



(310) 305-9503 • 13837 Fiji Way, Marina del Rey, CA 90292 • [beaches.lacounty.gov](http://beaches.lacounty.gov)

Caring for Your Coast

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**Gary Jones**  
Director

**Kerry Silverstrom**  
Chief Deputy

**John Kelly**  
Deputy Director

**Brock Ladewig**  
Deputy Director

April 04, 2017

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:

**BEACH TRASH BARREL SPONSORSHIP AGREEMENT WITH ADOPT A HIGHWAY  
MAINTENANCE CORPORATION  
(SUPERVISORIAL DISTRICTS 3 AND 4) (3 VOTES)**

**SUBJECT**

This action is to request delegated authority for the Director of the Department of Beaches and Harbors to enter into a three-year agreement, with one two-year option period, with Adopt A Highway Maintenance Corporation for the redesign and donation of 3,000 lidded trash barrels for placement on Los Angeles County owned, controlled, or managed beaches. In exchange, Adopt A Highway Maintenance Corporation will receive the exclusive right to secure advertising on the trash barrels.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find this recommended action is categorically exempt under the California Environmental Quality Act (CEQA) per Section 15304 (e) of the guidelines and pursuant to Class 4 of the County's Environmental Document Reporting Procedures and Guidelines, as the project will only involve minor or temporary alterations to land that have negligible or no permanent effect on the environment.
2. Authorize the Director of the Department of Beaches and Harbors to execute the attached three-year Beach Trash Barrel Agreement, with one two-year option period, with Adopt A Highway Maintenance Corporation, pursuant to which the County will receive a donation of 3,000 beach trash barrels, 1,000 barrels each year commencing 120 days after execution of the Agreement.
3. Authorize the Director of the Department of Beaches and Harbors to execute non-material amendments to the Agreement as necessary during the three-year term and to exercise the two-year

option period at his discretion.

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

Adopt A Highway Maintenance Corporation (AHMC) is a private outdoor advertising media company established in 1990 that contracts with government agencies to provide litter removal and roadway maintenance services in exchange for the rights to sell outdoor signage opportunities along highways and interstates to third parties.

AHMC has served as the Department of Beaches and Harbors' (Department) beach trash barrel sponsor for over 20 years, with the last agreement expiring on October 22, 2016. The Department has since negotiated a new three-year Beach Trash Barrel Sponsorship Agreement (Agreement), with one two-year option period, that will provide for a newly-designed trash barrel according to Department requirements, which will far exceed the current beach barrel with regard to its durability, lid functionality, and improved operational effectiveness for use by beachgoers and handling by the Department's maintenance staff. AHMC will donate 3,000 trash barrels for placement on beaches that are owned, controlled, or managed by the Department. In exchange for the donation of the redesigned barrels, AHMC will receive exclusive advertising rights on the barrels, which allows for third-party advertising approved by the Department and the Fire Department's Chief Lifeguard to be wrapped around the lower portion of the barrel. The Department will retain ownership of the barrels after the Agreement expires and will also be provided with the barrel fabrication specifications, as well as information and one-time training on the fabrication, installation and removal of barrel wraps.

The negotiated agreement also provides for the County's public service messaging on the barrels. In all three years, this messaging will be in the upper portion of the barrel. In the third year, public service messaging is contemplated for the bottom portion of the barrel, pursuant to the Department's Trash Barrel Environmental Messaging Campaign just being initiated now. As conceived, the Department's long-term campaign will include a contest similar to the County Public Library's Bookmark Contest, pursuant to which grade-school children from all five Supervisorial Districts will be encouraged to enter into a contest to design environmental messaging for the trash barrels, which will be printed by the Department for installation by Sponsor on 1,250 barrels. A maximum of 1,250 barrels will remain available to AHMC for third-party advertising in the third year, unless written authorization is secured from the Director in exchange for added AHMC contributions to the Department.

### **Implementation of Strategic Plan Goals**

Approval of this Agreement will promote and further the goals outlined in the County's Strategic Plan to Foster Vibrant and Resilient Communities (Goal 2), by continuing with a public-private sponsorship that will provide an ample inventory of improved trash barrels to reinforce a zero trash tolerance on the County's beaches. Furthermore, the barrels will provide an improved platform for the Department's public service messaging, including the Trash Barrel Environmental Messaging Campaign in the third agreement year and potentially thereafter.

### **FISCAL IMPACT/FINANCING**

Over the course of the three-year Agreement, the barrel redesign process and donated inventory

from AHMC will provide the County with an estimated cost avoidance of over \$564,000. If the Director extends the agreement beyond its initial term for the two-year option period, AHMC will be responsible for contribution(s) to be negotiated with the Department that could result in additional cost avoidance.

#### **OPERATING BUDGET IMPACT**

It is anticipated the printing of the barrel wraps in connection with the Trash Barrel Environmental Messaging Campaign in the third agreement year will cost the Department up to \$20,000, which will be accommodated within the Department's Operating Budget.

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

County Counsel has approved this Agreement as to form.

The Beach Commission recommended this Agreement to your Board at its March meeting.

#### **ENVIRONMENTAL DOCUMENTATION**

Approval of this Agreement is categorically exempt from the provisions of CEQA per Section 15304 (e) of the guidelines and pursuant to Class 4 of the County's Environmental Document Reporting Procedures and Guidelines. The project involves minor or temporary alterations to land that have negligible or no permanent effect on the environment.

#### **CONTRACTING PROCESS**

Prior to the expiration of the prior AHMC sponsorship agreement, the Department's Promotion and Marketing Section sent out a Letter of Interest to other outdoor media companies in the hope of attracting additional sponsorship interest. Receiving little response, the Marketing Section commenced negotiations with AHMC to extend the then-unexpired agreement, but was unsuccessful in reaching accord prior to the agreement's expiration in October 2016. Simultaneously, the Department conceived of and initiated networking with representatives from the Los Angeles County Office of Education, Public Library, Arts Commission and the Departments of Parks and Recreation and Public Works on the initial concept of the Trash Barrel Environmental Messaging Campaign. With continued urging from AHMC to resume the trash barrel sponsorship, the Department negotiated a multi-year deal that will allow for far superior trash barrels fabricated according to Department requirements, as well as support the planning timeframe and infrastructure for the Trash Barrel Environmental Messaging Campaign, which is anticipated to be launched by summer 2019.

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

This Agreement will provide for new and improved trash barrels, which will enable the Department to continue providing exemplary services for the estimated 40 million annual visitors to beaches maintained and operated by the Department

**CONCLUSION**

We request that the Board approve the Beach Trash Barrel Sponsorship Agreement and authorize the Executive Director of the Board to send one approved copy of the adopted Board letter to the Department of Beaches and Harbors, 13837 Fiji Way, Marina del Rey, CA 90292. Should you have any questions, please contact Kerry Silverstrom, Chief Deputy Director, at (424) 526-7772 or [KSilverstrom@bh.lacounty.gov](mailto:KSilverstrom@bh.lacounty.gov).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gary Jones", with a stylized, cursive script.

GARY JONES

Director

GJ:ks

Enclosures

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

LOS ANGELES COUNTY  
DEPARTMENT OF BEACHES AND HARBORS

This AGREEMENT, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2017,

BY AND BETWEEN

COUNTY OF LOS ANGELES, a corporate  
and political subdivision of the State of  
California, hereafter referred to as "County"

AND

ADOPT A HIGHWAY MAINTENANCE  
CORPORATION, a California corporation,  
hereafter referred to as "Sponsor"

W I T N E S S E T H:

WHEREAS, County is authorized by the provisions of Los Angeles County Code Section 2.132 to sell the right(s) to advertise on those beaches located within Los Angeles County that are owned, controlled or managed by the County of Los Angeles; and

WHEREAS, Sponsor desires to support and preserve the County's beautiful beaches by underwriting a portion of the costs of the Department of Beaches and Harbors' beach maintenance by donating trash barrels for placement on Los Angeles County beaches in exchange for the exclusive right to provide and display advertising on such barrels.

IT IS THEREFORE agreed by and between County and Sponsor as follows:

1. **Definitions:** As used herein, the terms set forth below shall be defined as follows:
  - A. "Advertising Space" shall mean that portion of the lower surface space on the Trash Barrels that will be utilized for two 24" x 36" advertising wraps by Sponsor's Clients.
  - B. "Agreement Year" shall mean the 12-month period commencing on the date this Agreement is executed by the Los Angeles County Board of Supervisors and each 365-day period thereafter.
  - C. "Branding Space" shall mean the upper surface space on the Trash Barrels to be utilized for Public Service Messaging.
  - D. "Business Day" shall mean a day of the week falling on Monday, Tuesday, Wednesday or Thursday. Friday and County Holidays are specifically excluded from the definition of Business Day.



E. "Client" shall mean any individual, group, organization, product, or entity that contracts with Sponsor for the purpose of advertising its name, image and/or products on Trash Barrels.

F. "Commencement Date" shall mean the date this Agreement is executed upon authorization by the Los Angeles County Board of Supervisors.

G. "Department" shall mean the Los Angeles County Department of Beaches and Harbors.

H. "Director" shall mean the Director of the Los Angeles County Department of Beaches and Harbors.

I. "Los Angeles County Beaches" shall mean those beaches that are owned, controlled or managed by the Department, inclusive of adjacent coastal areas where the Department places barrels.

J. "Public Service Messaging" shall mean County messaging to be provided by Department, to be printed by Sponsor for use in the Branding Space or by Department for use in the Public Service Messaging Space.

K. "Public Service Messaging Space" shall mean the space identified as Advertising Space, when Client advertising has not been secured, is beyond its agreement/purchase order term, or has reached maximum coverage in Agreement Year 3.

L. "Special Event Permit(s)" shall mean permit(s) issued to Sponsor for events conducted by either Sponsor or Sponsor's Client for which no entrance fee is charged and neither Sponsor nor Sponsor's Client receive any funding or promotional items from other commercial entities.

M. "Trash Barrels" shall mean the 55-gallon trash receptacles with lids to be fabricated in all three Agreement Years for donation by Sponsor to the County.

N. "Trash Barrel Maintenance Standard" shall mean the way in which Sponsor is completely responsible for maintaining the Trash Barrels.

## **2. County Obligations**

A. Department agrees to place and empty all Trash Barrels with Client advertising, up to 2,500 Trash Barrels, unless Department determines it is infeasible. In Agreements Year 1 and 2, new Trash Barrels will be supplemented by up to 2,400 receptacles already owned by Department, until Sponsor has fully met its obligation to donate 3,000 newly-fabricated Trash Barrels. Sponsor understands that Trash Barrels with current Client advertising may need to be removed or relocated due to redevelopment projects, special events, maintenance needs, safety concerns, inclement weather, damage and/or other

circumstances. Department will have the obligation to inform Sponsor, if reasonably possible, at least five days in advance of any such occurrence.

B. Department agrees to reasonably place Trash Barrels with current Client advertising on Los Angeles County Beaches within 10 days of receipt of the barrels at delivery site(s) agreed upon by Director and Sponsor.

**3. Sponsor's Obligations**

A. Sponsor shall be the exclusive advertising vendor for Trash Barrels on Los Angeles County Beaches during the term of this Agreement. Sponsor shall have the right to place Client advertising within the Advertising Space on the Trash Barrels. Client advertising in Agreement Year 3 within the Advertising Space shall be limited to a maximum number of 1,250 Trash Barrels, unless written authorization is secured from the Director for additional advertising in exchange for added Sponsor obligations to the Department as agreed upon by Director and Sponsor.

B. For the exclusive right to place advertising on the Trash Barrels, Sponsor will design and create a mold for an improved barrel based upon the requirements provided by Department to better meet its operational needs, including but not limited to increased barrel weight and durability, improved lid security and functionality, and ease of use in manual and automated trash dumping. The design, capacity, material, color and all other specifications of the Trash Barrel, attached as Exhibit A, shall be approved by Department, which shall not be unreasonably withheld. For Sponsor and Department to make any changes to the Trash Barrels, prior written approval of specifications must be secured and mutually agreed upon, which shall not be unreasonably withheld by either party. If, after three months of use, the Trash Barrel or any of its components, such as the lid, does not function so as to allow the public's easy use or Department's ease in emptying the Trash Barrels, then Department shall notify Sponsor so that the parties may develop a mutually-agreed-upon solution that, if necessary, may alter any aspect of Exhibit A.

1. Sponsor will produce and donate 1,000 newly-designed Trash Barrels in each of all three Agreement Years in increments agreed to between Director and Sponsor for placement on Los Angeles County Beaches, for a total of 3,000 newly-designed barrels.

2. Sponsor will supply Department with 70 metal chains to secure the Trash Barrels in increments agreed to between Director and Sponsor.

3. Upon delivery, County will become the owner of the Trash Barrels, as well as all metal chains and any other equipment or mechanisms for Trash Barrels donated by Sponsor.



C. Sponsor shall deliver the first shipment of barrels within the first 120 days of the Commencement Date of this Agreement. Sponsor further agrees to assume all design, manufacturing, and delivery costs associated with the production and delivery of the Trash Barrels at delivery site(s) agreed upon by Director and Sponsor.

D. Sponsor shall have the continuing obligation to apply the Trash Barrels Maintenance Standard to all Trash Barrels, whether or not there is current Client advertising in the Advertising Space. This standard requires that all Trash Barrels be frequently physically inspected and wiped down on the exterior with environmentally-friendly, non-toxic cleaning solution; graffiti be removed within 72 hours of observance on the barrels by Sponsor or notification by Department; damaged lids be replaced; and torn and/or outdated wraps be removed. This obligation includes Sponsor's responsibilities under Section 3.F of this Agreement.

E. Sponsor shall provide Trash Barrel specifications to Department, as well as information on the processes involved in the fabrication, installation and removal of the advertising wraps, including a one-time training session with up to four Department employees.

F. Sponsor shall ensure that up to 2,500 Trash Barrels placed on Los Angeles County Beaches have either Client advertising in Agreement Years 1 and 2 during the period Client has paid for, or, if there is no Client advertising or the Client's agreement/purchase order term with Sponsor has expired, the County's Public Service Messaging in the Branding Spaces as developed by Department. In Agreement Year 3, Sponsor will ensure installation on up to 1,250 Trash Barrels on two sides of Public Service Messaging in the Public Service Messaging Space. Sponsor shall carry out this obligation at its sole expense, which includes installation, removal and replacement of all advertisements and installation of public service messages.

G. Sponsor agrees that all advertisements to be placed in the Advertising Space shall be in appropriate taste for all ages, including children. Such advertisements shall not include political advertising, advertisements of an indecent, obscene, pornographic or sexually explicit nature, or materials advocating the use of illegal substances, tobacco or alcohol products.

H. Sponsor must submit to Department and the Fire Department's Chief Lifeguard for review a copy of all advertisements for evaluation and approval prior to the application of any such advertisement on the Trash Barrels. Advertisements will be two-dimensional printed material and shall not entail distribution of any samples, fliers, brochures, coupons or other similar materials. At its sole discretion, the County may reject any and all advertisements that it deems as failing to comport with the requisites of this Agreement or which it deems injurious or harmful to its business, its reputation or public image or as



prone to impair the confidence of constituents of Los Angeles County. The County will notify Sponsor of approval or disapproval within five Business Days of submission by Sponsor. Silence by the County or failure to approve or disapprove of advertisement within five Business Days shall not be considered as approval or concurrence. However, silence by the County or failure to approve or disapprove within 10 days shall be deemed to constitute approval of such advertisement.

I. Sponsor shall not place any advertisement on a Trash Barrel that has been disapproved by the County. In addition, advertisement(s) already approved by the County may need to be removed by Sponsor at County's direction if there is a negative public reaction as reasonably determined by County against any such advertisement(s). If the County disapproves of any advertisement and Sponsor so requests, the Director or the Fire Department's Chief Lifeguard, or their designees, shall meet with Sponsor and make a good faith attempt to resolve any disagreement.

J. Sponsor agrees to submit to Department for its prior written approval, which will not be unreasonably withheld, all proposed Sponsor promotional, display or any other material that in any way presents Sponsor in relation to the County. Such material shall be submitted not less than five Business Days prior to its proposed release to the public. If the material is not disapproved in writing within three Business Days after receipt, it is deemed approved. No Client may develop promotional, display or any other material which in any way presents the Client in relation to the County.

K. Should the County desire to enter into future agreements with an exclusive sponsorship provider that would preclude Sponsor from advertising in a particular category, Department and Sponsor will mutually agree on monetary protections that will be required of the County's exclusive sponsorship provider(s) in exchange for Sponsor's compliance with Trash Barrel advertising exclusions. If County's exclusive sponsor is unable to provide the negotiated monetary protections, Department will work with Sponsor to reassess Sponsor's annual Trash Barrel donations and/or find mutually agreeable terms to address the financial impact.

4. **Term**

This Agreement shall be effective from the Commencement Date and shall continue for three Agreement Years, subject to the provisions concerning termination set forth in Sections 5, 8, 10, and 20. There shall be a two-year option period, at the request of Sponsor and the exclusive discretion of the Director, in exchange for additional Sponsor obligations as mutually agreed upon by the Director and Sponsor based upon an audit of the accounting records of Sponsor related to this Agreement from the initial three Agreement Years.

**5. Operational Expansion or Reduction**

Sponsor and County agree that in the event that the County's jurisdictional or operational authority of Los Angeles County Beaches is expanded or reduced, thereby affecting the extent of Sponsor's ability to advertise on the Trash Barrels, both parties will in good faith promptly renegotiate this Agreement to take into account the increase or decrease in advertising opportunities. In recognition of the Agreement, the parties shall attempt to reasonably adjust the number of Trash Barrels to reflect the increase or decrease in the square mileage of beach areas remaining under the County's jurisdictional or operational authority and portion of the Agreement Year affected.

If the reduction of County's control exceeds 50% of the area of Los Angeles County Beaches under its control as of the Commencement Date of this Agreement, Sponsor may terminate this Agreement upon 90-day written notice to the County. Sponsor shall not be entitled to a refund from the County for Client advertising, Trash Barrel production or deliveries already made in the event of a voluntary termination based on a reduction of County's operational control.

**6. Accounting Records**

Sponsor shall maintain accurate and complete financial records of Sponsor's activities and operations relating to this Agreement in accordance with generally-accepted accounting principles.

**7. Indemnification**

Sponsor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

**8. General Insurance Requirements**

Without limiting Sponsor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Sponsor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Section 8 and the "Insurance Coverages" Section 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 Sponsor pursuant to this Agreement. County in no way warrants that the Required Insurance is sufficient to protect Sponsor for liabilities which may arise from or relate to this Agreement.



A. 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) have been given insured status under Sponsor'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 Sponsor's policy expiration dates. County reserves the right to obtain complete, certified copies of any required Sponsor and/or subcontractor 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 Sponsor 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, and the amounts of any policy deductibles or self-insured retentions exceeding \$50,000.00, 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 Sponsor, 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 Beaches and Harbors  
Community and Marketing Services Division  
13837 Fiji Way  
Marina del Rey, CA 90292  
Attention: Catrina M. Love, Senior Marketing Analyst

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



B. Additional Insured Status and Scope of Coverage

The County, its Special Districts, elected and appointed officers, employees, agents and volunteers (collectively County and its Agents) shall be provided additional insured status under Sponsor's General Liability policy with respect to liability arising out of Sponsor'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 Sponsor's acts or omissions, whether such liability is attributable to Sponsor 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.

C. Cancellation of or Changes in Insurance

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

D. Failure to Maintain Insurance

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

E. Insurer Financial Ratings

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

F. Sponsor's Insurance Shall Be Primary

Sponsor'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 Sponsor. Any County-maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Sponsor coverage.

G. Waivers of Subrogation

To the fullest extent permitted by law, Sponsor 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. Sponsor shall require its insurer(s) to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

H. Subcontractor Insurance Coverage Requirements

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

I. Deductibles and Self-Insured Retentions (SIRs)

Sponsor's policies shall not obligate the County to pay any portion of any Sponsor deductible or SIR. County retains the right to require Sponsor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Sponsor'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.

J. Claims Made Coverage

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

K. Application of Excess Liability Coverage

Sponsor 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.

L. 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.

M. Alternative Risk Financing Programs



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

N. County Review and Approval of Insurance Requirements

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

9. Insurance Coverages

A. 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

B. Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$2 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Sponsor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

C. 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 Sponsor 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 30-days' advance written notice of cancellation of this coverage provision. If applicable to Sponsor'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.

10. Default and Termination

A. The parties agree that, without prejudice to any other rights available to them at law or pursuant to this Agreement, a party shall be deemed to be in default ("breaching party"), and the other party ("non-breaching") shall have the right to terminate this Agreement:



1. If breaching party shall fail to perform its obligations under this Agreement after 30-days' written notice, except if such failure to perform is due to fire, earthquake, labor dispute, or other events reasonably beyond the control of the breaching party, in which case the non-breaching party shall extend the time in which the breaching party may meet its obligations, the length of time for such extensions to be determined by the non-breaching party; or
2. If a party shall become bankrupt or insolvent, or enter into liquidation, or have a receiver appointed and be prevented from fulfilling its obligations as a result thereof.

B. In the event of termination by either party, the County shall retain all rights to possession and use of the Trash Barrels. Any adjudication of rights arising as a result of a breach of contract by either or both parties shall be limited to determination of monetary damages due.

**11. Waiver**

Failure or inability of either party to enforce any right hereunder shall not waive or modify any right to enforce said right in the future.

**12. Notices**

All notices and statements to be given hereunder shall be given at the respective addresses of the parties as set forth below, unless notification of a change of address is given in writing. Any notice shall be delivered by hand (with receipt of delivery), sent by a reputable overnight delivery service or by registered or certified mail, or by electronic transmission and shall be effective upon receipt. Sponsor shall maintain an address within California as the address to which such notice shall be given. Sponsor shall designate an agent with a California address to accept service of process. The addresses for notice and agents for service of process are:

County	Department of Beaches and Harbors 13837 Fiji Way Marina del Rey, CA 90292 Attn.: Community and Marketing Services Division Chief
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Sponsor	Adopt A Highway Maintenance Corporation 3158 Red Hill Road Costa Mesa, CA 92626 Attn.: Patricia Nelson, President
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**13. Assignment**

Sponsor shall not have the right to assign any of its rights or obligations hereunder without the prior written consent of County.

**14. Compliance with Laws, Rules and Regulations**

Both parties shall comply with all applicable federal and state laws and regulations, as well as all municipal and County ordinances, rules and regulations.

**15. County Lobbyist**

Sponsor agrees that each "County Lobbyist," as defined herein and in Los Angeles County Code Section 2.160.010, retained by Sponsor shall fully comply with the County Lobbyist Ordinance that is set forth in Los Angeles County Code Chapter 2.160. Failure on the part of any County Lobbyist retained by Sponsor to comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which the County may immediately terminate this Agreement, upon written notice thereof to Sponsor.

**16. Severability of Provisions**

Should any individual provision of this Agreement be declared void, the validity of the remainder of this Agreement will not be affected and will remain in full force and effect.

**17. Disputes**

Any and all disputes arising out of or in connection with the negotiation, execution, interpretation, performance or nonperformance of this Agreement (including the validity, scope and enforceability of this arbitration provision) shall be settled by mutual agreement of the parties and in the absence of such agreement, by submission to arbitration under the Commercial Arbitration Rules of the American Arbitration Association, except that the location for the arbitration shall be within the County of Los Angeles. Any party found to be in substantial breach of this Agreement shall be liable for the reasonable attorney's fees and costs incurred by the other party in redressing said breach.

**18. No Joint Venture**

Nothing herein contained shall be deemed to constitute this Agreement as a joint venture or partnership between the parties and neither party shall be responsible for any obligations of the other, except as herein specifically provided.

**19. Termination for Improper Consideration**

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



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

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

**20. Headings**

The headings of the paragraphed sections of this Agreement are for convenience and reference only and shall not define or limit any of the terms or provisions hereof.

**21. Amendment to Agreement**

All amendments to the Agreement must be in writing and executed by all parties. If any such amendment does not materially change the scope of the Agreement, increase County's financial responsibility or impose additional liability on County, such amendment may be executed without approval of the Los Angeles County Board of Supervisors, but instead may be executed by the Director.

**22. Governing Law**

This Agreement and all of its terms and conditions shall be governed by and construed in accordance with the laws of the State of California. Sponsor agrees that the exclusive venue of any action arising from or connected with this Agreement shall be deemed to be in the courts of the State of California located in Los Angeles County, California.

**23. Counterparts**

This Agreement may be signed in any number of counterparts. Each counterpart shall represent an original of this Agreement, and all such counterparts shall collectively constitute one fully-executed document.

**24. Successors and Assigns**

The rights and obligations of the parties under this Agreement shall be binding upon the parties' respective successors and assigns.

**25. Entire Agreement**

This Agreement contains the entire understanding between the parties relating to the subject matter herein contained and supersedes all previous communications, written or oral, with respect to the subject matter thereof.



IN WITNESS WHEREOF Sponsor has executed this Agreement, or caused it to be duly executed, and County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed on its behalf by the Director of the Department of Beaches and Harbors, the day and year first above written.

(SPONSOR ACKNOWLEDGEMENT)

SPONSOR

ADOPT A HIGHWAY MAINTENANCE CORPORATION,  
a California Corporation

By: 

Patricia Nelson, President

COUNTY OF LOS ANGELES,

a corporate and political subdivision of the State of  
California

By: \_\_\_\_\_

GARY JONES

Director, Department of Beaches and Harbors

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_

Christina Angeles Salseda  
Principal Deputy County Counsel

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By: \_\_\_\_\_  
GARY JONES  
Director, Department of Beaches and Harbors

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

By: Christina Angeles Salseda  
Christina Angeles Salseda  
Principal Deputy County Counsel