any individual or entity whomsoever it deems proper in its reasonable discretion. County shall have the right to approve the name for the charter boarding school, which approval shall not be unreasonably withheld, conditioned, or delayed.

4.5 Proposed Transfers. Except as otherwise provided in this Lease, each time Lessee proposes a transfer that is not an Excluded Transfer, Lessor shall be paid an Administrative Charge equal to the Actual Cost incurred by Lessor in connection with its review and processing of said proposed transfer ("Administrative Charge"). Proposed transfers are further subject to Lessor approval as provided in Section 10 of this Lease.

4.6 Calculation and Payment. If the proposed transfer is approved, an Administrative Charge shall be due and payable concurrently with the consummation of the transaction constituting the proposed transfer giving rise to the obligation to pay such fee, regardless of whether or not money is transferred by the parties in connection with such consummation. If Lessor disapproves the proposed transfer, then within thirty (30) days after notice of its disapproval, Lessor shall deliver to Lessee a written notice setting forth the Administrative Charge (including documentation in support of the calculation of the Administrative Charge), and Lessee shall pay Lessor the Administrative Charge within thirty (30) days after receipt of the notice from Lessor setting forth the Administrative Charge (including documentation in support of the calculation of the Administrative Charge) and any additional supporting documentation reasonably requested by Lessee within five (5) Business Days after its receipt of such notice. An Administrative Charge not paid when due hereunder shall bear interest at the Prime Rate plus three percent (3%).

5. CONSTRUCTION OF IMPROVEMENTS

5.1 Development Work. Lessee shall comply with the terms set forth in the Development Agreement and incorporated herein, for the construction of the improvements on the Premises and which referred to herein to as the "Development Work." In the event of a conflict between the Development Agreement and Section 5 of this Ground Lease, the Development Agreement shall control.

5.2 Alterations. For purposes of this Lease, "Alterations" means any and all alterations or modifications to the Improvements located on the Premises or the construction of any new Improvements on the Premises, other than the Development Work. Following the Substantial Completion of the Development Work, Lessee shall have the right to make Alterations to the Improvements located on the Premises with the prior written approval by County of such Alterations the cost of which exceed Two Hundred and Fifty Thousand Dollars (\$250,000) and/or a require a permit(s) from the City of Los Angeles, or other governmental entity, that has jurisdiction over the Premises, and Lessee shall obtain such approvals as are required from the City

of Los Angeles, or other governmental entity that has jurisdiction over the Premises, for such Alterations and are consistent with the Permitted Uses set forth in Section 3 of this Lease.

5.3 Conditions Precedent to the Commencement of Construction of Alterations. No Alterations shall be commenced until Lessee shall have complied with the provisions of this Section 5.

5.3.1 Required Permits. Lessee shall have received copies of all permits, licenses and other governmental approvals necessary for commencement of the Alterations, as the case may be.

5.3.2 Security. Lessee shall provide a completion guaranty, in form and substance reasonably acceptable to Lessor, made by an individual or entity with a sufficient net worth and liquidity, in the reasonable discretion of Lessor, to comply with the terms of such guaranty in view of the potential financial responsibility involved. Lessor shall have the authority, in its reasonable discretion, to modify, waive or reduce the security required hereunder.

5.4 Manner of Construction of Alterations.

5.4.1 General Construction Standards. Lessee shall pay or cause to be paid all costs and expenses associated therewith and shall indemnify, defend and hold Lessor harmless from and against all damages, costs, expenses, losses or claims arising out of or in connection with the performance of such work, except to the extent that such damages, costs, expenses, losses or claims are caused by Lessor.

5.4.2 Construction Safeguards. Lessee shall erect and properly maintain at all times, as required by the conditions and the progress of work performed by or on behalf of Lessee, all reasonably necessary safeguards for the protection of workers and the public.

5.4.3 Compliance with Construction Documents and Laws; Issuance of Permits. All Alterations on the Premises shall be completed in substantial compliance with all construction documents and all applicable local, state and federal laws and regulations. Lessee shall have the sole responsibility for obtaining all necessary permits and shall make application for such permits directly to the person or governmental agency having jurisdiction thereover.

5.4.4 Rights of Access. Representatives of the Lessor shall, upon reasonable notice and at reasonable times during normal business hours, have the right of reasonable access to the Premises and the Improvements thereon without charges or fees, but at no cost or expense to Lessee, for the purpose of ascertaining compliance with the terms and conditions of this Lease, including but not limited to the inspection of the construction work being performed. Such access shall be reasonably calculated to minimize interference with Lessee's construction and/or operations, and Lessor shall comply with industry safety standards in connection with any such access. Lessee shall have the right to have a representative present to accompany the representatives of the Lessor in connection with such access.

5.5 Protection of Lessor. Nothing in this Lease shall be construed as constituting the consent of Lessor, express or implied, to the performance of any labor or the furnishing of any materials or any specific Improvements, alterations or repairs to the Premises of any part thereof by any contractor, subcontractor, laborer or materialman, nor as giving Lessee or any other person any right, power or authority to act as agent of or to contract for, or permit the rendering of, any services, or the furnishing of any materials, in any such manner as would give rise to the filing of mechanics' liens or other claims against the Lessor's interest in the Premises or Lessor.

5.5.1 Posting Notices. If and to the extent Lessor approval is required pursuant to Section 5.2, Lessor shall have the right at all reasonable times and places to post and, as appropriate, keep posted, on the Premises any notices which Lessor may deem necessary for the protection of Lessor's interest in the Premises from mechanics' liens or other claims. In such event, Lessee shall give Lessor at least ten (10) Business Days' prior written notice of the commencement of the Alterations to be done on the Premises under this Section 5, in order to enable Lessor timely to post such notices.

5.5.2 Prompt Payment. Lessee shall make, or cause to be made, prompt payment of all monies due and owing to all persons doing any work or furnishing any materials or supplies to Lessee or any of its contractors or subcontractors in connection with any Alterations or other Improvements on the Premises. Lessee shall have the right to contest any such amount; provided, however, the entire expense of any such contest (including interest and penalties which may accrue) shall be the responsibility of Lessee.

5.6 Liens; Indemnity. Subject to Lessee's rights to contest the same prior to payment, Lessee shall keep the Premises and any Improvements thereon free and clear of all mechanics' liens and other liens arising out of or in connection with work done for Lessee and/or any parties claiming through Lessee. Lessee agrees to and shall indemnify, defend and hold Lessor harmless from and against any claim, liability, loss, damages, costs, expenses, attorneys' fees incurred in defending and all other expenses on account of claims of lien(s) of laborers or materialmen or others for work performed or materials or supplies furnished to Lessee or persons claiming under it. In the event any mechanic's lien or other lien arising out of or in connection with work done for Lessee and/or any parties claiming through Lessee is recorded against the Premises, Lessee shall, within the later of (a) thirty (30) days after the recording of such lien, or (b) five (5) Business Days after written demand from Lessor is delivered to Lessee, furnish any one of the following, as determined by Lessee: (i) the bond described in California Civil Code Section 8450, or successor statute, which results in the removal of such lien from the Premises, (ii) a Set Aside Letter from Lessee's construction lender, in form and substance reasonably satisfactory to Lessor, setting aside sufficient funds from Lessee's construction loan for the satisfaction of such lien, or (iii) a title insurance policy or endorsement insuring Lessor against any loss or liability arising out of such lien, together with any other evidence requested by Lessor to evidence that such claim will be paid, removed or discharged as a claim against the Premises and/or Lessor.

5.7 Demolition and Capital Reserve Fund.

5.7.1 Establishment of Fund and Initial Contribution. Lessee shall establish and maintain a reserve fund (the "Demolition and Capital Reserve Fund") in accordance with the provisions of this Section 5.7 for the cost of any demolition, and for capital repairs, and

renovations for Key Systems (defined below) as described in this section and Section 2.4. Notwithstanding the foregoing or any other provision in this Ground Lease, during any period of time in which a Leasehold Mortgagee requires Lessee to comply with restrictions applicable to the federal New Markets Tax Credit program, in no event shall the Lessee be required to deposit more than an amount that would cause the then-current aggregate balance of the Demolition and Capital Reserve Fund to exceed 5% of the original cost basis of the Lessee's property so as to violate the requirements of Treasury Regulations Section 1.45D-1(d)(4)(E) (the "NQFP Cap"). Lessee shall make initial deposits to the Demolition and Capital Reserve Fund, and shall conduct the Initial Reserve Fund Study pursuant to Section 5.8.2 below. For each subsequent Reserve Fund Study, Lessee shall deposit, at a minimum, monthly amounts established by the then current Reserve Study (as defined below). Lessee shall keep the Demolition and Capital Reserve Fund funded as required herein at all times. To that end, Lessee shall replenish the Demolition and Capital Reserve Fund subsequent to utilizing such funds within 30 calendar days of such use so that balance of the Demolition and Capital Reserve Fund remains at the agreed upon amount. If at any time the then-existing balance in the Reserve Fund reaches the Threshold Amount (as defined below), Lessee thereafter shall not be required to make further contributions to the Demolition and Capital Reserve Fund except as necessary to maintain the balance of the Demolition and Capital Reserve Fund in an amount at least equal to the Threshold Amount. The "Threshold Amount" shall mean the lesser of the aggregate amount of contributions required to be made to the Reserve Fund over the five (5) year period covered by the then-current Reserve Study, or the NQFP Cap, if such Cap is still applicable as provided above. The Threshold Amount shall be adjusted following each updated Reserve Study. All interest and earnings on the funds in the Demolition and Capital Reserve Fund shall be added to the Demolition and Capital Reserve Fund, and shall be treated as a credit against the Reserve Fund contributions otherwise required to be made by Lessee pursuant to this Section 5.7.1. Lessor may, but is not required, to engage a consultant at Lessor's sole cost and expense to review and/or monitor (i) Reserve Fund expenditures and (ii) the performance by Lessee of the capital repair work required under this Lease or the applicable Reserve Study; Lessee shall cooperate with said consultant including, but not limited to, providing all information and/or documents requested by the consultant within ten (10) days of such request.

5.7.2 Use of the Demolition and Capital Reserve Fund. The funds in the Demolition and Capital Reserve Fund shall be utilized by Lessee to pay the cost of any demolition pursuant to Section 2.3, and any additions, replacements, or renovations of the Key Systems. As used herein, "Key Systems" shall mean the roof, the boiler, exterior painting, HVAC, commercial kitchen appliances, the fire life safety system and fire pumps, if any, elevator(s), windows, emergency generator, security and access systems, including physical doors and fencing, flooring, lighting and electrical distribution, plumbing, casework and cabinetry, paving and landscape (excluding the shared parking lot), playground and recreational equipment, laundry equipment, and technology network systems. All specific purposes and costs not listed above for which Lessee desires to utilize amounts from the Demolition and Capital Reserve Fund shall be subject to Lessor's approval, which approval shall not be unreasonably withheld, conditioned or delayed so long as they do not constitute a prohibited use as set forth below.

5.7.3 Use Limitations of the Demolition and Capital Reserve Fund. The Demolition and Capital Reserve Fund shall not be used for any of the following, all of which shall be separately funded by Lessee: (a) the cost of any portion of the Development Work or the cost of correcting any defect in the Development Work; (b) the cost of curing any deficiencies arising from the failure of Lessee to maintain and repair the Improvements in accordance with the requirements of this Lease, except for deficiencies arising in Key Systems; (c) costs or expenses reimbursed by insurance, warranties or any other third party; (d) the costs of the initial construction of any new buildings or building additions; (e) the cost of periodic, recurring or ordinary non-capital expenditures, repairs, maintenance or replacements that keep the Key Systems in good operating condition, but that do not significantly add to their value or appreciably prolong their useful life or that otherwise constitute non-capital expenditures under generally accepted accounting principles consistently applied; (f) the costs for any necessary repairs to remedy any broken or damaged Improvements, or other than broken or damaged Key Systems.

5.8 Reserve Study.

5.8.1 Reserve Study. Lessor will conduct the Initial Reserve Fund Study, as defined below, at Lessor's sole cost. Lessee must conduct the second reserve fund study at Lessee's sole cost during the 9th Lease Year of Project operations (e.g., excluding Lease Years in which the Project is under construction), and update the reserve fund study as provided below. Each Reserve Study shall remain in effect until a new Reserve Study or Reserve Fund Update becomes available, and shall be conducted and prepared by a company mutually acceptable to Lessor and Lessee and which has special expertise in preparing capital improvement reserve studies for similar and comparable projects. In the event Lessor and Lessee cannot agree upon a mutually acceptable company to prepare the Reserve Study, then Lessee and the Lessor shall each engage a company that is able to perform the Reserve Study (each, a "Potential Reserve Study Company") and the Potential Reserve Study Companies shall, amongst themselves, confer and determine which Potential Reserve Study Company shall perform the Reserve Study. If the Potential Reserve Study Companies cannot mutually agree on which Potential Reserve Study Company shall perform the Reserve Study, the Potential Reserve Study Companies shall collectively select an independent Reserve Study Company to perform the Reserve Study. (The reserve company actually engaged, whether by agreement of Lessor and Lessee or pursuant to the procedures set forth in the preceding sentence, shall be referred to as the "Reserve Study Company"). In the event of any conflict regarding the appropriate levels of contribution to the Demolition and Capital Reserve Fund recommended by the Reserve Study Company, on the one hand, and any report and/or property assessment prepared for the benefit of any Leasehold Mortgagee, on the other, regarding its own separate reserve fund, the Reserve Study Company shall take the views of such consultant into consideration, but the final decision as to the appropriate levels of contribution to the Demolition and Capital Reserve Fund shall be determined solely by the Reserve Study Company.

5.8.2 Initial Reserve Fund Study and Contribution. Lessee shall deposit the sum of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) into the Demolition and Capital Reserve Fund not later than the end of the 5th Lease Year of Project operations in

accordance with the funding schedule set forth below (the “Initial Reserve Funding Plan.”) Lessee shall make deposits to the Demolition and Capital Reserve Fund as and when due in accordance with the Initial Reserve Funding Plan. Lessor will conduct an initial reserve fund study (the “Initial Reserve Fund Study”) during the 4th Lease Year of Project operations (excluding Lease Years in which the Project is under construction). If the Initial Reserve Fund Study recommends a reserve that is greater than \$1.25 million and Lessee has determined that the schedule set forth in Section 5.8.2.1 below is not feasible, Lessee shall present a plan for annual contributions to the Demolition and Capital Reserve Fund (the “Catchup Reserve Funding Plan”) so that the balance will reach the amount recommended by the Initial Reserve Funding Plan within a reasonable period. Lessor shall have the right to approve Lessee’s Catchup Reserve Funding Plan (which will not be unreasonably withheld).

5.8.2.1 Initial Reserve Funding Plan:

By the close of Year 1: \$100,000

By the close of Year 2: \$150,000

By the close of Year 3: \$250,000

By the close of Year 4: \$350,000

By the close of Year 5: \$400,000

By the close of Year 6: 35% of the recommended reserve study amount

By the close of Year 7: 50% of the recommended reserve study amount

By the close of year 8: 100% of the recommended reserve study amount

5.8.3 Each Reserve Study shall, at a minimum, contain the following: (i) identification of the probable remaining useful life of each Key System as of the date of the applicable Reserve Study; (ii) an estimate of the cost of repair, replacement, or restoration of such Key Systems and (iii) an estimate of the total annual contribution to the Demolition and Capital Reserve Fund necessary to defray the cost to replace or restore the Key Systems at the end of their useful life, after subtracting total funds then held in the Demolition and Capital Reserve Fund as of the date of the study.

5.8.4 For the purpose of each Reserve Study: (a) “useful life” is defined as the number of years the individual Key System is expected to serve its intended purpose if given regular and proper maintenance, and (b) “remaining useful life” is defined as the expected number of years the individual Key System will continue to serve its intended purpose prior to repair or replacement. In determining the remaining life of a Key System, a certain level of continued preventative maintenance is assumed, but shall be stated explicitly wherever possible in the applicable.

5.8.5 Lessee hereby agrees to make all improvements to all Key Systems that the Reserve Study recommends be replaced or upgraded on the schedule set forth in the then-

current Reserve Study. Lessee shall be required to renovate or replace particular Key Systems (as identified in the Reserve Study by the Reserve Study Company) at the end of the useful life of such Key Systems and otherwise make expenditures prescribed in the most recent applicable Reserve Study. Lessee shall be required to complete any such renovations or replacements within ninety (90) days after the expiration of the useful life of the applicable Key System and to make such expenditures on the schedule set forth in the most recent applicable Reserve Study. If Lessee requires additional time to complete any such renovations, replacements or expenditures, Lessee shall submit a schedule for Lessor written approval, which approval will not be unreasonably withheld.

5.8.6 Updates to Reserve Studies and Subsequent Deposits. During the 9th Lease Year and every fifth Lease Year thereafter, Lessee must conduct a reserve fund study at Lessee's sole cost as described in 5.8.1. Each subsequent Reserve Study shall identify any existing and deferred maintenance and repair deficiencies in the Key Systems that exist at the date of the Reserve Study. Lessee shall be required to remedy any such maintenance deficiencies at Lessee's cost (without any use of the Demolition and Capital Reserve Fund) by the end of Lease Year in which the Reserve Study was conducted (e.g., 9th Lease Year, 14th Lease Year, 19th Lease Year). If Lessee requires additional time to complete all existing maintenance deficiencies, then Lessee shall submit a schedule of repairs for Lessor's written approval, which approval will not be unreasonably withheld. The Reserve Study Company shall review the then-current Reserve Study to update cost changes and take into consideration expenditures actually made during the preceding five year period ("Reserve Fund Update"). To assist the Reserve Study Company in preparing the Reserve Fund Update and to avoid the necessity for the Reserve Study Company to enter the Premises, Lessee shall provide to the Reserve Study Company an accounting of all expenditures made by Lessee for the repair, maintenance, replacements, and capital improvements performed for such calendar year, and the Reserve Study Company shall take such expenditures into account in preparing the Reserve Fund Update. Each Reserve Study shall determine the monthly contribution amount required to be made to the Demolition and Capital Reserve Fund.

5.8.7 Final Reserve Study. A final updated Reserve Study (the "Final Reserve Study") shall be prepared and delivered to Lessor no later than five (5) years prior to the expiration of the Term provided that if Lessee has available options to extend the Term, and informs Lessor that it reasonably expects to exercise its right to extend, the Final Reserve Study shall be deferred until there are no remaining options to extend the Lease, or the Lessee indicates that it does not expect to exercise an available option to extend. The Final Reserve Study shall determine the monthly amounts, if any, required to be deposited to the Demolition and Capital Reserve Fund to fully fund (when combined with any amounts already on deposit in the Demolition and Capital Reserve Fund) the expected cost of capital improvements and replacements during the remaining Lease Term or the expected demolition costs (if Lessor has indicated that it intends to required demolition of some or all of the Improvements). The monthly contribution amounts required for the Demolition and Capital Reserve Fund shall take into consideration any then current balance in the Demolition and Capital Reserve Fund. If County elects not to require Lessee to demolish the Improvements or a portion at the end of the Term pursuant to Section 2.3, then: (i) the Final Reserve Study shall not make any adjustment for the cost for the future replacement of the Improvements during the remaining Lease Term,

(ii) the Demolition and Capital Reserve Fund deposits thereafter required to be made by Lessee shall continue to be used for purposes permitted under this Section 5, and (iii) any remaining funds in the Demolition and Capital Reserve Fund at the end of the Term shall be split between Lessee and Lessor.

5.8.8 If the Demolition Requirement applies, as long as Lessee makes the expenditures prescribed under the Reserve Studies (as updated from time to time) and complies with its obligations under this Lease with regard to the replacement of the Improvements during the Term and the demolition and removal of the Improvements at the end of the Term, any remaining funds in the Demolition and Capital Reserve Fund at the end of the Term shall be released to Lessee.

5.8.9 Reserve Fund Account. The Demolition and Capital Reserve Fund shall be held in a separate account established with a bank or credit union licensed to do business in California (which may be Lessee's Leasehold Mortgagee) reasonably acceptable to and approved by Lessor. Lessee shall make deposits into the Demolition and Capital Reserve Fund as required hereunder and make disbursements from the Demolition and Capital Reserve Fund account as required or permitted hereunder, but only for the permitted purposes and amounts set forth herein and in accordance with the schedule described in Section 5.8.1 (with such adjustments as may be approved by Lessor). Lessee shall have the right to maintain the Demolition and Capital Reserve Fund with a bank that is approved by the Leasehold Mortgagee and to grant such lender a security interest in the Demolition and Capital Reserve Fund account, subject to administration of the Demolition and Capital Reserve in accordance with the requirements of this Section 5. Subject to the foregoing, the Demolition and Capital Reserve Fund account may concurrently satisfy a separate reserve fund requirement of Lessee's Leasehold Mortgagee. The amounts to be added to the Demolition and Capital Reserve Fund shall be inclusive of amounts required to be deposited with and held by a Leasehold Mortgagee. On or before January 15 and July 15 of each year (and at any other time within thirty (30) days prior to written notice from Lessor to Lessee) Lessee shall deliver to Lessor evidence reasonably satisfactory to Lessor that the Demolition and Capital Reserve Fund exists and a report that details all deposits to, earnings on, withdrawals from and the balance of the Demolition and Capital Reserve Fund. This requirement may be satisfied by delivering a copy of the most recent available bank statement for the account that holds the Demolition and Capital Reserve Fund.

6. CONDEMNATION.

6.1 Definitions.

6.1.1 Condemnation. "Condemnation" or "Taking" means (1) the exercise by any governmental entity of the power of eminent domain, whether by legal proceedings or otherwise, and (2) a voluntary sale or transfer to any Condemnor (as hereafter defined), either under threat of Condemnation or while legal proceedings for Condemnation are pending.

6.1.2 Date of Taking. "Date of Taking" means the first to occur of (i) the date the Condemnor has the right to possession of the Premises being condemned, or (ii) the date the Condemnor takes title to the Premises being condemned.

6.1.3 Award. "Award" means all compensation, sums or anything of value awarded, paid or received from a total or partial Condemnation.

6.1.4 Condemnor. "Condemnor" means any public or quasi-public authority, or private corporation or individual, having the power of eminent domain.

6.2 Parties' Rights and Obligations to be Governed by Lease. If, during the Term of this Lease, there is any Taking of all or any part of the Premises, any Improvements on the Premises or any interest in this Lease by Condemnation, the rights and obligations of the parties shall be determined pursuant to the provisions of this Section 6.

6.3 Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the Date of Taking.

6.4 Effect of Partial Taking.

6.4.1 Lessee's Termination Right. If a portion of the Premises or the Improvements thereon are taken by Condemnation, this Lease shall remain in effect, except that Lessee may elect to terminate this Lease if the remaining portion of the Premises are, in Lessee's reasonable judgment, rendered unsuitable for Lessee's continued use for the purposes contemplated by this Lease. Lessee must exercise its right to terminate by giving Lessor written notice of its election within ninety (90) days after (i) the nature and extent of the Taking has been determined, and (ii) if Lessee reasonably deems it necessary to determine the continued suitability of the Premises for Lessee's continued use, the probable amount of compensation has been determined. Such notice shall also specify the date of termination, which shall not be prior to the Date of Taking. Failure to properly exercise the election provided for in this Section 6.4 will result in this Lease's continuing in full force and effect, except that Monthly Minimum Rent shall be abated pursuant to Section 6.4.3 below. Notwithstanding the foregoing, so long as any Leasehold Mortgage shall be outstanding against Lessee's interest in the Premises, no such termination election by Lessee shall be effective without the written consent of the holder(s) of such Leasehold Mortgage(s).

6.4.2 Restoration Following Partial Taking. In the event that Lessee does not elect to terminate this Lease as provided in Section 6.4.1 above, then Lessee shall, at its sole cost and expense, within a reasonable period of time, commence and complete restoration of the remainder of the Premises as nearly as possible to its value, condition and character immediately prior to such Taking, taking into account, however, any necessary reduction in size or other change resulting from the Taking; provided, however, that (i) in no event shall Lessee, in performing its restoration of the Premises following the Condemnation, be obligated to expend more than the amount of the Award actually received by Lessee, net of Lessee's Actual Cost incurred in procuring such Award, and (ii) in case of a Taking for temporary use, Lessee shall not be required to effect restoration until such Taking is terminated.

6.4.3 Effect of Partial Taking on Rent. If any portion of the Premises is taken by Condemnation and this Lease remains in full force and effect as to the portion of the Premises not so taken (a "Partial Taking"), the Monthly Minimum Rent shall be reduced as of the date of the Partial Taking to an amount equal to the Monthly Minimum Rent multiplied by the ratio of the

fair market value of the portion of the Premises not so taken to the fair market value of the entire Premises immediately prior to the Partial Taking, but without regard to any diminution in value resulting from the imminent Taking. Any determinations of fair market value made pursuant to this Section 6.4 shall be predicated upon the “income approach” or “income capitalization approach” to property valuation, as defined in The Dictionary of Real Estate Appraisal and/or The Appraisal of Real Estate, published by the Appraisal Institute or any successor organization (“Income Approach”). All other obligations of Lessee under this Lease, including but not limited to the obligation to pay Monthly Minimum Rent, shall remain in full force and effect.

6.5 Waiver of Code of Civil Procedure Section 1265.130. Each party waives the provisions of Code of Civil Procedure Section 1265.130 allowing either party to petition the Superior Court to terminate this Lease in the event of a Partial Taking of the Premises.

6.6 Payment of Award. Awards and other payments on account of a Taking, less costs, fees and expenses incurred in the collection thereof (“Net Awards and Payments”), shall be applied as follows:

6.6.1 Partial Taking Without Termination. Net Awards and Payments received on account of a Taking (other than a total Taking or a Partial Taking which results in termination hereof or a Taking for temporary use) shall be paid out to Lessee or Lessee's designee(s) to pay the cost of restoration of the Premises. The balance, if any, shall be divided between Lessor and Lessee as follows: (1) to Lessee, in the amount needed to retire any then-outstanding Leasehold Mortgage, (2) to Lessor, the then value of Lessor's reversionary interest in the portion of the Premises which is the subject of the Taking, plus the value of Lessor's right to receive Monthly Minimum Rent pursuant to this Lease which was lost as a result of such Taking, and (3) the then value of Lessee's interest in the remainder of the Term of this Lease, including any so-called “bonus value” (for purposes of this Section 6.6, the Term of this Lease shall not be deemed to have terminated even if Lessee so elects under Section 6.4). Any determinations of fair market value made pursuant to this Section 6.6 shall be predicated upon the Income Approach. Notwithstanding the foregoing, if Lessor is the condemning authority and the Taking pertains only to Lessee's interest, then Lessee shall be entitled to the entire amount of the Net Awards and Payments.

6.6.2 Taking for Temporary Use. Net Awards and Payments received on account of a Taking for temporary use shall be paid to Lessee.

6.6.3 Total Taking and Partial Taking with Termination. Net Awards and Payments received on account of a Total Taking or a Partial Taking which results in the termination of this Lease shall be allocated first to retire any then outstanding Leasehold Mortgage, and then between Lessor and Lessee in proportion to the amount that “Lessor's Premises Interest” and “Lessee's Premises Interest,” respectively, each bears to the total Net Awards and Payments.

6.6.4 Lessor's Premises Interest shall be an amount equal to the sum of (1) the present value of all Monthly Minimum Rent and other sums which would become due through the expiration of the Term if it were not for the Taking less, in the event of a Partial Taking, an amount equal to the present value of the fair rental value of the portion of the Premises (with the Improvements thereon) not subject to the Partial Taking, from the date of the Partial Taking

through the expiration of the Term, and (2) the present value of the residual value of the Premises (excluding any residual value attributable to the Improvements thereon) subject to the Taking from and after the expiration of the Term.

6.6.5 Lessee's Premises Interest shall be an amount equal to the sum of (1) value of the ownership interest in and use of the Improvements constructed on the Premises, determined as of the date of such Taking, plus (2) an amount equal to the market value of Lessee's leasehold estate for the remainder of the term of this Lease (including any so-called "bonus value"), disregarding the value of the Improvements.

6.7 Lessor as Condemning Authority. If Lessor is the condemning authority in connection with a Total Taking or a partial Taking that results in the termination of the Lease, and the Taking pertains to only Lessee's interest, then Lessee shall be entitled to the entire amount of any Net Awards and Payments.

7. **LESSEE INDEMNITY.** Except to the extent caused by the gross negligence or willful misconduct of any such indemnitee, Lessee shall at all times relieve, defend, indemnify, protect, and save harmless Lessor and its respective boards, elected officials, officers, agents, consultants, counsel, employees and volunteers from any and all claims, costs, losses, expenses or liability, including expenses and reasonable attorneys' fees incurred in defending against the same by an attorney selected by Lessee and reasonably satisfactory to Lessor, for the death of or injury to persons or damage to property, including property owned or controlled by or in the possession of Lessor or any of its Board, officers, agents, employees or volunteers, to the extent that such arises from or is caused by (a) the operation, maintenance, use, or occupation of the Premises by Lessee or its agents, officers, employees, licensees, concessionaires, permittees or Sublessees, (b) the acts, omissions, or negligence of Lessee, its agents, officers, employees, licensees, concessionaires, permittees or Sublessees, (c) the failure of Lessee, its agents, officers, employees, licensees, concessionaires, permittees or Sublessees to observe and abide by any of the terms or conditions of this Lease or any applicable law, ordinance, rule, or regulation. The obligation of Lessee to so relieve, indemnify, protect, and save harmless Lessor and each of its respective Boards, officers, agents, consultants, counsel, employees and volunteers, shall continue during any periods of occupancy or of holding over by Lessee, its agents, officers, employees, licensees, concessionaires, permittees or Sublessees, beyond the expiration of the Term or other termination of this Lease. This provision shall survive the expiration or earlier termination of the Lease.

8. **INSURANCE.**

8.1. Lessee's Insurance. All policies of insurance provided for herein shall be issued by insurance companies authorized to do business in California and rated in Best's Insurance Guide, or any successor thereto as having a "**Best's Rating**" of "A-" or better and a "**Financial Size Category**" of at least "VII" or better or, if such ratings are not then in effect, the equivalent thereof or such other financial rating as Lessor may at any time consider appropriate. Lessee shall ensure that all policies held by Lessee, its Contractor, Major Subs, Subcontractors of any tier, Construction Manager, Architect, Consultants and any other members of the Construction Team name the Los Angeles County Metropolitan Transportation Agency ("LACMTA"), the Lessor and its Board of Supervisors as "**Additional Insureds**", and shall provide that they may not be cancelled by the insurer for nonpayment of premiums or otherwise or be terminated or lapse of

their own accord or by their own terms until at least thirty (30) days after written notice of the proposed cancellation upon all parties named in such policies as insureds and Additional Insureds. All insurance required to be carried by Lessee, its Contractor, Major Subs, Subcontractors of any tier, Construction Manager, Architect, Consultants and any other members of the Construction Team shall contain a provision that no act or omission of Lessee shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained. All such policies shall contain language to the effect that any loss shall be payable notwithstanding any act or negligence of Lessor that otherwise might result in the forfeiture of the insurance. All public liability, property damage and other casualty policies shall be written as primary policies, not contributing with any other coverage which the LACMTA, Lessor or Lessee may carry. Lessee agrees that with respect to all such policies carried by or to be carried by Lessee, Lessee shall provide Lessor with written notice whenever there are paid losses on Lessee's insurance policies which result in a twenty percent (20%) or greater erosion of limits and Lessee shall further notify Lessor of any accident or incident which involves injury or property damage over Five Hundred Thousand Dollars (\$500,000.00) in the aggregate and pursuant to which a claim against Lessee and/or Lessor is made or threatened. Such notification shall be made in writing within ten (10) Business Days after Lessee first becomes aware of the claim or threatened claim. Upon the Execution Date, and thereafter at least ten (10) days prior to the expiration date of such policy, Lessee shall deliver to Lessor copies of the policies for all the insurance required to be carried hereunder. Lessee and its Contractor, Major Subs, Subcontractors of any tier, Construction Manager, Architect, Consultants and any other members of the Construction Team shall cause each property insurance policy obtained to provide that the insurance company waives all right of recovery by way of subrogation against Lessor or Lessee in connection with any damage covered by any such policy or policies, and Lessee, its Contractor, Major Subs, Subcontractors of any tier, Construction Manager, Architect, Consultants and any other members of the Construction Team hereby waive all such claims against Lessor. Lessor shall cause each property insurance policy obtained by Lessor (if any) to provide that the insurance company waives all right of recovery by way of subrogation against Lessee, its Contractor, Major Subs, Subcontractors of any tier, Construction Manager, Architect, Consultants and any other members of the Construction Team or Lessor in connection with any damage covered by any such policy or policies, and Lessor hereby waives all such claims against Lessee, its Contractor, Major Subs, Subcontractors of any tier, Construction Manager, Architect, Consultants and any other members of the Construction Team. With respect to the Commercial General Liability, Professional (Errors & Omissions) Liability, and Contractor's Pollution Liability coverage required to be secured and maintained by Lessee, its Contractor, Major Subs, Subcontractors of any tier, Construction Manager, Architect, Consultants and any other members of the Construction Team as the case may be, hereunder, such coverage shall be maintained for a minimum of three (3) years after completion of the Development Work, or any Alterations.

8.1.1 General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) and endorsed to name Lessor as an additional insured, with limits of not less than the following:

General Aggregate: \$5,000,000

Products/Completed Operations Aggregate: \$5,000,000

Personal and Advertising Injury: \$5,000,000

Each Occurrence: \$5,000,000

Lessee may satisfy the above coverage limits with a combination of primary coverage ("Primary Coverage") and excess liability coverage ("Umbrella Coverage") (as long as (a) Lessee's Primary Coverage is at least One Million Dollars (\$1,000,000) per occurrence, One Million Dollars (\$1,000,000) annual aggregate, and (b) the combination of such Primary Coverage and Umbrella Coverage provides Lessor with the same protection as if Lessee had carried primary coverage for the entire limits and coverages required under this Section 8.1.1.

8.1.2 Automobile Liability insurance (written on ISO form CA 00 01 or its equivalent) with a limit of liability of not less than One Million Dollars (\$1,000,000) of Primary Coverage and One Million Dollars (\$1,000,000) of Umbrella Coverage, for each accident and providing coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto." During any period of operation of valet parking facilities, Lessee also shall provide, or cause the garage owner to provide, Garagekeeper's Legal Liability coverage, (written on ISO form CA 99 37 or its equivalent) with limits of not less than Two Million Dollars (\$2,000,000) for this location.

8.1.3 Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California and for which Lessee is responsible, and including Employers' Liability coverage with limits of not less than the following:

Each Accident: \$1,000,000

Disease - policy limit: \$1,000,000

Disease - each employee: \$1,000,000

8.1.4 Commercial Property insurance covering damage to the Premises, including improvements and betterments, from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30 or other applicable form), excluding earthquake, and including Ordinance or Law Coverage, written for the full replacement value of the Improvements, with a deductible no greater than \$250,000 or 5% of the property value, whichever is less, with proceeds payable to Lessee and Lessor as their interests may appear and utilized for repair and restoration of the Premises and Improvements. Notwithstanding the foregoing, (1) if there is an outstanding Leasehold Mortgage, proceeds shall be payable to such Leasehold Mortgagee, provided that such mortgagee agrees in writing to release proceeds for reconstruction of the Premises on commercially reasonable terms, and (2) during any period during which no Improvements exist on the Premises or all of the existing Improvements are being demolished in connection with the construction of Development Work, the obligation to provide insurance under this Section 8.1.4 shall not be applicable so long as the insurance coverage described in Section 8.1.5 below is carried.

8.1.5 Construction Insurance. For construction projects, including the Development Work, or any Alterations or restoration on the Premises, Lessee or Lessee's engineer, architect, contractor, or subcontractor (as applicable) will provide the following insurance:

8.1.5.1 All Risk Builder's Risk Insurance. As of Finance Closing and continuing for the duration of the term of this Agreement, "All risk" builder's risk insurance covering 100% of the full replacement cost valuation of the Development Work. Coverage shall be provided for (i) losses on an all-risk basis and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, boiler explosion, and sprinkler coverage; (ii) the perils of earth movement and flood so long as such coverage is available at commercially reasonable cost and in coverage amounts that are commercially available; (iii) resultant damage from errors in design, plans, specifications, faulty workmanship, materials and construction; (iv) "extra expense"; (v) all materials to be stored offsite and while in transit to the jobsite; (vi) "cold testing" of all building systems; (vii) Lessor's and Lessee's loss of use of the Premises due to delays in completion of the work caused by covered peril losses to the Premises, including loss of income and rents (for at least twenty-four (24) months) and soft costs such as real estate taxes and insurance premiums; (viii) the increased cost of construction, debris removal and demolition due to the operation of building laws and code upgrades; and (ix) direct physical damage to the Premises and loss of use caused by an off premises power interruption. The minimum limits of liability shall be a combined single limit with respect to each occurrence in an amount of not less than that specified in Exhibit F and subject to deductibles as Lessor may reasonably approve. Such insurance shall contain (i) no coinsurance or contribution clauses and (ii) a Replacement Cost Endorsement. The policy shall include a waiver of subrogation provision and shall contain a separate debris removal limit of liability which is separate from, and in addition to, and not part of the overall policy limit of liability. The policy shall include the Lessor and Lessee as additional insureds. Lessee shall keep the builder's risk policy in place from commencement of Development Work, or any Alterations to Substantial Completion.

8.1.5.2 Commercial General Liability Insurance. As of Finance Closing and continuing for the duration of the term of this Agreement, Commercial General Liability Insurance on an occurrence basis against claims for personal injury, death and/or property damage occurring in or about the Premises with respect to the Development Work, or any Alterations. Such insurance shall cover claims for injuries to persons or damage to property which may arise from or in connection with the performance of work hereunder by or on behalf of Lessee, its agents, representatives, contractors, employees or subcontractors. Such insurance shall provide primary coverage without contribution from any other insurance carried by or for the benefit of Lessor and its Board of Supervisors and Lessee shall obtain blanket broad form industry standard contractual liability coverage to insure its indemnity obligations herein. The minimum limits of liability shall be combined single limit with respect to each occurrence in an amount of not less than that specified in Exhibit F.

8.1.5.3 Insurance Requirements for Lessee's Construction Team. The Insurance Requirements for Lessee's Construction Team. The Lessee shall require its Architect,

Construction Manager, Contractor, Major Subs, Subcontractors of any tier, Consultants and any other members of the Construction Team to take out and to purchase and maintain insurance coverage as provided in this Section 8.1 in like amounts.

8.1.5.4 Automobile Liability. As of Finance Closing and continuing for the duration of the term of this Agreement, Primary automobile liability insurance in an amount not less than that specified in Exhibit F. Such insurance shall include coverage for all “owned,” “hired” and “non-owned” automobiles, or coverage for “any auto.”

8.1.5.5 Professional Liability. The Lessee shall require any Architect on the Development Work, or any Alterations, or similar design professional, including, without limitation, any engineer, to secure and maintain, during the term of this Agreement, errors & omissions/professional liability insurance with minimum limits of not less than three million dollars (\$3,000,000) per each occurrence, and five million dollars (\$5,000,000) policy aggregate.

8.1.5.6 Workers’ Compensation Insurance. At all times during the term of this Agreement, Workers’ compensation insurance policies as required by law and Employer’s Liability insurance in an amount not less than that specified in Exhibit F.

8.1.5.7 Hazardous Materials Remediation. Asbestos Liability or Contractors Pollution Liability insurance, if construction requires remediation of asbestos or pollutants, and if such insurance is available. Such insurance shall cover liability for personal injury and property damage arising from the release, discharge, escape, dispersal or emission of asbestos or pollutants, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring and treatment of asbestos in compliance with governmental mandate or order. If the asbestos or pollutant will be removed from the construction site, asbestos or pollution liability is also required under the contractor's or subcontractor's Automobile Liability Insurance. Contractor shall maintain limits as are commercially reasonable for the subject remediation work.

8.1.5.8 Development Agreement Controls. In the event of conflict between these provisions and the Development Agreement, the Development Agreement shall control during the period in which the Development Agreement is in effect.

8.2 Provisions Pertaining to Property Insurance. The insurance coverage required in Sections 8.1.4 and 8.1.5.1 shall name the Lessor as an additional insured and any Leasehold Mortgagee as loss payee. Subject to the terms of any Encumbrance permitted pursuant to Section 11 below, upon the occurrence of any loss, the proceeds of property and builder's risk insurance shall disbursed to Lessee on a monthly basis to pay for work completed in accordance with then-prevailing industry custom and practice; provided, however, that if required by the terms of any Leasehold Mortgage, the Leasehold Mortgagee shall have the right to hold and disburse the insurance proceeds received with respect to a loss to pay the renovation and repair of Improvements in accordance with the terms of the loan agreement or deed of trust with Lessee's Leasehold Mortgagee. In the event of a loss, Lessee shall be obligated to rebuild or replace the destroyed or damaged buildings, structures, equipment, and Improvements, in accordance with the procedures set forth hereinabove for the initial construction, except as otherwise provided in

Section 9 hereof. Subject to the terms of any Encumbrance permitted pursuant to Section 11 below, any surplus or proceeds after said rebuilding or replacement shall be distributed to Lessee.

8.3 General Insurance Requirements. Subject to the immediately following grammatical paragraph, a duplicate policy or policies (or certificates of insurance) evidencing the insurance coverage required under this Section 8, in such form as shall be reasonably acceptable to Lessor, shall be filed with Lessor no later than the Effective Date, provided that the evidence of the insurance coverage required under Section 8.1.5 shall be required to be delivered by Lessee prior to the commencement of any Development Work, or any Alterations. All certificates of insurance shall (a) specifically identify the Lease; (b) clearly evidence all coverages required under the Lease; (c) identify any deductibles or self-insured retentions exceeding \$50,000 or such greater commercially reasonable amount as approved by the Lessor; and (d) evidence all other requirements under this Section 8. At least ten (10) Business Days prior to the expiration of such policy, a certificate showing that such insurance coverage has been renewed shall be obtained by Lessee and filed with Lessor.

In lieu of submitting a copy of the policy or policies evidencing the above insurance, Lessee may submit in a form reasonably acceptable to Lessor a certificate of insurance.

Any insurance coverage may be issued in the form of a blanket policy insuring other properties, in form, amount and content reasonably satisfactory to Lessor such that such coverage provides the same protection as required under this Section 8 as if the insurance had been procured on an individual property basis.

8.4 Additional Required Provisions. Lessee's insurance policies required by this Section 8 shall additionally provide:

- (a) that Lessor and its officers, agents, employees and volunteers, shall be named as additional insureds under any liability insurance policy or policies;
- (b) that the full amount of any losses to the extent property insurance proceeds are available shall, if not paid to Lessee, be payable to additional insureds notwithstanding any act, omission or negligence of Lessee which might otherwise result in forfeiture of such insurance;
- (c) in any property insurance policy, a waiver of all right of subrogation against Lessor and its officers, agents, employees and volunteers with respect to losses payable under such policies;
- (d) in any property insurance policy, that such policies shall not be invalidated should the insured waive, prior to a loss, any or all right of recovery against any party for losses covered by such policies;
- (e) to the extent of the indemnification obligations of Lessee in favor of any additional insureds, the property and commercial general liability insurance policies shall provide coverage on a primary and non-contributory basis

with respect to such additional insureds, regardless of any other insurance or self-insurance that such additional insureds may elect to purchase or maintain;

- (f) that losses, if any, shall be adjusted with and payable to Lessee, Lessor and Leasehold Mortgagees, if any, pursuant to a standard mortgagee clause;
- (g) If and to the extent commercially available, that such policies shall not be suspended, voided, canceled, reduced in coverage or in limits or materially changed without at least thirty (30) days prior written notice to Lessor and all Leasehold Mortgagees or ten (10) Business Days in case of cancellation for failure to pay the premium;
- (h) that the commercial general liability insurance shall apply separately to each insured against whom a claim is made, except with respect to the overall limits of said insurer's liability; and,
- (i) that the property and commercial general liability insurance policies shall contain no special limitations on the scope of protection afforded to the additional insureds.

8.5 Failure to Procure Insurance. If Lessee fails to procure or renew the herein required insurance and does not cure such failure within five (5) Business Days after written notice from Lessor, in addition to the other rights and remedies provided hereunder, Lessor may, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith. All monies so paid by Lessor shall be repaid by Lessee, with interest thereon at the Applicable Rate, to Lessor within five (5) Business Days after Lessee's receipt of written demand therefor.

8.6 Adjustment to Amount of Liability Coverage. Upon request by Lessor or Lessee, the amounts of liability insurance required under Section 8.1.1, 8.1.2 and 8.1.3 shall be subject to reassessment and, if applicable, increase, as of each fifth (5th) anniversary of the Effective Date (each, an "Insurance Reassessment Date"), as agreed upon by Lessor and Lessee in order to maintain levels of liability insurance that are consistent with good practices in the real estate industry in Los Angeles, California, for projects of similar type and size to that contained on the Premises. Similarly any maximum deductibles set forth in this Section 8 may be increased consistent with good practices in the Los Angeles real estate industry and the financial viability of the Lessee. In no event shall the amounts of liability insurance be decreased as a result of such reassessment. Following such reassessment, the parties shall execute an amendment to this Lease setting forth the revised insurance provisions.

8.7 Notification of Incidents, Claims or Suits. Lessee shall notify Lessor of any accident or incident on or about the Premises which involves injury or property damage over Five Hundred Thousand Dollars (\$500,000.00) in the aggregate and pursuant to which a claim against Lessee and/or Lessor is made or threatened. Such notification shall be made in writing within ten (10) Business Days after Lessee first becomes aware of the claim or threatened claim.

9. MAINTENANCE AND REPAIR; DAMAGE AND DESTRUCTION.

9.1 Lessee's Maintenance and Repair Obligations. Lessee shall maintain the Premises, including paved or unpaved ground surfaces and Improvements thereon, in a manner consistent with the condition of the other facilities operated by SEED Foundation affiliates, specifically The SEED Public Charter School of Washington, D.C., The SEED School of Maryland, and The SEED School of Miami, as they are maintained as of the Effective Date ("Maintenance Standard"). Without limiting the foregoing, at Lessee's sole cost and expense, but subject to the terms and conditions of this Lease, Lessee shall keep and maintain the Premises and all equipment, Improvements or physical structures of any kind which may exist or be erected, installed or made on the Premises in good and substantial repair and condition, including without limitation capital improvements and structural and roof repairs and replacement, and shall make all necessary repairs and alterations and replacements thereto, reasonable wear and tear excepted, and except as otherwise provided in this Section 9. Lessee shall undertake such repairs, alterations or replacements in compliance with Applicable Laws, the Maintenance Standard and the terms and provisions of this Section 9. Lessee shall maintain all Improvements on the Premises in a safe and clean condition, and in compliance with all Applicable Laws.

9.2 Deficiency Notices. If Lessor provides written notice to Lessee of a deficiency or other breach in the performance by Lessee of the maintenance and repair obligations of Lessee under this Section 9, then Lessee shall promptly commence the cure thereof and shall complete such cure within thirty (30) days of Lessee's receipt of Lessor's notice of the subject deficiency or breach; provided, however, that if more than thirty (30) days is reasonably required in order for Lessee to effectuate such cure, then Lessee shall be in compliance hereof if it commences to cure such deficiency or breach within said thirty (30) day period and thereafter diligently pursues such cure to completion.

9.3 Repair of Improvements; Option to Terminate for Uninsured Casualty. In the event of any damage to or destruction of the Premises, or any Improvements located thereon, Lessee shall, except as otherwise expressly provided in this Section 9.3, promptly (taking into consideration the necessity of obtaining approvals and permits for such reconstruction) repair and/or restore such Improvements to their condition existing prior to the damage or destruction. Lessee's obligation to repair and restore the Improvements as described in this Section 9.3 shall be limited to the greater of the amount of insurance proceeds received by Lessee to cover the subject repair and restoration, or the amount of insurance proceeds that Lessee would have received had Lessee carried the commercial property insurance required of Lessee pursuant to Section 8.1.4 above, and otherwise complied with the insurance requirements of Section 8.2 above. Notwithstanding the foregoing, Lessee shall have the option to terminate this Lease and be relieved of the obligation to restore the Improvements on the Premises where all or substantially all of the Improvements on the Premises are substantially damaged or destroyed and such damage or destruction resulted from a cause not required to be insured against by this Lease (an "Uninsured Loss"), and where all of the following occur:

9.3.1 No more than one hundred eighty (180) days following the Uninsured Loss, Lessee shall notify Lessor of its election to terminate this Lease; to be effective, this notice must include both a copy of Lessee's notification to the Leasehold Mortgagee, if

any, of Lessee's intention to exercise this option to terminate and Lessee's certification that Lessee has delivered or mailed such notification to the Leasehold Mortgagee in accordance with this Section 9.3.1.

9.3.2 No more than sixty (60) days following the giving of the notice required by Section 9.3.1 or such longer time as may be reasonable under the circumstances, Lessee shall, at Lessee's expense: remove all loose debris and other rubble from the Premises; and secure the Premises against trespassers (whether by boarding, fencing, or otherwise).

9.3.3 No more than sixty (60) days following the giving of notice required by Section 9.3.1 the loss, Lessee delivers to Lessor a quitclaim deed to the Premises in recordable form, in form and content satisfactory to Lessor and/or with such other documentation as may be reasonably requested by Lessor or any title company on behalf of Lessor, terminating Lessee's interest in the Premises and reconveying such interest to Lessor free and clear of any and all Encumbrances and Subleases.

9.3.4 No more than one hundred twenty (120) days following the Lessor's receipt of the notice referred to in Section 9.3.1 (or such different period as may be provided in any agreement between Lessor and Lessee's Leasehold Mortgagee), Lessor has received written notice from the Leasehold Mortgagee, if any, consenting to such termination.

9.4 No Option to Terminate for Insured Casualty. Lessee shall have no option to terminate this Lease or otherwise be relieved of its obligation to restore the Improvements on the Premises where the damage or destruction results from a cause required to be insured against by this Lease, except that, during the last ten (10) Lease Years of the Term, if the cost to repair or restore the damage to the Improvements exceeds ten percent (10%) of the full replacement cost of the Improvements, Lessee shall have the right to terminate this Lease, to be exercised by Lessee through written notice to Lessor delivered within one hundred eighty (180) days of the date of the subject damage or destruction.

9.5 No Lessor Obligation to Make Repairs. Lessor shall have no obligation whatsoever to make any repairs or perform any maintenance on the Premises.

9.6 Notice of Damage. Lessee shall give prompt notice to Lessor of any fire or material damage affecting the Premises from any cause whatsoever.

9.7 Waiver of Civil Code Sections. The parties' rights shall be governed by this Lease in the event of damage or destruction. The parties hereby waive the provisions of California Civil Code Section 1932 and any other provisions of law which provide for contrary or additional rights.

10. ASSIGNMENT AND SUBLEASE.

10.1 Definition of Sublease. The term “**Sublease**” means any lease, license, permit, concession, or other interest in the Ground Lease Premises or the Project, or a right to use the Ground Lease Premises or a portion thereof, which is conveyed or granted by Lessee to a party other than the County pursuant to the Ground Lease, and which constitutes less than the

unrestricted conveyance of the entire Lessee interest under this Ground Lease. “**Sublessee**” means the person or entity (other than County) to whom such right to use is conveyed by a Sublease. As of the Effective Date, the County has approved SEED LA as a Sublessee, provided that such Sublessee assumes all of the obligations of Lessee hereunder, other than obligations pertaining to the Development Work as set forth in the Development Agreement, and County approves the form of the Sublease, such approval not to be unreasonably withheld, conditioned or delayed.

10.2 Lessee's Right to Sublease. Except as provided in Section 10.1, Lessee shall not, without the prior written consent of County, which may be granted, withheld or conditioned at County's sole and absolute discretion, sublease the Premises or license or permit third parties to use the Premises. Lessee shall provide Lessor with any information reasonably requested by County in order to determine whether or not to grant approval of a proposed sublessee. With respect to any proposed sublease, Lessee shall deliver to County a copy of the instrument intending to effectuate the proposed sublease (whether an assignment, sublease, or otherwise), not less than thirty (30) days prior to the proposed effective date of such proposed sublease for County's review and approval pursuant to the procedures and requirements specified in this Section 10.2. No subletting by Lessee shall relieve Lessee of any obligation under this Lease or change Lessee's primary liability to pay the rent and perform all other obligations of Lessee under this Lease.

10.3 Approval of Assignments. Except as specifically provided in this Section 10 or in Section 11, Lessee shall not, without the prior written consent of County, which may be granted, withheld or conditioned at County's sole and absolute discretion, either directly or indirectly give, assign, hypothecate, encumber, transfer, or grant control of this Ground Lease or any interest, right, or privilege therein, or enter into a Sublease for the use of all or substantially all of the Ground Lease Premises. Consent to one assignment shall not be deemed to be a consent by County to any subsequent assignment by another person. This Ground Lease shall not, nor shall any interest of Lessee herein, be assignable by operation of law.

10.4 Involuntary Transfers Prohibited. Except as otherwise specifically provided in this Ground Lease, neither this Ground Lease nor any interest therein shall be assignable or transferable in proceedings in attachment, garnishment, or execution against Lessee, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Lessee, or by any process of law including proceedings under the Bankruptcy Act.

10.5 Terms Binding Upon Successors, Assigns and Subtenants. Except as otherwise specifically provided for herein, each and all of the provisions, agreements, terms, covenants, and conditions herein contained to be performed, fulfilled, observed, and kept by Lessee hereunder shall be binding upon the heirs, executors, administrators, successors, and assigns of Lessee, and all rights, privileges and benefits arising under this Ground Lease in favor of Lessee shall be available in favor of its heirs, executors, administrators, successors, and assigns.

11. ENCUMBRANCES

11.1 Encumbrance of Leasehold Estate. Subject to the prior written consent of Lessor, pursuant to the process set forth in Section 11.1.1 below, Lessee shall be entitled to subject its leasehold estate under this Lease (sometimes referred to herein as the “Leasehold Interest”) to a mortgage, deed of trust, deeds of trust, or security interest from time to time on the Leasehold

Interest its rights, title, and interests in and to the Leased Premises under or pursuant to this Lease (each a "Leasehold Mortgage"), for the benefit of, and to secure financing from any person, corporation, limited liability company, organization, institutional lender or the corporate trust department of a bank (which corporate trust department is acting for or on behalf of one or more persons, corporations, organizations, institutional, lenders or accredited investors) from time to time providing construction, interim, or permanent financing or refinancing for the Improvements of Lessee being conducted on the Leased Premises (each a "Leasehold Mortgagee"), on the terms and conditions set forth in this section 11.1. There may be one or more Leasehold Mortgages and Leasehold Mortgagees at Lessee's discretion. To facilitate the financing of the Improvements, Lessor agrees to the following:

11.1.1 Consent to Leasehold Mortgages. Prior to granting a Leasehold Mortgage to a Leasehold Mortgagee, Lessee shall send written notice to Lessor, setting forth (i) the name and address of the proposed Leasehold Mortgagee(s), (ii) the amount to be borrowed and the purpose for such borrowing, and (iii) a summary of the key terms proposed by the Leasehold Mortgagee. Lessor shall have ten (10) Business Days to review Lessee's request, and Lessor's consent and approval of such request shall not be unreasonably withheld, conditioned, or delayed. If Lessor fails to approve or disapprove Lessee's request within said period Lessee may send a second request addressed to Lessor's **Assistant Chief Executive Officer, Real Estate Division** along with the other recipients identified in the notice provision of this Agreement, containing the same information as the first request plus a request to schedule a meet and confer with the Lessor. Once such consent has been granted as provided herein, further consent shall not be required in connection with the transfer of Lessee's interest in this Lease and Leased Premises in connection with a judicial or non-judicial sale proceeding pursuant to the Leasehold Mortgage, any transfer pursuant to a deed or assignment in lieu of foreclosure, any sale or transfer in any bankruptcy or insolvency proceedings, or any similar transfer pursuant to any exercise of remedies under any Leasehold Mortgage (collectively, a "Foreclosure"), subject to compliance with the terms of this section and subject to such transferee expressly assuming all of the Lessee's obligations under the Lease commencing after such an assumption, including the payment of any outstanding amounts due to Lessor. Notwithstanding the foregoing, Lessee shall provide Lessor with prompt written notice of the creation of any Leasehold Mortgage, and failure to provide such written notice shall excuse Lessor from complying with the notice requirements to the Leasehold Mortgagee contained in this Section 11 until such written notice is provided.

11.1.2 Effect on Lessor's Interests. The Leasehold Mortgage and other lender documents shall be subject to the terms of this Lease, and nothing contained herein shall be construed as consent by Lessor that any mortgage, deed of trust, or other encumbrance granted or permitted to exist by Lessee shall encumber Lessor's ownership of the Leased Premises or affect Lessor's rights hereunder or under the Lease, except as specifically provided herein.

11.1.3 No Changes to Lease. Lessor will not make or accept any voluntary surrender, cancellation, modification, or amendment of or to this Lease at any time while the Leasehold Mortgage is in effect, nor will Lessor convey all or any part of the property subject to the leasehold Interest to Lessee, or Lessee accept such conveyance, without first obtaining the prior written consent of the Leasehold Mortgagee. In no event shall any transfer of the

Leasehold Interest to Lessor result in a merger or termination of this Lease so long as the Leasehold Mortgage shall be in effect, and Lessor, Lessee, and Leasehold Mortgagee shall remain bound by the provisions of this Section 11 and this Lease.

11.1.4 Voluntary Termination. In no event shall any abandonment of the Premises or any action by Lessee to terminate this Lease be effective without the prior written consent of each Leasehold Mortgagee who has provided Lessor written notice of such mortgage and the address and other contact information of such Leasehold Mortgagee. Lessor agrees that it shall give notice of any such abandonment or action by Lessee to Leasehold Mortgagee of which Lessor has knowledge of and contact information for, and Leasehold Mortgagee shall thereupon be entitled to exercise its rights and remedies under its Leasehold Mortgage and the provisions of this section.

11.1.5 New Lease. In the event that, for any reason, this Lease terminates prior to satisfaction of all indebtedness and obligations secured or intended to be secured by any Leasehold Mortgage, the holder(s) of any such Leasehold Mortgage shall be entitled to enter into a new Lease with Lessor for the balance of the term of this Lease (including rights to all extension or renewal options that have not been exercised) and on the same terms as set forth in the Lease (a "New Lease") but subject Lessor's right to approve a Permitted Operator as provided below. Such right shall be exercisable by Leasehold Mortgagee within thirty (30) days following written notice by Lessor to Leasehold Mortgagee of the termination of this Lease by written notice from Leasehold Mortgagee to Lessor given within such thirty (30) day period. Upon exercise of such right, Lessor and Leasehold Mortgagee shall enter into the New Lease within thirty (30) days thereafter. Upon execution of any such New Lease, the Lessee thereunder shall be required to cure outstanding defaults of the Lessee under this Lease in the same manner, and within the same time period, as required under the provisions of this section, provided any monetary default and any other sum that may be due from Lessee to Lessor under the Lease or by reason of Lessee's default thereunder shall be cured and/or paid at the time Leasehold Mortgagee executes the New Lease, provided further such Lessee thereunder shall have no obligation to cure Personal Defaults as provided below. As used herein, a "Personal Default" shall mean a nonmonetary default that can be cured only by Lessee and that is not reasonably susceptible to cure by the Leasehold Mortgagee or a Permitted Operator. Personal Defaults shall include, but not be limited to, any of the following acts by Lessee: (i) bankruptcy or insolvency, (ii) fraud or material misrepresentation, (iii) failure to maintain its legal or nonprofit status, and (iv) failure to operate the Project, or to comply with student minimum enrollment requirements, prior to the date on which the Leasehold Mortgagee acquires possession of the Project, or during any period when the Leasehold Mortgagee does not have a Permitted Operator as anticipated in Section 11.1.9.3 below.

11.1.6 Notices by Leasehold Mortgagee and Lessor. Leasehold Mortgagee shall promptly provide Lessor written notice of when the Leasehold Mortgage is made, in default or released. Until such time as this Leasehold Mortgage is released or canceled of record, Lessor agrees that it will provide Leasehold Mortgagee with a copy of any notices sent to Lessee under this Lease, including any default notices, within one Business Day of delivery of such notices to Lessee and no such notice shall be binding upon or affect the Leasehold Mortgagee unless a copy is given pursuant to this section. Leasehold Mortgagee agrees that it

will provide Lessor with a copy of any delinquent payment and/or default notices, within one Business Day of delivery of such notices to Lessee. Leasehold Mortgagee and Lessor each agree that no notice to the other shall be effective unless it is reduced to writing and delivered to Lessee and to each other at the address and in the manner indicated in this Lease.

11.1.7 Leasehold Mortgagee Performance and Cure Rights. Lessor hereby agrees to accept from any Leasehold Mortgagee any and all payments and performance of Lessee's obligations under this Lease, whether before or after default (but within the applicable periods provided for in this Section 11), with the same force and effect as if paid or performed by Lessee. Lessor agrees that in the event that Lessee shall not cure or remedy any default or breach of covenant by Lessee under this Lease within the curative period provided for such cure or remedy in this Lease, then Leasehold Mortgagee shall have the right, at its sole option, to exercise any one or more of the following rights:

11.1.7.1 To cure or remedy, or cause to be cured or remedied, for an additional period following the "Leasehold Mortgagee Curative Commencement Date" (as hereinafter defined) such default or breach of covenant, and Lessor shall accept such cure or remedy; it being agreed that:

11.1.7.1.1 in the case of any default in the payment of any sum of money, Leasehold Mortgagee shall have within ten (10) Business Days after the later of (A) the Leasehold Mortgagee Curative Commencement Date and (B) the expiration of the applicable cure or grace period provided to Lessee in which to cure such default;

11.1.7.1.2 in the event that the default of Lessee is not a default in the payment of a sum of money and also not a Personal Default, Leasehold Mortgagee shall have thirty (30) days after the later of (X) the Leasehold Mortgagee Curative Commencement Date, and (Y) the expiration of the applicable cure or grace period provided to Lessee hereunder in which to cure such default, provided that if such non-monetary default cannot reasonably be cured within such thirty (30) day period and that Leasehold Mortgagee has commenced efforts to cure such default (or efforts to exercise remedies to enable it to cure such default) within thirty (30) days following the Leasehold Mortgagee Curative Commencement Date, Leasehold Mortgagee shall have an additional reasonable period of time following the end of such thirty (30) day period within which to cure such default, and so long as Leasehold Mortgagee shall be diligently pursuing its efforts to cure, Lessor shall accept such cure or remedy when effected; and

11.1.7.1.3 in no event shall any Leasehold Mortgagee be required to cure any Personal Defaults by Lessee and with respect to such defaults, the same shall be deemed cured by Leasehold Mortgagee if Leasehold Mortgagee has commenced efforts to exercise remedies under its Leasehold Mortgage and succeeding to the Leasehold Interest in accordance with the provisions of this section; it being agreed that Lessor shall not terminate this Lease, commence eviction proceedings, or accelerate rent during the foregoing curative periods extended to Leasehold Mortgagee; provided that it is hereby expressly agreed that the time permitted to the Leasehold Mortgagee to cure defaults shall include and shall be extended by the time required to pursue any remedies necessary to enable Leasehold Mortgagee to effect such cure, and the time permitted to the Leasehold Mortgagee to cure defaults shall include and shall

be extended by any period in which Leasehold Mortgagee is prevented from curing by reason of any stay in any bankruptcy of Lessee or other stay of enforcement proceedings to which Leasehold Mortgagee may be subject (but such extension shall apply only to those defaults that Leasehold Mortgagee is so prevented from curing).

11.1.7.2 To require Lessor to attempt to terminate Lessee's rights under this Lease by reason of such default and to substitute Leasehold Mortgagee as lessee of the Premises with Lessor for the balance of the term of this Lease (including any renewal options) by entering into a New Lease (as defined above) and upon payment to Lessor of Lessor's reasonable attorneys' fees in connection therewith and payment of Rent, and other sums due under the Lease at the time of execution of the New Lease by Leasehold Mortgagee, Lessee hereby agrees to execute such cancellations as may be reasonably required in connection therewith; and

11.1.7.3 To acquire pursuant to any Foreclosure of the Leasehold Interest and Lessee's rights under this Lease and assume the obligations of Lessee under this Lease as required under this section, and in such event, Lessor shall not exercise its right of termination with respect to such default, provided that upon such acquisition, Leasehold Mortgagee shall be entitled to cure any and defaults within the curative periods provided above other than payment of Rent, damages, and other sums due under the Lease at the time of execution of the New Lease, which shall be paid by Leasehold Mortgagee no later than ten (10) days following such acquisition.

11.1.8 As used herein, "Leasehold Mortgagee Curative Commencement Date" shall mean (a) in the case of monetary defaults, upon receipt of written notice from Lessor of the lapse of Lessee's curative period; or (b) in the case of nonmonetary defaults for which a curative period is provided under this Lease, when both the following have occurred: (x) Leasehold Mortgagee's receipt of notice of such default, and (y) receipt of written notice from Lessor of Lessee's failure to cure such default within the applicable curative period provided in this Lease. Leasehold Mortgagee may cure any monetary default under this Lease by payment of the Rent and other sums then due and owing under the Lease, but Lessor will not require Leasehold Mortgagee to pay any accelerated or future rents in curing such a payment default and will accept such payment as full satisfaction and cure of the outstanding default with respect to the payment of Rent, or other sums due under the Lease.

11.1.9 Recognition of Leasehold Mortgagee or Purchaser.

11.1.9.1 Upon any Foreclosure and resulting transfer of the Leasehold Interest to the Leasehold Mortgagee or any affiliate or nominee or Leasehold Mortgagee, the County will recognize the Leasehold Mortgagee or any affiliate or nominee or Leasehold Mortgagee as lessee under this Lease; provided that neither a Leasehold Mortgagee, nor its affiliate or nominee, in connection with its acquisition of the Leasehold Interest and its assumption of this Lease, shall be required to assume (i) any liability for Personal Defaults, or (ii) any unsatisfied indemnification obligations of Lessee to Lessor with respect to any violation or default under this Lease by the prior Lessee.

11.1.9.2 Lessor's approval, which shall not be unreasonably withheld, conditioned or delayed, shall be required in connection with any assignment or transfer of Lessee's rights under this Lease by the Leasehold Mortgagee or its nominee to any other person, firm or

corporation acquiring the Leasehold Interest (a “Purchaser”) at the time of or subsequent to any such Foreclosure. The County will recognize a Purchaser, on the same terms and provisions and with all of the rights and privileges of Lessee, provided such Purchaser (i) agrees to assume and be bound by all of the terms, covenants and conditions of this Lease, except as provided in Section 11.1.9.1 above, pursuant to an assumption agreement reasonably acceptable to the County, (ii) is either a Permitted Operator (as defined below) or has contracted with a Permitted Operator to operate a charter boarding school at the Site, and (iii) shall cure all defaults under this Lease other than Personal Defaults as required under the provisions of this Section, including those with regard to the payment of past due rent.

11.1.9.3 County acknowledges that a Leasehold Mortgagee or Purchaser may be unable to cause a Permitted Operator to be engaged prior to obtaining possession of and/or title to the Site, and accordingly, the Leasehold Mortgagee’s period for cure shall include a reasonable time following the date on which the Leasehold Mortgagee or Purchaser obtains possession and/or title to the Site (as necessary under the circumstances) in which to identify and engage a Permitted Operator.

11.1.9.4 Permitted Operator. In this Lease, a “Permitted Operator” meets the following requirements:

11.1.9.4.1 is either (X) an operator of one or more other charter schools under charters granted by the County, or another charter authorizer within LA County, and as such is in compliance with all applicable laws and regulations, and the County’s or other authorizer’s Charter Policies, or (Y) an operator of one or more charter schools outside of the County, with a strong local track record of public instruction and operation as a charter school serving communities similar to the community served by Lessee at the Site;

11.1.9.4.2 is either (X) experienced with operation of boarding schools serving students similar to the students served by Lessee at the Site, (Y) contracts or partners with another entity that operates boarding facilities serving students similar to the students served by Lessee at the Site, or (Z) has hired key personnel with such experience to manage the on-site boarding facilities;

11.1.9.4.3 A public benefit corporation in good standing and qualified to do business in California; and

11.1.9.4.4 has presented to the County for its approval a credible education plan and program that acknowledges community engagement to create a broadly supportive educational experience.

11.1.9.5 Notwithstanding the foregoing, if and to the extent that the Leasehold Mortgagee, its nominee, or any Purchaser concludes that the financial support needed to continue the boarding program component of the Project is or will become unavailable, any of such persons may seek to change the use of the Premises as provided in Section 3.4 of this Lease. In such event the Purchaser need not be a Permitted Operator, but must instead have experience appropriate to the revised use proposed by the Leasehold Mortgagee and/or such Purchaser.

11.2 Bankruptcy of Lessor. In the event that the Lessor shall become subject to any bankruptcy or insolvency proceeding and subject to applicable law, any rights, elections, or actions available to Lessee therein shall be subject to the rights of Leasehold Mortgagee under the Leasehold Mortgage to consent to, or to exercise on behalf of, Lessee such rights, elections, or actions. Without limiting the foregoing, but subject to applicable law, no consent or acquiescence by Lessee to any rejection of this Lease by Lessor or any successor or trustee in such proceeding shall be binding or effective without the prior written consent thereto by each Leasehold Mortgagee, and the rights, liens, and claims of Leasehold Mortgagee shall extend to, encumber, and include all rights to damages for any such rejection and all rights to continued possession of the Leased Premises.

11.3 Liability of Leasehold Mortgagee. In no event shall Leasehold Mortgagee have or be deemed to assume any personal liability under this Lease or any personal liability for performance of any of Lessee's obligations under this Lease prior to becoming the Lessee under the Lease, it being agreed that (a) Leasehold Mortgagee's commencement of any Foreclosure or any efforts to cure any default under this Lease shall be for its own protection and shall not by itself constitute an assumption of the Lease nor obligate Leasehold Mortgagee to complete any such proceedings or cure, and (b) in the event Leasehold Mortgagee thereof shall have acquired the Leasehold Interest, upon any subsequent assignment of this Lease, Leasehold Mortgagee shall be released from any further liability under this Lease accruing after the date of such assignment.

11.4 Casualty and Condemnation. In the event of any casualty or condemnation affecting the Leased Premises, and notwithstanding any other provision of this Lease to the contrary, (a) any net proceeds of insurance or condemnation that are required to be applied to restoration of the Premises or Improvements shall be payable to Leasehold Mortgagee and administered by such Leasehold Mortgagee for application to such restoration in accordance with the provisions of the Lease and the terms and conditions governing such application as set forth in the Leasehold Mortgage, it being agreed that such terms and conditions may not change the obligation of Lessor or Lessee under the Lease to restore the Leased Premises in a timely manner, (b) in the event of any condemnation of the Leased Premises, Leasehold Mortgagee shall have the right to institute and pursue an independent action for compensation as to its losses against the condemning authority, and (c) no election by Lessee to terminate this Lease upon any such casualty or condemnation shall be effective without the prior written consent of each Leasehold Mortgagee.

11.5 Estoppel Certificate. At the request of any actual Leasehold Mortgagee or prospective Leasehold Mortgagee, Lessor will deliver to any such Leasehold Mortgagee or prospective Leasehold Mortgagee, as the case may be, an estoppel certificate (an "Estoppel Certificate"), containing in substantial substance the following assurances or undertakings, or such additional provisions as may be mutually acceptable to Lessor, Lessee, and Leasehold Mortgagee: (i) Stating that as of the date of the Estoppel Certificate, this Lease is valid and in full force and effect and has not been altered, amended, or modified in any respect whatsoever, other than pursuant to disclosed amendments delivered to Leasehold Mortgagee; (ii) Stating, if true, that (a) no notice of any default by Lessee under the Lease has been issued by Lessor, other than with respect to defaults that have been cured or waived by Lessor, and (b) to the best of Lessor's knowledge with no duty of investigation, no default, nor any event that, with the passage of time or

the giving of notice, or both, would constitute a default under this Lease, has occurred and is continuing as of the date of the Estoppel Certificate; (iii) Confirming the commencement and termination dates of this Lease, the amount of rent currently payable to Lessee, and the date through which such payments have been made and whether any options to renew or extend the Lease or to purchase the Lessor's interests in the Leased Premises have been exercised or have lapsed; and (iv) Expressly identifying each Leasehold Mortgage and Leasehold Mortgagee and setting forth the address(es) of Lessor and the Leasehold Mortgagee for purposes of notices to be given and received pursuant to the provisions of this section. In addition, in the event that there is any transfer of Lessor's interests in the Leased Premises, in connection with the execution of all documents required in connection therewith, Lessor will cause any such transferee to provide an Estoppel Certificate and acknowledge the rights of Leasehold Mortgagee pursuant to this section.

11.5.1 Nothing in this section shall prevent or hinder Lessor from exercising its right under the Lease or at law to self-help or to cure Lessee's breach or default under the Lease following issuance of written notice of such default to Lessee and Leasehold Mortgagee. Lessor need not wait until the Leasehold Mortgagee Curative Commencement Date before exercising such rights to self-help or cure. Lessor shall provide to Leasehold Mortgagee written notice of Lessor's election to exercise such rights as soon as reasonably practicable under the circumstances.

11.5.2 Lessor states for the benefit of both Lessee and Leasehold Mortgagees who may encumber the Lessee's Lease that Lessor has not encumbered or borrowed on the security of the Property, and that Lessor will not do so during the term of this Lease, unless such lender provides to Lessee a commercially reasonable recognition agreement in form reasonably acceptable to Lessee and any Leasehold Mortgagee, providing that so long as the Lessee and their successors, including Leasehold Mortgagees, should they come into ownership of the Lease, do not commit a default (beyond any applicable notice and cure period) allowing termination of this Lease, they will not be disturbed in their possession and control of the Property and will be recognized by an attorney to the Lessor or the Lessor's successor-in-interest should either become the owner of the Premises. Such an agreement shall be in recordable form, contain commercially reasonable provisions, and be recorded in the County records.

11.5.3 No Leasehold Mortgagee shall be liable to perform Lessee's obligations under this Lease until such Leasehold Mortgagee takes possession of the Property or any part thereof or acquires Lessee's rights by foreclosure, assignment in lieu of foreclosure, or otherwise, subject, however, to the Leasehold Mortgagee's right hereunder to cure any defaults of Lessee under the Lease.

12. DEFAULT.

12.1 Events of Default. The following are deemed to be "Events of Default" hereunder:

12.1.1 Monetary Defaults. The failure of Lessee to pay the rentals due, or make any other monetary payments required under this Lease (including, without limitation, deposits to the Capital Reserve Fund), within ten (10) Business Days after written notice that said payments are overdue. Lessee may cure such nonpayment by paying the amount overdue, with

interest thereon and a late fee in the amounting to 6% of the amount due if any, within such ten (10) Business Day period.

12.1.2 Breach of Development Agreement, Funding Agreements, or Default in Obligation to Perform Development Work. The failure of Lessee to cure a Developer Event of Default under the Development Agreement within thirty (30) days after receipt of notice of such Developer Event of Default from the Lessor or Lessee's failure to Substantially Complete the Development Work by the required Substantial Completion Deadline (as the same may be extended pursuant to the Development Agreement). The failure of Lessee to cure any Default(s) under the Operational Funding Agreement within thirty (30) days after receipt of a Notice of Default from the Lessor.

12.1.3 Bad Acts. Any act that Lessee, Sublessee, or any employees, independent contractors, agents, and invitees of Lessee or Sublessee, engages in the violation of a criminal statute including but not limited to fraud, assault, harassment, child abuse, child pornography, statutory rape may be grounds for termination of the Lease. Lessee must notify the Lessor's Chief Executive Office in writing of any allegations of criminal violations within 24 hours of knowledge of its occurrence ("Notice of Bad Acts"). Within 48 hours of the date of the Notice of Bad Acts, Lessee must commence an investigation and/or applicable process to identify the relevant parties, witnesses, facts and other information related to the bad act, including the following: (1) make a preliminary assessment of the credibility of the allegation; (2) determine whether roles, responsibilities, duties and tasks need to be modified in order to protect the alleged victim on an interim basis pending further investigation; (3) implement the appropriate interim measures; and (4) inform the County of Los Angeles Chief Executive Officer along with the other recipients identified in the notice provision of this Agreement regarding items (1)-(3). Within thirty (30) days of the Notice of Bad Acts, Lessee shall do the following: (1) complete the investigation or provide good cause as to why the investigation cannot be completed; and (2) take steps, if appropriate, to implement the corrective action while the interim measures remain in place. Lessee shall have a continuing obligation to report to the Lessor on all their steps and measures taken until the matter is concluded. Lessee warrants that it will, in good faith, undertake the actions identified in its corrective action plan as effectively and efficiently as possible. In addition to all other remedies available at law or in equity, if Lessee fails to comply with any of the foregoing obligations, Lessor may send written notice thereof to Lessee. Lessor may terminate this Lease and the Premises shall revert to Lessor if Lessee fails to comply within thirty-five (35) days after Lessor's written notice of Lessee's failure to perform.

12.1.4 Failure to Perform Other Obligations. The failure of Lessee to keep, perform, and observe any and all other promises, covenants, conditions and agreements set forth in this Lease, including but not limited to the obligations to maintain the Premises, as set forth in Sections 9.1 and 9.2, the obligations to establish and fund a Demolition and Capital Reserve fund as set forth in Section 5.7, and the obligation to maintain adequate accounting and financial records, other than those set forth in Sections 12.1.1 and 12.1.2 above, within thirty five (35) days after written notice of Lessee's failure to perform from Lessor; provided, however, that where Lessee's performance of such covenant, condition or agreement is not reasonably susceptible of completion within such thirty five (35) day period and Lessee has in

good faith commenced and is continuing to perform the acts necessary to perform such covenant, condition or agreement within such thirty-five (35) day period, Lessor will not exercise any remedy available to it hereunder for so long as Lessee uses reasonable due diligence in continuing to pursue to completion the performance such covenant, condition or agreement and so completes performance within a reasonable time.

12.1.5 Nonuse of Premises / Noncompliance with Use Requirements. The abandonment, vacation, or discontinuance of use of the Premises, or any substantial portion thereof, for a period of three (3) months, except when prevented by Force Majeure or when closed for renovations or repairs required or permitted to be made under this Lease. Upon County's written demand Lessee must present Lessor with a proposed corrective action plan within five Business Days to remedy any of the foregoing deficiencies for Lessor's review and approval. Upon approval of the plan Lessee shall in good faith perform the corrective action plan as effectively and efficiently as possible. In addition to all other remedies available at law or equity, Lessor may also terminate this agreement and the Premises shall revert to Lessor in accordance with Section 2.4 upon Lessee's failure to abide by said corrective action plan, if such failure continues for more than thirty-five (35) days after written notice of Lessee's failure to perform from Lessor; provided, however, that where Lessee's performance of such plan is not reasonably susceptible of completion within such thirty-five (35) day period and Lessee has in good faith commenced and is continuing to perform the acts necessary to perform such plan within such thirty-five (35) day period, Lessor will not exercise any remedy available to it hereunder for so long as Lessee uses reasonable due diligence in continuing to pursue to completion the performance of such plan, and so completes performance within a reasonable time.

12.1.5.1 Student Enrollment. The charter boarding school's student enrollment must be not less than 200 students ("Enrollment Threshold"), commencing as of the fifth (5th) Lease Year of school operations. Student enrollment below the Enrollment Threshold will constitute nonuse of the Premises. Compliance with this Enrollment Threshold requirement will be measured through the charter school's regular periodic attendance reports to the State of California, presently known as "P1" and "P2." Lessee shall notify Lessor when enrollment drops below the Enrollment Threshold and present Lessor with a proposed corrective action plan within 30 days. Upon approval of the plan Lessee shall in good faith perform the corrective action plan as effectively and efficiently as possible. In addition to all other remedies available at law or equity, Lessor may also terminate this agreement and the Premises shall revert to Lessor in accordance with Section 2.4 upon Lessee's failure to abide by said corrective action plan. If such failure continues for more than thirty-five (35) days after written notice of Lessee's failure to perform from Lessor; provided, however, that where Lessee's performance of such plan is not reasonably susceptible of completion within such thirty-five (35) day period and Lessee has in good faith commenced and is continuing to perform the acts necessary to perform such plan within such thirty-five (35) day period, Lessor will not exercise any remedy available to it hereunder for so long as Lessee uses reasonable due diligence in continuing to pursue to completion the performance of such plan, and so completes performance within a reasonable time.

12.2 Effect of Notices. Any notice required to be given by Lessor pursuant to Sections 11.1.1 through and including 12.1.3 shall be in addition to, and not in lieu of, any notice required under Section 1161 of the California Code of Civil Procedure.

12.3 Limitation on Events of Default. Lessee shall not be considered in default as to any provision of this Lease when such default is the result of or pursuant to, any process, order, or decree of any court or regulatory body of competent jurisdiction, or any other circumstances which are physically impossible to cure provided Lessee uses due diligence in pursuing whatever is required to obtain release from or reversal of such process, order, or decree or is attempting to remedy such other circumstances preventing its performance.

12.4 Remedies. Upon the occurrence of an Event of Default, and subject to the rights of any Leasehold Mortgagee or Sublessee to cure such Event of Default as provided in Section 11 hereof, and subject to the provisions of Section 12.5 below, Lessor shall have, in addition to any other remedies in law or equity, the following remedies which are cumulative:

12.4.1 Terminate Lease. Subject to any applicable cure rights, Lessor may terminate this Lease by giving Lessee written notice of termination (the "Notice of Termination"). On the giving of the Notice of Termination, all Lessee's rights in the Premises and in all Improvements shall terminate unless otherwise agreed by the Lessor. Termination under this Section 12.4 shall not relieve Lessee from the payment of any sum then due to Lessor or from any claim for damages against Lessee as set forth in Section 14 or from complying with the Demolition Requirement set forth in Section 2.3. Lessor agrees to use reasonable efforts to mitigate damages. In the event of a termination of the Lease, including early termination or due to a buy-out of the Lease, the Lessor may request that the Premises, including any Improvements to the Premises, remain upon and be surrendered with the Premises as part thereof and title thereto shall vest in Lessor without compensation therefor to Lessee. However if no such request is made by the Lessor, the Lessee shall comply with the Demolition Requirement set forth in Section 2.3 and return the Premises to its original condition as of the Effective Date.

12.4.2 Keep Lease in Effect. Without terminating this Lease, so long as Lessor does not deprive Lessee of legal possession of the Premises and allows Lessee to assign or sublet subject only to Lessor's rights set forth herein, Lessor may continue this Lease in effect and bring suit from time to time for rent and other sums due, and for Lessee's breach of other covenants and agreements herein. No act by or on behalf of Lessor under this provision shall constitute a termination of this Lease unless Lessor gives Lessee written Notice of Termination. It is the intention of the parties to incorporate the provisions of California Civil Code Section 1951.4 by means of this provision.

12.4.3 Termination Following Continuance. Even though it may have kept this Lease in effect pursuant to Section 12.4.2, thereafter Lessor may elect to terminate this Lease and all of Lessee's rights in or to the Premises unless prior to such termination Lessee shall have cured the Event of Default or shall have satisfied the provisions of Section 12.6, hereof. Lessor agrees to use reasonable efforts to mitigate damages resulting from Lessee's default.

12.5 Damages. Should Lessor elect to terminate this Lease under the provisions of the foregoing Section, Lessor shall be entitled to recover from Lessee as damages:

12.5.1 Unpaid Rent. The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this Lease;

12.5.2 Post-Termination Rent. The worth, at the time of the award, of the unpaid rent that would have been earned under this Lease after the date of termination of this Lease until the date Lessee surrenders possession of the Premises to Lessor; and

12.5.3 Other Amounts. The amounts necessary to compensate Lessor for the sums and other obligations which under the terms of this Lease become due prior to, upon or as a result of the expiration of the Term or sooner termination of this Lease, including without limitation, those amounts of unpaid taxes, insurance premiums and utilities for the time preceding surrender of possession, and the cost of removal of all facilities, utilities, materials, rubble, debris, trash, personal property and other above-ground Improvements.

12.6 Default by Lessor. Lessor shall be in default in the performance of any obligation required to be performed by Lessor under this Lease, including, but not limited to, the representations and warranties of County contained in Section 1.6 herein above, if Lessor has failed to perform such obligation within thirty-five (35) days after the receipt of notice from Lessee specifying in detail Lessor's failure to perform; provided, however, that if the nature of Lessor's obligation is such that more than thirty-five (35) days are required for its performance, Lessor shall not be deemed in default if it shall commence such performance within thirty-five (35) days and thereafter diligently pursues the same to completion. Notwithstanding anything to the contrary in this Lease (except only for the County's undertakings in Section 1.6.4 with respect to the Eminent Domain Action, and only to the extent expressly set forth therein), Lessor's liability to Lessee for damages arising out of or in connection with Lessor's breach of any provision or provisions of this Lease shall not exceed the value of Lessor's equity interest in the Premises and its right to insurance proceeds in connection with the policies required under Section 9 hereof. Notwithstanding the foregoing, the aforesaid cure period shall not apply to Lessor's failure to comply with the requirements of Section 14.17 below.

13. ACCOUNTING.

13.1 Maintenance of Records and Accounting Method. Lessee, all affiliated SEED entities that hold monies to be used for the operation of the charter boarding school, and all Sublessees shall at all times during the Term of this Lease, and for five (5) thereafter, keep, or cause to be kept, at the Premises or at such Lessee's or Sublessee's office in southern California, at the office of Lessee's or Sublessee's back office server provider, or shall otherwise deliver to Lessor, true, accurate, and complete records and books of account for the current and four (4) prior Fiscal Years, such records to show all transactions relative to the conduct of operations, and to be supported by data of original entry. This Section 13.1 shall survive the expiration of the Term or other termination of this Lease for five (5) years after such expiration or termination.

13.2 Availability of Records for Inspector's Audit. Books of account and records for the then current and four (4) prior Fiscal Years shall be kept in accordance with generally accepted

principals of accounting in which complete and correct entries shall be made of all expenditures incurred and revenues received in the operations of the charter boarding school, whether or not any portion of the operations are funded by the County. All books and accounts for records shall be kept or made available at the Premises, or the offices of the back office service provider, if any, and Lessor shall have the right at any reasonable times and on reasonable notice to examine and audit said books and records without restrictions. An annual audit is to be performed for every Fiscal Year by Lessee. Any auditor retained, assigned, or employed by Lessee to review Lessee's books and records shall be an independent, reputable auditor, with at least five (5) years' experience and shall be compensated on a fixed fee or hourly basis, and shall not be compensated based upon the amount of discrepancy, error, or recovery in Lessee's books and records identified by such auditor. This Section 13.2 shall survive the expiration of the Term or other termination of this Lease for five (5) years after such expiration or termination.

13.3 Cost of Audit. In the event that, for any reason, Lessee does not make available its (or its sublessee's or licensee's) original records and books of account at the Premises, or the offices of the back office service provider, if applicable, Lessee agrees to pay all actual, reasonable, out-of-pocket expenses incurred by Lessor in conducting any audit at the location where said records and books of account are maintained. This Section 13.3 shall survive the expiration of the Term or other termination of this Lease for five (5) years after such expiration or termination.

13.4 Annual Financial Statements. Within one hundred twenty (120) days after the end of each Fiscal Year, Lessee shall deliver to Lessor a financial statement for such Fiscal Year, audited and certified by an independent, reputable CPA, with at least five (5) years' experience and shall be compensated on a fixed fee or hourly basis ("Qualified CPA"), which statement shall include a certification and unqualified opinion of such Qualified CPA. In addition, on the Form provided by Lessor, Lessee shall annually provide Lessor with (1) an updated list of all beneficial interests in this Lease or a Sublease, and (2) a complete accounting of the balance of the Demolition and Capital Reserve Fund and itemization of Permitted Capital Expenditures during the fiscal year that is the subject of the audit. For purposes of this Section 13, an "unqualified opinion" as defined by American Institute of Certified Public Accountants.

13.5 Accounting Obligations of Sublessees. Lessee shall cause all Sublessees to comply with all terms of this Section 13 with respect to the maintenance, form, availability and methodology of accounting records and the delivery to Lessor of audited certified financial statements. Lessor shall provide written notice to Lessee of the failure of any sublessee, to comply with this Section 13.5 after Lessor's discovery of such failure, and in such event Lessor shall permit Lessee to subrogate to any right of Lessor to enforce this provision against such Sublessee.

14. MISCELLANEOUS.

14.1 Time is of the Essence. Except as specifically otherwise provided for in this Lease, time is of the essence of this Lease and applies to all times, restrictions, conditions, and limitations contained herein.

14.2 Lessor Disclosure and Lessee's Waiver.

14.2.1 Disclosures and Waiver.

14.2.1.1 “AS IS”. Except as otherwise set forth in Lessor’s representations and warranties set forth in Section 1.6 of this Lease, Lessee accepts the Premises in their present condition notwithstanding the fact that there may be certain defects in the Premises, whether or not known to either party to this Lease, at the time of the execution of this Lease by Lessee and Lessee hereby represents that it has performed all investigations necessary, including without limitation soils and engineering inspections, in connection with its acceptance of the Premises “AS IS”.

14.2.1.2 Lessee acknowledges that it may incur additional engineering and construction costs above and beyond those contemplated by either party to this Lease at the time of the execution hereof and Lessee agrees that, it will make no demands upon Lessor for any construction, alterations, or any kind of labor that may be necessitated in connection therewith.

14.2.1.3 Lessee hereby waives, withdraws, releases, and relinquishes any and all claims, suits, causes of action (other than a right to terminate as otherwise provided in this Lease), rights of rescission, or charges against Lessor, its officers, agents, employees or volunteers which Lessee now has or may have or asserts in the future which are based upon any defects in the physical condition of the Premises and the soil thereon and thereunder, regardless of whether or not said conditions were known at the time of the execution of this instrument.

14.2.1.4 California Civil Code §1542 provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

By initialing this paragraph, Lessee acknowledges that it has read, is familiar with, and waives the provisions of California Civil Code § 1542 set forth above, and agrees to all of the provisions above.

Lessee's Initials

14.2.1.5 Notwithstanding anything to the contrary set forth in this Section 14.2.1.5, including, without limitation, the releases set forth in Sections 14.2.1.3 and 14.2.1.4, nothing herein shall limit Lessor’s liability to Lessee in connection with any representation or warranty made by Lessor to Lessee under Section 1.5 of this Lease, or any other provision of this Lease.

14.3 Right of Offset. Lessee acknowledges that the rent provided for in this Lease has been agreed upon in light of Lessee's construction, maintenance and repair obligations set forth herein, and, notwithstanding anything to the contrary provided in this Lease or by applicable law,

Lessee hereby waives any and all rights, if any, to make repairs at the expense of Lessor and to deduct or offset the cost thereof from the Monthly Minimum Rent, or any other sums due Lessor hereunder.

14.4 Holding Over. If Lessee holds over after the expiration of the Term for any cause, with or without the express or implied consent of Lessor, such holding over shall be deemed to be a tenancy from month-to-month only, and shall not constitute a renewal or extension of the Term. During any such holdover period, the Monthly Minimum Rent and in effect at the end of the Term shall be increased to one hundred twenty five percent (125%) of such previously effective amounts. Such holdover shall otherwise be subject to the same terms, conditions, restrictions and provisions as herein contained. Such holding over shall include any time employed by Lessee to remove machines, appliances and other equipment during the time periods herein provided for such removal.

14.4.1.1 Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee, and Lessor expressly reserves the right to require Lessee to surrender possession of the Premises to Lessor as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Section 14.4 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Lessor provided at law or in equity. If Lessee fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Lessor accruing therefrom, Lessee shall protect, defend, indemnify and hold Lessor harmless from all losses, costs (including reasonable attorneys' fees), damages, claims and liabilities resulting from such failure, including, without limitation, any claims made by any succeeding Lessee arising from such failure to surrender, and any lost profits to Lessor resulting therefrom, provided that Lessor notifies Lessee that Lessee's failure to timely surrender the Premises will cause Lessor to incur such lost profits.

14.5 Waiver of Conditions or Covenants. Except as stated in writing by the waiving party, any waiver by either party of any breach of any one or more of the covenants, conditions, terms, and agreements of this Lease 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 of this Lease, nor shall failure on the part of either party to require exact full and complete compliance with any of the covenants, conditions, terms, or agreements of this Lease be construed as in any manner changing the terms hereof or estopping that party from enforcing the full provisions hereof, nor shall the terms of this Lease be changed or altered in any manner whatsoever other than by written agreement of Lessor and Lessee. No delay, failure, or omission of Lessor to reenter the Premises or of either party to exercise any right, power, privilege, or option, arising from any default, nor any subsequent acceptance of rent 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. No notice to Lessee shall be required to restore or revive "time of the essence" after the waiver by Lessor of any default. Except as specifically provided in this Lease, no option, right, power, remedy, or privilege of either party shall be construed as being exhausted by the exercise thereof in one or more instances.

14.6 Remedies Cumulative. The rights, powers, options, and remedies given Lessor by this agreement shall be cumulative except as otherwise specifically provided for in this Lease.

14.7 Authorized Right of Entry. In any and all cases in which provision is made herein for termination of this Lease, or for exercise by Lessor of right of entry or re-entry upon the Premises in the case of an Event of Default, or in case of abandonment or vacation of the Premises by Lessee, Lessee hereby irrevocably authorizes Lessor to enter upon the Premises and remove any and all persons and property whatsoever situated upon the Premises and place all or any portion of said property, except for any persons or property located upon or within the Premises pursuant to any Sublease, and except such property as may be forfeited to Lessor, in storage for the account of and at the expense of Lessee.

14.7.1 Except to the extent arising out of or caused by the gross negligence or willful misconduct of Lessor, Lessee agrees to indemnify, defend and save harmless Lessor from any cost, expense, loss or damage arising out of or caused by any such entry or re-entry upon the Premises in the case of an Event of Default, including the removal of persons and property and storage of such property by Lessor and its agents.

14.8 Place of Payment and Filing. All rentals shall be paid to and all statements and reports herein required and other items deliverable to Lessor hereunder shall be delivered to the Lessor. Checks, drafts, letters of credit and money orders shall be made payable to the County of Los Angeles.

14.9 Service of Written Notice or Process. Any notice required to be sent under this Lease shall be in compliance with and subject to this Section 14.9. If Lessee is not a resident of the State of California, or is an association or partnership without a member or partner resident of said State, or is a foreign corporation, Lessee shall provide Lessor with a designation of a natural person residing in or located in the County of Orange or the County of Los Angeles, State of California, or a service company which is authorized to accept service, giving his or its name, residence, and business address, as the agent of Lessee for the service of process in any court action between Lessee and Lessor, arising out of or based upon this Lease, and the delivery to such agent of written notice or a copy of any process in such action shall constitute a valid service upon Lessee.

14.9.1 If for any reason service of such process upon such agent is not possible, then any officer of Lessee may be personally served with such process outside of the State of California and such service shall constitute valid service upon Lessee; and it is further expressly agreed that Lessee is amenable to such process and submits to the jurisdiction of the court so acquired and waives any and all objection and protest thereto.

14.9.2 All notices delivered to Lessor or Lessee under this Lease shall be to the addresses below-described, or to such other address that Lessor or Lessee may designate by written notice delivered to the other party. Delivery of any such notice shall be deemed sufficient if said notice is delivered (i) personally, (ii) by certified or registered U.S. Mail, (iii) by reputable private courier service (e.g., Federal Express, UPS, Priority US Mail, or DHL), (iv) by telecopy or facsimile transmission, or by electronic mail, provided in all cases there is a return receipt requested (or other similar evidence of delivery by personal delivery or private delivery service), and all postage or other delivery charges shall be prepaid by the party sending the subject notice. Each notice shall be deemed received and the time period for which a response to any such notice must be given or any action taken with respect thereto (including cure of any prospective Event of Default) shall commence to run from the date of actual receipt

of the notice by the addressee thereof in the case of personal delivery, telecopy or facsimile transmission if before 5:00 p.m. pacific time on regular Business Days, or upon the expiration of the third (3rd) Business Day after such notice is sent in the case of such registered or certified mail as authorized in this Section 14.9. To be valid, any notice delivered pursuant to clause (iv) of this paragraph above shall be valid only if, within five (5) Business Days of such delivery, such notice is also delivered by one or more of the methods set forth in clauses (i), (ii), or (iii) above.

14.9.3 Copies of any written notice to Lessee shall also be simultaneously mailed to any Leasehold Mortgagee, Sublessee or Leasehold Mortgagee of such Sublessee of which Lessor has been given written notice and an address for service. Notice given to Lessee as provided for herein shall be effective as to Lessee notwithstanding the failure to send a copy to such Leasehold Mortgagee, Sublessee or Leasehold Mortgagee of such Sublessee.

As of the date of execution hereof, the persons authorized to receive notice are as follows:

LESSOR: Chief Executive Office
Real Estate
222 S. Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Phone:
Fax:
Email:

With a Copy to: Office of Los Angeles County Counsel
500 West Temple Street
Los Angeles, CA 90012
Attention: Property Division Chief

LESSEE: Seed LA Facilities LLC
c/o The SEED School of Los Angeles County
Prior to March 2023:
c/o ExED
1990 S Bundy Dr. Ste 340
Los Angeles, CA 90025
ATT: Executive Director

On or after March 2023:
8400 S. Vermont Avenue
Los Angeles CA 90044
Phone: TBD
Email: TBD

With a Copy to:

The SEED Foundation
1730 Rhode Island Ave., Ste. 1102
Washington DC 20036
ATT: President
Phone: (202) 785-4123 ext 15
Email: lesley@seedfoundation.com

And a Copy to:

ExED
1990 S Bundy Dr. Ste 340
Los Angeles, CA 90025
ATT: President
Phone: (424) 208-6016
Email: alandecker@exed.org

Either party shall have the right to change its notice address by written notice to the other party of such change in accordance with the provisions of this Section 14.9.

14.10 Interest. In any situation where Lessor has advanced sums on behalf of Lessee pursuant to this Lease, such sums shall be due and payable within five (5) Business Days after Lessee's receipt of written demand, together with interest at the Applicable Rate (unless another rate is specifically provided herein) from the date such sums were first advanced, until the time payment is received. In the event that Lessee repays sums advanced by Lessor on Lessee's behalf with interest in excess of the maximum rate permitted by Applicable Laws, Lessor shall either refund such excess payment or credit it against subsequent installments of Monthly Minimum Rent.

14.11 Captions. The captions contained in this Lease are for informational purposes only, and are not to be used to interpret or explain the particular provisions of this Lease.

14.12 Attorneys' Fees. If either party hereto brings an action against the other by reason of the breach of any covenant, provision or condition hereof, or otherwise arising out of or in connection with this Lease, the parties shall each be responsible for its own attorney's fees and costs.

14.13 Amendments. Lessee understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors either through an amendment to the Lease or by other formal Board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Lessee may not rely upon any representations to the contrary. This Lease may only be amended in writing executed by duly authorized officials of Lessee and Lessor. No amendment shall be binding upon an Leasehold Mortgagee as to which Lessor has been notified in writing, unless the consent of such Leasehold Mortgagee is obtained with respect to such amendment.

14.14 Time for Lessor Approvals. Except where a different time period is specifically provided for in this Lease, whenever in this Lease the approval of Lessor is required, approval shall be deemed not given unless within thirty (30) days after the date of the receipt of the written request for approval from Lessee, Lessor either (a) approves such request in writing, or (b) notifies Lessee that it is not reasonably possible to complete such review within the thirty (30)-day period, provides a final date for approval or disapproval by Lessor ("Extended Time") and approves such request in writing prior to such Extended Time. If Lessor does not approve such request in writing within such Extended Time, the request shall be deemed to be disapproved, except where a different procedure or result is provided under this Lease.

14.15 Time for Lessor Action. Notwithstanding anything to the contrary contained in this Lease, wherever Lessor determines that a Lessor action required hereunder necessitates approval from or a vote of the County's Board of Supervisors, the time period for Lessor performance of such action shall be extended as is reasonably necessary in order to bring the subject matter to a vote before the County's Board of Supervisors, and Lessor shall not be deemed to be in default hereunder in the event that it fails to perform such action within the time periods otherwise set forth herein.

14.16 Estoppel Certificates; Nondisturbance Agreement.

14.16.1 Each party agrees to execute, within ten (10) Business Days after the receipt of a written request therefor from the other party, a certificate stating: (i) that this Lease is in full force and effect and is unmodified (or stating otherwise, if true); (ii) that, to the best knowledge of such party, the other party is not then in default under the terms of this Lease (or stating the grounds for default if such be the case); and (iii) if requested, the amount of the Monthly Minimum Rent, and other material economic terms and conditions of this Lease, and the dates to which the rent and any other charges have been paid in advance and shall include such assurances of satisfaction of conditions or other matters provided for in the Lease as the party seeking the estoppel may reasonably request. The certificate shall be such that it can be relied on by any auditor, creditor, commercial banker, and investment banker of either party and by any prospective purchaser, assignee, Sublessee, lender, or Leasehold Mortgagee of the Premises or Improvements or both or of all or any part or parts of Lessor's or Lessee's interests under this Lease. Notwithstanding the foregoing, in connection with Lessee's request of a certificate as provided in this Section 14.16.1, Lessor shall, as a condition to the issuance of such certificate, have the right to require that Lessee notify Lessor of (a) the identity of the party to whom the certificate is being issued, (b) in the case of an Leasehold Mortgagee or a proposed Leasehold Mortgagee, the amount of the proposed Encumbrance, the interest rate, whether any so-called "lock box" provisions are contained in the terms of the proposed Encumbrance, and (c) if applicable, the minimum debt service coverage ratio included in such proposed Encumbrance terms. In conjunction with Lessee's request for an estoppel certificate for a proposed Leasehold Mortgagee pursuant hereto, so long as Lessee requests the same in writing in conjunction with such request by Lessee, and so long as Lessee provides Lessor with sufficient information to verify the same, concurrently with Lessor's delivery of an estoppel certificate to or on behalf of such proposed Leasehold Mortgagee, Lessor shall provide a

letter to such proposed Leasehold Mortgagee that such proposed Leasehold Mortgagee qualifies as an Institutional Lender pursuant to Section 11.1 above.

14.16.2 Any party's failure to execute, acknowledge, and deliver, on request, the certificate described above within the specified time shall not constitute a default by such party under this Lease unless the party requesting the subject certificate provides a second notice to other party complying with the requirements set forth below, and such other party fails to deliver the requested certificate within ten (10) calendar days from receipt of such second notice. To be valid, the second notice shall state on its face, in at least 12-point type, all in capital letters, language substantially conforming to the following: LEASE AGREEMENT BETWEEN COUNTY OF LOS ANGELES, AS LESSOR, AND [LESSEE'S NAME], AS LESSEE, DATED [EFFECTIVE DATE OF LEASE]; SECOND REQUEST FOR ESTOPPEL CERTIFICATE FROM [LESSOR/LESSEE]; FAILURE TO PROVIDE SUCH ESTOPPEL CERTIFICATE PURSUANT TO SECTION 14.16 OF SUCH LEASE AGREEMENT WITHIN TEN (10) CALENDAR DAYS OF RECEIPT OF THIS LETTER SHALL CONSTITUTE A NONCURABLE DEFAULT UNDER SUCH LEASE.

14.17 Nondisturbance. Within ten (10) Business Days of Lessee's written request, Lessor shall execute and have acknowledged, and deliver to Lessee, a nondisturbance, attornment, and/or recognition Agreement ("Nondisturbance Agreement") on a commercially reasonable form providing in substance that, in the event of a termination of this Lease due to Lessee's default, the rights of such Sublessee under its Sublease shall not be disturbed or diminished, but shall continue in full force and effect as a direct lease between Lessor and such Sublessee, so long as such Sublessee attorns to Lessor and recognized Lessor as the "sublessor" under the Sublease. Notwithstanding the foregoing, failure by Lessor to provide a Nondisturbance Agreement within the time period specified above shall not constitute a default by Lessor under this Lease unless Lessee provides a second notice to Lessor substantially complying with the requirements of the second notice referenced in Section 14.16.2 above, but requesting delivery to Lessee or its designee a Nondisturbance Agreement (instead of an estoppel certificate), and Lessor fails to deliver the requested Nondisturbance Agreement to Lessee (or its designee) within ten (10) calendar days from receipt of such second notice. If Lessee and Sublessee are the same entity, the execution of a Nondisturbance Agreement set forth in this section is not required.

14.18 Indemnity Obligations. Whenever in this Lease there is an obligation to indemnify, hold harmless and/or defend, irrespective of whether or not the obligation so specifies, it shall include the obligation to defend and pay reasonable attorney's fees, reasonable expert fees and court costs.

15. DEFINITION OF TERMS; INTERPRETATION.

15.1 Meanings of Words Not Specifically Defined. Words and phrases contained herein shall be construed according to the context and the approved usage of the English language, but technical words and phrases, and such others as have acquired a peculiar and appropriate meaning by law, or are defined in Section 1.1, are to be construed according to such technical, peculiar, and appropriate meaning or definition.

15.2 Tense; Gender; Number, Person. Words used in this Lease in the present tense include the future as well as the present; words used in the masculine gender include the feminine and neuter and the neuter includes the masculine and feminine; the singular number includes the plural and the plural the singular; the word “person” includes a corporation, partnership, limited liability company or similar entity, as well as a natural person.

15.3 Business Days. For the purposes of this Lease, “Business Day” shall mean a business day as set forth in Section 9 of the California Civil Code. For an avoidance of doubt, “Optional Bank Holidays” as defined in Section 7.1 of the California Civil Code are not business days.

15.4 Parties Represented by Consultants, Counsel. Both Lessor and Lessee have entered this Lease following advice from independent financial consultants and legal counsel of their own choosing. This document is the result of combined efforts of both parties and their consultants and attorneys. Thus, any rule of law or construction which provides that ambiguity in a term or provision shall be construed against the draftsman shall not apply to this Lease.

15.5 Governing Law. This Lease shall be governed by and interpreted in accordance with the laws of the State of California.

15.6 Reasonableness Standard. Except where a different standard is specifically provided otherwise herein, whenever the consent of Lessor or Lessee is required under this Lease, such consent shall not be unreasonably withheld and whenever this Lease grants Lessor or Lessee the right to take action, exercise discretion, establish rules and regulations or make allocations or other determinations, Lessor and Lessee shall act reasonably and in good faith. These provisions shall only apply to Lessor acting in its proprietary capacity.

15.7 Venue. The venue for any legal proceedings, including arbitration, shall be in Los Angeles County, California.

15.8 Memorandum of Lease. The parties hereto shall execute and acknowledge a Memorandum of Lease, substantially in the form attached hereto as Exhibit E and otherwise satisfactory to the parties hereto, for recording as soon as is practicable on or following the Effective Date.

15.9 Force Majeure. Except for the payment of sums of money due from one party to the other, if either party hereto shall be delayed or prevented from the performance of obligations under this Lease due to any “Force Majeure Events,” the performance of such obligations shall be excused for the period of the delay resulting from such Force Majeure Event.

15.10 Counterparts. This Lease may be executed in counterparts, each of which shall constitute an original and all of which shall collectively constitute one fully-executed document.

15.11 Third Party Rights. Nothing herein is intended to nor shall be construed to create any rights of any kind whatsoever in third persons or entities not parties to this Lease.

15.12 Entire Agreement. This Lease, the Development Agreement, and the additional agreements entered into concurrently with and as a condition precedent to the effectiveness of the Lease, contain all of the agreements of the parties hereto with respect to the matters covered hereby, and no prior agreements, oral or written, or understandings or representations of any nature whatsoever pertaining to any such matters shall be effective for any purpose unless expressly incorporated in the provisions of this Lease. The provisions of this Lease shall not be amended or altered except by an agreement in writing signed by both of the parties hereto.

15.13 Integration. This Lease sets forth the entire understanding of the Parties relating to the transactions it contemplates, and supersedes all prior understandings relating to them, whether written or oral. There are no obligations, commitments, representations or warranties relating to them except those expressly set forth in this Lease.

15.14 OFAC Restrictions. Lessee warrants and represents to Lessor that Lessee is not, and shall not become, a person or entity with whom Lessor is restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC'S Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action, and is not and shall not engage in any dealings or transaction or be otherwise associated with such persons or entities.

15.15 CASp. For purposes of Section 1938 of the California Civil Code, Lessor hereby discloses to Lessee, and Lessee hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp). As required by Section 1938(e) of the California Civil Code, Lessor hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

15.16 Nondiscrimination in Employment. The Lessee certifies and agrees that all persons employed by Lessee and/or the affiliates, subsidiaries or holding companies of Lessee are and shall be treated equally without regard to or because of race, religion, ancestry, national origin, or sex, and in compliance with all anti-discrimination provisions, existing or as later amended, of the Los Angeles County Code and the laws of the United States of America and the State of California.

15.17 Assurance of Compliance with Civil Rights Laws. Lessee hereby assures that it will comply with all applicable local, federal, and state civil rights statutes to the end that no person shall, on the grounds of race, religion, color, sex, age, physical disability, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, nor be

otherwise subjected to discrimination under, the Lessee or under any project, program, or activity supported by this Lease.

15.17.1 The Lessee certifies and agrees that its contractors, sub-contractors, vendors, and sub-lessees are and shall be selected without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination provisions, existing or as later amended, of the Los Angeles County Code and the laws of the United States of America and the State of California.

15.17.2 All employment records of the Lessee shall be open for inspection and re inspection at any reasonable time during the term of this Lease for the purpose of verifying the Lessee's compliance with this section.

15.18 Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from another party with the implication, suggestion or statement that the provision of the consideration may secure more favorable treatment in the award of this Lease or that failure to provide such consideration may negatively affect County's offer to lease. No party shall offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent who has had any involvement in the negotiation, consummation or administration/management of this Lease. Lessee shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made to the County Manager charged with the supervision of the employee.

15.19 Acknowledgment of Ineligibility of Relocation Assistance. Lessee expressly acknowledges that Lessee will be in possession of the Property as a result of County's previously acquired property interest. In recognition of such fact, Lessee hereby disclaims any status as a "displaced person" as such is defined in Government Code Section 7260, and hereby acknowledges its ineligibility for relocation assistance as provided in Government Code Section 7260 through 7276, inclusive, as interpreted in Title 25, Chapter 6, Section 6034(b)(1) of the California Code of Regulations.

15.20 County Lobbyist. Lessee and each County lobbyist or County lobbying firm, if any, as defined in Los Angeles County Code Section 2.160.010, retained by Lessee to lobby County shall, fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Lessee or any County lobbyist or County lobbying firm retained by Lessee to lobby County to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Lease upon which County may immediately terminate or suspend this Lease.

15.21 Signatures. Each individual executing this Agreement on behalf of Lessee represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of Lessee, and that this Agreement is binding upon Lessee in accordance with its terms. Each individual executing this Agreement on behalf of the County represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of the County and that this Agreement is binding upon the County in accordance with its terms.

[The balance of this page has been left blank intentionally]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first written above.

County of Los Angeles
FESIA A. DAVENPORT
CHIEF EXECUTIVE OFFICER

By _____
DAVID P. HOWARD Date
Assistant Chief Executive Officer

APPROVED ON _____, 2019 (Board Minutes dated _____ 2019)

ATTEST:

[insert name]
Registrar-Recorder/ City Clerk

By: _____
Deputy

APPROVED AS TO FORM:

RODRIGO CASTRO-SILVA
County Counsel

Sonia L. Chan
Deputy County Counsel

APPROVED AS TO FORM FOR THE COUNTY:
Atkinson, Andelson, Loya, Ruud & Romo

By: _____
Jesus Gonzales, Esq.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first written above.

SEED LA FACILITIES, LLC,
BY: The SEED School of Los Angeles County, a
California nonprofit public benefit
corporation, its sole member

By: _____
Lesley Poole
President & CEO

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

THAT CERTAIN PARCEL OF LAND, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING THOSE PORTIONS OF LOTS 30 THROUGH 34, 37, AND 80, VERMONT AVENUE, AND THE NORTH-SOUTH AND EAST-WEST ALLEYS ADJACENT TO SAID LOTS, AS SHOWN ON MAP OF SUNNY SIDE PARK, FILED IN BOOK 6, PAGE 8, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 6 AS DESCRIBED AND DEPICTED IN INSTRUMENT ENTITLED "GRANT OF WAIVER AND CERTIFICATE OF COMPLIANCE PARCEL MAP NO. RPPL 2020010060", RECORDED MARCH 2, 2021 AS INSTRUMENT NO. 20210341325 OF OFFICIAL RECORDS.

EXCEPTING FROM SAID LOTS 37 AND 80: ALL OIL, GAS, WATER AND MINERAL RIGHTS, WITHOUT HOWEVER, THE RIGHT TO USE THE SURFACE OF SAID LAND OR ANY PORTION THEREOF TO A DEPTH OF 500 FEET BELOW THE SURFACE, FOR EXTRACTION OF SUCH OIL, GAS, WATER AND MINERALS, AS RESERVED BY THE CITY OF LOS ANGELES IN DEED RECORDED JULY 29, 2002 AS INSTRUMENT NO. 02-1771705 OF OFFICIAL RECORDS.

APN(s): 6032-012-906, 6032-012-907, and a portion of APN(s): 6032-012-908, 6032-012-909, 6032-012-912, and 6032-012-913

EXHIBIT B

PARKING PLAN

The Premises is a portion of the Vermont Manchester Site. Lessor has entered into one or more agreements with VM Mixed Use LLC, a California limited liability company (“VMMU”) established by Bridge Housing Corporation, a California nonprofit public benefit corporation (“Bridge”), selected to develop the balance of the site in a separate competitive process overseen by Lessor.

Permanent Parking -Lessee has entered into an Agreement with VMMU to pay for 80 dedicated parking spaces in the Parking Garage that VMMU is to develop as part of its project. Construction of the garage is expected to start in October 2021 and be available for occupancy in approximately December 2023, when the VMMU project expects to be complete. The Parking Garage has not yet been designed. VMMU and Lessee will determine the design, allocation and operation of the Parking Garage.

Temporary Parking –Lessee needs temporary parking from completion of the Premises until completion of the new Garage. During those years, SEED LA projects between 29 and 52 staff, and believes that approximately 75% will require parking (22 and 39 spaces). SEED LA expects to lease these spaces on a short term as needed. The County Department of Public Social Services, located north of the Premises, may have short term capacity, and other locations will be secured as needed.

EXHIBIT C

THE PEDESTRIAN SAFETY PLAN

Attached

EXHIBIT D

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

SEED LA Facilities, LLC
c/o ExED
1990 S Bundy Dr. Ste 340
Los Angeles CA 90025

MEMORANDUM OF LEASE

The undersigned declare that this Memorandum of Lease is exempt from Recording Fees pursuant to California Government Code Section 6103.

THIS MEMORANDUM OF LEASE, dated as of April __, 2021, is made by the **COUNTY OF LOS ANGELES** (“**Lessor**”) and **SEED LA Facilities LLC**, a California limited liability company (“**Lessee**”).

Recitals:

WHEREAS, Lessor and Lessee executed that certain Ground Lease Agreement dated as of April __, 2021 (the “**Lease**”); and

WHEREAS, the parties desire and intend to record this Memorandum of Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Lessor and Lessee agree as follows:

1. Lessor leases to Lessee, and Lessee leases from Lessor, the property described in Exhibit A hereto (the “**Premises**”) for a Term commencing on April __, 2021 (the “**Commencement Date**”) and terminating on June 30, 2067, or such later date if Lessee exercises its rights to extend the Term for two (2) separate, successive options (each an “**Option**”) for a period of ten (10) years each (such date as it may be extended, the “**Expiration Date**”), upon the terms and conditions of the Lease, which are incorporated herein by this reference as if fully set forth below, including, without limitation, the right of first refusal granted to Lessee. The Lease Term, including Options if exercised, is approximately 66 years and 3 months.

2. The terms of this instrument shall be deemed a Memorandum of Lease. In the event of any inconsistency between this Memorandum or the Lease, the Lease shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease as of the day and year first above written.

LESSOR:

County of Los Angeles
FESIA A. DAVENPORT
CHIEF EXECUTIVE OFFICER

By _____ April __, 2021
DAVID P. HOWARD
Assistant Chief Executive Officer

APPROVED AS TO FORM FOR THE COUNTY:

RODRIGO CASTRO-SILVA
County Counsel

By _____
Sonia L. Chan
Deputy County Counsel

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED FROM PRIOR PAGE]

LESSEE:

SEED LA FACILITIES LLC

a California limited liability company

BY: The SEED School of Los Angeles County, a
California nonprofit public benefit corporation

Its Manager

By: _____

Its: _____

Date: April __, 2021

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF

} SS.

On _____, before me, _____ a Notary Public, personally appeared _____, 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.

WITNESS my hand and official seal.

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF

} SS.

On _____, before me, _____ a Notary Public, personally appeared _____, 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.

WITNESS my hand and official seal.

(SEAL)

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

THAT CERTAIN PARCEL OF LAND, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING THOSE PORTIONS OF LOTS 30 THROUGH 34, 37, AND 80, VERMONT AVENUE, AND THE NORTH-SOUTH AND EAST-WEST ALLEYS ADJACENT TO SAID LOTS, AS SHOWN ON MAP OF SUNNY SIDE PARK, FILED IN BOOK 6, PAGE 8, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 6 AS DESCRIBED AND DEPICTED IN INSTRUMENT ENTITLED "GRANT OF WAIVER AND CERTIFICATE OF COMPLIANCE PARCEL MAP NO. RPPL 2020010060", RECORDED MARCH 2, 2021 AS INSTRUMENT NO. 20210341325 OF OFFICIAL RECORDS.

EXCEPTING FROM SAID LOTS 37 AND 80: ALL OIL, GAS, WATER AND MINERAL RIGHTS, WITHOUT HOWEVER, THE RIGHT TO USE THE SURFACE OF SAID LAND OR ANY PORTION THEREOF TO A DEPTH OF 500 FEET BELOW THE SURFACE, FOR EXTRACTION OF SUCH OIL, GAS, WATER AND MINERALS, AS RESERVED BY THE CITY OF LOS ANGELES IN DEED RECORDED JULY 29, 2002 AS INSTRUMENT NO. 02-1771705 OF OFFICIAL RECORDS.

APN(s): 6032-012-906, 6032-012-907, and a portion of APN(s): 6032-012-908, 6032-012-909, 6032-012-912, and 6032-012-913

EXHIBIT E

SPECIFIC INSURANCE INFORMATION OR REQUIREMENTS

All Risk Builder's Risk Insurance See Section 8.1.5.1 above.

For the total 100% replacement value of the Project.

Commercial General Liability Insurance: See Section 8.1.5.2 above.

Minimum limit of not less than \$5,000,000 per occurrence, \$5,000,000 annual aggregate, and \$5,000,000 umbrella policy.

Automobile Insurance: See Section 8.1.5.4 above.

Minimum of \$1,000,000 per occurrence covering owned, hired and non-owned vehicles.

Worker's Compensation Insurance: See Section 8.1.5.6 above.

Minimum of \$1,000,000 or that required by law, whichever is higher.

Addresses for Notices:

To Lessee: SEED LA FACILITIES LLC
c/o The SEED Foundation
1776 Massachusetts Ave NW
Suite 600
Washington DC 20036

with a copy to:

Anita Landecker
President & CEO
ExED
1990 S Bundy Dr. Ste 340
Los Angeles CA 90025

To Lessor: County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

And a Copy to:
(receipt by LACMTA shall not be
construed as receipt by County)

Los Angeles County Metropolitan Transportation
Authority
Attn: Joanne Peterson, Mail Stop 99-14-1
One Gateway Plaza
Los Angeles, CA 90012
Email: PetersonJo@metro.net

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	4/14/2021	
BOARD MEETING	5/4/2021	
DELEGATED AUTHORITY BOARD LETTER	X Yes <input type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	All	
DEPARTMENT	Department of Health Services	
SUBJECT	APPROVAL TO EXERCISE AN EXISTING CONTRACT EXTENSION TO SOLE SOURCE AGREEMENT NO. HA-707648 WITH GARTNER, INC. FOR SPECIALIZED INFORMATION TECHNOLOGY CONSULTING SERVICES	
PROGRAM		
SOLE SOURCE CONTRACT	X Yes <input type="checkbox"/> No	
	If Yes, please explain why: It is more cost-effective to obtain services by exercising an option under an existing contract.	
DEADLINES/ TIME CONSTRAINTS	The current Agreement expires on May 31, 2021	
COST & FUNDING	Total cost: No increase to the Maximum Agreement Sum of \$5,956,000.	Funding source: Funding is included in the DHS Fiscal Year 2020-21 Final Budget and will be requested in future years budget as necessary.
	TERMS (if applicable):	
	Explanation:	
PURPOSE OF REQUEST	Roll over previously approved funds and exercise the second of three one-year options.	
BACKGROUND (include internal/external issues that may exist)	<p>Approval of the recommendation will provide the Department of Health Services (DHS) with the authority to exercise the second of three one-year extension to the Agreement to give DHS the ability to utilize these services, if necessary, with no increase the total Maximum Agreement Sum of \$5,956,000) for additional consulting services. In light of the pandemic and related activities, DHS did not contract for any new projects with Gartner in the current one-year extension period. As a result, DHS does not need to increase the Maximum Agreement sum for this extension period and instead DHS will use the existing funds from the approved Maximum Agreement sum.</p> <p>Over the term of the Agreement, Gartner has provided DHS with subject matter expertise in several critical areas. During this extension, DHS will evaluate its need for additional projects similar to those previously. In addition, DHS may engage Gartner to provide advice related to data analytics and data management as DHS reviews its systems to consider the most efficient and productive use of its extensive data repositories. There are currently no resources in the County that have the knowledge, skills, and abilities to perform these specialty IT consulting services on simultaneous critical projects.</p>	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> Kevin Lynch, CIO, (213) 288-8128, KLynch@dhs.lacounty.gov Christopher Kinney, Section Manager, 213 288-8862, CKinney@dhs.lacounty.gov Lillian Anjargolian, Deputy County Counsel, (213) 288-8124, LAnjargolian@counsel.lacounty.gov 	

May 4, 2021

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

Dear Supervisors:

**APPROVAL TO EXERCISE AN EXISTING CONTRACT EXTENSION TO
SOLE SOURCE AGREEMENT NO. HA-707648 WITH GARTNER, INC. FOR
SPECIALIZED INFORMATION TECHNOLOGY CONSULTING SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

Approval of delegated authority to the Director of Health Services (Director), or designee, to extend sole source Agreement No. HA-707648 with Gartner, Inc. for specialized information technology consulting services.

The Department of Health Services recommends:

Delegate authority to the Director or designee, to amend the sole source Agreement No. HA-707648 ("Agreement") with Gartner, Inc. ("Gartner") for specialized information technology (IT) consulting services to exercise the second of three one-year extensions for the period of June 1, 2021 through May 31, 2022 with no increase to the current \$5,956,000 Maximum Agreement Sum, subject to prior review and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommendation will provide the Department of Health Services (DHS) with the authority to exercise the second one-year extension to the Agreement to give DHS the ability to utilize the IT consulting services, if necessary. In light of the pandemic and related activities, DHS did not contract for any new projects with Gartner in the current one-year extension period. As a result, DHS does not need to increase the Maximum Agreement sum for this extension period and instead DHS will use the existing funds from the approved Maximum Agreement sum.

Over the term of the Agreement, Gartner has provided DHS with subject matter expertise in several critical areas, such as electronic health record system implementation, data and analytics, cybersecurity, enterprise program and project management oversight, risk

assessment, quality assurance, and technology solution sourcing and procurement. During this extension, DHS will evaluate its need for additional projects similar to those undertaken during the electronic health record system implementation, including baseline and ongoing project risk assessment and reporting, ongoing quality control and quality assurance services to monitor compliance with projects and corresponding agreements; project monitoring and tracking; program management support; strategic assessments; and knowledge transfer, and project spin-up and capacity building services for several large system implementations. In addition, DHS may engage Gartner to provide advice related to data analytics and data management as DHS reviews its systems to consider the most efficient and productive use of its extensive data repositories. There are currently no resources in the County that have the knowledge, skills, and abilities to perform these specialty IT consulting services on simultaneous critical projects.

Implementation of Strategic Plan Goals

The recommended actions support Strategy II.2 "Support the Wellness of Our Communities" and III.3 "Pursue Operational Effectiveness, Fiscal Responsibility and Accountability" of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Funding is included in the DHS Fiscal Year 2020-21 Final Budget and will be requested in future years' budget, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 8, 2018, the Board approved the Agreement with three (3) one-year optional extensions. The Board requested that DHS return for authority to exercise each extension. The amendment is subject to prior review and approval as to form by County Counsel. The Chief Information Officer (CIO) has reviewed the Board Letter and recommends approval. The CIO further determined that a CIO Analysis is not required for the recommended action.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will enable Gartner to continue providing IT consulting services under the Agreement.

Respectfully submitted,

Reviewed By:

Christina R. Ghaly, M.D.
Director

William S. Kehoe
Chief Information Officer

CRG:JA

Enclosure

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

**AGREEMENT BY AND BETWEEN COUNTY OF LOS ANGELES
AND GARTNER, INC. FOR CONSULTING SERVICES**

Amendment No. 2

THIS AMENDMENT is made and entered into this ____ day of _____, 2021,

By and between

COUNTY OF LOS ANGELES
(hereafter "County"),

And

GARTNER, INC.
(hereafter "Contractor")

Business Address:

56 Top Gallant Road
Stamford, CT 06902

WHEREAS, reference is made to that certain document entitled "Agreement by and between County of Los Angeles and Gartner, Inc. for Consulting Services," dated June 1, 2018 and further identified as Agreement No.: HA-707648, including any amendments and/or Deliverable Expectation Document (DED) and any other modifications thereto (all hereafter referred to as "Agreement"); and

WHEREAS, on [insert], 2021 the Board of Supervisors delegated authority to the Director of Health Services, or authorized designee, to, among other delegations, extend the term of the Agreement for the period June 1, 2021 through May 31, 2022; and

WHEREAS, the Agreement, Sub-paragraph 8.1 - Amendments provides that such changes may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, the Contractor warrants that it continues to possess the competence, expertise and personnel necessary to provide services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall be effective upon execution. Any capitalized term not defined herein shall have the meaning given to it in the Agreement.

~~23.~~ The Agreement, Sub-paragraph 4.1 is deleted in its entirety and replaced to read as follows:

"4.1 The term of this Agreement shall commence on June 1, 2018, through the period ending May 31, 2022, unless sooner terminated or extended, in whole or in part, as provided in this Agreement. Upon the expiration of the term, County may, at its sole discretion, extend the term of this Agreement for one (1) additional one-year period (a "Renewal Term"). Each extension option may be exercised at the sole discretion of the Department of Health Services (DHS) if authorized by the Board of Supervisors. In the event DHS desires to renew the Agreement by exercising an option term, the County shall provide Contractor with a written notice of intent to renew the Agreement thirty (30) calendar days prior to the expiration of the then current term of the Agreement. The option to renew shall be set forth in writing, as provided in Sub-paragraph 8.1, Amendments."

~~5. [Anything new?]~~

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

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services, or authorized designee, and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer(s), on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____ for
Christina R. Ghaly, M.D.
Director of Department of Health Services

CONTRACTOR

GARTNER, INC._____

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM:
Rodrigo Castro-Silva
County Counsel

By _____
Lillian Anjargolian
Deputy County Counsel



Los Angeles County
Board of Supervisors

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

Fred Leaf
Interim Director, Health Agency

Christina R. Ghaly, M.D.
Acting Director, Department of Health Services

Jonathan E. Sherin, M.D, Ph.D.
Director, Department of Mental Health

Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director, Department of Public Health

313 N. Figueroa Street, Suite 531A
Los Angeles, CA 90012

Tel: (213) 240-8174
Fax: (213) 482-9760

"The mission of the Los Angeles County Health Agency is to improve health and wellness across Los Angeles County through effective, integrated, comprehensive, culturally appropriate services, programs, and policies that promote healthy people living in healthy communities."

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

30 May 8, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

May 8, 2018

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

Dear Supervisors:

**APPROVAL OF SOLE SOURCE SUCCESSOR AGREEMENT WITH
GARTNER, INC. FOR SPECIALIZED
INFORMATION TECHNOLOGY CONSULTING SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

Approval of a sole source successor agreement with Gartner Inc., for the continued provision of specialized information technology consulting services for the Health Agency.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Interim Health Agency (Director), or his designee, to execute a sole source successor agreement (Agreement), with Gartner Inc., (Gartner), for a base term of June 1, 2018 through May 31, 2020, with three one-year optional extension periods, with a Maximum Agreement Sum of \$5,956,000 for the base term, subject to increase as set forth below, for the continued provision of Information Technology (IT) consulting services for Health Agency (Agency) related projects.
2. Delegate authority to the Director, or his designee, to execute amendments to the Agreement to: (a) add, delete and/or change certain terms and conditions in the Agreement as required by federal or State law or regulation, County policy, County Board of Supervisors (Board) and/or Chief Executive Office (CEO); and (b) increase the Maximum Agreement Sum by the amount of any unexpended funds from the current



agreement No. H-705792 that expires on May 31, 2018, which is estimated to be \$550,000, to purchase additional consulting services, with all Amendments subject to prior review and approval by County Counsel.

3. Delegate authority to the Director, or his designee to terminate the Agreement, as necessary, in accordance with the applicable termination provisions in the Agreement, without further action by the Board, subject to review and approval by County Counsel with notification to the Board.
4. Delegate authority to the Director, or his designee, to further amend the Agreement to increase the Maximum Agreement Sum of the two-year base term by no more than ten percent (10%) of the Maximum Agreement Sum of \$5,956,000 for additional consulting services for the Agency which, if exercised would not exceed \$595,600 subject to prior review and approval by County Counsel with notification to the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Background

The Board approved a sole source agreement with Gartner on May 14, 2013, for consulting services related to the implementation and deployment of the Department of Health Services (DHS) electronic health record (EHR) system, known as Online Realtime Centralized Health Information Database (ORCHID). Subsequent amendments were approved to expand the agreement to include additional consulting services in support of procurement and implementation of new IT systems including, expansion of ORCHID to the Department of Public Health (DPH), a case management platform to support Housing for Health and Whole Person Care (WPC), and a managed care core system for Managed Care Services (MCS). Gartner's third-party oversight, quality assurance, project monitoring and tracking, and strategic assessments provided in the current agreement have played an integral role in the successful implementation and stabilization transition period of maintenance and support operations for deployment of the new systems.

Recommendations

Approval of the first recommendation will allow the Director, or his designee, to execute a sole source successor Agreement with Gartner, substantially similar to Exhibit I, for the continued provision of specialized IT consulting services for a two-year base period with three one-year options. The Agency will return to the Board in the future to request approval to exercise the extension periods and increase the Maximum Agreement Sum accordingly. Over the past years, Gartner has established a set of highly specialized services that are being used across a broad range of Agency projects. The current agreement has been amended a number of times and the recommended new Agreement will provide a streamlined structure for addressing Statements of Work for new projects.

Approval of the second recommendation will allow the Director, or his designee, to execute amendments to the Agreement to add, delete, and/or change certain terms and conditions as required under federal or State law or regulation, County policy, Board, and/or CEO. This recommendation also delegates authority to the Director, or his designee, to carry over any unspent funds from the current Gartner agreement which expires on May 31, 2018, to add to the successor Agreement's Maximum Agreement Sum to purchase additional consulting services.

Approval of the third recommendation will allow the Director, or his designee, to terminate the Agreement in accordance with the applicable termination provisions in the Agreement, subject to review and approval by County Counsel and notification to the Board.

Approval of the fourth recommendation will allow the Director, or his designee, to amend the Agreement to increase the Maximum Contract Sum by no more than ten percent (10%) of the Maximum Agreement Sum, to purchase additional consulting services for the Agency during the base term of the Agreement. Any such amendment would be reviewed and approved by County Counsel with notification to the Board.

Justification

Gartner is currently providing baseline and ongoing project risk assessment and reporting, ongoing quality control and quality assurance services to monitor compliance with projects and corresponding agreements, project monitoring and tracking, program management support, strategic assessments, knowledge transfer, and project spin up and capacity building services for ORCHID, WPC, and MCS projects, among others. Most recently, Gartner began assessing the feasibility of the transition of Jail Health Information System (JHIS) to ORCHID and analyzing the infrastructure of the DHS Call Center environment. Continuation of these specialized IT consulting services is necessary for the projects to stay on course with their rigorous timelines. As such, the successor Agreement will include the continuation of these services. Gartner will also be used to continue assisting with additional Cerner acquisitions and deployments currently under consideration, including but not limited to, cost accounting, Clairvia Clinical Workforce Management, Time and Attendance, transaction services, and patient accounting. In addition, the Agency may purchase additional services, within the predetermined category of services set forth above, to support the Agency's future IT projects.

Gartner is uniquely positioned to assist the Agency as it pursues the implementation of the Cerner financial systems, which have wide-ranging ramifications for the Agency's administrative and critical operations, especially given that ORCHID will be tightly integrated with these systems. There are currently no resources in the County that have the knowledge, skills, and abilities to perform these specialty IT consulting services on simultaneous critical projects.

In approximately one year, the Agency will provide the Board with a report on projects and tasks assigned to Gartner under this Agreement that includes a description of the specific skills sets and resources required to transition some of the Gartner tasks to DHS staff. The report will include an analysis of specific tasks and deliverables that should be performed by an independent contractor, such as Quality Assurance, and how they could be competitively bid, in the future, through another County master agreement.

However, it should be noted that Gartner has unparalleled insight into the Agency's IT landscape (especially with respect to ORCHID) and organizational complexities. In addition, Gartner provides third-party risk-assessment tracking and monitoring of projects, tasks that are most effectively provided by an independent third party. Irrespective of the County's expansion of its IT consulting capabilities, the Agency expects to continue to use Gartner for the entire five year term of the Agreement.

Continuity of knowledge and human capital, and rigorous methodology in approaching large-scale projects will be essential in the upcoming years. As a result of the Agency's ongoing need for Gartner, as well as the fluidity of the Agency's IT consulting needs, the flexibility to use the additional ten percent (10%) delegated authority is necessary.

Implementation of Strategic Plan Goals

The recommended actions support Strategy III.2, "Embrace Digital Government for the Benefit of Our Internal Customers and Communities" and III.3, "Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability" of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The Maximum Agreement Sum is \$5,956,000, subject to increase as set forth above, over the initial two-year term. Funding is included in the DHS Fiscal Year 2017-18 Final Budget and will be requested in future years, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The successor Agreement, which is materially identical to the current agreement, includes all Board required provisions, including the most recent provision, Compliance with County's Zero Tolerance Policy of Human Trafficking. The Agreement may be terminated for convenience by the County upon ten (10) days prior written notice. The Agreement contains a limit of liability based on the total fee paid by the County under the Agreement. The limit of liability does not apply if damages are caused by negligence or willful acts of omissions of Gartner or its employees. This limitation is in the current agreement and is typical in consulting services agreements of this nature. The Agency has determined the limitation of liability represents a minimal risk to the County.

County Counsel has approved Exhibit I as to form. The Chief Information Officer (CIO) concurs with the Agency's recommendations and a CIO Analysis is in Attachment A.

CONTRACTING PROCESS

It is in the best interest of the County to continue services with Gartner on a sole source basis, as Gartner is the only firm currently situated with the expertise required to provide ongoing IT consulting services to the Agency's current and upcoming projects. Gartner's knowledge and expertise in approaching large-scale projects under the current agreement have been invaluable to the County and their continued engagement will help ensure the Agency successfully concludes the current projects and is able to take on other Agency projects, often simultaneously. The Agency has also determined that it is not feasible to conduct a solicitation to obtain additional consulting services as another firm would not bring the same depth of experience and would delay implementation of current and upcoming projects.

In accordance with Board Policy No. 5.100, the Agency notified the Board of its intent to enter in to sole source negotiations with Gartner on July 17, 2017, for the extension of the Agreement (Attachment B). Attachment C is the sole source checklist.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will enable Gartner to continue providing uninterrupted consulting services for existing engagements under the current agreement and provide comparable services for future engagements.

Respectfully submitted,



Fred Leaf
Interim Director

Reviewed by:



William S. Kehoe
Chief Information Officer

FL:WSK:sa

Enclosures (4)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors



William S. Kehoe
CHIEF INFORMATION OFFICER

Office of the CIO

CIO Analysis

AGENDA DATE:

5/8/2018

SUBJECT:

APPROVAL OF SOLE SOURCE SUCCESSOR AGREEMENT WITH GARTNER, INC. FOR SPECIALIZED INFORMATION TECHNOLOGY CONSULTING SERVICES APPROVAL OF SOLE SOURCE SUCCESSOR

CONTRACT TYPE:

☒ New Contract ☒ Sole Source ☐ Amendment to Contract #: Enter contract #.

SUMMARY:

Description:

This is a successor agreement with Gartner, Inc. for the continued provision of Information Technology (IT) Consulting Services. Gartner has been engaged for a few years in different projects with the Department of Health Services (DHS), as well as the County. Their focus is Project health, Project management as needed, Gap Analysis, capacity building and so forth. This Board letter is requesting the authority for the Interim Health Agency Director (Director) to execute a Sole Source successor Agreement (Agreement), for a two year period starting June 1, 2018 through May 31, 2020, with three 1-year options with a Maximum Agreement Sum of \$5,956,000 for the base two years.

DHS further asks delegated authority to: 1) Execute termination of contract as needed; 2) Use any unused funds from H-705792; and 3) Use up to 10% of the contract sum (\$595,600) towards any Amendments deemed necessary.

Contract Amount: \$5,956,000

FINANCIAL ANALYSIS:

Contract costs:

One-time costs

IT Consulting Services	\$	None
------------------------------	----	------

Ongoing annual costs:

Deliverables (task 1,2,3,4,5,6)++

Year 1 (2018-2019)**	\$	3,378,000
----------------------------	----	-----------

Year 2 (2019-2020)**	\$	2,578,000
----------------------------	----	-----------

Total Contract Costs:	\$	5,956,000
------------------------------------	-----------	------------------

Previous Agreement H-705792 is estimated to be \$10,268,481 through May 31, 2018. There is an estimated \$550,000 unspent amount from this Agreement that will be rolled into the new Agreement.

Notes:

****All these numbers are rough estimates. Since this is an IT Services estimate, the exact costs will depend on the project time lines, resources available, finalization of contracts, and various extraneous factors. Hence these numbers are just guidelines and DHS' preliminary estimates, that can drastically change. Exhibit B (Pricing Schedule) gives this preliminary estimate.**

++ DHS has defined six services appropriate to the Health Agency related projects, as well as Whole Person Care Project. The services (Exhibit B - Pricing Sheet) are: Project Oriented Oversight Reviews and Risk Assessments (Task 1); Task Order Based Strategic Services (Task 2); Project Spin up and Capacity Building Services (Task 3); Monitoring and Tracking Services (Task 4); Program Management Services (Task 5); and Solicitation Document Development Services (Task 6).

RISKS:

1. Gartner, Inc. provides value added services to DHS. Their services reduced project and program risks and has resulted in successful project implementations like ORCHID. Employing reputed vendors is a good risk mitigation technique in the short to midterm. However, engaging in a consulting engagement for longer periods, introduces many unforeseen variables, and increases inherent risks. One of the risks is in Vendor Management, where vendors may attempt to create non value added work to expend the monies allocated. DHS, however, has a good governance mechanism to manage Vendors.
2. In the long run, DHS (as well as all departments) needs to build a repository of best of breed Project and Program Management capabilities in-house. This will reduce the risk of vendor dependence, Improve the capacity of DHS to engage at complex project management and may reduce the costs in the long run.
3. One of the key deliverables from Gartner (task 3), is to provide capacity building services which includes mentorship of DHS project staff. DHS management needs to emphasize proper transfer of knowledge and training from Gartner to in-house persons in their Enterprise Project Management Office (EPMO). The Health Agency can also leverage other PMOs in the Department of Mental Health and Department of Public Health. This will enable an Agency wide approach to build the required competencies needed.
4. There are tasks that Gartner perform like Strategic Assessment, Indepth Quality Assurance etc. that may still need to be executed by a Vendor, as these competences are difficult to build in-house and are highly specialized. The county has other contracting vehicles available also to employ a vendor with these specialties.
5. OCIO is planning to create an PM Center of Excellence but current vision does not include any PM staff to assist the departments. The OCIO PM Center of Excellence will provide standards, templates, training, methodologies to assist departments create robust PMOs with standard methods of Project Management throughout the County. OCIO along with CEO job classification will also embark on creating right PM job classifications so that departments can hire appropriate levels of PM resources.
6. At this point outside counsel is not required. Gartner, Inc. is already working on projects where Foley and Lardner (outside counsel) is engaged. Originally, few years back, Gartner was brought in to assist in the ORCHID project, which was vetted out by Foley and Lardner, Inc.

Sole Source Agreement with Gartner, Inc.

PREPARED BY:

Sanmay Bhukhopadhyay ^{by fa}

DEPUTY CIO

4/24/2018

DATE

APPROVED:

William Kehoe ^{Kh}

WILLIAM S. KEHOE, COUNTY CHIEF INFORMATION OFFICER

4/24/2018

DATE



July 17, 2017

**Los Angeles County
Board of Supervisors**
Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

Mitchell H. Katz, M.D.
Director, Health Agency

Jonathan E. Sherin, M.D., Ph.D.
Director, Department of Mental Health

Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director, Department of Public Health

 313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

 Tel: (213) 240-8101
Fax: (213) 481-0503

"The mission of the Los Angeles County Health Agency is to improve health and wellness across Los Angeles County through effective, integrated, comprehensive, culturally appropriate services, programs, and policies that promote healthy people living in healthy communities."


TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Mitchell H. Katz, M.D.
Director

**SUBJECT: ADVANCE NOTIFICATION OF INTENT TO
NEGOTIATE SOLE SOURCE AMENDMENTS TO
AGREEMENT NO. H-705407 WITH CERNER
CORPORATION AND AGREEMENT H-705792 WITH
GARTNER, INC.**

This is to provide the Board of Supervisors (Board) with advanced notification of the Health Agency's (Agency) intent to return to the Board to request approval of: (i) an amendment to existing Agreement H-705407 (Cerner Agreement) with Cerner Corporation (Cerner) to purchase and implement additional systems and add an option to further extend the term of the agreement; and (ii) an amendment to the sole source Agreement H-705792 (Gartner Agreement) with Gartner, Inc. (Gartner) to extend the term of the agreement for the provision of additional consulting services.

Board Policy 5.100 requires written notice of a department's intent to enter into sole source negotiations for a Board-approved agreement at least four (4) weeks prior to the initiating sole source negotiations. Although the current agreement with Cerner was awarded after a solicitation, the purchase of additional services and software is on a sole source basis and is subject to the Board policy. In addition, any further extension of the current sole source agreement with Gartner is subject to the aforementioned policy.

Background

In my memorandum dated May 8, 2017, the Department of Health Services (DHS) advised the Board of impending activities related to the purchase and deployment of cost and patient accounting systems. While some software for these systems is included in the Online Real-Time Centralized Health Information Database (ORCHID) software library available to the County, deployment of the full suite of software, as well as related supporting systems and software, will require the Board's approval to amend the Cerner agreement.

We conducted an in-depth review of the Cerner cost and patient accounting systems for suitability, including reviewing other vendor systems deployed at other healthcare organizations. Because of the high level of complexity involved, DHS thought it advisable to defer this project until after the clinical modules of ORCHID were implemented successfully. However, DHS' focus is now on deploying a fully-integrated financial and clinical system. This expansion involves a fundamental transformation of DHS' financial processes and systems.

Justification

Financial Systems

In light of Cerner's provision of ORCHID, DHS' electronic health record system, Cerner is the only vendor that can currently provide DHS with a fully integrated clinical and financial solution. A fully integrated system will provide a bi-directional interface between the financial and clinical systems that ensures DHS' data is synchronized and comprehensive, and that revenues are maximized. Due to the short timeline to deploy and consistent with the vision for a fully integrated solution, DHS plans to request Board approval to amend the Cerner agreement to include provisions to purchase cost and patient accounting from Cerner on a sole source basis. The proposed purchases will continue to be considered in phases, with the first phase consisting of cost accounting. Although DHS is providing this Board notice for the possible purchase of patient accounting, the decision to purchase a fully integrated solution will be considered again pending the changing funding climate for DHS.

The Cerner cost accounting modules bring together the patient specific clinical information with the assignment of cost at the line item charge level. Cost data at the facility, patient specific, and procedural levels will provide DHS with a thorough understanding of its cost structure, the variances of such structure within each hospital and health center, and allow for more informed decision making on how best to provide cost effective services to our patient population. Analysis of data generated by the cost accounting system will also allow for cost comparisons across DHS for similar services. The opportunity to obtain this type of detailed information has never before been available. As DHS moves forward in uncertain financial times, analysis of this data will be essential in determining where efficiencies can be made to reduce costs and keep DHS financially viable.

The patient accounting modules provide patient billing information based on medical records. While DHS has a current patient accounting system, it is not fully integrated with ORCHID and at best, it is only capable of interfacing with it. ORCHID is already configured and deployed using the Cerner patient accounting front end components, including registration and scheduling solutions. The patient accounting system tables all reside within a single technical platform that is the foundation for the ORCHID deployment. An integrated patient accounting and electronic health record system will enable a full clinically-driven charge capture and revenue cycle solution.

Cerner is the only provider that can provide a fully integrated system and with parts of it already being provided as part of the ORCHID implementation, it is also in the best economic interest of the County to implement a fully integrated system. The value of an integrated system, both for the County and its patients, should not be underestimated. For example, the cost accounting system will utilize the patient accounting detail charge data that is based on clinical documentation and determine the costs associated with the clinical services provided. The value of this integrated information provides for analysis of clinical outcomes related to processes of care for clinicians, as it will provide cost information at the department, charge item and patient level. When clinical, financial and operational data come together in a single platform, there are opportunities to minimize cost, increase quality outcomes and better manage and maximize the services provided to the patient population.

Cerner Agreement Extension

If all Board-approved extensions of the Cerner Agreement are exercised, the Cerner Agreement will expire on December 31, 2027. In the course of exploring cost and patient accounting systems, DHS noted that full deployment of these financial systems may take as long as three (3) years, which would leave a minimal useful life under the full term of the Cerner agreement for a fully deployed integrated clinical and financial system. In addition, considering the fact that the financial systems and the currently deployed Cerner clinical systems are tightly integrated and largely interdependent, there is little opportunity to procure a similar system from another vendor. Finally, the purchase of the financial systems is expected to be large and impactful to Cerner, which grants the County an opportunity to negotiate favorable financial terms for an extension of the current Cerner Agreement for the clinical systems. While DHS is not certain that such negotiations will be successful, this sole source notice for consideration of a five (5) year extension of the Cerner Agreement is being provided now so that DHS has flexibility to consider including the extension if it is in the best economic interest of the County.

Gartner Agreement

The Health Agency has engaged Gartner to advise and assist in overseeing critical strategic information technology projects, including the deployment of ORCHID at both DHS and the Department of Public Health, as well as a care management platform to support the Whole Person Care and Housing for Health programs. Throughout the years, Gartner's third-party oversight, quality assurance, and capacity building services have proved to be integral in the success of the ORCHID implementation and stabilization efforts during the transition to ongoing maintenance and operations. Their assistance on these projects has enabled the Agency not only to identify risks and opportunities in an efficient manner, but also to address them effectively, and thus enabled County resources to refocus efforts on these facets of these complex projects.

Gartner is uniquely positioned to assist DHS as it pursues the implementation of the Cerner financial systems, which have wide-ranging ramifications for DHS' administrative and

clinical operations, especially given that ORCHID will be interwoven with these systems. Gartner's unparalleled insight on the Agency's Information Technology (IT) landscape (especially with respect to ORCHID) and organizational complexities, continuity of knowledge and human capital, and rigorous methodology in approaching large-scale projects will be essential in this endeavor. However, the Gartner Agreement will expire on May 31, 2018 without further action. The Agency is therefore advising the Board of its intent to proceed with sole source negotiations with Gartner for a five (5) year term extension to ensure continuity of services for existing engagements under the Agreement, and to provide comparable services and resources to assist DHS' deployment of cost and patient accounting systems.

Alternate Plan

Due to the urgency of this project, DHS does not have an alternate plan for (i) the design, build and implementation of the financial systems; and (ii) the procurement of alternative consulting services.

Timeline

The Health Agency plans to begin sole source negotiations both with Cerner and Gartner in the next two (2) weeks and anticipates returning to the Board in the fall of 2017, in concert with the extension of the Quadramed, Inc. current patient accounting agreement.

Conclusion

In conclusion, DHS believes that (i) Cerner is the only provider currently situated with the expertise required to assist in the design, build and implementation of the financial systems and to continue to provide the currently deployed clinical systems for an additional five (5) years; and (ii) Gartner is the only provider currently situated with the expertise required to provide ongoing IT consulting services to the Agency.

If you have any questions or require additional information, please let me know, or your staff may contact Dr. Christina Ghaly, Chief Operations Officer, DHS, at (213) 240-7787.

MHK:kh

C: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	<p>➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. Monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i></p>
	<p>➤ Compliance with applicable statutory and/or regulatory provisions.</p>
	<p>➤ Compliance with State and/or federal programmatic requirements.</p>
	<p>➤ Services provided by other public or County-related entities.</p>
	<p>➤ Services are needed to address an emergent or related time-sensitive need.</p>
	<p>➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.</p>
✓	<p>➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.</p> <p>Gartner is currently providing consulting services for the Health Agency (Agency), including baseline and ongoing project risk assessment and reporting, ongoing quality control and quality assurance services to monitor compliance with projects and corresponding agreements, project monitoring and tracking, program management support, project oversight, strategic assessments, knowledge transfer, quality assurance assessments, and project spin-up and capacity-building services for the Online Real-time Centralized Health Information Database (ORCHID), Whole Person Care, and Managed Care Services projects, among others. Continuation of these specialized IT consulting services is necessary for the projects to stay on course with their rigorous timelines and ensure the projects are stabilized successfully during ongoing maintenance and support. Gartner will also be used to continue assisting with additional Cerner acquisitions and deployments currently under consideration including, but not limited to, cost accounting, Clairvia Clinical Workforce Management, Time and Attendance, transaction services, and patient accounting. Their assistance on the current projects has also enabled the Agency to identify risks and opportunities in an efficient manner and address them effectively. Since Gartner has unparalleled insight into the Agency’s IT landscape (especially with respect to ORCHID) and has extensive experience and understanding of the Agency’s operations, complexities, procurement, methodology, planning, and contract development processes, they are best positioned to assist the Agency for current and future engagements.</p> <p>The Agency has determined that a solicitation process is not in the best interest of the County and would not be feasible since another firm would not provide the</p>

	continuity from Gartner or have the same in-depth Agency expertise as Gartner. Additionally, the County does not have the personnel resources with the knowledge, skill set, and abilities to perform specialty IT consulting services on simultaneous critical projects. In approximately one year, the Agency will provide the Board with a report on projects and tasks assigned to Gartner under this Agreement that includes a description of the specific skills sets and resources required to transition some of the Gartner tasks to DHS staff. The report will include an analysis of specific tasks and deliverables that should be performed by an independent contractor, such as Quality Assurance, and how they could be competitively bid in the future.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.



 Chief Executive Office

4/25/2018

 Date

HEALTH AGENCY



AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

GARTNER, INC

FOR

CONSULTING SERVICES

**AGREEMENT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
RECITALS		1
1.0	APPLICABLE DOCUMENTS	2
2.0	DEFINITIONS	3
3.0	WORK	4
4.0	TERM OF AGREEMENT	5
5.0	AGREEMENT SUM, BILLING AND PAYMENT	6
6.0	ADMINISTRATION OF AGREEMENT- COUNTY	8
6.1	COUNTY'S PROJECT DIRECTOR	8
6.2	COUNTY'S PROJECT MANAGER	8
7.0	ADMINISTRATION OF AGREEMENT - CONTRACTOR	9
7.1	CONTRACTOR'S PROJECT MANAGER	9
7.2	CONTRACTOR'S AUTHORIZED OFFICIAL(S)	9
7.3	APPROVAL OF CONTRACTOR'S STAFF	9
7.4	CONTRACTOR'S STAFF IDENTIFICATION	10
7.5	BACKGROUND AND SECURITY INVESTIGATIONS	10
7.6	CONFIDENTIALITY	11
8.0	STANDARD TERMS AND CONDITIONS	12
8.1	AMENDMENTS	12
8.2	ASSIGNMENT AND DELEGATION/MERGERS OR ACQUISITIONS	14
8.3	AUTHORIZATION WARRANTY	15
8.4	BUDGET REDUCTIONS	15
8.5	CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76)	16
8.6	INTENTIONALLY OMITTED	16
8.7	COMPLIANCE WITH APPLICABLE LAWS, RULES & REGULATIONS	17
8.8	COMPLIANCE WITH CIVIL RIGHTS LAWS-ANTI-DISCRIMINATION AND AFFIRMATIVE ACTION LAWS	18
8.9	COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM	20
8.10	CONFLICT OF INTEREST	23
8.11	CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST	24

**AGREEMENT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
8.12	CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS.....	24
8.13	CONTRACTOR RESPONSIBILITY AND DEBARMENT	24
8.14	CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW	28
8.15	CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM	28
8.16	CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM.....	29
8.17	CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM	30
8.18	COUNTY'S QUALITY ASSURANCE PLAN.....	30
8.19	DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS	31
8.20	EMPLOYMENT ELIGIBILITY VERIFICATION.....	31
8.21	FACSIMILE REPRESENTATIONS.....	32
8.22	FAIR LABOR STANDARDS	32
8.23	FEDERAL ACCESS TO RECORDS.....	33
8.24	CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER.....	33
8.25	GOVERNING LAW, JURISDICTION, AND VENUE	34
8.26	HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA).....	34
8.27	INDEPENDENT CONTRACTOR STATUS.....	35
8.28	INDEMNIFICATION	36
8.29	GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE	37
8.30	INSURANCE COVERAGE	42
8.31	LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES	44
8.32	INTENTIONALLY OMITTED.....	44
8.33	INTENTIONALLY OMITTED.....	44
8.34	NON EXCLUSIVITY.....	44
8.35	NOTICE OF DELAYS	45
8.36	NOTICE OF DISPUTES	45
8.37	NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT	45

**AGREEMENT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
8.38	NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW	45
8.39	NOTICES.....	46
8.40	PROHIBITION AGAINST INDUCEMENT OR PERSUASION	46
8.41	PUBLIC RECORDS ACT	46
8.42	PUBLICITY	47
8.43	RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT	48
8.44	RECYCLED BOND PAPER.....	50
8.45	RESTRICTIONS ON LOBBYING	50
8.46	SUBCONTRACTING	50
8.47	TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM.....	52
8.48	TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM.....	52
8.49	TERMINATION FOR CONVENIENCE	53
8.50	TERMINATION FOR DEFAULT	54
8.51	TERMINATION FOR IMPROPER CONSIDERATION.....	56
8.52	TERMINATION FOR INSOLVENCY.....	56
8.53	TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE	57
8.54	TERMINATION FOR NON-APPROPRIATION OF FUNDS.....	57
8.55	INTENTIONALLY OMITTED.....	58
8.56	VALIDITY	59
8.57	WAIVER.....	58
8.58	WARRANTY AGAINST CONTINGENT FEES.....	58
8.59	TIME OFF FOR VOTING.....	59
8.60	COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING.....	59
9.0	UNIQUE TERMS AND CONDITIONS.....	60
9.1	NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT	60
9.2	LIMITATION OF LIABILITY	60

**AGREEMENT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
9.3	INTELLECTUAL PROPERTY OWNERSHIP	60
9.4	USE OF DELIVERABLES.....	61
9.5	ACCEPTANCE	61
9.6	WARRANTY	62
SIGNATURES	63

**AGREEMENT PROVISIONS
TABLE OF CONTENTS**

STANDARD EXHIBITS

A	STATEMENT OF WORK
B	PRICING SHEET
C	SAMPLE DED
D	CONTRACTOR'S EEO CERTIFICATION
E	COUNTY'S ADMINISTRATION
F	CONTRACTOR'S ADMINISTRATION
G	FORM(S) REQUIRED AT THE TIME OF AGREEMENT EXECUTION
H	JURY SERVICE ORDINANCE
I	SAFELY SURRENDERED BABY LAW

**AGREEMENT BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
GARTNER, INC.
FOR
CONSULTING SERVICES**

This Agreement and Exhibits made and entered into this 1st day of June, 2018 by and between the County of Los Angeles, hereinafter referred to as "County", and Gartner, Inc. hereinafter referred to as "Contractor". Contractor is located at 56 Top Gallant Road, Stamford, CT 06902.

RECITALS

WHEREAS, the County may contract with private businesses for specialized Consulting Services when certain requirements are met; and

WHEREAS, the County and the Contractor agree that this Agreement will supersede the prior Agreement No. H-705792, dated May 14, 2013, and all amendments thereto; and

WHEREAS, the Health Agency, consisting of the Department of Health Services, Department of Public Health and the Department of Mental Health, was established by the Board of Supervisors in 2015 to improve the health and wellness of Los Angeles County residents through the provision of coordinated care and services; and

WHEREAS, each of the departments of the Health Agency may purchase work and services pursuant to this Agreement, with the Department of Health Services administering this Agreement on behalf of the Health Agency; and

WHEREAS, the County requires Contractor's third party oversight and quality assurance services and other services as more fully described herein, for various County initiatives, including, but not limited to, the Online Realtime Centralized Health Information Database system, the Membership Administration and Payment Linkage Environment system, the Comprehensive Health

Accompaniment Management Platform system, as well as other initiatives within the Health Agency; and

WHEREAS, the Contractor warrants that it possesses the necessary special skills, experience, knowledge, technical competence and sufficient staffing to perform under this Agreement; and

WHEREAS, the Contractor is a private firm specializing in providing the services described herein; and

WHEREAS, this Agreement is therefore authorized under California Code, Government Code Section 31000 which authorizes the Board of Supervisors to contract for specialized services; and

WHEREAS, this Agreement is therefore authorized under Section 44.7 of the Los Angeles County Charter and Los Angeles County Codes Section 2.121.250.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, and I, are attached to and form a part of this 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 Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Agreement and then to the Exhibits according to the following priority.

Standard Exhibits:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Sheet
- 1.3 EXHIBIT C – Sample DED
- 1.4 EXHIBIT D - Contractor's EEO Certification
- 1.5 EXHIBIT E - County's Administration
- 1.6 EXHIBIT F - Contractor's Administration

1.7 EXHIBIT G - Forms Required at the Time of Agreement Execution

1.8 EXHIBIT H - Jury Service Ordinance

1.9 EXHIBIT I - Safely Surrendered Baby Law

This Agreement and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous agreements, written and oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to sub-paragraph 8.1 - Amendments and signed by both parties.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. 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.

2.1 Agreement: Contract executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of the Statement of Work, Exhibit A.

2.2 Consulting Services: Collectively, all functions, responsibilities, tasks, subtasks, Deliverables, goods, and other services: (a) identified in Exhibit A (Statement of Work); (b) identified in this Agreement as being Contractor's responsibility; and (c) otherwise necessary to comply with the terms of this Agreement, as purchased by County pursuant to a fully executed DED.

2.3 Contract: Agreement executed between County and Contractor.

2.4 Contractor: The sole proprietor, partnership, limited liability company or corporation that has entered into an Agreement with the County to perform or execute the work covered by the Statement of Work.

2.5 Contractor Project Manager: The individual designated by the Contractor to administer the Agreement operations after the Agreement award.

- 2.6 County Project Director:** The individual designated by the County with overall responsibility for the Agreement after the Agreement award. This may be the same person named as County Project Manager.
- 2.7 County Project Manager:** The individual designated by the County to administer the Agreement.
- 2.8 Day(s):** Calendar day(s) unless otherwise specified.
- 2.9 DED:** Deliverable Expectations Document and Deliverables Acceptance Document.
- 2.10 Director:** Director of Health Services or his/her authorized designee acting on behalf of the Health Agency.
- 2.11 Facility:** Medical Centers, Rehabilitation Centers, Health Centers, or Ambulatory Care Centers all within the Health Agency.
- 2.12 Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.13 Health Agency:** The County agency consisting of County Departments of Health Services (DHS), Mental Health (DMH), and Public Health (DPH) acting as a single unified Health Agency.

3.0 WORK

- 3.1** Pursuant to the provisions of this Agreement, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth herein. The Statement of Work, Exhibit A, sets forth the menu of Consulting Services that may be purchased pursuant to this Agreement, with the price for each of the Consulting Services set forth in Pricing Sheet, Exhibit B. In order to purchase the Consulting Services, following agreement on the specific Consulting Services, a DED must be prepared and executed by the Director, or designee and Contractor's authorized representative. A blank form DED is attached hereto as Exhibit C, Sample DED.

- 3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Agreement, 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.

4.0 TERM OF AGREEMENT

- 4.1 The term of this Agreement shall commence on June 1, 2018, through the period ending May 31, 2020 ("Initial Term"), unless sooner terminated or extended, in whole or in part, as provided in this Agreement. Upon the expiration of the Initial Term, County may, at its sole discretion, extend the term of this Agreement for three (3) additional one-year periods (each, a "Renewal Term"). Each extension option may be exercised at the sole discretion of the Health Agency if authorized by the Board of Supervisors. In the event the Health Agency desires to renew the Agreement by exercising an option term, the County shall provide Contractor with a written notice of intent to renew the Contract thirty (30) calendar days prior to the expiration of the then current term of the Agreement. The option to renew shall be set forth in writing, as provided in Subparagraph 8.1, Amendments.
- 4.2 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.
- 4.3 The Contractor shall notify DHS when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the DHS at the address herein provided in Exhibit E - County's Administration.

5.0 AGREEMENT SUM, BILLING AND PAYMENT

- 5.1** The Maximum Agreement Sum for the Initial Term set forth in subparagraph 4.1 shall not exceed Five Million, Nine Hundred Fifty-Six Thousand Dollars (\$5,956,000).
- 5.2** During the Initial Term of this Agreement, the Director, or designee, may increase the Maximum Agreement Sum by: (i) \$551,537, the amount of unexpended funds from the previous agreement (No. H-705792) between County and Contractor and (ii) no more than ten percent (10%) of the total Maximum Agreement Sum, not to exceed \$595,600, for the purchase of additional Consulting Services. Any modification to the Maximum Agreement Sum is subject to a duly approved Amendment to this Agreement by County and Contractor's authorized representative(s) pursuant to Paragraph 8.1 – Amendments.
- 5.3** The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.
- 5.4** The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total Agreement authorization under this Agreement. Upon occurrence of this event, the Contractor shall send written notification to DHS at the address herein provided in Exhibit E - County's Administration.

5.5 No Payment for Services Provided Following Expiration/ Termination of Agreement

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

5.6 Invoices and Payments

5.6.1 The Contractor shall invoice the County in arrears only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A - Statement of Work, each DED, and elsewhere hereunder. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the County under the terms of this Agreement. The Contractor's payments shall be as provided in Exhibit B - Pricing Sheet, and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If the County does not approve work in writing no payment shall be due to the Contractor for that work.

5.6.2 The Contractor's invoices shall be priced in accordance with Exhibit B - Pricing Sheet.

5.6.3 The Contractor's invoices shall contain the information set forth in Exhibit A - Statement of Work describing the tasks, deliverables, goods, services, work hours, and Facility and/or other work for which payment is claimed.

5.6.4 The Contractor shall submit the monthly invoices to the County by the 15th calendar day of the month following the month of service.

5.6.5 All invoices under this Agreement shall be submitted in two (2) copies to the County's Project Director at the address indicated in Exhibit E - County's Administration.

5.6.6 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the County's Project Manager prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

6.0 ADMINISTRATION OF AGREEMENT - COUNTY

COUNTY ADMINISTRATION

The Director shall have the authority to administer this Agreement on behalf of the County. Director retains professional and administrative responsibility for the services rendered under this Agreement. A listing of all County Administration referenced in the following sub-paragraphs is designated in Exhibit E - County's Administration. The County shall notify the Contractor in writing of any change in the names or addresses shown.

6.1 County's Project Director

Responsibilities of the County's Project Director include:

- ensuring that the objectives of this Agreement are met; and
- providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.2 County's Project Manager

The responsibilities of the County's Project Manager include:

- meeting with the Contractor's Project Manager on a regular basis; and

- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

The County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.

7.0 ADMINISTRATION OF AGREEMENT - CONTRACTOR

7.1 Contractor's Project Manager

7.1.1 The Contractor's Project Manager is designated in Exhibit F - Contractor's Administration. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.

7.1.2 The Contractor's Project Manager shall be responsible for the Contractor's day-to-day activities as related to this Agreement and shall coordinate with County's Project Manager on a regular basis.

7.2 Contractor's Authorized Official(s)

7.2.1 Contractor's Authorized Official(s) are designated in Exhibit F -Contractor's Administration. Contractor shall promptly notify County in writing of any change in the name(s) or address(es) of Contractor's Authorized Official(s).

7.2.2 Contractor represents and warrants that all requirements of Contractor have been fulfilled to provide actual authority to such officials to execute documents under this Agreement on behalf of Contractor.

7.3 Approval of Contractor's Staff

County has the absolute right to approve or disapprove all of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Project Manager.

7.4 Contractor's Staff Identification

All of Contractor's employees assigned to County Facilities are required to have a County Identification (ID) badge on their person and visible at all times. Contractor bears all expense of the badging.

7.4.1 Contractor is responsible to ensure that employees have obtained a County ID badge before they are assigned to work in a County Facility. Contractor personnel may be asked to leave a County Facility by a County representative if they do not have the proper County ID badge on their person.

7.4.2 Contractor shall notify the County within one business day when staff is terminated from working under this Agreement. Contractor shall retrieve and return an employee's ID badge to the County on the next business day after the employee has terminated employment with the Contractor.

7.4.3 If County requests the removal of Contractor's staff, Contractor shall retrieve and return an employee's ID badge to the County on the next business day after the employee has been removed from working on the County's Agreement.

7.5 Background and Security Investigations

7.5.1 All Contractor staff performing work under this Agreement on site at DHS Facilities shall undergo and pass, to the satisfaction of County, a background investigation as a condition of beginning and continuing to work under this Agreement. County shall use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor's staff passes or fails the background clearance investigation. County shall perform the background check

and bill Contractor for the cost or deduct such amount from funds owed by County to Contractor.

- 7.5.2 County may request that the Contractor's staff be immediately removed from working on the County Agreement at any time during the term of this Agreement. County will not provide to the Contractor nor to the Contractor's staff any information obtained through the County conducted background clearance.
- 7.5.3 County may immediately, at the sole discretion of the County, deny or terminate Facility access to the Contractor's staff that do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County Facility access.
- 7.5.4 Disqualification, if any, of the Contractor's staff, pursuant to this sub-paragraph 7.5, shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

7.6 Confidentiality

- 7.6.1 Subject to the provisions of California Government Code Section 6250 et seq (Public Records Act), the parties agree to keep confidential and not to use or disclose to any third parties any non-public business information of the other party learned or disclosed in connection with this Agreement, including the Contractor Materials (as that term is defined in sub-paragraph 9.3 -Intellectual Property Ownership). The obligation of the parties with respect to the Confidential Information shall terminate with respect to any particular portion of the Confidential Information if and when: (i) it is in the public domain at the time of its communication; (ii) it is developed independently by the receiving party without use of any Confidential information; (iii) it enters the public

domain through no fault of the receiving party subsequent to the time of the disclosing party's communication to the receiving party; (iv) it is in the receiving party's possession free of any obligation of confidence at the time of the disclosing party's communication; (v) it is communicated by the disclosing party to a third party free of any obligation of confidence; or (vi) the receiving party has the disclosing party's written permission.

Each party shall provide notice to the other of any demand made upon it under lawful process to disclose or provide any of the other party's Confidential Information. The party in possession of the requested Confidential Information agrees to cooperate with the other party, if the other party elects to seek reasonable protective arrangements or oppose such disclosure which shall be at the other party's sole expense. Any Confidential Information disclosed pursuant to such lawful process shall continue to be Confidential Information unless it is deemed otherwise pursuant to an order of a court of competent jurisdiction.

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

7.6.3 Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgment and Confidentiality Agreement", Exhibit G-1.

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS

8.1.1 For any change which affects the scope of work, payments, or any term or condition included under this Agreement, an Amendment shall be prepared by the County and then

executed by the Contractor and by Director or his/her designee.

- 8.1.2 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Agreement during the term of this Agreement. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Agreement shall be prepared by the County and then executed by the Contractor and by the Director or his/her designee.
- 8.1.3 The Board of Supervisors may at its sole discretion, authorize extensions of time as defined in paragraph 4.0 - Term of Agreement. The Contractor agrees that such extensions of time shall not change any other term or condition of this Agreement during the period of such extensions. To implement an extension of time, an Amendment to the Agreement shall be prepared by the County and then executed by the Contractor.
- 8.1.4 The Director, or his/her designee, may require, at his/her sole discretion, the addition and/or change of certain terms and conditions in the Agreement to conform to changes in federal or state law or regulation or County policy, during the term of this Agreement. The County reserves the unilateral right to add and/or change such provisions as required by law, regulation or County policy, without the need for Contractor's written consent, to preserve this Agreement's conformity and compliance to federal and state law or regulation or County policy as deemed necessary by the

County's Board of Supervisors, County Counsel or the Chief Executive Officer.

8.2 ASSIGNMENT AND DELEGATION/MERGERS OR ACQUISITIONS

- 8.2.1 The Contractor shall notify the County of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the Contractor is restricted from legally notifying the County of pending acquisitions/mergers, then it should notify the County of the actual acquisitions/mergers as soon as the law allows and provide to the County the legal framework that restricted it from notifying the County prior to the actual acquisitions/mergers.
- 8.2.2 The Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this sub-paragraph, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.
- 8.2.3 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the

majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

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

8.3 AUTHORIZATION WARRANTY

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

8.4 BUDGET REDUCTIONS

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by the Contractor

under this Agreement shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Agreement.

8.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76)

Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, or directors or other principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director, or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of its subcontractors or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

8.6 INTENTIONALLY OMITTED

8.7 COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

8.7.1 In the performance of this Agreement, Contractor shall comply with all current and applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including, but not limited to standards of The Joint Commission, its National Patient Safety Goals, California Code of Regulations, Title 22, Division 5 regulations and all other applicable industry best practices standards. All provisions required thereby to be included in this Agreement are incorporated herein by reference.

8.7.2 Facilities Rules and Regulations

During the time that Contractor's agents, employees, or subcontractors are at a Facility, Contractor and such persons shall be subject to the rules and regulations of that Facility. Facility's Administrator shall furnish a copy of rules and regulations to Contractor pertaining to the Facility prior to the execution of this Agreement and, during the term of this Agreement, shall furnish Contractor with any changes thereto as from time to time may be adopted. It is the responsibility of Contractor to acquaint all persons who may provide services hereunder with such rules and regulations. Contractor agrees to immediately and permanently withdraw any of its employees or subcontractors from the provision of services hereunder upon receipt of written notice from the Director that: (1) such employee or subcontractor has violated such rules or regulations, or (2) such employee's or subcontractor's actions while on County premises, indicate that such employee or subcontractor's actions while on County

premises, indicate that such employee or subcontractor may adversely affect the delivery of health care services to County patients. The Director must submit with such notice a written statement of the facts supporting any such alleged violation or action.

8.8 COMPLIANCE WITH CIVIL RIGHTS LAWS-

ANTI-DISCRIMINATION AND AFFIRMATIVE ACTION LAWS

8.8.1 The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17); the Fair Employment & Housing Act, Government Code Section 12920-12922; and Affirmative Action in County Agreements, Chapter 4.32 of the Los Angeles County Code to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

8.8.2 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

8.8.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated

during employment, without regard to race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, 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.

- 8.8.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation.
- 8.8.5 The Contractor 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, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.
- 8.8.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this sub-paragraph 8.8 when so requested by the County.

- 8.8.7 If the County finds that any provisions of this subparagraph 8.8 have been violated, such violation shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Agreement.
- 8.8.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Agreement, the 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 Section 1671 as liquidated damages in lieu of terminating or suspending this Agreement.
- 8.8.9 The Contractor shall certify to, and comply with, the provisions of Exhibit D - Contractor's EEO Certification.

8.9 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.9.1 Jury Service Program:

This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit H and incorporated by reference into and made a part of this Agreement.

8.9.2 Written Employee Jury Service Policy.

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service

Program. If the Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall also be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the Agreement.

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

future County contracts for a period of time consistent with the seriousness of the breach.

8.10 CONFLICT OF INTEREST

8.10.1 No County employee whose position with the County enables such employee to influence the award or administration of this Agreement or any competing contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of the Contractor 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.

8.10.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor 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. Failure to comply with the provisions of this sub-paragraph shall be a material breach of this Agreement.

**8.11 CONSIDERATION OF HIRING COUNTY EMPLOYEES
TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST**

Should the Contractor require additional or replacement personnel after the effective date of this Agreement to perform the Services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Agreement.

**8.12 CONSIDERATION OF HIRING GAIN/GROW PROGRAM
PARTICIPANTS**

8.12.1 Should the Contractor require additional or replacement personnel after the effective date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. If the Contractor decides to pursue consideration of GAIN/GROW participants for hiring, the Contractor shall provide information regarding job openings and job requirements to DPSS' GAIN/GROW staff at GAINGROW@dpss.lacounty.gov. The County will refer GAIN/GROW participants by job category to the Contractor.

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

8.13 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.13.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as

quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

8.13.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts 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 contracts the Contractor may have with the County.

8.13.3 Non-responsible Contractor

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

8.13.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the 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 Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years,

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

5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
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.

8.13.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of County Contractors.

8.14 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

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

8.15 CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM

8.15.1 Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director within ten (10) calendar days in writing of: (1) any event that would require Contractor or a staff member's mandatory exclusion from

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

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

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

8.16 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

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

8.16.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and

wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.17 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

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

8.17.2 Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles Code Chapter 2.206.

8.18 COUNTY'S QUALITY ASSURANCE PLAN

8.18.1 The County or its agent will evaluate the Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Agreement terms and conditions and performance standards identified in the Statement of Work. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not

corrected will be reported to the Board of Supervisors.

- 8.18.2 The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Agreement or impose other penalties as specified in this Agreement.

8.19 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

- 8.19.1 The Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the Contractor or employees or agents of the Contractor. Such repairs shall be made immediately after the Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.
- 8.19.2 If the Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by the Contractor by cash payment upon demand.
- 8.19.3 County reserves the unilateral right to make any repairs which Director determines, in his/her sole discretion, to be a public safety issue requiring immediate repair. County will bill Contractor for the cost of said repair or deduct said cost from any outstanding amounts owed by County to Contractor.

8.20 EMPLOYMENT ELIGIBILITY VERIFICATION

- 8.20.1 The Contractor 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 Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor 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 Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.20.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement.

8.21 FACSIMILE REPRESENTATIONS

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to sub-paragraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Agreement, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.22 FAIR LABOR STANDARDS

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages,

overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

8.23 FEDERAL ACCESS TO RECORDS

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

8.24 CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER

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

excused if such performance remains physically possible. Failure to comply with this requirement shall be considered a material breach by Contractor for which County may immediately terminate this Agreement.

8.25 GOVERNING LAW, JURISDICTION, AND VENUE

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

8.26 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

8.26.1 Contractor expressly acknowledges and agrees that the provision of services under this Agreement does not require or permit access by Contractor or any of its officers, employees, or agents, to any patient medical records/patient information. Accordingly, Contractor shall instruct its officers, employees, and agents that they are not to pursue, or gain access to, patient medical records for any reason whatsoever.

8.26.2 Notwithstanding the forgoing, the parties acknowledge that in the course of the provision of services hereunder, Contractor or its officers, employees, and agents, may have inadvertent access to patient medical records/patient information. Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever.

8.26.3 Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents, shall maintain the confidentiality of any information obtained and shall notify Director that such access has been gained immediately, or upon the first reasonable opportunity to do so. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold

harmless County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents', access to patient medical records/patient information. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

8.27 INDEPENDENT CONTRACTOR STATUS

- 8.27.1 This Agreement is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.
- 8.27.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.
- 8.27.3 The Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers'

Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Agreement.

- 8.27.4 The Contractor shall adhere to the provisions stated in subparagraph 7.6 - Confidentiality.

8.28 INDEMNIFICATION

8.28.1 General Indemnity

Contractor agrees to indemnify, defend and hold harmless the County its employees, officers and agents, from and against any third party claims, demands, loss, damage or expenses (including reasonable attorney's fees and court costs) relating to bodily injury or death of any person or damage to real and/or tangible personal property directly caused by the negligence or willful acts or omissions of the Contractor its personnel, or agents during the course of providing the Services under this Agreement.

8.28.2 Intellectual Property Indemnity

Upon notification of a claim against the County alleging any Contractor provided Deliverable infringes a copyright, patent, trade secret or other intellectual property right of any third party, Contractor will defend such claim at its expense and will pay any costs or damages that may be finally awarded against the County. Contractor will not indemnify the County however, if the claim of infringement is caused by (1) County's misuse or modification of the Deliverable; (2) County's failure to use corrections or enhancements made available by Contractor; (3) County's use of the Deliverable in combination with any product or information not owned or developed by Contractor. If any Deliverable is, or in Contractor's opinion is likely to be, held

to be infringing, Contractor shall at its expense and option either: (a) procure the right for County to continue using it, (b) replace it with a noninfringing equivalent, (c) modify it to make it noninfringing, or (d) direct the return of the Deliverable and refund to County the fees paid for such Deliverable.

8.29 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.29 and 8.30 of this 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 Contractor pursuant to this Agreement. 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 Agreement.

8.29.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.
- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to

obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.

- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this 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 Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, 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 Contractor, 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
Department of Health Services
Contracts and Grants Division
313 N. Figueroa Street, 6E
Los Angeles, CA 90012
Attention: Kathy K. Hanks, C.P.M.

Director, Contracts and Grants

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

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

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to 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.

8.29.3 Cancellation of or Changes Insurance

Contractor shall employ commercial reasonable methods to advise the County of any Contractor decision to make any material change in its corporate insurance coverage. thirty (30) days in advance of proposed 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.

8.29.4 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.

8.29.5 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.

8.29.6 Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.29.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor 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 Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.29.8 Sub-Contractor Insurance Coverage Requirements

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

8.29.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.29.10 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 Agreement. Contractor understands

and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

8.29.11 Application of Excess Liability Coverage

Contractors 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.

8.29.12 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 with no insured versus insured exclusions or limitations.

8.29.13 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.29.14 County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County’s determination of changes in risk exposures.

8.30 INSURANCE COVERAGE

8.30.1 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 million
--------------------	-------------

Products/Completed Operations Aggregate: \$1 million
Personal and Advertising Injury: \$1 million
Each Occurrence: \$1 million

8.30.2 **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 Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.30.3 **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.

8.30.4 Unique Insurance Coverage

Professional Liability/Errors and Omissions

Insurance covering Contractor's liability arising from or related to this Agreement, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

8.31 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES

Contractor shall obtain and maintain in effect during the term of this Agreement, all valid licenses, permits, registrations, accreditations, and certificates required by law which are applicable to its performance of this Agreement, and shall ensure that all of its officers, employees, and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations, and certificates required by law which are applicable to their performance of services hereunder. All such licenses, permits, registrations, accreditations, and certifications relating to services hereunder shall be made available to County upon request.

8.32 INTENTIONALLY OMITTED

8.33 INTENTIONALLY OMITTED

8.34 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Agreement shall not restrict the Agency from acquiring similar, equal or like goods and/or services from other entities or sources.

8.35 NOTICE OF DELAYS

Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.36 NOTICE OF DISPUTES

The Contractor shall bring to the attention of the County's Project Manager any dispute between the County and the Contractor regarding the performance of services as stated in this Agreement. If the County's Project Manager the dispute, the Director or his/her designee shall resolve it.

8.37 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.38 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

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

8.39 NOTICES

8.39.1 All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits E - County's Administration and F - Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party.

8.39.2 **Electronic Notice:** In addition, and in lieu of written notification, the Director, or his/her designee, shall have the authority to issue any notice to Contractor electronically via e-mail at the designated email address as identified in Exhibit F – Contractor's Administration. This includes all notices or demands required or permitted by the County under this Agreement.

8.40 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Notwithstanding the above, the Contractor and the County agree that, during the term of this Agreement and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.41 PUBLIC RECORDS ACT

8.41.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to sub-paragraph 8.43 - Record Retention and Inspection/Audit Settlement of this Agreement; as well as any documents that may have been submitted in response to a solicitation process for this 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 issued by a court of competent jurisdiction.

- 8.41.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.42 PUBLICITY

- 8.42.1 The Contractor shall not disclose any details in connection with this Agreement to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Agreement within the following conditions:
- The Contractor shall develop all publicity material in a professional manner; and
 - During the term of this Agreement, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press

releases, feature articles, or other materials using the name of the County without the prior written consent of the Director or his/her designee. The County shall not unreasonably withhold written consent.

8.42.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this subparagraph 8.42 shall apply.

8.43 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

8.43.1 The Contractor shall maintain, and provide upon request by County, accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Agreement.

8.43.2 The Contractor 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 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, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this 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 Contractor at a location in Los Angeles

County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor 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.

- 8.43.3 In the event that an audit of the Contractor is conducted specifically regarding this Agreement by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, including audits conducted by the Medicare and Medi-Cal programs, or both, then the Contractor shall file a copy of each such audit report, including Statement of Auditing Standards No. 70 Type 2 Reports, with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 8.43.4 Failure on the part of the Contractor to comply with any of the provisions of this sub-paragraph 8.43 shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement.
- 8.43.5 If, at any time during the term of this Agreement or within five (5) years after the expiration or termination of this Agreement, representatives of the County conduct an audit of the Contractor regarding the work performed under this Agreement, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor 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 Contractor from the County, whether under this 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 Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Agreement exceed the funds appropriated by the County for the purpose of this Agreement.

8.44 RECYCLED BOND PAPER

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

8.45 RESTRICTIONS ON LOBBYING

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

8.46 SUBCONTRACTING

8.46.1 The requirements of this Agreement may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Agreement.

8.46.2 If the Contractor desires to subcontract, the Contractor shall

provide the following information promptly at the County's request:

- A description of the work to be performed by the subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

8.46.3 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were the Contractor employees.

8.46.4 The Contractor shall remain fully responsible for all performances required of it under this Agreement, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

8.46.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. The Contractor is responsible to notify its subcontractors of this County right.

8.46.6 The Director or his/her designee is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, Contractor shall forward a fully executed subcontract to the County for their files.

8.46.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.

8.46.8 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to:

County of Los Angeles
Department of Health Services
Contracts and Grants Division
313 N. Figueroa Street – 6E
Los Angeles, CA 90012
Attention: Kathy K. Hanks, C.P.M.
Director, Contracts and Grants

before any subcontractor employee may perform any work hereunder.

8.47 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in sub-paragraph 8.16 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute default under this Agreement. Without limiting the rights and remedies available to the County under any other provision of this Agreement, failure of the Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the County may terminate this Agreement pursuant to sub-paragraph 8.50 - Termination for Default and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

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

Failure of Contractor to maintain compliance with the requirements set forth in sub-paragraph 8.17 - Contractor's Warranty of Compliance with County's Defaulted Property Tax

Reduction Program shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

8.49 TERMINATION FOR CONVENIENCE

8.49.1 This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

8.49.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Agreement on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.49.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Agreement shall be maintained by the Contractor in accordance with sub-paragraph 8.43, Record Retention and Inspection/Audit Settlement.

8.50 TERMINATION FOR DEFAULT

8.50.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Agreement, if, in the judgment of the Director or his/her designee.

- Contractor has materially breached this Agreement; or
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Agreement; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Agreement, or of any obligations of this Agreement and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.50.2 In the event that the County terminates this Agreement in whole or in part as provided in sub-paragraph 8.50.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor may be liable to the County for any and all excess costs incurred by the County, for such similar goods and services. The Contractor shall continue the performance of this Agreement to the extent not terminated under the provisions of this sub-paragraph.

8.50.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in sub-paragraph 8.50.2 if its failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of the Contractor.

Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or Contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs 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 the Contractor to meet the required performance schedule. As used in this sub-paragraph, the term "subcontractor(s)" means subcontractor(s) at any tier.

- 8.50.4 If, after the County has given notice of termination under the provisions of this sub-paragraph 8.50, it is determined by the County that the Contractor was not in default under the provisions of this sub-paragraph 8.50, or that the default was excusable under the provisions of sub-paragraph 8.50.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to sub-paragraph 8.49 - Termination for Convenience.
- 8.50.5 The rights and remedies of the County provided in this sub-paragraph 8.50 shall not be exclusive and are in addition to

any other rights and remedies provided by law or under this Agreement.

8.51 TERMINATION FOR IMPROPER CONSIDERATION

- 8.51.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment, or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.
- 8.51.2 The Contractor shall immediately report any attempt by a County officer or employee 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 County Fraud Hotline at (800) 544-6861 or www.lacountyfraud.org.
- 8.51.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.52 TERMINATION FOR INSOLVENCY

- 8.52.1 The County may terminate this Agreement forthwith in the event of the occurrence of any of the following:
- Insolvency of the Contractor. The Contractor 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 Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.52.2 The rights and remedies of the County provided in this subparagraph 8.52 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.53 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which the County may in its sole discretion, immediately terminate or suspend this Agreement.

8.54 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Agreement, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Agreement during any of the County's future fiscal years unless and until the County's Board of Supervisors

appropriates funds for this Agreement in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.55 INTENTIONALLY OMITTED

8.56 VALIDITY

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

8.57 WAIVER

No waiver by the County of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this subparagraph 8.57 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.58 WARRANTY AGAINST CONTINGENT FEES

8.58.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this 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 Contractor for the purpose of securing business.

8.58.2 For breach of this warranty, the County shall have the right to terminate this Agreement and, at its sole discretion, deduct from the Agreement price or consideration, or

otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.59 TIME OFF FOR VOTING

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

8.60 COMPLIANCE WITH THE COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

- 8.60.1 The Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting Contractors from engaging in human trafficking.
- 8.60.2 If a Contractor or member of the Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of the Contractor's staff be removed immediately from performing services under this Agreement. The County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.
- 8.60.3 Disqualification of any member of the Contractor's staff pursuant to this Sub-paragraph shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT

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

9.2 LIMITATION OF LIABILITY

Neither party shall be liable for any consequential, indirect, special or incidental damages, such as damages for lost profits, business failure or loss arising out of use of the Deliverables or the Services, whether or not advised of the possibility of such damages. Except for liability for personal injury or death or for damage to property caused by the negligence or willful acts or omissions of Contractor or its employees, Contractor's total liability arising out of this Agreement and the provision of the Services shall be limited to the fee paid by the County under this Agreement.

9.3 INTELLECTUAL PROPERTY OWNERSHIP

Contractor agrees to provide ownership of any Deliverable(s) originally produced during the course of this Agreement to the County. Contractor shall retain sole and exclusive ownership of any, pre-existing Contractor tools, methodologies, questionnaires, responses, and/or proprietary research and data generated in the course of performing the Services, together with all intellectual property rights therein hereinafter referred to as the "Contractor Materials". Contractor grants to County a perpetual, non-exclusive, royalty-free license to use the Contractor Materials embodied in any Deliverable(s) subject to the limitations set forth in the subparagraph 9.4 - "Use of Deliverables".

Nothing contained in this Agreement shall preclude Contractor from rendering services to others or developing work products that are competitive with, or functionally comparable to, the Services.

Contractor shall not be restricted in its use of ideas, concepts, know-how, data and techniques acquired or learned in the course of performing the Services, provided that Contractor shall not use or disclose any of the County's confidential information. County shall retain its rights in any proprietary material that County supplies to Contractor.

9.4 USE OF DELIEVERABLES

Subject to payment in full of the applicable fees (if any), Contractor grants to County for its internal business use only a worldwide, royalty-free, perpetual license to use, reproduce, display, distribute copies of, and prepare derivative works of the Deliverables. Unless the Deliverable is a Request for Proposal (RFP) or similar document intended to be distributed by the County, County shall not make the Deliverables available, in whole or in part, to anyone outside of County, or quote excerpts from the Deliverables to the public, without the prior written consent of Contractor. Notwithstanding the foregoing, County may share the Deliverables with (i) its outside auditors and/or accountants, (ii) third parties who are engaged by County to review or implement suggestions or to further research the issues contained in the Deliverables, who have executed appropriate confidentiality agreement(s) with County, and, (iii) governmental or regulatory bodies as required by law; Contractor acknowledges this Agreement and the Deliverables are subject to the Public Records Act.

9.5 ACCEPTANCE

Absent specific language in the Statement of Work to the contrary, County shall provide written acceptance of Deliverables within 15 days of receipt by the County unless Contractor receives written notice of non-acceptance within 15 days after delivery. Any notice of non-acceptance must state in reasonable detail how the Deliverables did not conform to the Statement of Work and

Contractor shall use its reasonable business efforts to correct any deficiencies in the Deliverables so that they conform to the Statement of Work.

9.6 WARRANTY

Contractor warrants that the Deliverables, in the form provided to County, do not infringe any copyright, trademark, trade secret or other right of any third party.

/

/

/

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be executed by the County's Director of the Health Agency and Contractor has caused this Agreement to be executed on its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By Kathy K. Hanks for
Fred Leaf
Interim Health Agency Director

CONTRACTOR

GARTNER, INC.

By Phillip A. Cummings 5/14/18
Signature

Phillip A. Cummings
Printed Name

Contracts Counsel
Title

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By Maryargahon
Deputy County Counsel

**AGREEMENT FOR
CONSULTING SERVICES**

TABLE OF CONTENTS OF EXHIBITS

STANDARD EXHIBITS

- A STATEMENT OF WORK
- B PRICING SHEET
- C SAMPLE DED
- D CONTRACTOR'S EEO CERTIFICATION
- E COUNTY'S ADMINISTRATION
- F CONTRACTOR'S ADMINISTRATION
- G FORM(S) REQUIRED AT THE TIME OF AGREEMENT EXECUTION
- H JURY SERVICE ORDINANCE
- I SAFELY SURRENDERED BABY LAW

EXHIBIT A

STATEMENT OF WORK

1.0 BACKGROUND

The purpose of this Statement of Work (SOW) is to set forth the menu of Consulting Services that will be provided by Contractor to the County pursuant to the Agreement and a fully executed Deliverables Expectations Document (DED). County and Contractor agree that the tasks for each item may be supplemented or updated to reflect the needs of each engagement for Consulting Services. Any material changes to the tasks will be set forth on the applicable DED.

2.0 SCOPE OF SERVICES

Contractor shall perform the ITEM(s) as defined herein, pursuant to a DED.

ITEM 1 –OVERSIGHT REVIEWS AND RISK ASSESSMENTS

Objectives

- Prepare in-depth written Oversight Review reports for the agreed upon Projects, addressing project status and progress against plan(s), issues, risks, deliverable quality, next steps and other related information.
- The reports will apply the Gartner Risk Assessment framework (including but not limited to project management and quality assurance), with the primary purpose of raising significant risks and issues, facilitate discussion, and provide recommendations for mitigation of the risks and resolution of the issues identified.
- These Project risks and issues, and recommendations will be categorized as appropriate, and reviewed with the relevant Agency or Department of Health Services Leadership other Executive or Department governance bodies.

Process

- Contractor will conduct a planning conference call (can be replaced with electronic communication for planning purposes) one to two weeks prior to each assessment to prepare for the in-focus Projects for each report. The call will also confirm onsite logistics and ensure a fully productive time period when Contractor performs the Review. During this call (or through electronic communication), Contractor will:
 - Confirm and agree upon the Projects in scope for that review. Examples of possible Projects in focus could be Online Realtime Centralized Health Information Database (ORCHID), Empaneled Life Management (ELM), Service Improvement, Leadership, and Value Enhancement for Revenue (SILVER), Whole Person Care (WPC),

HeatheCare, Clairvia and Time and Attendance, Etreby, or DPH, DMH, Jail Health Information System (JHIS) or Probation Electronic Medical Records System (PEMRS).

- ☐ Review and clarify objectives, scope, and approach.
 - ☐ Review key timeline dates and responsibilities.
 - ☐ Identify interview participants, required data, and relevant documentation to be reviewed.
 - ☐ Request key documents or deliverables that are expected to be completed or are in process based on Contractor's Project Oriented Oversight Reviews.
 - ☐ Develop an interview guide to ensure that the key team leaders and subject matter experts have allocated sufficient time in their schedules to actively participate during the review week.
- Conduct onsite review:
- ☐ The Contractor's team will have thoroughly reviewed all documentation provided by the Agency prior to Contractor's onsite visit.
 - ☐ A series of 30-90 minute individual and small group interviews, will take place on-site (and where necessary, via teleconference) over an agreed upon period.
 - ☐ All interviews will be conducted onsite or over the phone with a team of two to three consultants to cover the full scope of the projects.
 - ☐ Follow up with project and team leads to address any questions or documentation requirements via e-mail or conference call.
 - ☐ Leverage the Gartner Risk Framework to cover all relevant risk elements for each Project.
- Develop Oversight Review Draft Report
- ☐ Document information from the prior activities into an Oversight Review.
 - ☐ For each agreed upon Project, the Review Report provides a summary for all risk areas (red/yellow/green) that are relevant and provides a discussion of key findings for red and yellow items to describe the root causes for the elevated risk levels.
 - ☐ Risks and issues are prioritized based on their importance/impact on project success and their urgency.
 - ☐ The Risk Mitigation and Issue Resolution Recommendations further prioritize action items - focusing on red and then yellow risk areas - by assigning recommendation and related time frames along with specific action plan comments and dependencies.

- Review and Finalize Oversight Review

- ☐ Review and finalize the findings and recommendations with the Agency or other Agency executive or governance bodies as appropriate.
- ☐ Perform iterative reviews with Agency leadership or DHS executive or governance bodies as appropriate to review findings and recommendations.
- ☐ Revise findings and recommendations if any substantive new material is identified.

Deliverables

- DED

- Oversight Review that includes:

- ☐ Interview Schedule
- ☐ Interview Agenda and Interview Guide
- ☐ Draft Report
- ☐ Prioritized Review Report findings and initial recommendations
- ☐ Updated Review Report mitigation recommendations
- ☐ Executive Summary Review Report

- Oversight Review Presentations which contain the following:

- ☐ Overall Risk Rank for each Project
- ☐ An Executive Summary to include:
 - A summary of Project progress and accomplishments since previous Contractor's report.
 - Identification and resolution of all problems encountered.
 - Assessment of overall project risk for each Project assessed.
 - Risks resolved since last period including the previous risk rank, and brief status or the actions taken on risks and any results.

ITEM 2 –STRATEGIC ASSESSMENTS

Objectives

- Conduct targeted Strategic Assessments supporting the Agency direction for the ORCHID Electronic Health Record (EHR) or related systems. Agency CIO, DHS CIO, DHS Chief Medical Information Officer (CMIO), ORCHID Project Director, or other designee will specify the scope and desired outcome of these assessments. They will cover such issues as

expansion of the EHR to other departments, infrastructure, application security, or organizational design.

Process

- Develop a DED for the Assessment that documents the scope of the assessment.
- Develop Assessment Framework and deliverable outline, review with County, and revise as necessary.
- Mutually agree upon the fixed price for conducting the assessment and providing the stated deliverables. Size of assessment based on the number of stakeholders, resources, time for completion, level of complexity.
- Data gathering including, but not limited to interviews and document reviews.
- Conduct analysis and apply Assessment Framework.
- Develop draft Assessment and conduct review meetings/workshops, as needed.
- Finalize Assessment based on County feedback.
- Conduct Executive Briefings as requested.

Deliverables

- DED
- Assessment Framework
- Assessment Report

ITEM 3 – PROJECT SPIN UP AND CAPACITY BUILDING SERVICES

Objectives

- Provide expert advice, best practice templates and guidance to County staff in defined areas such as Project Management, Training Development, Service Level Agreement (SLA) tracking and Monitoring.
- Develop custom templates and tools for use by the Agency.
- Educate the Agency staff on the use of templates and tools so that they become self-sufficient in their use.

Process

- Develop a DED for the Project Spin-up and Capacity Building Activity requested by County. Project and activities may include:
 - Developing initial versions of project artifacts in partnership with County staff and helping the Agency staff to develop the deliverables

- ☐ Train the Agency staff in the use of templates and provide feedback to County project staff.
- ☐ Develop tools and processes, provide training to County staff so that County staff can take ownership for ongoing utilization of the tools and processes. Provide feedback and guidance on the use of the tools and compliance with processes.
- Mentor the Agency staff to develop knowledge and process disciplines related to program operations and project planning and execution, such as:
 - ☐ Apply Contractor best practices for project lifecycle phases (Initiation, Planning, Executing, and Closing).
 - ☐ Apply Contractor best practices for IT Program operations (e.g., Issue Management, Problem Management, User Provisioning, SLA tracking, etc.).
 - ☐ Provide guidance to the Agency staff on the process of planning project activities from a conceptual level down to the planning and execution of tactical tasks and activities, including development of Project Charter, Communications, Planning, and Deliverable Management.

Deliverables

- DED
- Templates, tools and artifacts developed as part of the activities.
- Agency staff mentoring and training.

ITEM 4 – MONITORING AND TRACKING SERVICES

Objectives

- Provide Project Monitoring and Tracking Services related to enterprise systems (e.g., CHAMP, ORCHID) extension and expansion projects and stabilization of Maintenance and Operations (M&O).
- Monitor the progress of project execution; assuring potential problems are identified in a timely manner and corrective action can be taken proactively to avert risks.
- Conduct root case analysis and assessments related to stabilization of M&O process issues, vendor hosting and M&O support performance.
- Provide the Agency leadership with information, analysis and advice related to approved programs and projects.
- Mentor the Agency project staff in developing knowledge and process discipline related to program operations, project planning and execution.

Process

- Develop a DED for the Project Monitoring and Tracking Services request by County.
- Provide overall Project Monitoring that includes:
 - ❑ Review and measure project progress against the project plans to ensure that the project is within acceptable schedule and scope variances.
 - ❑ Review and provide input into project plans and activation work stream trackers.
 - ❑ Ensure that changes to project schedule or scope have been properly documented, risks are understood and approved by Agency Senior Management or other Agency executive or governance bodies as appropriate.
 - ❑ Prepare the weekly project status updates for Agency Senior Management or other Agency executive or governance bodies as appropriate:
 - Assess project progress, risks, and identify roadblocks documenting appropriate corrective and preventive actions.
 - Provide recommended changes to the project when necessary to mitigate risks and issues.
 - Prepare materials for the Agency Senior Management, or other Agency executive or governance bodies as appropriate, and respond to questions and concerns.
 - ❑ Provide the Agency with feedback and recommendations on project documents.
 - ❑ Provide and support a process for escalation of issues.
 - ❑ Support leadership with appropriate information on project activities to ensure decisions can be made based on accurate data.
 - ❑ Assist in the planning and facilitation of meetings, as necessary, including coordination between vendors and the Agency.
 - ❑ Prepare regular status reports at mutually agreed upon intervals.
 - ❑ Facilitate meetings, as necessary, and documenting decisions and action items.
 - ❑ Facilitate work sessions, as necessary.
- Conduct root cause and assessments for M&O and other project issues as directed by the Agency CIO, ORCHID Project Director, DHS CIO, DHS CMIO, or designee.

Deliverables

- DED
- Up-to-date project monitoring and tracking documents (i.e., Activation Trackers, Project monitoring documents, Project Risk and Issues Management Documents).
- Root case analysis and assessment reports, as applicable.

ITEM 5 – PROGRAM MANAGEMENT SERVICES

Objectives

- Provide skilled and experienced Program Management resource(s) to the Agency in support of the Agency CIO, Department CIO's, the DHS Enterprise Project Management Office (ePMO), DHS Enterprise Applications Management Office (eAMO) or other program as directed by the Agency CIO or designee.
- Manage project activities as defined in the DED.
- Provide oversight, and where required, provide hands on project management support for the design, development, and implementation of technology systems and platforms.
- Over time, ensure that DHS develops self-sufficiency for activities and tasks led by Contractor staff.
- Provide DHS leadership with information, analysis, and advice on an as-needed basis.

Process

- DHS will request Program Management Services and, together with Contractor, will prepare a DED.
- Gartner will provide an experienced Program/Project Manager who will lead and oversee project activities as agreed upon in the DED. In addition, the Agency will have access to Gartner subject matter experts in the areas of Health and Human Services, Healthcare, Program Management and Application Architecture on an as-needed basis.
- Examples of activities performed by Contractor under this SOW section may include:
 - Develop and set up project management templates and artifacts that may include:
 - Project management standards and principles
 - Orientation planning and staff on-boarding for new and existing DHS staff.
 - Development of briefing materials to DHS leadership.

- Communication planning
- Vendor progress and deliverable tracking.
- ☐ Participate in the day-to-day management of project activities as directed by the Agency CIO, DHS CIO, or designee, including:
 - Weekly project team meetings
 - Weekly workgroup and executive task force meetings as applicable (e.g., for ELM, MAPLE, CHAMP, JHIS).
- ☐ Assist in the resolution of project related issues and support escalation to higher level governance bodies.
- ☐ Prepare, attend, and participate in management of other project meetings, and for consulting advice as requested by the Agency CIO or DHS CIO (or designee).
- ☐ Conduct independent analysis and provide recommendations on unforeseen problems and on opportunities for improvement.
- ☐ Research and recommendations on alternative courses of action, and additional quality control reviews or risk management activities.
- ☐ Conduct research and analysis to assist in evaluating project issues.
- ☐ Facilitate meetings/conference calls with other organizations and jurisdictions to assist in providing advice on key project issues.
- ☐ Participate in briefings and appearances before various committees and/or individuals to discuss the overall strategic direction and progress of the Project.

Deliverables

- DED
- Monthly activity report
- Hands on support for key project leader preparation of key project artifacts.
- Written and verbal feedback on vendor deliverables.
- Written and verbal feedback on risks, issues, and improvement opportunities.
- Recommendations and findings reports on specific issues as required by the Agency CIO, DHS CIO (or designee).

ITEM 6 – SOLICITATION DOCUMENT DEVELOPMENT

Objectives

- Document requirements and lead the development of the SOWs and/or other related documents for solicitation purposes.

- Assist in the development of SOW implementation project plan, payment schedule, and other relevant documents for inclusion in procurement documentations or amendment packages to existing County Agreements.
- Participate in working and negotiation sessions with County and vendors to resolve open issues related to solicitation.

Process

- Document the required capabilities of a solution. Specific activities may include:
 - ☐ Conduct workshops with stakeholders to gather initial information about and within key topic areas and document business objectives.
 - ☐ Document key processes.
 - ☐ Develop Business Capability Model.
 - ☐ Develop a straw man best practice set of requirements from initial data collection activities along with Gartner Research and best practice requirements.
 - ☐ Conduct review sessions with stakeholders.
- If required, develop a high-level implementation plan for the new solution.
- Develop an SOW for the solution implementation based on the documented requirements, including but not limited to Project Management, Design, Build, Test, Train, and Deployment tasks.
- Address open questions and assist County in the resolution of issues throughout the solicitation process.
- Support County in the development of a pricing model for one-time and on-going costs for inclusion in the payment schedule.

Deliverables

- Draft SOW(s) for inclusion into solicitation documents or amendments, including:
 - ☐ Requirements Traceability Matrix
 - ☐ Required solution capabilities
- Draft high-level Project Plan for implementation.
- Provide input into payment schedule and other exhibits.

3.0 CONTRACTOR RESPONSIBILITIES

- Contractor shall provide a Project Manager or designated alternate.
- Project Manager shall act as a central point of contact with the County.

- Project Manager or designee shall have full authority to act for Contractor on all matters relating to the operation of the Agreement.
- Contractor shall assign adequate subject matter experts to perform the required work.

4.0 COUNTY RESPONSIBILITIES

- Provide guidance for the selection of high-priority projects that should be reviewed and assessed through the process described in Item 1.
- Provide access to relevant stakeholders.
- Provide requested documentation and processes.
- Participate in interview and data collection process.
- Participate in deliverable review process.
- Scheduling meetings and providing locations for meetings.

Exhibit B Pricing Sheet

SOW ITEMS	Fee Structure
SOW ITEM 1 - Oversight Reviews and Risk Assessments	Low Complexity (or one project e.g. WPC): \$59,000 per assessment Medium Complexity (up to two projects): \$85,000 High Complexity (or more than two projects): \$105,000 per assessment
SOW ITEM 2 - Strategic Assessments	Low complexity: \$35,000 Medium Complexity: \$50,000 High Complexity: \$75,000 Very high Complexity (involving survey tools or other extensive data gathering): \$125,000
SOW ITEM 3 - Project Spin up and Capacity Building Services	\$25,000 for a maximum duration of 2 months
SOW ITEM 4 - Monitoring and Tracking Services	Low complexity or add-on project: \$15,000 per month Medium Complexity: \$20,000 per month High Complexity: \$25,000 per month Very High Complexity: \$40,000 per month
SOW ITEM 5 - Program Management Services	0.5 PM: \$20,000 per month 1 PM: \$39,000 per month 1.5 PMs: \$54,000 per month 2 PMs: \$78,000 per month
SOW ITEM 6 - Solicitation Document Development	Low Complexity SOW/requirements (developed over 2 month period): \$30,000 Medium Complexity SOW/requirements (developed over 4 month period): \$60,000 High Complexity SOW/requirements (developed over 6 month period): \$100,000

Exhibit C: Sample DED

Deliverable Expectations Document (DED) #TBD

This Deliverable Expectations Document #TBD ("DED") is issued pursuant to Paragraph 3 (Work) of the Agreement, for the purchase of Consulting Services in accordance with the Agreement and Statement of Work.

Description of Deliverable(s)			
Deliverable Name and #	#[insert DED ID] – [insert DED name]		
Project Name			
Description	<ul style="list-style-type: none"> [Insert specific description of task performed] 		
Fixed Fee	[Insert cost for this task]	Estimated Deliverable Due Date	[Insert estimated due date]
Program Office		Actual Delivery Date	[Insert actual delivery]
Comments			

The Fixed Fee for the Consulting Services purchased pursuant to this DED is [\$TBD]. The Maximum Agreement Sum for the Agreement is \$5,956,000. The parties have previously executed DED#TBD through DED #TBD with a total expenditure of [\$TBD]. After giving effect to this DED, the remaining Maximum Agreement Sum balance is [\$TBD].

	Deliverable Expectation Acceptance	Deliverable Acceptance
Gartner, Inc.	Hannes Scheidegger	Hannes Scheidegger
Signature and Date	[Insert Gartner signature] [Insert date]	[Insert Gartner signature] [Insert date]
[Insert DHS contact]	TBD	TBD
Signature and Date	[Insert County Approval] [Insert date]	[Insert County Approval] [Insert date]

CONTRACTOR'S EEO CERTIFICATIONGARTNER, INC.

Contractor Name

56 Top Gallant Rd, Stamford, CT 06902

Address

04-3099750

Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, 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, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

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

Phillip A. Cummings

Authorized Official's Printed Name and Title


Authorized Official's Signature

05-10-2018

Date

COUNTY'S ADMINISTRATIONAGREEMENT NO. HA-707648**COUNTY'S PROJECT DIRECTOR:**

Name: Pamela Griffith
Title: Interim DHS Chief Information Officer
Address: 313 N. Figueroa St. Room 317-B
Los Angeles, CA 90012
Telephone: (213) 288-8250
E-Mail Address: pgriffith@dhs.lacounty.gov

COUNTY'S PROJECT MANAGER(S):

Name: David Engel, M.D.
Title: ORCHID Information Technology Director,
Address: LAC+USC Medical Center
2051 Marengo Street, Building 10
Los Angeles, CA 90033
Telephone: (323) 409-8212
E-Mail Address: dengel@dhs.lacounty.gov

CONTRACTOR'S ADMINISTRATION**CONTRACTOR'S NAME:** GARTNER, INC.**AGREEMENT NO:** HA-707648**CONTRACTOR'S PROJECT MANAGER:**

Name: Hannes Scheidegger
Title: Senior Managing Partner
Address: 7676 Hazard Center Dr, San Diego, CA 92108
Telephone: +1 530-400-7147
E-Mail Address: hannes.scheidegger@gartner.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S):

Name: Phil A. Cummings
Title: Sr. Director, Contracts Counsel Americas Contracts
Address: 1201 Wilson Blvd – 17th Floor, Arlington, VA 22209
Telephone: +1 703-387-5619
E-Mail Address: phillip.cummings@gartner.com

Name: Brett Rugroden
Title: Group Vice President
Address: 980 9th St #2150, Sacramento, CA 95814
Telephone: +1-916-414-2250
E-Mail Address: brett.rugroden@gartner.com

Notices to Contractor shall be sent to the following:

Name: Hannes Scheidegger
Title: Senior Managing Partner
Address: 7676 Hazard Center Dr, San Diego, CA 92108
Telephone: +1 530-400-7147
E-Mail Address: hannes.scheidegger@gartner.com

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENTCONTRACTOR NAME Gardner, Inc. Agreement No. HA-707648GENERAL INFORMATION:

The Contractor referenced above has entered into an Agreement 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 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.

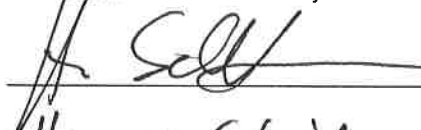
Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced Agreement between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward 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, Contractor 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 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:

DATE: 5/11/2018

PRINTED NAME:

Hannes Scheidegger

POSITION:

Senior Managing Partner

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 - 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 - 7. A non-agreement purchase with 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 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a 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. (Ord. 2002-0015 § 1 (part), 2002)

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

Page 3 of 3

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

“Dominant in its field of operation” means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

“Affiliate or subsidiary of a business dominant in its field of operation” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. 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. 2002-0015 § 1 (part), 2002)

SAFELY SURRENDERED BABY LAW

Safely Surrendered



No shame. No blame. No names.

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

www.babysafela.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) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

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?

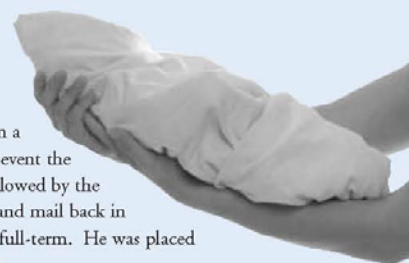
Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

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 Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



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

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 de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

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.

¿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 brazaletes y el padre/madre o el adulto que lo entregue recibirá un brazaletes 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.

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 brazaletes 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.





May 19, 2020

**Los Angeles County
Board of Supervisors**

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

Christina R. Ghaly, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Deputy Director, Clinical Affairs

Nina J. Park, M.D.
Chief Deputy Director, Population Health

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 288-8050
Fax: (213) 481-0503

www.dhs.lacounty.gov

*"To advance the health of our
patients and our communities by
providing extraordinary care"*



www.dhs.lacounty.gov

APPROVED BY THE CEO

MAY 19 2020

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

BY DELEGATED AUTHORITY

John A. Hahn

Dear Supervisors:

**APPROVAL TO EXERCISE AN EXISTING CONTRACT EXTENSION
TO SOLE SOURCE AGREEMENT NO. HA-707648 WITH GARTNER,
INC. FOR SPECIALIZED INFORMATION TECHNOLOGY
CONSULTING SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

Approval of delegated authority to the Director of Health Services (Director), or designee, to extend sole source Agreement No. HA-707648 with Gartner, Inc. for specialized information technology consulting services.

The Department of Health Services recommends:

Delegate authority to the Director, or designee, to amend the sole source Agreement No. HA-707648 (Agreement) with Gartner, Inc. (Gartner) for specialized information technology (IT) consulting services to a) exercise the first of two one-year extensions for the period of June 1, 2020 through May 31, 2021; and b) roll over previously approved funds in the amount of \$1,147,137 into the extended term for a total Maximum Agreement Sum of \$7,103,137, subject to prior review and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommendation will provide the Department of Health Services (DHS) with the authority to exercise the first one-year extension

to the Agreement to give DHS the ability to utilize these services, if necessary, and the ability to increase the total Maximum Agreement Sum by up to approximately \$1.147 M comprised of roll over funds from the prior agreement with Gartner (approximately \$551,537) and the existing ten percent (10%) contingency funds (\$595,600) for additional consulting services.

Throughout the existing term, Gartner has provided DHS with subject matter expertise in several critical areas, such as data and analytics, cybersecurity, enterprise program and project management oversight and quality assurance, and technology solution sourcing and procurement.

During the current term, Gartner provided baseline and ongoing project risk assessment and reporting, ongoing quality control and quality assurance services to monitor compliance with projects and corresponding agreements, project monitoring and tracking, program management support, strategic assessments, knowledge transfer, and project spin up and capacity building services for the Online Real-time Centralized Health Information Database (ORCHID), Whole Person Care, and Managed Care Services projects, among others. In addition, Gartner's third-party oversight, quality assurance, and capacity building services in the ORCHID program have been a key element in the project's early and ongoing accomplishments for DHS. There has been consistency of key Gartner personnel with unique skill sets and experience which has ensured continuity during the term of the project, adding to the success of ORCHID implementation in DHS. Gartner's services are needed to apply this successful methodology and approach to the implementation of ORCHID throughout the relevant sites in the Department of Public Health. There are currently no resources in the County that have the knowledge, skills, and abilities to perform these specialty IT consulting services on simultaneous critical projects.

Implementation of Strategic Plan Goals

The recommended actions support Strategy II.2 "Support the Wellness of Our Communities" and III.3 "Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability" of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Funding is included in the DHS Fiscal Year 2019-20 Final Budget and will be requested in future years budget as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 8, 2018, the Board of the Supervisors (Board) approved the sole source Agreement with two (2) one-year optional extensions as recommended by the Health Agency. The Board requested that the Health Agency return for authority to exercise each extension. In the absence of an Agency Director, and as DHS initiated and administers the Agreement with Gartner, this Agreement is being transferred back to DHS. The amendment is subject to prior review and approval as to form by County Counsel. The Chief Information Officer (CIO) has reviewed this Board Letter and recommends approval. The CIO further determined that a CIO Analysis is not required for the recommended action. The Sole Source Checklist (Attachment I) has been approved by the Chief Executive Office.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

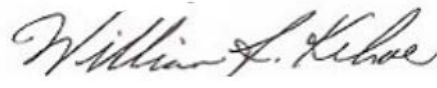
Approval of the recommendation will enable Gartner to continue providing consulting services under the Agreement.

Respectfully submitted,



Christina R. Ghaly, M.D.
Director

Reviewed by:



William S. Kehoe
Chief Information Officer

CRG:JA

Enclosure

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

**AGREEMENT BY AND BETWEEN COUNTY OF LOS ANGELES AND GARTNER,
INC. FOR CONSULTING SERVICES**

Amendment No. 1

THIS AMENDMENT is made and entered into this 28th day of May, 2020,

By and between

COUNTY OF LOS ANGELES
(hereafter "County"),

And

GARTNER, INC.
(hereafter "Contractor")

Business Address:

56 Top Gallant Road
Stamford, CT 06902

WHEREAS, reference is made to that certain document entitled "Agreement by and between County of Los Angeles and Gartner, Inc. for Consulting Services," dated June 1, 2018 and further identified as Agreement No.: HA-707648, including any amendments and/or Deliverable Expectation Document (DED) and any other modifications thereto (all hereafter referred to as "Agreement"); and

WHEREAS, on May 12, 2020 the Board of Supervisors delegated authority to the Director of Health Services, or authorized designee, to, among other delegations, extend the term of the Agreement for the period June 1, 2020 through May 31, 2021 and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend its term, to update certain terms and conditions, to increase the Agreement sum by \$1,147,137, not to exceed a maximum Agreement sum of \$7,103,137, and to provide for the other changes set forth herein; and

WHEREAS, the Agreement, Sub-paragraph 8.1 - Amendments provides that such changes may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, the Contractor warrants that it continues to possess the competence, expertise and personnel necessary to provide services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall be effective upon execution. Any capitalized term not defined herein shall have the meaning given to it in the Agreement.
2. The Agreement is hereby transferred to the management and control of the Department of Health Services. The following items are deleted in their entirety: (i) second and third recitals; and (ii) Sub-paragraph 2.13 (Health Agency). All remaining references to the Health Agency in the Agreement are deleted and replaced with the Department of Health Services (DHS).
3. The Agreement, Sub-paragraph 4.1 is deleted in its entirety and replaced to read as follows:
 - "4.1 The term of this Agreement shall commence on June 1, 2018, through the period ending May 31, 2021, unless sooner terminated or extended, in whole or in part, as provided in this Agreement. Upon the expiration of the term, County may, at its sole discretion, extend the term of this Agreement for two (2) additional one-year periods (each, a "Renewal Term"). Each extension option may be exercised at the sole discretion of the Department of Health Services (DHS) if authorized by the Board of Supervisors. In the event DHS desires to renew the Agreement by exercising an option term, the County shall provide Contractor with a written notice of intent to renew the Agreement thirty (30) calendar days prior to the expiration of the then current term of the Agreement. The option to renew shall be set forth in writing, as provided in Subparagraph 8.1, Amendments."
4. The Agreement, Paragraph 5.0 – Agreement Sum, Billing and Payment, Sub-paragraph 5.1 and 5.2 is deleted in its entirety and replaced to read as follows:
 - "5.1 The Maximum Agreement Sum for the term set forth in Sub-paragraph 4.1 shall not exceed Seven Million, One Hundred Three Thousand, One Hundred Thirty-Seven Dollars (\$7,103,137).
 - 5.2 INTENTIONALLY OMITTED"
5. The Agreement, Paragraph 5.0 – Agreement Sum, Billing and Payment is further modified to add Sub-paragraph 5.7 – Default Method of Payment: Direct Deposit or Electronic Funds Transfer to read as follows:
 - "5.7 Default Method of Payment: Direct Deposit or Electronic Funds Transfer**
 - 5.7.1 The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/ contract with the County shall be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

- 5.7.2 The Contractor shall submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.
- 5.7.3 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.
- 5.7.4 At any time during the duration of the Agreement, a Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), shall decide whether to approve exemption requests."

6. The Agreement, Paragraph 8.5 – Certification Regarding Debarment, Suspension, Ineligibility And Voluntary Exclusion – Lower Tier Covered Transactions (45 C.F.R. Part 76) is deleted in its entirety and replaced to read as follows:

"8.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (2 C.F.R. PART 376)

The Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, the Contractor certifies that neither it nor any of its owners, officers, partners, directors, other principals, employees, or independent contractors is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, the Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owners, officers, partners, directors, other principals, employees, or independent contractors of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. The Contractor shall immediately notify the County in writing, during the term of this Agreement, should it or any of the aforementioned parties either be suspended, debarred, ineligible, or excluded from securing federally

funded contracts. The Contractor shall reimburse the County for all associated costs (repayment, fine and/or penalty) that may be incurred as a result of inappropriate claims submitted by or on behalf of one of their staff or vendors who was excluded or suspended regardless of the Contractor's prior knowledge of such exclusion or suspension. Failure of the Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement."

7. The Agreement, Paragraph 8.14 – Contractor's Acknowledgement of County's Commitment To The Safely Surrendered Baby Law is deleted in its entirety and replaced to read as follows:

"8.14 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. The Contractor, and its subcontractor(s), can access posters and other campaign material at <https://www.lacounty.gov/residents/family-services/child-safety/safesurrender/>."

8. The Agreement, Paragraph 8.27 – Independent Contractor Status, Sub-paragraph 8.27.2 is deleted in its entirety and replaced to read as follows:

"8.27.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor. Consistent with the foregoing, the County shall have no liability, and the Contractor shall be solely and fully liable and responsible, to any of the Contractor's employees, subcontractors or other persons providing work under the Agreement on behalf of the Contractor, if any such person is unable to work or is required to stop working (permanently or temporarily) as a result of the person's exposure to an infectious disease or other hazard while performing work pursuant to the Agreement, even if such person

complied with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including those relating to the work site. Nothing in this Sub-paragraph is intended in any way to alter or release Contractor from obligation to obtain and maintain the requisite workers' compensation coverage pursuant to Sub-paragraph 8.30.3 – Workers' Compensation and Employers' Liability."

9. The Agreement, Sub-Paragraph 8.29, General Provisions for All Insurance Coverage and Sub-paragraph 8.29.1, Evidence of Coverage and Notice to County are deleted in their entirety and replaced to read as follows:

"8.29 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting the Contractor's indemnification of the County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, the Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Sub-paragraph 8.29 and Sub-paragraph 8.30 – Insurance Coverage of this 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 the Contractor pursuant to this Agreement. 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 Agreement.

8.29.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to the County, and a copy of an Additional Insured endorsement confirming the County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to the County at the e-mail address shown below and provided prior to commencing services under this Agreement.
- Renewal Certificates shall be provided to the County not less than 10 days prior to the Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this 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 Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, 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 Contractor, 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 e-mailed to the County of Los Angeles, Department of Health Services, Contracts and Grants Division, as the Certificate Holder at:

cqcontractorinsurance@dhs.lacounty.gov

The Contractor also shall promptly report to the County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to the Contractor. The Contractor also shall promptly notify the County of any third party claim or suit filed against the Contractor or any of its Sub-Contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against the Contractor and/or the County."

10. The Agreement, Sub-paragraph 8.38 – Notices to Employees Regarding the Safely Surrender Baby Law is deleted in its entirety and replaced to read as follows:

"8.38 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. Exhibit I-1 provides a link to the County's website where the Contractor can access posters and other campaign material."

11. The Agreement, Sub-paragraph 8.46 – Subcontracting, sub-paragraph 8.46.8 is deleted in its entirety and replaced to read as follows:

"8.46.8 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to the Certificate Holder, at:

cgcontractorinsurance@dhs.lacounty.gov

before any subcontractor employee may perform any work hereunder."

12. The Agreement, Sub-paragraph 8.51 – Termination for Improper Consideration, sub-paragraph 8.51.2 is deleted in its entirety and replaced to read as follows:

"8.51.2 The Contractor shall immediately report any attempt by a County officer or employee 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 County Fraud Hotline at (800) 544-6861 or <http://fraud.lacounty.gov>."

13. The Agreement, Sub-paragraph 8.55 – Intentionally Omitted is deleted in its entirety and replaced to read as follows:

"8.55 SURVIVAL

In addition to any provisions of this Agreement which specifically state that they will survive the termination or expiration of this Agreement and any rights and obligations under this Agreement which by their nature should survive, the following Sub-paragraphs shall survive any termination or expiration of this Agreement:

Sub-paragraph 5.5 (No Payment for Services Provided Following Expiration/Termination of Agreement)

Sub-paragraph 7.6 (Confidentiality)

Sub-paragraph 8.7 (Compliance with Applicable Laws, Rules and Regulations)

Sub-paragraph 8.25 (Governing Law, Jurisdiction, and Venue)

Sub-paragraph 8.28 (Indemnification)

Sub-paragraph 8.29 (General Provisions for all Insurance Coverage)

Sub-paragraph 8.30 (Insurance Coverage)

Sub-paragraph 8.43 (Record Retention and Inspection/Audit Settlement)

Sub-paragraph 8.55 (Survival)

Sub-paragraph 8.63 (Prohibition from Participation in Future Solicitation(s))."

14. The Agreement is modified to add Sub-paragraph 8.61 – Compliance with Fair Chance Employment Practices to read as follows.

"8.61 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT PRACTICES

Contractor shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor's violation of this paragraph of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, the County may, in its sole discretion, terminate the Agreement."

15. The Agreement is modified to add Sub-paragraph 8.62 – Compliance with the County of Policy of Equity to read as follows:

"8.62 COMPLIANCE WITH THE COUNTY POLICY OF EQUITY


The Contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The Contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The Contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the Contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the Contractor to termination of contractual agreements as well as civil liability."

16. The Agreement is modified to add Sub-paragraph 8.63 – Prohibition From Participation in Future Solicitation(s) to read as follows:

"8.63 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATION(S)

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services, or authorized designee, and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer(s), on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By:  for
Christina R. Ghaly, M.D.
Director of Department of Health Services

CONTRACTOR

GARTNER, INC.

By: Cummings, Phillip Digitally signed by Cummings, Phillip
Date: 2020.05.28 11:12:52 -04'00'
Signature
Phillip A. Cummings
Printed Name
Contracts Counsel
Title

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By: 
Lillian Anjargolian
Deputy County Counsel

SAFELY SURRENDERED BABY LAW

For printing purposes, the Fact Sheet and other information is available on the Internet at:

<https://www.lacounty.gov/residents/family-services/child-safety/safe-surrender/>

SOLE SOURCE CHECKLIST

Department Name: Health Services

☐ New Sole Source Contract

☒ Existing Sole Source Contract Date Sole Source Contract Approved: May 8, 2018

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
<input type="checkbox"/>	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>"Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist."</i>
<input type="checkbox"/>	➤ Compliance with applicable statutory and/or regulatory provisions.
<input type="checkbox"/>	➤ Compliance with State and/or federal programmatic requirements.
<input type="checkbox"/>	➤ Services provided by other public or County-related entities.
<input type="checkbox"/>	➤ Services are needed to address an emergent or related time-sensitive need.
<input type="checkbox"/>	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
<input type="checkbox"/>	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
<input type="checkbox"/>	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
<input checked="" type="checkbox"/>	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
<input type="checkbox"/>	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.


 Erika Bonilla
 Chief Executive Office

4/30/20
 Date

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	4/14/2021	
BOARD MEETING	5/4/2021	
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	1st, 2nd, 4th and 5th	
DEPARTMENT	Public Social Services, Mental Health, Children and Family Services, Health Services	
SUBJECT	Authorize the issuance of taxable commercial paper notes through the Los Angeles County Capital Asset Leasing Corporation Lease Revenue Commercial Paper Note Program ("Program") to provide alternative financing for the tenant improvement costs on various Board-approved leases, which will result in lower interest costs.	
PROGRAM	DPSS - In-Home Support Services (IHSS), Welfare Fraud Prevention & Investigations, and Medi-Cal programs; El Monte IHSS DMH - South Bay Mental Health Clinic, South Bay Full-Service Partnership, and South Bay Wellness Center; Finance Office; Rio Hondo Bienestar Wellness Center; Santa Clarita Mental Health Center DCFS - Metro North Regional Office, Child Protection Hotline Call Center, and Emergency Response Command Post; Out-of-Home Care Management Division, Quality Improvement Section, and Wrap-around Section DHS – Emergency Preparedness Warehouse	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	None	
COST & FUNDING	Total cost: \$28,770,000 (including principal, interest, and administrative fees, and exclusive of insurance costs)	Funding source: Please see Enclosure A to the Board letter.
	TERMS (if applicable): The proposed action will provide financing for tenant improvement costs for the leases through the issuance of taxable commercial paper notes at a rate reflective of market conditions at the time of issuance. The notes will be repaid no later than 5 years after the date of issuance. A significant interest cost savings will be achieved, as compared to the use of landlord financing for the TI costs. This action will also approve the payment of interest which may be incurred by the applicable Landlord until repaid with the notes. Interest payments will be from the benefitting departments' existing resources.	
	Explanation: Sufficient funding to cover the costs is included in the Fiscal Year (FY) 2020-21 Rent Expense budget and will be billed back to the departments.	
PURPOSE OF REQUEST	Approval of this action is currently estimated to save the County approximately \$3,800,000 in borrowing costs, exclusive of insurance costs.	
BACKGROUND (include internal/external issues that may exist)	The Board previously approved the leases presented, including the scope and cost of the TI work. Funding for the TI costs is usually provided by the landlord at interest rates typically in the range of seven to eight percent. The CEO worked with other departments to make this Program available as an alternative funding mechanism, which will allow departments to achieve significant cost savings.	
DEPARTMENTAL AND OTHER CONTACTS	Michael Navarro CEO - Real Estate Division 213-974-4364 Mnavarro@ceo.lacounty.gov	



FESIA A. DAVENPORT
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
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

May 04, 2021

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:

AUTHORIZE ISSUANCE OF TAXABLE COMMERCIAL PAPER NOTES TO FINANCE TENANT IMPROVEMENT COSTS FOR VARIOUS LEASES (FIRST, SECOND, FOURTH & FIFTH DISTRICTS) (3 VOTES)

SUBJECT

This action will authorize the issuance of taxable commercial paper notes (Notes) through the Los Angeles County Capital Asset Leasing Corporation Lease Revenue Commercial Paper Note Program (Note Program) to provide financing for the tenant improvement (TI) costs on various Board-approved leases (Leases).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed actions are not a project under the California Environmental Quality Act (CEQA) or are exempt, for the reasons stated in this Board letter and in the record of the proposed activities.
2. Establish TI Project No. 58197 for the lease at 20101 Hamilton Ave., Suites 150C, 200, 300, 325, Torrance, CA, authorize the issuance of the Notes in the amount not to exceed \$10,662,000 to provide financing for the TI requirement, and use such funds to pay for the TI costs. Also, approve an amount not to exceed \$373,170, to be funded by the benefiting department, for interest due to the landlord until County payment is received.

3. Establish TI Project No. 58304 for the lease at 1045 Redondo Beach Bl., Gardena, CA, authorize the issuance of the Notes in the amount not to exceed \$2,403,000 to provide financing for the TI requirement, and use such funds to pay for the TI costs. Also, approve an amount not to exceed \$84,077, to be funded by the benefiting department, for interest due to the landlord until County payment is received.
4. Establish TI Project No. 59048 for the lease at 1933 S. Broadway Ave., Los Angeles, CA, authorize the issuance of the Notes in the amount not to exceed \$4,970,000 to provide financing for the TI requirement, and use such funds to pay for the TI costs. Also, approve an amount not to exceed \$173,948, to be funded by the benefiting department, for interest due to the landlord until County payment is received.
5. Establish TI Project No. 58158 for the lease at 23501 Cinema Dr., Santa Clarita, CA, authorize the issuance of the Notes in the amount not to exceed \$311,000 to provide financing for the TI requirement, and use of such funds to pay for the TI costs. Also, approve an amount not to exceed \$10,878, to be funded by the benefiting department, for interest due to the landlord until County payment is received.
6. Establish TI Project No. 57839 for the lease at 9320 Telstar Ave., El Monte, CA, authorize the issuance of the Notes in the amount not to exceed \$2,700,000 to provide financing for the TI requirement, and use such funds to pay for the TI costs. Also, approve an amount not to exceed \$94,500, to be funded by the benefiting department, for interest due to the landlord until County payment is received.
7. Establish TI Project No. 58259 for the lease at, 6330 Rugby Ave., Huntington Park, CA, authorize the issuance of the Notes in the amount not to exceed \$1,263,000 to provide financing for the TI requirement, and use such funds to pay for the TI costs. Also, approve an amount not to exceed \$50,485, to be funded by the benefiting department, for interest due to the landlord until County payment is received.
8. Establish TI Project No. 57812 for the lease at 1000 Fremont Ave., Building A11, Alhambra, CA, authorize the issuance of the Notes in the amount not to exceed \$3,749,000 to provide financing for the TI requirement, and use such funds to pay for the TI costs. Also, approve an amount not to exceed \$140,555, to be funded by the benefiting department, for interest due to the landlord until County payment is received.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will find that these actions are exempt from CEQA, allow the County to realize savings by allowing the TI costs to be funded at a lower interest rate, establish TI project numbers, authorize the issuance of Notes to provide financing for the TI costs in the Leases, and authorize the use of the funds to pay for TI costs.

The Board previously approved these Leases, including the scope and cost of the TI work, as set forth in the Leases and accompanying work letters. Enclosure A provides an overview of the Leases, scope of work, and TI costs, including the maximum TI amount to be reimbursed to the landlord by the County, as previously approved by the Board.

Traditionally, the County borrows the TI dollars from the landlord at interest rates typically in the range of seven to eight percent. The Chief Executive Office (CEO) has been working with the departments to evaluate additional TI funding options. One option explored, in consultation with the Auditor-Controller, County Counsel, and Treasurer and Tax-Collector, was to issue Notes through the Note Program to fund the TI costs. We plan to utilize this funding mechanism as an option for all future leases, and accordingly, we will seek approval of the Note Program financing at the time of lease approval.

Therefore, we are seeking the Board's authorization to utilize the Notes as an alternative funding mechanism to finance the TI costs in place of the TI funding provided by the respective landlord to achieve a cost savings. The County has been using three percent for the Notes in its analysis of whether to proceed with the Note Program. Although, the interest rate of the Notes is based on the market conditions at the time of issuance, it is anticipated that the departments can still borrow the TI dollars at a significantly lower rate than that offered by the respective landlord, thereby resulting in significant interest cost savings.

Additionally, the use of the Note Program may also increase the pool of available space for leases, as landlords who are unable to advance TI funds to the County for an extended period will have the opportunity to do business with the County. This will increase competition between landlords for County leases, and it is anticipated to result in more cost-effective lease rates.

Approval of this action is currently estimated to save the County approximately \$3,800,000, in borrowing costs, exclusive of insurance costs and interest to the landlord, if any, as shown on Enclosure A.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 3 - Realize Tomorrow's Government Today -provides that our increasingly dynamic and complex environment challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good, while also pursuing operational effectiveness, fiscal responsibility, and accountability. Issuing Notes through the Note Program to fund TI costs when there are cost savings, rather than borrowing from private landlords, is an innovative way for the County to save money.

The proposed financing is also consistent with the Strategic Asset Management Plan Goal 3 - Maximize use of County space and achieve cost savings and Key Objective 3 – Optimize Real Estate Portfolio. Utilizing the funding available through the Note Program will result in significant reduction in the interest expense associated with the TI costs and thereby decrease the total annual leasing costs, at a substantial savings to the County.

FISCAL IMPACT/FINANCING

The Notes will be issued to fund TI costs after completion of the TI project, participating departments take occupancy of the leased space, and reconciliation of project expenditures. The Notes will have a final repayment date not to exceed five years from the date of issuance. Annually, the CEO will coordinate with the participating departments to determine the amount of available cash to repay all or a portion of the outstanding Notes, and incorporate the planned redemptions in the budget no later than May 15th in order for redemption of the outstanding Notes be completed by June 30th.

Subject to the lease terms, there may be interest due to the landlord until the County payment is received. Since this interest cost is not eligible to be financed under the Note Program, this interest cost will be paid by the Rent Expense Budget and the costs will be disbursed to the benefiting department(s). These interest costs are shown on Enclosure A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Note Program is a short-term financing program utilized by the County to provide the initial funding mechanism for construction and capital improvement projects. The Notes issued through the Note Program are short-term variable rate debt instruments and the interest rate is reflective of the market conditions at the time of issuance. Upon project completion and after occupancy of the leased spaces and reconciliation of project expenditures, Notes will be issued to remit for the TI costs.

Under the existing TI funding process through the landlords, upon substantial completion of the TI and occupancy of the space by the County, the landlord provides an invoice of the TI costs. After negotiation with the landlord and reconciliation of the final costs, the CEO notifies the department to select one of two repayment options: 1) repay the landlord in lump sum; or 2) finance the costs through the landlord. If the department chooses to finance the TI costs, repayments are made as part of the monthly rent. Payments made to the landlord are processed through the Rent Expense Budget and the costs are disbursed to the benefiting department(s).

The Note Program process involves the County making a lump sum payment to the landlord upon reconciliation of the final TI costs by use of a special fund, designated as J50. The J50 fund has been established to capture the TI expenditures exclusively related to the TIs funded by the Notes. Through the annual budget process, sufficient funds would be appropriated in each TI project number(s) under J50 to allow for the lump sum payments.

After the landlord is reimbursed for the TI, the benefiting department(s) would begin to repay the Note costs, which include principal, interest, administrative fees, and insurance. The benefiting department will use the funding sources shown on Enclosure A for the respective lease for repayment. As part of the annual budget process, sufficient funds would be appropriated in the Rent Expense Budget to fund the annual financing costs of the Note Program.

ENVIRONMENTAL DOCUMENTATION

The recommended actions are not subject to CEQA because they are activities that are excluded from the definition of a project by section 21065 of the Public Resources Code and section 15378 of the State CEQA Guidelines. The proposed action to establish TI project numbers and authorize the issuance of short-term Notes is organizational and an administrative activity of government that will not result in indirect or direct physical changes to the environment pursuant to Section 15378(b)(5). The projects to which the recommended organizational and/or administrative actions apply have previously been approved by the Board and necessary CEQA findings for each project were made at the time of approval. There are no changes proposed to the projects as a result of the currently recommended actions, which would necessitate further findings under CEQA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact to the provision of services or projects. However, the use of short-term borrowing of Notes through the Note Program will allow the County to achieve a substantial savings due to lower interest costs.

CONCLUSION

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted-stamped copy of this letter to the CEO, Capital Programs Division, and to the CEO, Real Estate Division, at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FAD:JMN:DL
JLC:MN:RC:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Children and Family Services
Health Services
Mental Health
Public Social Services
Treasurer and Tax Collector

Chief Executive Office- Real Estate Division
Overview of Tenant Improvement Project Costs and Savings
May 4, 2021

Enclosure A

TI Project Number	Location	Department	Square Footage Leased	Summary of TI Scope of Work	Total TI Cost	TI Cost To Be Paid by LL	Estimated TI Cost (excluding Low Voltage) To Be Paid by County	Prior Board Approved TI Amount Reimbursed to LL By County	Proposed Total TI Cost Under NOTES Program (Principal + Interest+Admin Fee) Based on 5-Year Amortization	Savings Through NOTES As A Funding Source For TI Expense	Estimated Interest Amount May Be Owed To LL Until LL is Paid TI Costs (Assumes maximum 6-months)	Benefiting Department's Funding Source
58197	20101 Hamilton Ave., Torrance	Public Social Services	133,272	Major build-out for 718 employees, including hard-wall construction, and mechanical, electrical, plumbing, heating, air conditioning, ventilation and structural systems. Includes all interior finishing, along with furniture, fixtures and equipment.	\$15,993,000	\$5,331,000	\$10,662,000	\$12,667,223	\$11,803,000	\$864,223	\$373,170	83% Federal & State funds and 17% NCC
58304	1045 Redondo Beach Blvd., Gardena	Mental Health	24,022	Major build-out office renovation involves the demolition of existing construction and field coordination to prepare for a new office space consisting of work stations, private offices and conference rooms.	\$3,242,970	\$840,770	\$2,402,200	\$3,144,088	\$2,648,000	\$496,088	\$84,077	100% Medical Health Services Act
59048	1933 S. Broadway Ave., Los Angeles	Children & Family Services	204,484	Major build-out and construction of an office space, including conference rooms, heating, electrical and plumbing systems, and, the provision of furniture, fixtures and equipment.	\$6,212,400	\$1,242,480	\$4,969,920	\$6,504,814	\$5,478,000	\$1,026,814	\$173,947	45% State and Federal funds; 55% NCC
58158	23501 Cinema Dr. Santa Clarita	Mental Health	14,582	Moderate build-out merging two suites and reconfiguring 5,492 sq.ft. of the interior layout. Includes new reception and waiting area, non-structural partitions for office spaces, consulting rooms and exam rooms; reconfiguring the ceiling.	\$568,965	\$258,165	\$310,800	\$369,253	\$343,000	\$26,253	\$10,878	MHSA 100%
57839	9320 Telstar Ave., El Monte	Health Services	72,651	Moderate build-out of warehouse space. Roof to be insulated, warehouse floor repair needed, new high-bay racking and 1,500 sq. ft. of office space to be renovated.	\$2,772,651	\$72,651	\$2,700,000	\$3,533,859	\$2,976,000	\$557,859	\$94,500	Existing DHS resources (operating budget)
58259	6330 Rugby Ave., Huntington Park	Mental Health	10,975	A major build-out of new office space, including individual workstations, private offices, interview rooms, medication room, commercial kitchen and conference rooms.	\$1,481,625	\$219,500	\$1,262,125	\$1,535,481	\$1,391,000	\$144,481	\$50,485	DMHSA Funding
57812	1000 Fremont Ave., Bldg. A11, Alhambra	Health Services	68,148	A major build-out of three floors of office space consisting of work stations, private offices and conference rooms.	\$6,814,400	\$3,066,660	\$3,748,140	\$4,829,160	\$4,131,000	\$698,160	\$140,555	Existing DHS resources (operating budget)
Totals:					\$37,086,011	\$11,031,226	\$26,615,185	\$33,249,199	\$28,770,000	\$3,813,878	\$927,612	

1 Interest rate assumed at 3 percent, 5 - year term, administration fee of .045 of for principle + interest + insurance cost

Tenant Improvement Scope Defined Terms: a) **"Major Buildout"** includes reworking all interior walls, ceiling, lights, HVAC, electrical connections, paint, flooring, conference rooms, offices, etc. b) **"Moderate Buildout"** includes but not limited to some rework of interior walls, planned open areas for workstations, reworking of conference rooms, some mechanical and electrical and c) **"Minor Buildout"** includes basic paint and carpet. "Minor Buildout" includes little rework of premises.

3 Low Voltage not eligible for Commercial Payment Program and not included in the costs above.

4 Insurance costs and the interest payable to the landlord are not included in the "Proposed Total TI Costs." Insurance costs vary by year and will be applied pro-rata on a percentage basis for each lease based on square footage. The interest costs are contingent upon the timing of payment to the Landlord for the TI costs.

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	4/14/2021	
BOARD MEETING	4/27/2021	
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	All	
DEPARTMENT	Sheriff's Department	
SUBJECT	Board Letter to extend Agreement Number 77675 with NICE Systems, Inc.	
PROGRAM	Digital Voice Logging Recorder (DVLR) System	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: NICE Systems, Inc. is the sole provider of maintenance and support for the hardware and software of the Department's DVLR system.	
DEADLINES/ TIME CONSTRAINTS	The current contract expires May 1, 2021.	
COST & FUNDING	Total cost: \$1,894,584.08	Funding source: General Fund
	TERMS (if applicable): Three Years	
	Explanation: Cost will be funded through the General Fund (A01) by Communications & Fleet Management Bureau (15757). Funding is allocated in the Department's operating budget. The Sheriff's Department is responsible for ensuring it has adequate funding in its operating budgets prior to requesting and approving services under the contract.	
PURPOSE OF REQUEST	The continuation of the support and maintenance for the Department's DVLR system which is still in use while the solicitation and implementation process for a successor system is completed. Cost includes a necessary refresh for end-of-life system hardware to ensure reliability, replacement of end-of-life software, data migration, and user training.	
BACKGROUND (include internal/external issues that may exist)	No issues or concerns	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: • Angelo Faiella, (213) 229-3259, afaiell@lasd.org • Lt. Scott Ponder, (323) 881-8262, saponder@lasd.org	

April 27, 2021

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:

**APPROVE SOLE SOURCE AMENDMENT NUMBER EIGHT
TO EXTEND AGREEMENT NUMBER 77675 WITH NICE SYSTEMS,
INC. FOR CONTINUED DIGITAL VOICE LOGGING RECORDER
SYSTEM MAINTENANCE AND SUPPORT SERVICES
(ALL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The Los Angeles County (County) Sheriff's Department (Department) is requesting authorization from the Board to execute Sole Source Amendment Number Eight (Amendment) to extend Agreement Number 77675 (Agreement) with NICE Systems, Inc. (formerly inContact, Inc.) for continued maintenance and support services on a replacement system that will include both proprietary hardware and software (Services) for the Department's digital voice logging recorder (DVL) system.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Sheriff, or his authorized designee, to execute the attached Amendment to the Agreement, with NICE Systems, Inc. (Contractor), to extend the term of the Agreement for three years from May 2, 2021, through May 1, 2024, and increase the Maximum Contract Sum by \$1,894,584 for a total Maximum Contract Sum not to exceed \$5,464,825 for the term of the Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will allow the Department to continue receiving Services from Contractor for 47 DVLRs located at facilities throughout the County that are operated by the Department's Communications & Fleet Management Bureau (CFMB). The Amendment is necessary due to the Services being critical to maintaining the integrity of the Department's patrol operations.

The 47 DVLRs located at facilities throughout the County are used to capture and catalogue analog voice radio transmissions, 911 emergency calls, and routine calls for service. The recordings, which are encrypted using Contractor's proprietary technology, are frequently required for criminal and civil court proceedings, as well as the Department's internal investigations. These DVLRs are comprised of proprietary hardware and software that can be monitored and serviced on site, or remotely only by Contractor via the Department's Sheriff's Data Network, as the Contractor does not train non-employees to maintain its proprietary equipment or technology.

In the course of negotiations, County and Contractor agreed that the DVLR hardware had reached end-of-life and would need to be replaced to ensure system reliability. In addition, the current system operating platform is reliant on Microsoft Silverlight which will not be supported by Microsoft after October 2021. These facts have necessitated a complete hardware and software replacement. To mitigate the loss of Silverlight, the Contractor will install its newest proprietary upgraded software technology within the new hardware infrastructure. The replacement software features important operational upgrades and the same encrypted technology of the prior software platform without having a dependency on Microsoft Silverlight. The transition for the hardware/software refresh should be completed within the first 90 days of the proposed extension. Without the proposed upgrades, the Department will no longer be able to support its 24-7 mission-critical function of capturing and cataloguing 911 emergency calls.

The Los Angeles County Fire Department and Los Angeles Police Department both currently utilize similar systems and support services from this Contractor. The Contractor is the only source that can provide maintenance and support for its proprietary equipment and software. They do not allow nor train non-Contractor employees to provide the Services.

In July 2019, the Department published a Request for Information (RFI) to investigate commercial off-the-shelf DVLR systems. Five vendors responded to the RFI and conducted on-site demonstrations. After reviewing the information presented, the Department initiated the development of the functional and technical requirements for a successor system. This process has been protracted due to hiring freezes and lack of human resources at LASD's Contracts Unit and Technology and Support Division. The Department anticipates releasing a Request for Proposals by the end of June 2022.

Implementation of Strategic Plan Goals

The Services provided under this Agreement support the County's Strategic Plan, Goal III – Realize Tomorrow's Government Today, by maximizing the use of technology to efficiently and securely utilize digital voice recording technology for public safety services.

FISCAL IMPACT/FINANCING

The cost of Services for the term of the Amendment totals \$1,894,584. The revised Maximum Contract Sum shall not exceed \$5,464,825 which includes a contingency fund in the amount of \$15,000 for required tear down, move, and reconfiguration (TMR). Funding is allocated in the Department's operating budget. The Sheriff's Department is responsible for ensuring it has adequate funding in its operating budgets prior to requesting and approving services under the Agreement.

The Amendment includes annual maintenance costs comparable to prior year costs, as well as additional costs spread over the proposed three-year extension period to implement a complete system hardware/software refresh, data migration services, and end-user training.

The Amendment costs and implementation timeline upon Amendment execution are as follows:

Maintenance and support services – 3 years	\$1,280,661
Implementation – 90 days	
System hardware/software refresh	450,423
Data migration services	148,500
End-user training	15,000
<hr/>	
Total Amendment Cost	\$1,894,584

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

These Services (or similar services) have been provided to the County by Contractor's predecessor(s) since 2006.

On October 18, 2011, the Board approved the Agreement with Contractor for Digital Voice Logging Recorder System Maintenance and Support Services.

On September 24, 2014, the Sheriff executed Amendment Number One to the Agreement to exercise the first one-year option term, from November 2, 2014, through November 1, 2015.

On April 24, 2015, the Sheriff executed Amendment Number Two to the Agreement to exercise the second one-year option term, from November 2, 2015, through November 1, 2016.

On August 22, 2016, the Sheriff executed Amendment Number Three to the Agreement to memorialize the conversion of Voice Print International, Inc. into a limited liability company and changing its name to Voice Print International, LLC (VPI, LLC), County's consent to the acquisition of VPI, LLC by NICE Systems Inc., and to exercise the final six-month option term, from November 2, 2016, through May 1, 2017.

On April 18, 2017, the Board approved Amendment Number Four to the Agreement to extend the Agreement for an additional two-year period with two one-year option terms, to provide continued DVLR system maintenance and support services.

On August 28, 2018, the Sheriff executed Amendment Number Five to the Agreement to memorialize the merger of VPI, LLC into inContact, Inc., a division of NICE Systems, Inc.

On April 1, 2019, the Sheriff executed Amendment Number Six to the Agreement to exercise a new one-year option term, from May 2, 2019, through May 1, 2020.

On March 12, 2020, the Sheriff executed Amendment Number Seven to the Agreement to exercise the final one-year option term, from May 2, 2020, through May 1, 2021.

On December 2, 2020, pursuant to Board policy, the Department provided your Board with advance notification regarding this proposed Amendment. It was only after the advance notification was sent, and we began negotiations with the Contractor, were we informed that the hardware was at the end of its useful life, and that we would need to update the hardware and implement a software upgrade that could be supported for the term of the proposed extension period.

The proposed Amendment memorializes a name change from NICE-inContact, Inc., to its parent company, NICE Systems, Inc.

In compliance with Board Policy 6.020 "Chief Information Office Board Letter Approval", the Office of the Chief Information Officer (OCIO) reviewed the information technology (IT) components (management, design, development, acquisition, expansion, or purchase of IT systems and/or related services) of this request and recommends approval. The OCIO determined this recommended action does not include any new IT items that would necessitate a formal written CIO Analysis.

The Amendment has been approved as to form by County Counsel.

CONTRACTING PROCESS

Contractor is the sole proprietor of the Department's DVLR systems. Contractor does not train, certify, license or otherwise endorse any third party to provide support, maintenance, repairs, and/or upgrade services to their proprietary DVLR technology.

The proposed Amendment amortizes the costs of the necessary system hardware and software refresh over a three-year extension period so that payments to the

The Honorable Board of Supervisors
April 27, 2021
Page 5

Contractor are at comparable levels during the remaining term of the Agreement.

On December 2, 2020, pursuant to Board Policy 5.100, the Department provided the Board with advance notification of its intent to enter into negotiations for a sole source Amendment to extend the term of the Agreement.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this action will ensure uninterrupted Services for the critical DVLR system currently operated by the Department's CFMB.

CONCLUSION

Upon Board approval, please return two adopted copies of this Board letter to the Department's Contracts Unit.

Sincerely,

Reviewed by:

ALEX VILLANUEVA, SHERIFF

TIMOTHY K. MURAKAMI
UNDERSHERIFF

WILLIAM S. KEHOE
CHIEF INFORMATION OFFICER

AV:TKM:jk
(Fiscal Administration Bureau - Contracts Unit)

- c: Board of Supervisors, Justice Deputies
Celia Zavala, Executive Officer, Board of Supervisors
Fesia Davenport, Chief Executive Officer
Sheila Williams, Senior Manager, Chief Executive Office (CEO)
Rene Phillips, Manager, CEO
Jocelyn Ventilacion, Principal Analyst, CEO
Anna Petrosyan, Analyst, CEO
Rodrigo A. Castro-Silva, County Counsel
Elizabeth D. Miller, Chief Legal Advisor, Legal Advisory Unit
Cammy C. DuPont, Principal Deputy County Counsel, Legal Advisory Unit
Timothy K. Murakami, Undersheriff
Jorge A. Valdez, Chief of Staff
Conrad Meredith, Division Director, Administrative Services Division (ASD)
Eliezer Vera, Chief, Technology and Support Division (TSD)
Glen C. Joe, Assistant Division Director, ASD
Bill I. Song, Commander, TSD
David C. Sum, A/Captain, Communications & Fleet Management Bureau (CFMB)
Rick M. Cavataio, Director, Fiscal Administration Bureau (FAB)
Dave E. Culver, Assistant Director, FAB, Contracts Unit
Scott A. Ponder, Lieutenant, CFMB
Vanessa C. Chow, Sergeant, ASD
Angelo Faiella, Manager, Contracts Unit
Kristine D. Corrales, Deputy ASD
Erica M. Saavedra, Deputy, ASD
Joanna Kim, Contract Analyst, Contracts Unit
(Contracts – inContact 04-27-21)

**AMENDMENT NUMBER EIGHT
TO
AGREEMENT NUMBER 77675
FOR DIGITAL VOICE LOGGING RECORDER SYSTEM
MAINTENANCE AND SUPPORT SERVICES**

This Amendment Number Eight (hereinafter "Amendment") to Agreement Number 77675 (hereinafter "Agreement") is entered into by and between County of Los Angeles (hereinafter "County") and NICE Systems, Inc. (hereinafter "Contractor"), a Delaware corporation, effective upon execution by both parties.

1. WHEREAS, on October 18, 2011, County and Voice Print International, Inc. (hereinafter "VPI, Inc."), a California corporation, entered into the Agreement to provide digital voice logging recorder system maintenance and support services for the Los Angeles County Sheriff's Department (hereinafter "Department"); and
2. WHEREAS, the Agreement had an Initial Term, as defined in the Agreement, with two (2) additional one-year option periods and one (1) six-month period in any increment (each an "Option Term"); and
3. WHEREAS, on September 24, 2014, County and VPI, Inc. entered into Amendment Number One to the Agreement to, among other things, extend the Term of the Agreement for its first one-year Option Term from November 2, 2014, through November 1, 2015; and
4. WHEREAS, on April 24, 2015, County and VPI, Inc. entered into Amendment Number Two to the Agreement to extend the Term of the Agreement for its second one-year Option Term from November 2, 2015, through November 1, 2016; and
5. WHEREAS, on August 22, 2016, County and Voice Print International, LLC (hereinafter "VPI, LLC") entered into Amendment Number Three to the Agreement to memorialize the conversion of VPI, Inc., a California corporation, to VPI, LLC, a California limited liability company, and County's consent to the acquisition of VPI, LLC by NICE Systems Inc., a Delaware corporation, and extend the Term of the Agreement for its final six-month Option Term from November 2, 2016, through May 1, 2017; and
6. WHEREAS, on April 18, 2017, County and VPI, LLC entered into Amendment Number Four to the Agreement to, among other things, extend the Term of the Agreement for an additional two-year period from May 2, 2017, through and including May 1, 2019, plus two additional one-year periods (each an "Option Term"); and

**AMENDMENT NUMBER EIGHT
TO
AGREEMENT NUMBER 77675
FOR DIGITAL VOICE LOGGING RECORDER SYSTEM
MAINTENANCE AND SUPPORT SERVICES**

7. WHEREAS, on August 28, 2018, County and Contractor entered into Amendment Number Five to the Agreement to memorialize the merger of VPI, LLC into inContact, Inc., a division of NICE Systems, Inc.; and
8. WHEREAS, on April 1, 2019, County and Contractor entered into Amendment Number Six of the Agreement to, among other things, exercise an additional one-year Option Term to extend the Term of the Agreement for an additional year from May 2, 2019, through and including May 1, 2020, and
9. WHEREAS, on March 12, 2020, County and Contractor entered into Amendment Number Seven of the Agreement to, among other things, exercise the second one-year Option Term and extend the Term of the Agreement from May 2, 2020, through and including May 1, 2021, and
10. WHEREAS, pursuant to Paragraph 39.0 (Assignment by Contractor) of the Agreement, Contractor shall not assign its rights and/or delegate its duties under the Agreement, or both, whether in whole or in part, without the prior written consent of County; and
11. WHEREAS, Contractor desires to memorialize the name change from NICE-inContact, Inc. to its parent company NICE Systems, Inc.; and
12. WHEREAS, NICE Systems, Inc. desires to take over, assume, perform, and complete the Agreement; and
13. WHEREAS, County has reviewed and considered the information provided by NICE Systems, Inc. and has confirmed that NICE Systems, Inc. can effectively provide the services and assume the duties set forth in the Agreement; and
14. WHEREAS, County consents to the assignment of the Agreement to NICE Systems, Inc.; and
15. WHEREAS, the Agreement currently expires on May 1, 2021; and
16. WHEREAS, County desires to extend the Term of the Agreement for an additional three-year period from May 2, 2021, through and including May 1, 2024,; and
17. WHEREAS, County and Contractor agree to memorialize the name change from NICE-inContact, Inc. to its parent company, NICE Systems, Inc. and (1) extend the Term of the Agreement from May 2, 2021, through and including May 1, 2024,

**AMENDMENT NUMBER EIGHT
TO
AGREEMENT NUMBER 77675
FOR DIGITAL VOICE LOGGING RECORDER SYSTEM
MAINTENANCE AND SUPPORT SERVICES**

(2) increase the Maximum Contract Sum by \$1,894,584.08, (3) update the County-mandated provision regarding Counterparts and Electronic Signatures and Representations, (4) add the County-mandated provision regarding Prohibition from Participation in Future Solicitation(s), and (5) amend and restate Exhibit D (Equipment List and Price Schedule) of the Agreement to update the pricing schedule in accordance with the Term extension.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and for good and valuable consideration, County and Contractor hereby agree as follows:

1. Paragraph 7.0 (Term) of the Agreement is deleted in its entirety and replaced as follows to extend the Term of the Agreement for three years from May 2, 2021, through and including May 1, 2024:

7.0 TERM

- 7.1** The Term of this Agreement shall commence November 2, 2011, and shall terminate on May 1, 2024, unless terminated earlier in whole or in part, as provided in this Agreement.
- 7.2** The County maintains a database that tracks/monitors contractor performance history. Information entered into this database may be used for a variety of purposes, including determining whether the County will exercise an Option Term extension of the Agreement.
- 7.3** Contractor shall notify the Department when this Agreement is within six (6) months from the expiration of the Term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to the County Project Director at the address herein provided in Subparagraph 3.1.1.

2. Subparagraph 8.2 (Maximum Contract Sum) of Paragraph 8.0 (Prices and Fees) of the Agreement is deleted in its entirety and replaced as follows to increase the Maximum Contract Sum by \$1,894,584.08:

8.2 Maximum Contract Sum

The "Maximum Contract Sum" under this Agreement shall be the total monetary amount that would be payable by County to Contractor for providing required Work under this Agreement for the

**AMENDMENT NUMBER EIGHT
TO
AGREEMENT NUMBER 77675
FOR DIGITAL VOICE LOGGING RECORDER SYSTEM
MAINTENANCE AND SUPPORT SERVICES**

Term, inclusive of TMR services as defined in Paragraph 8.3. The Maximum Contract Sum for this Agreement, including applicable Taxes, authorized by County hereunder shall not, expressly or by implication, exceed \$5,464,824.52 and shall be allocated as set forth in Exhibit D (Equipment List and Price Schedule). Contractor acknowledges and agrees that the Maximum Contract Sum is an all-inclusive, not-to-exceed price that is an agreed upon assessment of the amount to be paid by County to Contractor for the Term of the Agreement.

3. Paragraph 58.0 (Facsimile) of Exhibit A (Additional Terms and Conditions) of the Agreement is deleted in its entirety and replaced as follows to update the County-mandated provision:

58.0 COUNTERPARTS AND ELECTRONIC SIGNATURES AND REPRESENTATIONS

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement. The facsimile, email or electronic signature of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

The County and the Contractor hereby agree to regard electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Paragraph 6.0 (Change Orders and Amendments) of this Agreement and received via communications facilities (facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Amendments to this Agreement.

4. Paragraph 69.0 (Prohibition from Participation in Future Solicitation(s)) is added to Exhibit A (Additional Terms and Conditions) of the Agreement as follows to add the County-mandated provision:

69.0 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATION(S)

A Proposer, or a Contractor or its subsidiary or Subcontractor

**AMENDMENT NUMBER EIGHT
TO
AGREEMENT NUMBER 77675
FOR DIGITAL VOICE LOGGING RECORDER SYSTEM
MAINTENANCE AND SUPPORT SERVICES**

("Proposer/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has provided advice or consultation for the solicitation. A Proposer/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has developed or prepared any of the solicitation materials on behalf of the County. A violation of this provision shall result in the disqualification of the Contractor/Proposer from participation in the County solicitation or the termination or cancellation of any resultant County contract. This provision shall survive the expiration, or other termination of this Agreement.

5. Exhibit D (Equipment List and Price Schedule) of the Agreement is deleted in its entirety and replaced with the Amended and Restated Exhibit D (Equipment List and Price Schedule), attached hereto, to update the pricing schedule in accordance with the Term Extension.
6. Except as expressly provided in this Amendment, all other provisions, terms, and conditions of the Agreement shall remain the same and in full force and effect.
7. Contractor represents and warrants that the person executing this Amendment for Contractor is an authorized agent who has actual authority to bind Contractor to each and every item, condition, and obligation of the Amendment and that all requirements of Contractor have been fulfilled to provide such actual authority.

**AMENDMENT NUMBER EIGHT
TO
AGREEMENT NUMBER 77675
FOR DIGITAL VOICE LOGGING RECORDER SYSTEM
MAINTENANCE AND SUPPORT SERVICES**

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number Eight to be executed by their duly authorized representatives on the dates written below.

COUNTY OF LOS ANGELES
ALEX VILLANUEVA, SHERIFF

By: _____
TIMOTHY K. MURAKAMI,
UNDERSHERIFF

Date: _____

NICE SYSTEMS, INC.

Signed: _____

Printed: _____

Title: _____

Date: _____

APPROVED AS TO FORM:
RODRIGO A. CASTRO-SILVA
County Counsel

By: _____
CAMMY C. DuPONT
Principal Deputy County Counsel

SOLE SOURCE CHECKLIST

Department Name: _____

- ☐ New Sole Source Contract
- ☐ Sole Source Amendment to Existing Contract

Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Sheila Williams

Chief Executive Office

Date