



ELIZABETH BUENROSTRO GINSBERG
TREASURER AND TAX COLLECTOR

**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

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Board of Supervisors
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Fifth District

September 10, 2024

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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

51 September 10, 2024

Dear Supervisors:

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

**TREASURER AND TAX COLLECTOR
RECOMMENDATION TO AWARD A CONTRACT FOR
ONLINE AUCTIONS OF TAX DEFAULTED PROPERTY SERVICES TO
GOVEASE AUCTION, LLC.
(ALL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The recommended action is to approve a contract to GovEase Auction, LLC. (GovEase) for the provision of Online Auctions of Tax Defaulted Property Services.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chair of the Board of Supervisors (Board) to sign the attached Contract with GovEase to provide Online Auctions of Tax Defaulted Property Services to the County of Los Angeles (County) Department of Treasurer and Tax Collector (TTC) commencing on September 19, 2024, or upon Board approval, whichever is later, for a three-year term at no cost to the County.
2. Delegate authority to the Treasurer and Tax Collector, or their designee, to execute amendments to the Contract to: (i) exercise the optional three one-year renewals and six month-to-month extensions; (ii) add, delete, and/or revise certain terms and conditions as mandated by federal, or state, or local law or regulation, or as required by the Board and/or Chief Executive Office (CEO), which are not part of the Statement of Work (SOW).

3. Delegate authority to the Treasurer and Tax Collector, or their designee, to modify the terms that affect the SOW, but do not materially alter the Contract, as required by the Board or CEO, provided the TTC obtains County Counsel's approval prior to the execution of such amendments and/or change notices.

4. Delegate authority to the Treasurer and Tax Collector, or their designee, to execute applicable Contract amendments in the event an entity acquires the original contracting entity, the original contracting entity merges, or the original contracting entity otherwise undergoes a corporate action which results in ownership change.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The California Revenue and Taxation Code (R&TC) mandates the Tax Collector to collect secured property taxes and auction properties that are Subject to the Tax Collector's Power to Sell (STPTS) due to defaulted property taxes exceeding five years or more for residential or agricultural property and three years or more for non-residential commercial property and vacant land (Tax-Defaulted Property).

To ensure statutory requirements are met and to maximize the number of parcels returned to a tax-paying status, the TTC conducts online auctions. The benefit of an online auction is that it provides easier access for participation, which affords a greater opportunity to expand the pool of bidders. For the period of April 23, 2022, to June 1, 2024, the TTC sold 2,009 properties online (47% of properties offered).

The existing contract expires on September 18, 2024. The incumbent provider of these services is Bid4Assets, Inc.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan North Star 3 – Realize Tomorrow's Government Today, Focus Area F – Flexible and Efficient Infrastructure, Strategy 2 – Modernize Infrastructure.

FISCAL IMPACT/FINANCING

There is no cost to the County. GovEase will collect \$100 per property sold from each winning bidder for each online auction of Tax-Defaulted Properties.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to California Government Code Section 31000, your Board is authorized to contract for special services. Pursuant to R&TC Division 1, Part 6, Chapter 7, the Tax Collector is mandated to offer Tax-Defaulted Property for sale within five years after the property becomes STPTS for nonpayment of taxes, and if unsold, to offer the property at intervals of no more than six years thereafter.

The recommended Contract contains your Board's required provisions that are applicable to the

Contract, including the requirement for the firms to comply with Government Code Section 84308 relating to campaign contribution prohibitions.

CONTRACTING PROCESS

On December 21, 2023, the TTC released the Request for Proposals (RFP) for the provision of Online Auctions of Tax Defaulted Property Services and posted it on the County's open bids website of registered vendors (Attachment A) under the following Commodity Code, which consisted of approximately 37 registered vendors:

- 962-09 Auctioneering Services

The TTC also posted the RFP on its website and emailed it to six firms on the TTC's mailing list. The TTC's mailing list was comprised of the incumbent firm and five additional firms.

The proposal submission due date was January 26, 2024, 5:00 p.m., Pacific Time. The TTC received three proposals by the proposal submission due date. The TTC performed a preliminary pass/fail Evaluation of the proposals to determine if the proposals complied with the RFP's minimum mandatory qualifications and if they were responsive to the RFP. All three of the proposals were missing information; consequently, the TTC issued Supplemental Data Requests to each Proposer requiring a response. All three proposers provided supplemental data by the due date of March 4, 2024, and met the RFP's minimum mandatory qualifications. An Evaluation Committee comprised of staff from TTC's Tax Collections Branch and Public Administrator Branch utilized the County's Informed Averaging scoring methodology to score the proposals. The proposal submitted by Bid4Assets was initially the highest ranked. Upon GovEase, filing a protest, which was subsequently withdrawn and TTC's further investigation of Bid4Assets proposed cost, it was determined that Bid4Assets cost exceeded their proposal. Based on Bid4Assets new fees, GovEase's proposal was ranked the highest. GovEase has verifiable experience providing Online Auctions of Tax Defaulted Property Services.

GovEase accepted all of the County's terms and conditions in the Contract without taking any exceptions.

The County Counsel has approved the Contract, as to form. In compliance with Board Policy 6.020 "Chief Information Office Board Letter Approval", the Office of the Chief Information Officer reviewed the information technology (IT) components of this request and recommends approval. The Chief Information Office (CIO) concurs with the TTC's recommendation, and no formal CIO Analysis is required because there is no new technology being implemented.

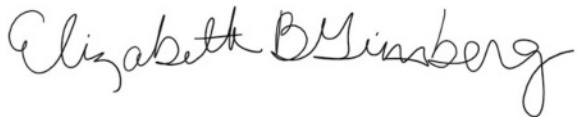
The TTC has determined that the recommended Contract is exempt from Proposition A (County Code Chapter 2.121) and the Living Wage Program (County Code Chapter 2.201) does not apply.

A summary of the Community Business Enterprise Program Statistical Information for the recommended Contractor is included (Attachment B). On final analysis and consideration of award, the TTC selected the Contractor without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation, or disability.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the attached Contract will allow the TTC to continue conducting online auctions of Tax-Defaulted Property STPTS.

Respectfully submitted,



ELIZABETH BUENROSTRO GINSBERG
Treasurer and Tax Collector



Peter Loo
Chief Information Officer

EBG:DB:VN:DS:lac

Enclosures

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



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⊕ Solicitation Information

Solicitation Number:	TTC RFP 2023-04 OATDP		
Title:	Online Auctions of Tax Defaulted Property Services		
Department:	Treasurer and Tax Collector		
Bid Type:	Service	Bid Amount:	N/A
Commodity:	AUCTIONEERING SERVICES		
Description:	<p>The County of Los Angeles (County) Department of Treasurer and Tax Collector (TTC) is issuing this Request for Proposals (RFP) for the provision of Online Auctions of Tax Defaulted Property Services.</p> <p>You may download the RFP from the Internet by accessing the County's website at https://camisvr.co.la.ca.us/lacobids/, selecting "Open Solicitations," and then searching by the solicitation title of Online Auctions of Tax Defaulted Property Services. You may also download the RFP by accessing the TTC's website https://ttc.lacounty.gov/contract-opportunities/. Potential Proposers are responsible for downloading and reviewing the entire RFP.</p> <p>The RFP contains the service requirements, proposal content and format requirements, a description of the proposal selection process, and a sample contract. Potential Proposers that meet the minimum requirements identified in Paragraph 3 (Proposer's Minimum Mandatory Requirements) are invited to submit a proposal to provide the services described in Exhibit A (Statement of Work) of Appendix A (Sample Contract) of the RFP. Potential Proposers should carefully review the RFP and ensure their proposal complies with all RFP requirements.</p> <p>Pursuant to Subparagraph 7.5.7 (Exceptions to Terms and Conditions of Sample Contract and/or Requirements of Statement of Work and Attachments), of the RFP, Proposers must list all of their exceptions in their proposal submission. Proposers may not take exception to the Standard Terms and Conditions in their entirety and replace the County's Standard Terms and Conditions with the Proposer's. The TTC will consider such a proposal to be non-responsive.</p> <p>The TTC will recommend approval of the contract to the most responsive and responsible Proposer. In general, the greater the number of exceptions to the terms and conditions the Proposer lists, and the more substantive the exceptions are, the less responsive the proposal will be deemed. Thus, a Proposer that lists large number of exceptions in quantity or quality will be scored accordingly. This practice reflects the fact that a Proposer that is able to accept the Standard Terms and Conditions as is, without any exception, is more responsive to the RFP than a Proposer that takes a number of exceptions to the Standard Terms and Conditions.</p> <p>During the negotiations process, the TTC limits the exceptions that can be negotiated to the exceptions listed in the proposal itself. The TTC would compromise the integrity of the RFP process if it were to negotiate an exception that the Proposer did not list in its proposal. If the Proposer had listed the exception in the proposal, the Proposer's score would likely have been less than originally calculated, thereby having a potential impact to the ranking of all proposals.</p> <p>A virtual Mandatory Proposers' Conference (Conference), to answer questions regarding the written specifications of the RFP, will be held at 11:00 a.m. Pacific Time (PT) on Thursday, January 11, 2024. Vendors that intend to submit proposals must attend this Conference or will be disqualified. To register to attend the Conference, please send an email to David Sandoval, Contracts Section, at contracts@ttc.lacounty.gov no later than 5:00 p.m. PT on Tuesday, January 9, 2024.</p> <p>Proposals must be prepared in accordance with Paragraph 7 (Business Proposal Requirements and Evaluation). Proposals are due no later than 5:00 p.m. Pacific Time on Friday, January 26, 2024, and must be emailed to: contracts@ttc.lacounty.gov. Proposals received after the scheduled deadline will not be accepted.</p>		
Open Day:	12/21/2023	Closed Date:	1/26/2024 5:00:00 PM
Contact Name:	David Sandoval	Contact Phone:	(213) 974-7360
Contact Email:	contracts@ttc.lacounty.gov		
Notice of Intent to Award (0):	<p>⊕ Click here to view notice intent to award list.</p>		
Solicitation Award (0):	<p>⊕ Click here to view award list.</p>		
Amendment (1):	<p>⊕ Click here to view the amendment list.</p>		
Last Changed On:	1/23/2024 7:13:05 PM		
Attachment File (2):	<p>⊕ Click here to download attachment files.</p>		

Less



**REQUIRED FORMS – EXHIBIT 5
COMMUNITY BUSINESS ENTERPRISE (CBE) INFORMATION**

TITLE		REFERENCE			
1 FIRM/ORGANIZATION INFORMATION GovEase Auction LLC		The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.			
Total Number of Employees in California:		0			
Total Number of Employees (including owners):		20			
Race/Ethnic Composition of Firm. Enter the make-up of Owners/Partners/Associate Partners into the following categories:					
Race/Ethnic Composition	Owners/Partners/ Associate Partners		Percentage of how ownership of the firm is distributed		
	Male	Female	Male	Female	
Black/African American	0	0	0%	0%	
Hispanic/Latino	0	0	0%	0%	
Asian or Pacific Islander	0	0	0%	0%	
Native Americans	0	0	0%	0%	
Subcontinent Asian	0	0	0%	0%	
White	7	1	87.50%	12.50%	

TITLE		REFERENCE				
2 CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, DISABLED VETERAN, AND LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER, AND QUESTIONING-OWNED (LGBTQQ) BUSINESS ENTERPRISE		If your firm is currently certified as a minority, women, disadvantaged, disabled veteran or lesbian, gay, bisexual, transgender, queer, and questioning-owned business enterprise by a public agency, complete the following.				
		<input checked="" type="checkbox"/> Check if not applicable				
Agency Name	Minority	Women	Disadvantaged	Disabled Veteran	LGBTQQ	



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

TREASURER AND TAX COLLECTOR

AND

GovEase Auction, LLC

FOR

**ONLINE AUCTIONS OF TAX DEFAULTED
PROPERTY SERVICES**

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STANDARD EXHIBITS

- A** Statement of Work
- A1** Statement of Work Attachments
- A2** Statement of Work Exhibits
- B** Commission Rate Schedule
- C** Intentionally Omitted
- D** County's Administration
- E** Contractor's Administration
- F** Form(s) Required at the Time of Contract Execution Confidentiality Forms
- G** Safely Surrendered Baby Law
- H** Defaulted Property Tax Reduction Program

UNIQUE EXHIBITS

- I** Information Security and Privacy Requirements

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR
AND
GovEase Auction, LLC
FOR
ONLINE AUCTIONS OF TAX DEFAULTED PROPERTY SERVICES**

This Contract (“Contract”) made and entered into this **10th** day of **September**, 2024 by and between the County of Los Angeles, hereinafter referred to as County, and GovEase Auction, LLC, hereinafter referred to as Contractor, a Mississippi Company, located at 2080 Main Street, Suite 200, Madison, MS 39110.

RECITALS

WHEREAS, pursuant to California Government Code Section 31000 which authorizes the Board of Supervisors (Board) to contract for special services; and

WHEREAS, pursuant to California Revenue and Taxation Code Division 1, Part 6, Chapter 7, the County Treasurer and Tax Collector (TTC) is mandated to sell tax defaulted property within five years of the time the property becomes subject to sale for nonpayment of taxes, and to sell the property at intervals of no more than six years if there are no acceptable bids at the first attempted sale; and

WHEREAS, the Contractor is a private firm specializing in providing Online Auctions of Tax Defaulted Property Services; and

WHEREAS, the County may contract with private businesses for Online Auctions of Tax Defaulted Property Services when certain requirements are met; and

WHEREAS, the Contractor has submitted a proposal to the County's TTC for provision of such services and based upon the Request for Proposals process, Contractor has been selected for recommendation for award of such Contract as the most responsive and responsible proposer; and

WHEREAS, the Board has authorized the TTC to administer this Contract;

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 through I are attached to and form a part of this Contract. 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 Contract and the Exhibits, or between Exhibits, such conflict or inconsistency will be resolved by giving precedence first to the terms and conditions of the Contract and then to the Exhibits according to the following priority.

Standard Exhibits:

Exhibit A	Statement of Work
Exhibit A1	Statement of Work Attachments
Exhibit A2	Statement of Work Exhibits
Exhibit B	Commission Rate Schedule
Exhibit C	Intentionally Omitted
Exhibit D	County's Administration
Exhibit E	Contractor's Administration
Exhibit F	Forms Required at the Time of Contract Execution (Confidentiality Forms)
Exhibit G	Safely Surrendered Baby Law
Exhibit H	Defaulted Property Tax Reduction Program

Unique Exhibits:

Exhibit I	Information Security and Privacy Requirements
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This Contract constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract will be valid unless prepared pursuant to Subparagraph 8.1 (Change Notices and Amendments) of this Contract 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 must be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 Additional Work:** Service enhancements and/or additional Services, which may be provided by the Contractor to the County upon County's request and approval in accordance with Subparagraph 3.4.
- 2.2 Board of Supervisors (Board):** The Board of Supervisors of the County of Los Angeles acting as governing body.
- 2.3 Business Days:** Monday through Friday, excluding County observed holidays, unless otherwise stated.
- 2.4 Calendar Days:** Monday through Sunday, including County observed holidays, unless otherwise stated.
- 2.5 Contract:** This agreement executed between the County and Contractor. Included are all supplemental agreements amending or extending the service to be performed. The Contract sets forth the terms and conditions for the issuance and performance of all tasks, deliverables, services, and other work including the (Statement of Work) Exhibit A.
- 2.6 Contract Term:** The period of the Contract, commencing upon the Effective Date, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 2.7 Contractor:** The entity that has entered into an agreement with the County to perform or execute the work covered by this Contract.
- 2.8 Contractor's Authorized Official(s):** The individual(s) authorized by the Contractor, that the Contractor represents and warrants has actual authority to execute documents under this Contract on behalf of the Contractor.
- 2.9 Contractor's Contract Administrator:** The individual authorized by the Contractor as principal officer to oversee contractual or administrative matters relating to this Contract that cannot be resolved by the Contractor's Contract Manager. Additionally, Contractor's Contract Administrator must oversee all projects and serve as a point of escalation, as needed.
- 2.10 Contractor's Contract Manager/Contractor's Alternate Contract Manager:** The individual authorized by the Contractor to administer the Contract operations under this Contract.
- 2.11 Contractor's Employees/Staff:** Any person designated by the Contractor to perform services under this Contract.
- 2.12 Contractor's Financial Manager:** The individual authorized by the Contractor to have full authority to act on behalf of the Contractor in all matters relating to invoicing under this Contract.
- 2.13 County:** The County of Los Angeles.
- 2.14 County Observed Holidays:** Days on which County departments are closed for business in observance of significant events. Contractor is not required to provide services on County observed holidays unless otherwise stated in the

SOW or Contract. A list of County observed holidays may be found on the County's website <https://lacounty.gov/government/about-la-county/about/>.

- 2.15 County's Contract Administrator:** The individual authorized by the TTC with authority for the County to oversee contractual or administrative matters relating to this Contract that cannot be resolved by the County's Contract Manager. Additionally, County's Contract Administrator must oversee all projects and serve as a point of escalation, as needed.
- 2.16 County's Contract Manager:** The individual authorized by the County's Contract Administrator to manage the operations under this Contract.
- 2.17 County's Contract Monitor:** Person with responsibility to oversee the day-to-day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services, and other work provided by the Contractor.
- 2.18 County's Contracts' Section – Contract Monitor:** The County's Contracts' Section – Contract Monitor is responsible for ensuring annual requirements and Contract deliverables (e.g., financial statements, insurance certificates, pending litigation statement, etc.) are received timely and in accordance with the Contract provisions from the Contractor.
- 2.19 Day(s):** Calendar-day(s), unless otherwise specified.
- 2.20 Effective Date:** The date of approval of this Contract by County's Board of Supervisors or as indicated in Paragraph 4 (Term of Contract).
- 2.21 Fiscal Year:** The 12-month period beginning July 1st and ending the following June 30th.
- 2.22 Performance Requirements Summary (PRS) Chart:** Identifies the key performance indicators of the Contract and SOW that the TTC will evaluate to ensure the Contractor meets performance standards, as specified in this Contract and SOW.
- 2.23 Proposal:** A Contractor's response to a Request for Proposals detailing the Contractor's proposed work specifications and pricing for performing the work requested in the County's solicitation.
- 2.24 Services:** Collectively, all functions, responsibilities, tasks, subtasks, deliverables, trainings, customizations, consulting services, and other services: (a) specifically identified in the SOW; (b) identified in this Contract as being Contractor's responsibility; and (c) otherwise necessary to comply with the terms of this Contract. Without increasing the scope of the Services, if any component task, subtask, service, or function is: (i) an inherent or necessary part of the Services defined in subparts (a), (b), or (c) of this Subparagraph; or (ii) a customary part of the Services defined in subparts (a), (b), or (c) of this Subparagraph, and not in conflict with Contractor's established methods of providing services and as to a service(s) within either subpart (i) and (ii) of this sentence above, is not specifically described in this Contract, then such service or function will be deemed to be part of the Services. Any hardware and/or

software provided to the County by the Contractor pursuant to this Contract will be deemed part of the Services.

- 2.25 Statement of Work (SOW):** A written description of tasks, deliverables, and/or other work required by the County pursuant to this Contract, attached as Exhibit A thereto.
- 2.26 Subcontractor(s):** Any individual, sole proprietor, firm, partnership, joint venture, corporation, or other legal entity furnishing supplies, services, equipment, and/or materials to Contractor in furtherance of Contractor's performance under this Contract, under oral or written agreement, but for avoidance of doubt, must not include any clearing facility, book-entry system, centralized custodial depository, or similar organization.
- 2.27 Treasurer and Tax Collector:** The director of the County of Los Angeles Department of Treasurer and Tax Collector.
- 2.28 TTC:** The County of Los Angeles Department of Treasurer and Tax Collector.

3.0 WORK

- 3.1** Pursuant to the provisions of this Contract, the Contractor must fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein, including, but not limited to, Exhibit A (SOW) which incorporates all attachments thereto.
- 3.2** The Contractor agrees that the performance of work and services pursuant to the requirements of this Contract must conform to high professional standards as exist in the Contractor's profession or field of practice.
- 3.3** If the Contractor provides any tasks, deliverables, goods, services, and/or other work, other than as specified in this Contract, the same will be deemed to be a gratuitous effort on the part of the Contractor without consideration, and the Contractor will have no claim whatsoever against the County for those tasks, goods, services, and/or other work.
- 3.4** Upon County's written request and mutual approval pursuant to the terms of this Contract, Contractor must provide Additional Work, including customizations, enhancements, additional programming, and/or additional Services, in accordance with this Subparagraph and Exhibit A (SOW), at the applicable pricing terms set forth in Exhibit B (Commission Rate Schedule).

4.0 TERM OF CONTRACT

- 4.1** The Contract Term will commence upon approval by the Board or September 19, 2024, whichever is later, and will continue for three years, unless sooner terminated or extended in whole or in part, as provided in this Contract.
- 4.2** After the initial term, the TTC will have the sole option to extend the Contract Term for up to three additional one-year periods and six month-to-month extensions, for a maximum total Contract Term of six years and six months. The

TTC may exercise each such extension option at its sole discretion. In the event the TTC desires to renew the Contract by exercising an option term, the TTC will provide Contractor with a written notice of intent to renew the Contract at least 30 Calendar Days prior to the expiration of the then current term of the Contract. The option to renew will be set forth in writing, as provided in Subparagraph 8.1 (Change Notices and Amendments) of this Contract.

4.3 The County maintains a database that tracks/monitors Contractor performance history. Information entered into the database may be used for a variety of purposes, including determining whether the County will exercise a Contract Term extension option.

4.4 The Contractor must notify the County's Contract Administrator when this Contract is within six months of the expiration of the Contract Term as provided for hereinabove. Upon occurrence of this event, the Contractor must send written notification to the County's Contract Administrator at the address herein provided in Exhibit D (County's Administration).

5.0 COMMISSION RATE AND PAYMENT

5.1 COMMISSION RATE

5.1.1 Contractor's commission rate will remain firm and fixed for the term of the Contract in accordance with Exhibit B (Commission Rate Schedule) of this Contract.

5.1.2 The Contractor will not be entitled to payment or reimbursement for any tasks, deliverables 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 person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, must not occur except with the County's express prior written approval.

5.2 COMMISSION PAYMENT

Contractor must structure a payment and settlement system in accordance with Exhibit A (SOW), Subparagraph 3.10, Payments.

5.3 WRITTEN APPROVAL FOR REIMBURSEMENT

The Contractor will 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 person or entity other than the Contractor, whether through assignment, delegation, merger, buyout, or any

other mechanism, with or without consideration for any reason whatsoever, must not occur except with the County's express prior written approval.

5.4 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF CONTRACT

The Contractor will 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 Contract. Should the Contractor receive any such payment, it must immediately notify County and must immediately repay all such funds to County. Payment by County for services rendered after expiration-termination of this Contract will not constitute a waiver of County's right to recover such payment from the Contractor. This provision will survive the expiration or other termination of this Contract.

5.5 DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER

5.5.1 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 will be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

5.5.2 The Contractor must 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.

5.5.3 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit will supersede this requirement with respect to those payments.

5.5.4 At any time during the duration of the Contract, 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), will decide whether to approve exemption requests.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

6.1 COUNTY'S ADMINISTRATION

A listing of all County's Administration referenced in the following Subparagraphs

are designated in Exhibit D (County's Administration). The County will notify the Contractor in writing of any change in the names or addresses shown.

The TTC will assign a County Contract Administrator, a County Contract Manager and a County Contract Monitor to provide, among other things, overall management and coordination of the Contract and act as liaisons for the TTC.

The TTC will notify the Contractor in writing of the names, addresses, and telephone numbers of the individuals designated to act as the County's Contract Administrator, County's Contract Manager and County's Contract Monitor.

6.2 COUNTY'S CONTRACT ADMINISTRATOR

6.2.1 The County's Contract Administrator is responsible for ensuring that the Contractor meets the objectives of this Contract and determines the Contractor's compliance with this Contract. This includes inspecting all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

6.2.2 The County's Contract Administrator is responsible for providing, among other things, overall direction to the Contractor in the areas relating to County and TTC policy, information requirements, and procedural requirements. Additionally, County's Contract Administrator must oversee all projects and serve as a point of escalation, as needed.

6.2.3 The County's Contract Administrator is not authorized to make any changes in any of the terms and conditions of this Contract, except as permitted in accordance with Subparagraph 8.1 (Change Notices and Amendments), of this Contract, and is not authorized to further obligate the County in any respect whatsoever.

6.3 COUNTY'S CONTRACT MANAGER

6.3.1 The County's Contract Manager is responsible for managing all operational matters under the Contract; requesting meetings as needed with the Contractor's Contract Manager; and inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

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

6.4 COUNTY'S CONTRACT MONITOR

The County's Contract Monitor is responsible for overseeing the day-to-day administration of this Contract. The Contract Monitor reports to the County's Contract Manager.

6.5 COUNTY'S CONTRACTS' SECTION – CONTRACT MONITOR

The County's Contracts' Section – Contract Monitor is responsible for ensuring annual requirements and Contract deliverables (e.g., financial statements, insurance certificates, pending litigation statement, etc.) are received timely and in accordance with the Contract provisions from the Contractor.

6.6 COUNTY'S DEPARTMENTAL CHIEF INFORMATION OFFICER (DCIO)

The DCIO is responsible for managing the planning, design, coordination, development, implementation, and maintenance of the TTC's information systems.

6.7 COUNTY'S DEPARTMENTAL INFORMATION SECURITY OFFICER (DISO)

The DISO develops and implements departmental Information Technology (IT) security application, policies, standards, and procedures intended to prevent the unauthorized use, release, modification, loss, or destruction of Data and to ensure the integrity and security of the TTC's IT infrastructure.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

The Contractor must assign a sufficient number of employees to perform the required work. The Contractor must appoint at least one authorized employee, determined and agreed upon between the Contractor and the TTC, to act for the Contractor in every detail and that employee must speak and read fluently in English. Request for replacement of any personnel by the TTC must be completed within one Business Day.

A listing of all of Contractor's Administration referenced in the following Subparagraphs is designated in Exhibit E (Contractor's Administration). The Contractor will notify the County's Contract Administrator and County's Contract Manager in writing of any changes as they occur.

7.1 CONTRACTOR'S CONTRACT ADMINISTRATOR

7.1.1 The Contractor's Contract Administrator must be a full-time employee of the Contractor. The Contractor's Contract Administrator must be a principal officer in the Contractor's office to service this Contract and to act as a liaison for the Contractor in coordinating the performance of services under the Contract. The Contractor must provide the County's Contract Administrator and County's Contract Manager with the information specified on Exhibit E (Contractor's Administration), for the individual designated to act as the Contractor's Contract Administrator at the time this Contract is implemented and as changes occur during the Contract Term. Such notification must be made by the Contractor no later than five business days after a change occurs and will include a current resume for the new Contractor's Contract Administrator. The County will have the right to approve the assignment or replacement of any personnel by the Contractor.

- 7.1.2 The Contractor's Contract Administrator must be responsible for the Contractor's performance of all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor and ensure the Contractor's compliance with the Contract. Additionally, Contractor's Contract Administrator must oversee all projects and serve as a point of escalation, as needed.
- 7.1.3 The Contractor's Contract Administrator must be available to meet and confer with the County's Contract Administrator on an as-needed basis either in person or by telephone as mutually agreed upon by the parties, to review Contract performance and discuss Contract coordination. Such meetings will be conducted at a time and place as mutually agreed upon by the parties.

7.2 CONTRACTOR'S CONTRACT MANAGER/CONTRACTOR'S ALTERNATE CONTRACT MANAGER

- 7.2.1 The Contractor's Contract Manager, and a designated alternate, must be a full-time employee of the Contractor. The Contractor must provide the County's Contract Administrator and County's Contract Manager with the information specified on Exhibit E (Contractor's Administration), for the individual designated to act as the Contractor's Contract Manager and Contractor's Alternate Contract Manager at the time this Contract is implemented and as changes occur during the Contract Term. Such notification must be made by the Contractor no later than five business days after a change occurs and will include a current resume for the new Contractor's Contract Manager and Contractor's Alternate Contract Manager. The County will have the right to approve the assignment or replacement of any personnel by the Contractor.

The Contractor's Contract Manager and Contractor's Alternate Contract Manager must have full authority to act on behalf of the Contractor on all matters related to the Contractor's day-to-day activities as related to the Contract and must coordinate with County's Contract Manager on a regular basis.

- 7.2.2 The Contractor's Contract Manager/Contractor's Alternate Contract Manager must be available during regular business hours of 8:00 a.m. to 5:00 p.m. Pacific Time (PT), Monday through Friday, for telephone and email contact and to meet as needed with the County's Contract Manager to discuss the Contract.

7.3 CONTRACTOR'S FINANCIAL MANAGER

The Contractor's Financial Manager must be a full-time employee of the Contractor. The Contractor must provide the County's Contract Administrator and County's Contract Manager with the information specified on Exhibit E (Contractor's Administration), for the individual designated to act as the

Contractor's Financial Manager at the time this Contract is implemented and as changes occur during the Contract Term. Such notification must be made by the Contractor no later than five business days after a change occurs and will include a current resume for the new Contractor's Financial Manager. The County will have the right to approve the assignment or replacement of any personnel by the Contractor.

The Contractor must assign a Financial Manager to act as liaison for the Contractor and have full authority to act on behalf of Contractor in all matters related to payments and fees under this Contract. The Contractor's Financial Manager must be available during the hours of 8:00 a.m. to 5:00 p.m. PT, Monday through Friday, for telephone and email contact and to meet with County personnel regarding any invoices issued under this Contract.

7.4 CONTRACTOR'S EMPLOYEES

7.4.1 The Contractor is responsible for providing training and supervising employees assigned to perform services under this Contract. All employees assigned by the Contractor to perform these services must at all times be employees of the Contractor; and the Contractor must have the sole right to hire, suspend, discipline, or discharge them. However, any employee, who in the opinion of the County is performing unsatisfactory work, must be removed from the performance of services related to this Contract immediately upon the written request of the County's Contract Manager.

7.4.2 The Contractor must ensure a high standard of conduct of the Contractor's employees, including compliance at all times with all applicable local, State, and Federal laws and regulations related to investment custody and securities lending services, and the specific requirements of this Contract.

7.4.3 The Contractor must supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks, and Threats. The Contractor agrees that training at a minimum must include, but may not be limited to, the following topics:

- 1. Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.
- 2. Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.
- 3. Handling of County Information:** The proper identification, storage, transfer, archiving, and destruction of County information.

4. **Causes of Unintentional Information Exposure:** Provide awareness of causes of unintentional exposure of Information such as lost mobile devices, emailing Information to inappropriate recipients, etc.
5. **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.
6. **Privacy:** The Contractor's Privacy Policies and procedures as described in Exhibit I (Information Security and Privacy Requirements), Section 2b, Privacy Program.

7.4.4 The Contractor must have an established set of procedures to ensure the Contractor's employees promptly report actual and/or suspected breaches of confidentiality.

7.4.5 The Contractor's employees assigned to provide services under this Contract must:

- a. Communicate effectively using good judgment and discretion;
- b. Be trained sufficiently in performing the services; and
- c. Comply with the requirements of this Contract.

7.5 NOTICE OF PERSONNEL CHANGES

The Contractor must inform the County's Contract Administrator in writing of the names, addresses, and telephone numbers of the individuals designated to act as Contract Administrator, Contract Manager, and Alternate Contract Manager at the time the Contract is implemented and as changes occur during the Contract Term. The Contractor must make such notification no later than five business days after a change occurs and must include a current resume for the newly designated person. The County will have the right to approve the assignment or replacement of any staff recommended by the Contractor.

7.6 APPROVAL OF CONTRACTOR'S EMPLOYEES

County has the absolute right to approve or disapprove all of the Contractor's employees performing work hereunder and any proposed changes in the Contractor's employees, including, but not limited to, the Contractor's Contract Manager, provided, however, that such approval by County will not be unreasonably withheld, delayed or conditioned. A change in Contractor's Contract Manager, or critical senior staff, without County approval may result in Contract termination at County's discretion.

7.7 CONTRACTOR'S STAFF IDENTIFICATION

7.7.1 The Contractor must provide, at Contractor's expense, all staff assigned to this Contract and visiting or performing services on-site at

a County facility, or its grounds, with a standard photo identification badge in accordance with the County specifications which includes a recent picture of the employee, the employee's name, and the name of the Contractor. Specifications may change at the discretion of the County and the Contractor will be provided with new specifications as required. The format and content of the badge is subject to the TTC's approval prior to the Contractor implementing the use of the badge. The Contractor's staff, while visiting or providing on-site services under this Contract or when entering a County facility or its grounds, must prominently display the photo identification badge on the upper part of the body.

7.7.2 The Contractor must notify the TTC within one business day when key personnel that provide services under this Contract are terminated from working under this Contract. Key personnel include all Contractor staff listed on Exhibit E (Contractor's Administration). The Contractor must retrieve and immediately destroy the staff's photo identification badge at the time of removal from the County Contract.

7.7.3 If the TTC requests the removal of the Contractor's staff, the Contractor is responsible to retrieve and immediately destroy the Contractor's staff's County photo identification badge at the time of removal from working on the Contract.

7.8 BACKGROUND AND SECURITY INVESTIGATIONS

7.8.1 Each of the Contractor's staff performing work under this Contract, who is in a designated sensitive position, as determined by the TTC in the TTC's sole discretion, must undergo and pass, to the satisfaction of the TTC, a background investigation as a condition of beginning and continuing to work under this Contract. Typically, the positions required to undergo and pass a background investigation, include, but are not limited to, Contractor's Contract Administrator, Contractor's Contract Manager, Contractor's Alternate Contract Manager, and staff that have access to County assets, sensitive Information and/or non-public information.

Such background investigation must be obtained through fingerprints submitted to the California Department of Justice (DOJ) to include State, local, and Federal level review, which include, but may not be limited to, criminal conviction information. Examples of disqualifying factors include, but are not limited to, bribery, robbery, theft, fraud, embezzlement, forgery, extortion, perjury, convictions involving a controlled substance, convictions involving stolen property, any felony conviction, a misdemeanor conviction involving moral turpitude, or any job-related misdemeanor conviction. The fees associated with background investigation will be at the expense of the Contractor

regardless if the member of Contractor's staff passes or fails the background investigation.

- 7.8.2** The Contractor must provide to the TTC the legal name of each person in a designated sensitive position and the dates on which said persons submitted fingerprints to the California DOJ. The Contractor must provide such information in writing within five calendar days of the date on which the fingerprinting occurred.
- 7.8.3** A member of Contractor's staff must not begin to perform services under the Contract until he/she has successfully passed a background investigation to the satisfaction of the TTC.
- 7.8.4** During the Contract Term, if the TTC identifies a subsequent disqualifying factor for a member of the Contractor's staff, the TTC will request that the member of the Contractor's staff be immediately removed from performing services under the Contract. Contractor must promptly comply with the TTC's request.
- 7.8.5** The TTC will request the Contractor to advise the Contractor's staff member who did not pass the background investigation, or who received a subsequent disqualifying factor, to contact the TTC immediately to receive a copy of the Criminal Offender Record Information obtained from the DOJ through the TTC's background investigation.
- 7.8.6** The TTC may request that Contractor's staff be immediately removed from working on this Contract at any time during the Contract Term.
- 7.8.7** The TTC, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff who do not pass such investigation to the satisfaction of the TTC or whose background or conduct is incompatible with TTC facility access.
- 7.8.8** These terms will also apply to subcontractors of County contractors.
- 7.8.9** Disqualification of any member of the Contractor's staff pursuant to this Subparagraph 7.6 will not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.9 CONFIDENTIALITY

- 7.9.1** The Contractor must maintain the confidentiality of all records and information including, but not limited to, billing and sensitive financial information, County records, Data and County Information, any information relating to County's customers, users, partners, or personnel, and any other Data, records, and information received, obtained and/or produced under the provisions of this Contract in accordance with all applicable Federal, State or local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures

relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information. The Contractor is not authorized to release any information listed above without the express approval from the County.

- 7.9.2** The Contractor's employees may use Data received from the County only to perform functions as defined by this Contract.
- 7.9.3** Disclosures which are required by law, such as a court order, or which are made with the explicit written authorization of the County are allowable. Any other use or disclosure of Data received requires the express approval in writing from the County. The Contractor must not duplicate, disseminate or disclose any Data except as allowed in this Contract.
- 7.9.4** Access to Data received from the County must be restricted only to Contractor's employees who need the Data to perform their official duties in the performance of this Contract.
- 7.9.5** The Contractor's employees who access, disclose or use the Data for a purpose not authorized by this Contract may be subject to civil and criminal sanctions contained in applicable Federal and State statutes.
- 7.9.6** The Contractor must indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents, and volunteers from and against any and all claims, demands, damages, liabilities, judgments, award, losses, costs, expenses or fees, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to:
1. Contractor's violation of any Federal and State laws in connection with its accessing, collecting, processing, storing, disclosing, or otherwise using County Information;
 2. Any failure by the Contractor, its officers, employees, agents, or Subcontractors, to comply with this Subparagraph, as determined by County in its sole judgment; and/or
 3. Any Information loss, breach of Confidentiality, or Incident involving any County Information that occurs on the Contractor's or Subcontractor's systems or networks (including all costs and expenses incurred by the County, if applicable, to remedy the effects of such loss, breach of Confidentiality, or Incident, which at a minimum may include, but is not limited to, (i) providing appropriate notice to individuals and governmental authorities, (ii) responding to individuals' and governmental authorities' inquiries, (iii) providing credit monitoring to individuals, and

(iv) conducting litigation and settlements with individuals and governmental authorities).

- 7.9.7** Any legal defense pursuant to the Contractor's indemnification obligations under this Subparagraph must be conducted by the Contractor and performed by the counsel selected by the Contractor and approved by County.
- 7.9.8** Notwithstanding the preceding Subparagraph 7.9.7, County will have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County must be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from the Contractor for all such costs and expenses incurred by County in doing so. The Contractor will not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.
- 7.9.9** The Contractor must inform all of its officers, employees, agents, and Subcontractors providing services hereunder of the confidentiality provisions of this Contract.
- 7.9.10** The Contractor must sign and provide Exhibit F1 (Contractor Acknowledgement and Confidentiality Agreement) to the Contracts' Section – Contract Monitor, as indicated on Exhibit D (County's Administration), within three Business Days of providing services on this Contract and adhere to the provisions of Exhibit F1.
- 7.9.11** The Contractor will cause each non-employee performing services covered by this Contract to sign Exhibit F2 (Contractor Non-Employee Acknowledgement and Confidentiality Agreement) and adhere to the provisions of Exhibit F2. The Contractor must provide signed Exhibits to the Contracts' Section – Contract Monitor, as indicated on Exhibit D (County's Administration), within three Business Days of providing services on this Contract.
- 7.9.12** During the Contract Term, the Contractor must maintain an updated file of the signed forms and will forward copies of all signed forms to the County's Contract Administrator whenever changes in personnel occur.

8.0 STANDARD TERMS AND CONDITIONS

8.1 CHANGE NOTICES AND AMENDMENTS

- 8.1.1** The County reserves the right to initiate Change Notices that either (i) **do not affect** the scope, term, fees or payments, SOW, and/or Contract Term. All such changes must be accomplished with an

executed Change Notice signed by the Contractor and by the County's Contract Administrator.

- 8.1.2** For any change which **affects** the Commission Rate Schedule, fees or payments, and/or SOW that **does not materially alter** the Contract, an Amendment to this Contract must be prepared and executed by Contractor and by the Treasurer and Tax Collector, or their designee, provided County Counsel approval is obtained prior to execution of such Amendment(s).
- 8.1.3** For any change which **affects** the Commission Rate Schedule, and/or SOW, that **materially alters** the Contract, an Amendment to this Contract must be prepared and executed by Contractor and by the Board or their designee.
- 8.1.4** The Board or Chief Executive Officer (CEO), or designee, may require the addition and/or change of certain terms and conditions in the Contract during the Contract Term. The County reserves the right to add and/or change such provisions as required by the Board or CEO. To implement such changes, an Amendment to the Contract must be prepared and executed by the Contractor and by the Treasurer and Tax Collector, or their designee.
- 8.1.5** The Treasurer and Tax Collector, or their designee may, at his sole discretion, authorize extensions of time as defined in Paragraph 4.0 (Term of Contract). For the exercise of the TTC's optional extensions, an Amendment to the Contract will be prepared and executed by the Contractor and the Treasurer and Tax Collector, or their designee, prior to the expiration of the then current Contract Term. The Contractor agrees that such extensions of time will not change any other term and condition of the Contract during the period of such extensions.

8.2 ASSIGNMENT AND DELEGATION/MERGERS OR ACQUISITIONS

- 8.2.1** The Contractor must 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 must not assign, exchange, transfer, or delegate its rights or duties under this Contract, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment, delegation, or otherwise transfer of its rights or duties, without such consent will be null and void. For purposes of this Subparagraph, County consent will require a written Amendment to the

Contract, 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 Contract will be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

- 8.2.3** Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any person or 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, will be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, the County will be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 WARRANTIES

- 8.3.1** The Contractor represents and warrants that the person executing this Contract 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 Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.
- 8.3.2** The Contractor represents and warrants that the Services will be performed in a professional, competent, and timely manner by appropriately qualified Contractor staff in accordance with this Contract and consistent with industry best practices.
- 8.3.3** The Contractor represents and warrants that there is no pending or threatened litigation that would have a material adverse impact on its performance under the Contract.

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 Contract correspondingly for that fiscal year and any subsequent fiscal year during the Contract Term (including any extensions), and the services to be provided by the Contractor under this Contract will also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation will be provided within 30 calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor must continue to provide all of the services set forth in this Contract.

8.5 COMPLAINTS

The Contractor must develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.5.1 COMPLAINT PROCEDURES

- 8.5.1.1 Within ten business days after the Contract Effective Date, the Contractor must provide the County with the Contractor's policy for receiving, investigating and responding to user complaints.
- 8.5.1.2 The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.
- 8.5.1.3 If the County requests changes in the Contractor's policy, the Contractor must make such changes and resubmit the plan within ten business days for County approval.
- 8.5.1.4 If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor must submit proposed changes to the County for approval before implementation.
- 8.5.1.5 The Contractor must preliminarily investigate all complaints and notify the County's Contract Manager of the status of the investigation within five business days of receiving the complaint.
- 8.5.1.6 When complaints cannot be resolved informally, a system of follow-through will be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.5.1.7 Copies of all written responses must be sent to the County's Contract Manager within three business days of mailing to the complainant.

8.6 COMPLIANCE WITH APPLICABLE LAW

- 8.6.1 In the performance of this Contract, Contractor must comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.
- 8.6.2 Contractor must indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or Subcontractors, to comply with any such laws, rules, regulations,

ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Subparagraph 8.6 (Compliance with Applicable Law) will be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County will have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so (including attorney and expert witness fees). Contractor will not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.7 COMPLIANCE WITH CIVIL RIGHTS LAWS

The Contractor hereby assures that it will comply with Title VII of the Civil Rights Act of 1964, 42 USC Sections 2000e-1 through 2000e-17, to the end that no person will, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. Additionally, Contractor certifies to the County:

- 8.7.1** That Contractor has a written policy statement prohibiting discrimination in all phases of employment.
- 8.7.2** That Contractor periodically conducts a self-analysis or utilization analysis of its work force.
- 8.7.3** That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- 8.7.4** 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.

8.8 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.8.1 JURY SERVICE PROGRAM

This Contract 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](#).

8.8.2 WRITTEN EMPLOYEE JURY SERVICE POLICY

- 8.8.2.1 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 must have and adhere to a written policy that provides that its Employees will 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.
- 8.8.2.2 For purposes of this Subparagraph, "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 Contract, the subcontractor will also be subject to the provisions of this Paragraph. The provisions of this Subparagraph will be inserted into any such Subcontract agreement and a copy of the Jury Service Program must be attached to the agreement.
- 8.8.2.3 If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor will have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor must 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 must

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.

8.8.2.4 Contractor's violation of this Subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 CONFLICT OF INTEREST

8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee will be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder will 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.

8.9.2 The Contractor must comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. 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 must immediately make full written disclosure of such facts to the County. Full written disclosure must 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 Subparagraph will be a material breach of this Contract.

8.10 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS OR ARE ON A COUNTY RE-EMPLOYMENT LIST

Should the Contractor require additional or replacement personnel after the Effective Date of this Contract to perform the services set forth herein, the Contractor must 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 Contract.

8.11 CONSIDERATION OF HIRING GAIN/START PARTICIPANTS

- 8.11.1** Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor will give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or Skills and Training to Achieve Readiness for Tomorrow (START) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration will mean that the Contractor will interview qualified candidates. The County will refer GAIN/START participants by job category to the Contractor. Contractors must report all job openings with job requirements to: gainstart@dpss.lacounty.gov and BSERVICES@OPPORTUNITY.LACOUNTY.GOV and DPSS will refer qualified GAIN/START job candidates.
- 8.11.2** In the event that both laid-off County employees and GAIN/START participants are available for hiring, County employees must be given first priority.

8.12 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.12.1 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.

8.12.2 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.

8.12.3 NON-RESPONSIBLE CONTRACTOR

The County may debar a Contractor if the Board 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.

8.12.4 CONTRACTOR HEARING BOARD

- 8.12.4.1 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.
- 8.12.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative will be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board will prepare a tentative proposed decision, which will 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 will be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
- 8.12.4.3 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 will be presented to the Board of Supervisors. The Board of Supervisors will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 8.12.4.4 If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The 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.

8.12.4.5 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 years; 2) the debarment has been in effect for at least five years; and 3) the request is in writing, states one or more of the 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 will conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing will be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

8.12.4.6 The Contractor Hearing Board's proposed decision will contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board will present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 SUBCONTRACTORS OF CONTRACTOR

These terms will also apply to Subcontractors of County Contractors. Subcontractors are subject to County's approval.

8.13 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO 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 poster, Exhibit G (Safely Surrendered Baby Law) 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. Information and posters for printing are available at <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>.

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

8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County

through contracts 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.

- 8.14.2** As required by the County's Child Support Compliance Program ([County Code Chapter 2.200](#)) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and will during the term of this Contract, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act ([42 USC Section 653a](#)) and [California Unemployment Insurance Code Section 1088.5](#), and will 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\(b\)](#).

8.15 COUNTY'S QUALITY ASSURANCE PLAN

The County or its agent(s) will monitor the Contractor's performance under this Contract on not less than an annual basis. Such monitoring will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are significant or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors and listed in the appropriate Contractor performance database. The report to the Board 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 Contract or impose other penalties as specified in this Contract.

8.16 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

- 8.16.1** The Contractor will 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 must be made immediately after the Contractor has become aware of such damage, but in no event later than 30 days after the occurrence.

- 8.16.2** 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 must be repaid by the Contractor by cash payment upon demand.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

- 8.17.1** 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 Contract

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

- 8.17.2** The Contractor must 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 Contract.

8.18 COUNTERPARTS AND ELECTRONIC SIGNATURES AND REPRESENTATIONS

This Contract may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same Contract. The facsimile, email or electronic signature of the parties will be deemed to constitute original signatures, and facsimile or electronic copies hereof will 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 Change Notices and Amendments prepared pursuant to Subparagraph 8.1 (Change Notices and Amendments) and received via communications facilities (facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Change Notices and Amendments to this Contract.

8.19 FAIR LABOR STANDARDS

The Contractor must comply with all applicable provisions of the Federal Fair Labor Standards Act and must 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.

8.20 FORCE MAJEURE

- 8.20.1** Neither party will be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such

party or any of such party's Subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this Paragraph as "force majeure events").

- 8.20.2** Notwithstanding the foregoing, a default by a Subcontractor of Contractor will not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such Subcontractor, and without any fault or negligence of either of them. In such case, Contractor will not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this Subparagraph, the term "Subcontractor" and "Subcontractors" mean Subcontractors at any tier.
- 8.20.3** In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.
- 8.20.4** In the event a force majeure event continues for more than five days, County may terminate this Contract by providing written notice to Contractor. Notwithstanding the foregoing, a force majeure event will not relieve Contractor of its obligations under Exhibit I (Information Security and Privacy Requirements), and Subparagraph 7.9 (Confidentiality).

8.21 GOVERNING LAW, JURISDICTION, AND VENUE

This Contract will be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder will be exclusively in the County of Los Angeles.

8.22 INDEPENDENT CONTRACTOR STATUS

- 8.22.1** This Contract is by and between the County and the Contractor and is not intended, and must 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 must not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.
- 8.22.2** The Contractor will be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County will 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.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor will 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 Contract.

8.22.4 The Contractor must adhere to the provisions stated in Subparagraph 7.9 (Confidentiality).

8.23 INDEMNIFICATION

8.23.1 The Contractor must 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 Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County indemnitees.

8.23.2 The Contractor must indemnify, hold harmless, and defend County from and against any and all liability, damages, costs, and expenses including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's System (System) and/or Services under this Contract. County will inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure and will cooperate in the Contractor's defense of any action or potential settlement thereof.

8.23.3 In the event any services or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, the Contractor, at its sole expense, and providing that County's continued use of the System is not materially impeded, must either: (a) Procure for County all rights to continued use of the questioned equipment, part, or software product; or (b) Replace the questioned equipment, part, or software product with a non-questioned item; or

(c) Modify the questioned equipment, part, or software so that it is free of claims.

8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

8.24.1 Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor must provide and maintain at its own expense insurance coverage satisfying the requirements specified in Subparagraphs 8.24 and 8.25 of this Contract. Such insurance must be primary to and not combined with other insurance or self-insurance programs maintained by the County. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.2 EVIDENCE OF COVERAGE AND NOTICE TO COUNTY

- 8.24.2.1 Certificate(s) of insurance coverage (COI(s)) 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, must be delivered to County at the address shown below and provided prior to commencing services under this Contract.
- 8.24.2.2 Renewal COIs must be provided to County not less than ten 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.
- 8.24.2.3 COIs must identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the COI must match the name of the Contractor identified as the contracting party in this Contract. COIs must provide the full name of each insurer providing coverage, its National Association of Insurance Commissioners (NAIC) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding \$50,000, and list any County required endorsement forms.
- 8.24.2.4 Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance

COI or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), will be construed as a waiver of any of the Required Insurance provisions.

8.24.2.5 COIs and copies of any required endorsements must be sent to:

County of Los Angeles
Department of Treasurer and Tax Collector
Contracts Section
500 West Temple Street, Room 464
Los Angeles, CA 90012

8.24.2.6 Contractor also must 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 must promptly notify County of any third-party claim or suit filed against Contractor or any of its subcontractors which arises from or relates to this Contract and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.24.3 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) must 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 must 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 must 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.

8.24.4 CANCELLATION OF OR CHANGES IN INSURANCE

The Contractor must provide County with, or Contractor's insurance policies must contain a provision that County will 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 must be provided to County at least ten 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 Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.5 FAILURE TO MAINTAIN INSURANCE

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

8.24.6 INSURER FINANCIAL RATINGS

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

8.24.7 CONTRACTOR'S INSURANCE MUST BE PRIMARY

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

8.24.8 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 Contract. The Contractor must require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.9 SUBCONTRACTOR INSURANCE COVERAGE REQUIREMENTS

The Contractor must include all Subcontractors as insureds under Contractor's own policies or must provide County with each Subcontractor's separate evidence of insurance coverage. The Contractor will be responsible for verifying each Subcontractor complies with the Required Insurance provisions herein and must require that each Subcontractor name the County and Contractor as additional insureds on the Subcontractor's General Liability policy. The

Contractor must obtain County's prior review and approval of any Subcontractor request for modification of the Required Insurance.

8.24.10 DEDUCTIBLES AND SELF-INSURED RETENTIONS (SIRS)

The Contractor's policies will 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 must be executed by a corporate surety licensed to transact business in the State of California.

8.24.11 CLAIMS MADE COVERAGE

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

8.24.12 APPLICATION OF EXCESS LIABILITY COVERAGE

The 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.

8.24.13 SEPARATION OF INSURED

All liability policies must provide cross-liability coverage as would be afforded by the standard Insurance Services Office, Inc. (ISO) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.14 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 must be designated as an Additional Covered Party under any approved program.

8.24.15 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.

8.25 INSURANCE COVERAGE

8.25.1 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

8.25.2 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 must cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 WORKERS COMPENSATION AND EMPLOYERS' LIABILITY

Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also must 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. The written notice must be provided to County at least ten days in advance of cancellation for non-payment of premium and 30 days in advance for any other cancellation or policy change. If applicable to Contractor's operations, coverage also must be arranged to satisfy the requirements of any Federal workers or workmen's compensation law or any Federal occupational disease law.

8.25.4 CYBER LIABILITY INSURANCE

The Contractor must secure and maintain cyber liability insurance coverage with limits of at least \$2 million per occurrence and in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding, defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code;

unauthorized access to or use of computer systems; Data/Information loss and business interruption; and any other liability or risk that arises out of the Contract. The Contractor must add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, must not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy. Contractor understands and agrees that Cyber Liability Insurance must remain in place to cover services completed during the Contract Term for a period of not less than three years following the Contract's expiration, termination, or cancellation. Please note that the limit above is the minimum limit, and the County reserves the right to increase this limit based on its final assessment of the project during the contract negotiations.

8.25.5 SURETY BOND

A surety bond and deposit receipt for the surety bond filed with the California Secretary of State in the sum of not less than \$20,000 and compliant with California Civil Code, Title 2.95 (commencing with Section 1812.600), which states "every auctioneer and auction company shall maintain a bond issued by a surety company admitted to do business in this state." Further, Contractor understands and agrees it must maintain the surety bond for a period of not less than three years following this Contract's expiration, termination, or cancellation.

8.25.6 CRIME COVERAGE

A Fidelity Bond or Crime Insurance policy with limits of not less than \$2 million per occurrence. Such coverage must protect against all loss of money, securities, or other valuable property entrusted by County to Contractor, and apply to all of Contractor's directors, officers, agents and employees who regularly handle or have responsibility for such money, securities or property. The County and its Agents must be named as an Additional Insured and Loss Payee as its interests may appear. This insurance must include third party fidelity coverage, include coverage for loss due to theft, mysterious disappearance, and computer fraud/theft, and must not contain a requirement for an arrest and/or conviction.

8.26 LIQUIDATED DAMAGES

- 8.26.1** If, in the judgment of the Treasurer and Tax Collector, or his designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Treasurer and Tax Collector, or his

designee, at his option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the Contractor by the Treasurer and Tax Collector, or his designee, in a written notice describing the reasons for said action.

- 8.26.2** If the Treasurer and Tax Collector, or his designee, determines that there are deficiencies in the performance of this Contract that the Treasurer and Tax Collector, or his designee, deems are correctable by the Contractor over a certain time span, the Treasurer and Tax Collector, or his designee, will provide a written notice to the Contractor to correct the deficiency within specified timeframes. Should the Contractor fail to correct deficiencies within said timeframe, the Treasurer and Tax Collector, or his designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Contractor's fee; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified timeframe. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is as specified in Attachment 2 (Performance Requirements Summary Chart) of Exhibit A2 (Statement of Work Exhibits) of this Contract, hereunder, and that the Contractor will be liable to the County for liquidated damages in said amount. Said amount will be deducted from the County's payment to the Contractor; and/or (c) Upon giving five days' notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private Contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.
- 8.26.3** The action noted in Subparagraph 8.26.2 must not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.
- 8.26.4** This Subparagraph must not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in the Performance Requirements Summary Chart of Exhibit A2 (Statement of Work Exhibits) of this Contract or Subparagraph 8.26.2, and must not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.27 MOST FAVORED PUBLIC ENTITY

If the Contractor's prices decline or should the Contractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices must be immediately extended to the County.

8.28 NONDISCRIMINATION AND AFFIRMATIVE ACTION

- 8.28.1** The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.
- 8.28.2** The Contractor certifies to the County each of the following:
- 8.28.2.1** That Contractor has a written policy statement prohibiting discrimination in all phases of employment.
 - 8.28.2.2** That Contractor periodically conducts a self-analysis or utilization analysis of its work force.
 - 8.28.2.3** That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
 - 8.28.2.4** 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.
- 8.28.3** The Contractor must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action must 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.
- 8.28.4** The Contractor certifies and agrees that it will deal with its Subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 8.28.5** The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies will comply with all applicable Federal and State laws and regulations to the end that no person will, on the grounds of

race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

8.28.6 The Contractor will allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Subparagraph 8.28 (Nondiscrimination and Affirmative Action) when so requested by the County.

8.28.7 If the County finds that any provisions of this Subparagraph 8.28 (Nondiscrimination and Affirmative Action) have been violated, such violation will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations will constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

8.28.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County will, at its sole option, be entitled to the sum of \$500 for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.29 NON EXCLUSIVITY

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

8.30 NOTICE OF DELAYS

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

8.31 DISPUTE RESOLUTION PROCEDURE

It is the intent of the parties that all disputes arising under this Contract be resolved expeditiously, amicably, and at the level within each party's organization

that is most knowledgeable about the disputed issue. The parties understand and agree that the procedures outlined in this Subparagraph are not intended to supplant the routine handling of inquiries and complaints through informal contact with their respective managers. Accordingly, for purposes of the procedures set forth in this Subparagraph, a “dispute” will mean any action, dispute, claim, or controversy of any kind, whether in contract or tort, statutory or common law, legal or equitable, now existing or hereafter arising under or in connection with, or in any way pertaining to this Contract.

- 8.31.1** Contractor and County agree to act with urgency to mutually resolve any disputes, which may arise with respect to this Contract. All such disputes must be subject to the provisions of this Subparagraph 8.31 (Dispute Resolution Procedure), (such provisions must be collectively referred to as the “Dispute Resolution Procedure”). Time is of the essence in the resolution of disputes.
- 8.31.2** Contractor and County agree that, the existence and details of a dispute notwithstanding, both parties must continue without delay their performance hereunder, except for any performance, which the County determines should be delayed as a result of such dispute.
- 8.31.3** If Contractor fails to continue without delay its performance hereunder which the County, in its sole discretion, determines should not be delayed as a result of such dispute, then any additional costs, which may be incurred by the Contractor or County as a result of Contractor’s failure to continue to so perform must be borne by the Contractor, and Contractor must make no claim whatsoever against the County for such costs. Contractor must promptly reimburse the County for such County costs, as determined by the County, or County may deduct all such additional costs from any amounts due to the Contractor from the County.
- 8.31.4** If County fails to continue without delay to perform its responsibilities under this Contract, which County determines should not be delayed as a result of such dispute, then any additional costs incurred by the Contractor or the County as a result of County’s failure to continue to so perform must be borne by the County, and County will make no claim whatsoever against the Contractor for such costs. County must promptly reimburse Contractor for all such additional Contractor costs subject to the approval of such costs by the County.
- 8.31.5** In the event of any dispute between the parties with respect to this Contract, Contractor and County must submit the matter to their respective Contract Managers for the purpose of endeavoring to resolve such dispute.
- 8.31.6** In the event that the Contract Managers are unable to resolve the dispute within a reasonable time not to exceed ten days from the date of submission of the dispute to them, then the matter must be

immediately submitted to the parties' respective Contract Administrators for further consideration and discussion to attempt to resolve the dispute.

- 8.31.7** In the event that the Contract Administrators are unable to resolve the dispute within a reasonable time not to exceed ten days from the date of submission of the dispute to them, then the matter must be immediately submitted to Contractor's president or equivalent and the Treasurer and Tax Collector, or their designee. These persons must have ten days to attempt to resolve the dispute.
- 8.31.8** In the event that at these levels, there is not a resolution of the dispute acceptable to both parties, then each party may assert its other rights and remedies provided under this Contract and/or its rights and remedies as provided by law.
- 8.31.9** All disputes utilizing this dispute resolution procedure must be documented in writing by each party and must state the specifics of each alleged dispute and all actions taken. The parties must act in good faith to resolve all disputes. At all three levels described in this Subparagraph 8.31 (Dispute Resolution Procedure), the efforts to resolve a dispute must be undertaken by conference between the parties' respective representatives, either orally, by face-to-face meeting, virtual meeting, by telephone, or in writing by exchange of correspondence.
- 8.31.10** Notwithstanding any other provision of this Contract, County's right to terminate this Contract or to seek injunctive relief to enforce the provisions of Subparagraph 7.9 (Confidentiality), must not be subject to this Dispute Resolution Procedure. The preceding sentence is intended only as a clarification of County's rights and must not be deemed to impair any claims that the County may have against the Contractor or County's rights to assert such claims after any such termination or such injunctive relief has been obtained.
- 8.31.11** Contractor must bring to the attention of the County's Contract Manager and/or County's Contract Administrator any dispute between the County and the Contractor regarding the performance of services as stated in this Contract.

8.32 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor must notify its employees, and will 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 must be provided in accordance with the requirements set forth in [Internal Revenue Service Notice No. 1015](#).

8.33 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor must notify and provide to its employees, and will require each Subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit G (Safely Surrendered Baby Law) of this Contract. Additional information is available at <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>.

8.34 NOTICES

All notices or demands required or permitted to be given or made under this Contract must be in writing and will be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibit D (County's Administration) and Exhibit E (Contractor's Administration) or via facsimile or electronic copy representation pursuant to Subparagraph 8.18 (Counterparts and Electronic Signatures and Representations). Addresses may be changed by either party giving ten days prior written notice thereof to the other party. The Treasurer and Tax Collector, or their designee, will have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.35 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party will 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.

8.36 PUBLIC RECORDS ACT

8.36.1 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 Subparagraph 8.38 (Record Retention and Inspection-Audit Settlement) of this Contract; as well as those documents which were required to be submitted in response to the Request For Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and will be regarded as public records. Exceptions will be those elements in the [California Government Code Section 7921.000 et seq.](#) (Public Records Act) and which are marked "trade secret," "confidential," or "proprietary." The County will 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.

8.36.2 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.

8.37 PUBLICITY

8.37.1 The Contractor must not disclose any details in connection with this Contract 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 will not inhibit the Contractor from publishing its role under this Contract within the following conditions:

8.37.1.1 The Contractor must develop all publicity material in a professional manner; and

8.37.1.2 During the term of this Contract, the Contractor will not, and will 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 County’s Contract Administrator.

8.37.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County, provided that the requirements of this Subparagraph 8.37 (Publicity) will apply.

8.38 RECORD RETENTION AND INSPECTION-AUDIT SETTLEMENT

8.38.1 The Contractor must maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor must also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, will have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. 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, will be kept and maintained by the Contractor and will be made available to the County during the term of this Contract and for a period of five years thereafter unless the County’s written permission is given to dispose of any such material prior to such time. All such material must 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 will 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. At the County's request, Contractor must provide such materials in digital format.

- 8.38.2** In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor must file a copy of such audit report with the County's A-C within 30 days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the County will make a reasonable effort to maintain the confidentiality of such audit report(s).
- 8.38.3** Failure on the part of the Contractor to comply with any of the provisions of this Subparagraph 8.38 (Record Retention and Inspection-Audit Settlement) will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.
- 8.38.4** If, at any time during the term of this Contract or within five years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, 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 must 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 A-C, deducted from any amounts due to the Contractor from the County, whether under this Contract 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 will be paid to the Contractor by the County by cash payment, provided that in no event will the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.
- 8.38.5** **Financial Statements:** Beginning one year after the Effective Date of this Contract, and every year thereafter until the expiration of this Contract, Contractor must submit to the County's Contracts' Section – Contract Monitor, as indicated on Exhibit D (County's Administration), a complete set of audited financial statements for the preceding 12-month period. Such statements must, at a minimum, include a Balance Sheet (Statement of Financial Position) and Income Statement (Statement of Operations). The County reserves the right to

request these financial statements on a more frequent basis and will so notify Contractor in writing. All financial statements will be kept confidential, only if stamped or marked as confidential on each page of the financial statement.

- 8.38.6 Pending Litigation:** Contractor must submit an annual statement regarding any pending or threatened litigation that would have a material adverse impact on its performance under the Contract since the Contractor last reported same to the County, and as soon as an incident occurs, to the County's Contracts' Section – Contract Monitor, as indicated on Exhibit D (County's Administration).

8.39 RECYCLED BOND PAPER

Consistent with the Board's 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 Contract.

8.40 SUBCONTRACTING

- 8.40.1** If the Contractor desires to subcontract, the work requirements of this Contract may not be subcontracted by the Contractor **without the advance written approval of the Treasurer and Tax Collector, or their designee.**

If the Contractor desires to subcontract, the work requirements of this Contract as they relate to Exhibit I (Information Security and Privacy Requirements) may not be subcontracted by the Contractor **without the advance written approval of County's Chief Information Security Officer and/or Chief Privacy Officer, in addition to that of the Treasurer and Tax Collector, or their designee.** Any attempt by the Contractor to subcontract without the prior consent of the above County personnel may be deemed a material breach of this Contract.

- 8.40.2** Following written approval by the Treasurer and Tax Collector, or their designee, in conjunction with the County's Chief Information Security Officer and/or Chief Privacy Officer, the County's Contract Manager 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 County, the Contractor must forward a fully executed subcontract to the TTC for its files.

- 8.40.3** After the Contractor has engaged an approved Subcontractor, the Contractor must provide the following information promptly at the County's request and prior to any work being performed by the Subcontractor:

8.40.3.1 A description of the work to be performed by the Subcontractor;

8.40.3.2 A draft copy of the proposed subcontract; and

- 8.40.3.3 Written agreement from each Subcontractor and/or third party, certifying it must comply with and be bound by the applicable terms of Exhibit I (Information Security and Privacy Requirements) of this Contract; and
- 8.40.3.4 Other pertinent information and/or certifications requested by County.
- 8.40.4** The Contractor must indemnify, defend, 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 Contractor employees.
- 8.40.5** The Contractor will remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 8.40.6** The County's consent to subcontract will not waive the County's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its Subcontractors of this County right.
- 8.40.7** The Contractor will 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.
- 8.40.8** The Contractor must obtain COIs, which establish that the Subcontractor maintains all the programs of insurance required by the County from each approved Subcontractor. Before any Subcontractor employee may perform any work hereunder, the Contractor must ensure delivery of all such documents to:

Email Address: contracts@ttc.lacounty.gov
County of Los Angeles
Department of Treasurer and Tax Collector
Contracts Section
500 West Temple Street, Room 464
Los Angeles, CA 90012

8.41 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 Subparagraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) will constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision

of this Contract, failure of the Contractor to cure such default within 90 calendar days of written notice will be grounds upon which the County may terminate this Contract pursuant to Subparagraph 8.43 (Termination for Default) and pursue debarment of the Contractor, pursuant to [County Code Chapter 2.202](#).

8.42 TERMINATION FOR CONVENIENCE

8.42.1 This Contract 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 will 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 will be no less than ten days after the notice is sent. In no event will County's termination of this Contract pursuant to this Subparagraph 8.42 (Termination for Convenience) be deemed a waiver of County's right to make a claim against the Contractor for damages resulting from any default by the Contractor or its agents which occurred prior to the effective termination date.

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

8.42.2.1 Stop work under this Contract on the date and to the extent specified in such notice, and

8.42.2.2 Complete performance of such part of the work as would not have been terminated by such notice.

8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract must be maintained by the Contractor in accordance with Subparagraph 8.38 (Record Retention and Inspection-Audit Settlement).

8.43 TERMINATION FOR DEFAULT

8.43.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if in the judgment of County's Contract Administrator:

8.43.1.1 The Contractor or any of its agents has materially breached this Contract; or

8.43.1.2 The Contractor or any of its agents fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or

8.43.1.3 The Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either

case, fails to demonstrate convincing progress toward a cure within five Business Days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure; or

- 8.43.2** The County may, without prior notice or opportunity to cure given to the Contractor, terminate the whole or any part of this Contract, if in the judgment of County's Contract Administrator:
- 8.43.2.1 The Contractor or any of its agents materially breaches any of the warranties, representations and covenants made in Subparagraph 8.3 (Warranties) so as to adversely affect the County; or
 - 8.43.2.2 The Contractor is subject to criminal investigation, indictment or conviction, or is found civilly or criminally liable by a trial court, judge or administrative panel in connection with any matter involving breach of trust or fiduciary duty, fraud, theft, or moral turpitude; or
 - 8.43.2.3 The Contractor attempts or purports to assign this Contract, or any portion thereof, or any of its rights or obligations hereunder, without the prior written consent of County, except as provided in Subparagraph 8.2 (Assignment and Delegation/Mergers or Acquisitions).
- 8.43.3** In the event that the County terminates this Contract in whole or in part as provided in this Subparagraph 8.43 (Termination for Default), 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 will be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor will continue the performance of this Contract to the extent not terminated under the provisions of this Subparagraph.
- 8.43.4** Except with respect to defaults of any Subcontractor, the Contractor will not be liable for any such excess costs of the type identified in Subparagraph 8.43.3 if its failure to perform this Contract 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/or

Subcontractor, and without the fault or negligence of either of them, the Contractor will 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 Subparagraph, the term "Subcontractor(s)" means Subcontractor(s) at any tier.

8.43.5 If, after the County has given notice of termination under the provisions of this Subparagraph 8.43 (Termination for Default), it is determined by the County that the Contractor was not in default under the provisions of this Subparagraph 8.43 (Termination for Default), or that the default was excusable under the provisions of Subparagraph 8.43.4, the rights and obligations of the parties will be the same as if the notice of termination had been issued pursuant to Subparagraph 8.42 (Termination for Convenience).

8.43.6 The rights and remedies of the County provided in this Subparagraph 8.43 (Termination for Default) will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 TERMINATION FOR IMPROPER CONSIDERATION

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

8.44.2 The Contractor must immediately report any attempt by a County officer or employee to solicit such improper consideration. The report must be made either to the County manager charged with the supervision of the employee or to the County A-C's Employee Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

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

8.45 TERMINATION FOR INSOLVENCY

8.45.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- 8.45.1.1 Insolvency of the Contractor. The Contractor will be deemed to be insolvent if it has ceased to pay its debts for at least 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;
 - 8.45.1.2 The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
 - 8.45.1.3 The appointment of a Receiver or Trustee for the Contractor; or
 - 8.45.1.4 The execution by the Contractor of a general assignment for the benefit of creditors.
- 8.45.2** The rights and remedies of the County provided in this Subparagraph 8.45 (Termination for Insolvency) will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 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, must 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 will constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the County will not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future Fiscal Years unless and until the County's Board appropriates funds for this Contract in the County's Budget for each such future Fiscal Year. In the event that funds are not appropriated for this Contract, then this Contract will terminate as of June 30 of the last Fiscal Year for which funds were appropriated. The County will notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.48 EFFECT OF TERMINATION

- 8.48.1** In the event the County terminates this Contract in whole or in part as provided hereunder or upon the expiration of the Contract, as applicable, then, unless otherwise specified by the County in writing:
- (a) the Contractor must continue the performance of this Contract to the extent not terminated;
 - (b) the Contractor must cease to perform the

Services being terminated on the date and to the extent specified in such notice and provide to the County all completed Services and Services in progress, in a media reasonably requested by the County; (c) the County will pay to the Contractor all sums due and payable to Contractor for Services properly performed through the effective date of such expiration or termination (prorated as appropriate); (d) the Contractor must return to the County all monies paid by the County, yet unearned by the Contractor, including any prepaid fees if applicable; (e) the Contractor must promptly return to the County any and all of the County's Information that relates to the portion of the Contract or Services terminated by the County, including all County Information, in a media reasonably requested by the County.

8.48.2 Expiration or termination of this Contract for any reason will not release either party from any liabilities or obligations set forth in this Contract which (i) the parties have expressly agreed upon in writing will survive any such expiration or termination, or (ii) remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

8.48.3 The Contractor understands and agrees that the County has obligations that it cannot satisfy without use of the Services provided to the County hereunder or equivalent services, and that a failure to satisfy such obligations could result in irreparable damage to the County and the entities it serves. Therefore, Contractor agrees that in the event of any expiration or termination of this Contract, Contractor must fully cooperate with the County in the transition of the County to a new service, toward the end that there be no interruption of County's day-to-day operations due to the unavailability of the service during such transition.

8.48.4 For 90 days prior to the expiration date of this Contract, or upon notice of termination of this Contract (Transition Period), Contractor must assist the County in extracting and/or transitioning all County Information in the format determined by the County. The Transition Period may be modified as agreed upon in writing by the parties in a Change Notice. In addition, upon the expiration or termination of this Contract, the County may require the Contractor to provide services in the form of additional work to assist County to transition Services from Contractor to County or County's designated third party (Transition Services). Upon County's request for Transition Services, the County and the Contractor agree to negotiate in good faith the scope of work and the price for such Transition Services. The Contractor agrees that in the event that County terminates the Contract for any breach by the Contractor, Contractor must perform Transition Services at no cost to the County. Contractor must provide the County with all of the Transition Services as provided in this Subparagraph 8.48.4. The duty

of Contractor to provide such Transition Services must be conditioned on the County continuing to comply with its obligations under the Contract, including payment of all applicable fees. Contractor will have no right to withhold or limit its performance or any of such Transition Services on the basis of any alleged breach of this Contract by the County, other than a failure by the County to timely pay the amounts due and payable hereunder. The County will have the right to seek specific performance of this Subparagraph 8.48.4 in any court of competent jurisdiction and Contractor hereby waives any defense that damages are an adequate remedy. Compliance with this Subparagraph 8.48.4 by either party will not constitute a waiver or estoppel with regard to any rights or remedies available to the parties.

- 8.48.5** Contractor must promptly return to the County any and all County Information, including County Information that relate to that portion of the Contract and Services terminated by the County.
- 8.48.6** The County must have the rights set forth in Subparagraph 8.56 (Work Product and Background Intellectual Property) to access any County Information, without limitation.

8.49 VALIDITY

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

8.50 USE OF COUNTY SEAL AND/OR TTC LOGOS

The County claims right, title and interest in and to certain intellectual property, including, but not limited to, the current and former County Seals and TTC logos (collectively, County Seals). Except as expressly authorized herein, the Contractor must not reproduce, copy, distribute, republish, download, display, post, transmit or make any other use of any kind whatsoever of the County Seals, in any format or by any means whatsoever. At no time will the Contractor in any manner (i) modify the County Seals or (ii) create derivative works of the County Seals. The Contractor must not in any manner sublicense, transfer or assign its rights, or delegate its duties, with respect to use of the County Seals, whether in whole or in part, without the prior written consent of the County, in its discretion, and any attempted sublicense, transfer, assignment or delegation without such consent will be null and void.

8.51 WAIVER

No waiver by the County of any breach of any provision of this Contract will 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 Contract will not be construed as a waiver thereof. The rights and remedies set forth in this Subparagraph will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.52 WARRANTY AGAINST CONTINGENT FEES

8.52.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract 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.

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

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

The Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through the 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.

Unless Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Contract will maintain compliance, with [Los Angeles County Code Chapter 2.206](#) set forth in Exhibit H (Defaulted Property Tax Reduction Program).

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

Failure of the Contractor to maintain compliance with the requirements set forth in Subparagraph 8.53 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program) will constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ten days of notice will be grounds upon which the County may terminate this contract and/or pursue debarment of Contractor, pursuant to [Los Angeles County Code Chapter 2.206](#).

8.55 TIME OFF FOR VOTING

The Contractor must notify its employees and must 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 ten days before every statewide election, every Contractor and Subcontractors must 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](#).

8.56 WORK PRODUCT AND BACKGROUND INTELLECTUAL PROPERTY

All County Information provided or made accessible by the County to the Contractor is, and will remain the property of the County. Upon termination or expiration of the Contract for any reason, or upon County's written request at any time, the Contractor must provide the County, at no additional cost and no later than 15 Calendar Days after the termination, expiration or the County's request, any County Information (including any County Information or Information stored as part of the System) or other proprietary data belonging to the County stored within the System. Such Data will be provided to the County on an external media drive in a platform-agnostic format or in any specific format reasonably requested by the County. At the County's option, the Contractor must destroy all originals and copies of all such Data and other related Information or documents.

8.57 TRANSITION SERVICES

In the event of expiration or termination of this Contract for any reason, Contractor must provide transition services to the County at no additional cost to the County. Such transition services include fully cooperating and taking all steps required or reasonably requested to make an orderly transition of the Services and County Information from Contractor to another solution or provider. Contractor must provide all County Information and Data back to the County in both the Contractor's data format and a platform agnostic standard format, unless a different format is reasonably agreed to between the parties at the time of transition.

Contractor understands and agrees that County has obligations that it cannot satisfy without use of the Services or an equivalent, and that a failure to satisfy such transition service obligations could result in irreparable damage to County and the entities it serves. Therefore, Contractor agrees that in the event of such termination of this Contract, Contractor must fully cooperate with County in the transition of County to a new System, toward the end that there be no interruption of County's day to day operations due to the unavailability of the System during such transition.

8.58 TIME IS OF THE ESSENCE

Time is of the essence with regard to Contractor's performance of the Services.

8.59 NO OFFSHORE WORK

All Services under this Contract must be performed and rendered, and all County Information must be hosted within the continental United States. In particular, Contractor warrants that it will not transmit or make available any County Information or documents to any entity or individual outside the continental United States.

8.60 SEVERABILITY

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

8.61 CONTRACT DRAFTED BY ALL PARTIES

This Contract is the result of arm's length negotiations between the parties. Consequently, each party has had the opportunity to receive advice from independent counsel of its own choosing. This Contract will be construed to have been drafted by all parties such that any ambiguities in this Contract will not be construed against either party.

8.62 NO THIRD-PARTY BENEFICIARIES

Notwithstanding any other provision of this Contract, the Contractor and County do not in any way intend that any person or entity will acquire any rights as a third party beneficiary of this Contract, except that this provision will not be construed to diminish the Contractor's indemnification obligations hereunder.

8.63 GREEN INITIATIVES

The Contractor must use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits. The Contractor must notify County's Contract Manager of Contractor's new green initiatives prior to the Contract's commencement.

8.64 PROTECTION OF ELECTRONIC COUNTY INFORMATION

The Contractor must adhere to physical and/or computer security safeguards and encryption requirements as identified in Exhibit I (Information Security and Privacy Requirements).

8.65 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

The Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting Contractors from engaging in human trafficking.

If the Contractor or member of Contractor's staff is convicted of a human trafficking offense, the County will require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Contract. The County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

Disqualification of any member of the Contractor's staff pursuant to this Subparagraph will not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

8.66 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES

The Contractor, and its Subcontractors, must comply with fair chance employment hiring practices set forth in [California Government Code Section 12952](#). The Contractor's violation of this Subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

8.67 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.

8.68 LICENSES, PERMITS, AND REGULATORY AUTHORIZATIONS

The Contractor must maintain all licenses, permits, and regulatory authorizations required by law, applicable to its legal business structure, and necessary to perform services under the Contract. The Contractor must ensure the same of all of its officers, employees, and agents who perform services under this Contract and must maintain all such licenses, permits, registrations, and professional certifications throughout the Contract Term and any term extensions and/or option periods exercised by the County. The Contractor must provide evidence of such to the County within five Calendar Days of written request.

8.69 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATION(S)

A Proposer, or a Contractor or its subsidiary or Subcontractor ("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 will 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 will survive the expiration, or other termination of this Contract.

8.70 INJURY AND ILLNESS PREVENTION PROGRAM

The Contractor will be required to comply with the State of California's Cal OSHA's regulations. [California Code of Regulations Title 8 Section 3203](#) requires all California employers to have a written, effective Injury and Illness Prevention Program (IIPP) that addresses hazards pertaining to the particular workplace covered by the program.

8.71 Campaign Contribution Prohibition Following Final Decision in Contract Proceeding

Pursuant to [Government Code Section 84308](#), Contractor and its Subcontractors, are prohibited from making a contribution of more than \$250 to a County officer for 12 months after the date of the final decision in the proceeding involving this Contract. Failure to comply with the provisions of [Government Code Section 84308](#) and of this paragraph, may be a material breach of this Contract as determined in the sole discretion of the County.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 CONTRACTOR BUSINESS REQUIREMENTS

The Contractor must be qualified to do business in the State of California.

9.2 CONTRACTOR WORKING PAPERS AND PROPRIETARY MATERIALS

- 9.2.1** County retains all right, title, and interest in all County Information. Contractor may not use any County Information except to the extent necessary to fulfill the express purposes of this Contract.
- 9.2.2** During the term of this Contract and for five years thereafter, the Contractor must maintain and provide security for all of the Contractor's working papers prepared under this Contract. The County will have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all Information contained therein.
- 9.2.3** Any and all materials, software and tools which the Contractor considers to be proprietary or confidential, must be specifically identified by the Contractor to the County's Contract Manager as proprietary or confidential, and must be plainly and prominently marked by the Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.
- 9.2.4** The County will use reasonable means to ensure that the Contractor's proprietary and/or confidential items are safeguarded and held in confidence. The County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or confidential items without the prior written consent of the Contractor.

9.2.5 Notwithstanding any other provision of this Contract, the County will not be obligated to the Contractor in any way under Subparagraph 9.2.4 for any of the Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by Subparagraph 9.2.3 or for any disclosure which the County is required to make under any State or Federal law or order of court.

9.3 INTENTIONALLY OMITTED

9.4 INTENTIONALLY OMITTED

9.5 INTENTIONALLY OMITTED

9.6 INTENTIONALLY OMITTED

9.7 INFORMATION SECURITY AND PRIVACY REQUIREMENTS

Contractor must comply with Exhibit I (Information Security and Privacy Requirements) of this Contract. The Information Security and Privacy Requirements applies to both Contractors and their Subcontractors. Contractor will be required to certify that they are in full compliance with the provisions of the Information Security and Privacy Requirements and must maintain compliance during the term of this contract. Failure to maintain compliance, or to timely cure defects, may be cause for termination of a contract or initiation of debarment proceedings against the non-compliant Contractor (Los Angeles County Code, Chapter 2.202).

9.8 COMPLIANCE WITH COUNTY'S WOMEN IN TECHNOLOGY HIRING INITIATIVE

At the direction of the Board, the County has established a "Women in Technology" (WIT) Hiring Initiative focused on recruiting, training, mentoring and preparing all genders, including women, at-risk youth, and underrepresented populations (program participants) for County Information Technology (IT) careers. In support of the subject initiative, IT contractors currently offering certification, training, and/or mentoring programs must make such program(s) available to WIT program participants, if feasible. Contractors must report such programs available to: WITProgram@isd.lacounty.gov.

10.0 SURVIVAL

In addition to any terms and conditions of this Contract that expressly survive expiration or termination of this Contract by their terms, the following provisions will survive the expiration or termination of this Contract for any reason:

- Subparagraph 5.4 No Payment for Services Provided Following Expiration/Termination of Contract
- Subparagraph 7.9 Confidentiality
- Subparagraph 8.6 Compliance with Applicable Law

Subparagraph 8.21	Governing Law, Jurisdiction, and Venue
Subparagraph 8.23	Indemnification
Subparagraph 8.24	General Provisions for All Insurance Coverage
Subparagraph 8.25	Insurance Coverage
Subparagraph 8.31	Dispute Resolution Procedure
Subparagraph 8.38	Record Retention and Inspection-Audit Settlement
Subparagraph 8.48	Effect of Termination
Subparagraph 8.57	Transition Services
Subparagraph 8.62	No Third-Party Beneficiaries
Paragraph 10	Survival

IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR

GovEase Auction LLC

By MRCerutti Margaret R Cerutti
Name
EVP, Operations
Title



COUNTY OF LOS ANGELES

By [Signature]
Chair, Board of Supervisors

79603

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

51 September 10, 2024

ATTEST:

Edward Yen, Executive Officer
of the Board of Supervisors

By [Signature]
Deputy

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

I hereby certify that pursuant to
Section 25103 of the Government Code,
Delivery of this document has been made.

EDWARD YEN
Executive Officer
Clerk of the Board of Supervisors

By Drew Taylor 9/18/2024
~~Senior~~ Deputy County Counsel

By [Signature]
Deputy

EXHIBIT A

STATEMENT OF WORK ONLINE AUCTIONS OF TAX-DEFAULTED PROPERTY SERVICES

**STATEMENT OF WORK
ONLINE AUCTIONS OF TAX-DEFAULTED PROPERTY SERVICES**

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EXHIBIT A1
STATEMENT OF WORK AND CONTRACT ATTACHMENTS
ONLINE AUCTIONS OF TAX-DEFAULTED PROPERTY SERVICES

ATTACHMENTS

1. Required Data/Informational Electronic Exchanges
2. TTC Online Auction Data File
3. Contractor Sold Items Files
4. Historical Volumes of Properties Offered for Sale and Sold

1.0 INTRODUCTION

The California Revenue and Taxation Code (R&TC) mandates the Treasurer and Tax Collector to collect secured property taxes and auction properties that are subject to the tax collector's power to sell due to defaulted property taxes exceeding five years for residential or agricultural property and three years for non-residential commercial property and vacant land.

The County of Los Angeles (County) is seeking a Contractor to provide a hosted Auction Website and services to conduct Online Auction(s) of Tax-Defaulted Property Subject to the Tax Collector's Power to Sell. The Online Auction services shall include advertising, organizing, posting, hosting, and updating Tax-Defaulted Property listings. Additionally, the services shall include registering Bidders, accepting Deposits, refunding unused Deposits, and posting disclaimers and other pertinent information pertaining to auctions. The Contractor will charge a fee to the winning Bidder of each property sold and recoup payment of those fees by deducting them from the costs of the sale.

The County's Department of Treasurer and Tax Collector (TTC) generally conducts five Online Auctions annually: two initial auctions, two follow-up auctions, and one sealed bid auction. Initial and follow-up auctions are comprised of defaulted residential, agricultural, non-residential commercial, and/or vacant properties offered at full or reduced price. Follow-up auctions occur within 30-90 days following initial auctions and are comprised of properties that did not sell at initial auctions. Sealed bid auctions are comprised of defaulted properties deemed unusable due to size, location, accessibility, or other restrictions. These properties are offered at a reduced price, and registration to bid is by invitation only and limited to owners of properties contiguous to the unusable defaulted properties.

Online Auctions typically occur over a period of two to five days; however, the TTC reserves the right to set and adjust timeframes for auctions based on the number of properties scheduled for sale. Additionally, the TTC reserves the right to withdraw properties from an auction at any time. On average, the TTC has withdrawn fewer than 40 properties annually from prior auctions. Historical volumes of properties offered, withdrawn, and sold at Online Auctions are provided in Attachment 4 – Historical Volumes of Properties Offered for Sale and Sold.

2.0 DEFINITIONS

The headings used throughout 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 “As Is” Sale:** A sale where the item offered for sale is sold, without express or implied warranties or representations, on an “as is” basis. “As is” is defined as, but is not limited to, the general condition of the property at the time of sale along with any liabilities and assets that may be attached to the property.
- 2.2 Auction Website:** Contractor’s Online Auction Website.
- 2.3 Bid:** An amount in United States Dollars offered by a Bidder for a specific property offered at the Online Auction.
- 2.4 Bidder:** An individual or authorized representative of an entity who completes registration with the Contractor and conforms to the participation rules and requirements to place a Bid on his or her own behalf, or is authorized to Bid on behalf of a registered entity to purchase property offered at an Online Auction using an account established with the Contractor which includes creating a username identification (ID) and a password.
- 2.5 Block:** Multiple properties that the TTC will combine to offer and sell as one item. The minimum bid for a Block will be the sum of the minimum bids for each item in the Block.
- 2.6 Business Days:** Monday through Friday, excluding County observed holidays, unless otherwise stated.
- 2.7 Calendar Days:** Monday through Sunday, including County observed holidays, unless otherwise stated.
- 2.8 Close of Online Auction/Close of Sale:** The date and time at which the Online Auction ends and the TTC does not accept further Bids for any of the properties offered for sale.
- 2.9 Contract:** This agreement executed between the County and Contractor. Included are all supplemental agreements amending or extending the service to be performed. The Contract sets forth the terms and conditions for the issuance and performance of all tasks, deliverables, services, and other work including, the Statement of Work (SOW), Exhibit A.
- 2.10 Contract Discrepancy Report:** A document utilized by the TTC to document discrepancies or problems with Contractor’s performance and record explanations of unsatisfactory performance.

- 2.11 Contract Term:** The period of the Contract, commencing upon the Effective Date, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 2.12 Contractor:** The person or persons, sole proprietor, partnership, joint venture, corporation or other legal entity who has entered into an agreement with the County to perform or execute the work covered by this Contract.
- 2.13 County:** The County of Los Angeles.
- 2.14 County Observed Holidays:** Days on which County departments are closed for business in observance of significant events. Contractor is not required to provide services on County Observed Holidays unless otherwise stated in the SOW or Contract. A list of County Observed Holidays is on the County's website at <https://ttc.lacounty.gov/county-holidays/>.
- 2.15 Day(s):** Calendar day(s) unless otherwise specified.
- 2.16 Deferred-Payment Transaction:** A payment option that the TTC makes available to Bidders, which allows Bidders to make a partial payment of no less than \$5,000 or 10 percent, whichever is greater, of a purchase price that exceeds \$5,000, with the balance due in accordance with the Terms and Conditions of the Online Auction.
- 2.17 Deposit:** A United States Dollar amount paid to the Contractor prior to the date of an Online Auction by any Bidder intending to Bid on and purchase properties offered at Online Auction. A Bidder can use the Deposit as a source of funds to then Bid at an Online Auction.
- 2.18 Fiscal Year:** The 12-month period beginning July 1st and ending the following June 30th.
- 2.19 Flat Fee:** A fixed dollar amount charged by the Contractor as compensation for each property sold on its Auction Website.
- 2.20 Online Auction:** Internet based auction of Tax-Defaulted Property Subject to the Tax Collector's Power to Sell, conducted on the Auction Website.
- 2.21 Performance Requirements Summary (PRS) Chart:** Identifies the key performance indicators of the Contract and SOW that the TTC will evaluate to ensure the Contractor meets performance standards, as specified in this Contract and SOW.

- 2.22 Property List:** A list of properties and any corresponding information, as deemed by the TTC to be included in an Online Auction.
- 2.23 Quality Control Plan:** All necessary measures taken by the Contractor to ensure that the quality of service shall meet the Contract requirements regarding timelines, security, accuracy, appearance, completeness, consistency, and conformity to the requirements set forth in this Exhibit A, SOW.
- 2.24 Sealed Bid:** Auctions are comprised of Tax-Defaulted Property Subject to the Tax Collector's Power to Sell deemed unusable due to size, location, accessibility, or other restrictions. Registration to Bid on these properties is by invitation only and limited to owners of contiguous properties or to holders of record of easements.
- 2.25 Secure Online Environment:** A system using the Internet for interactive purposes whereby the users of that system may initiate transactions pertinent to an Online Auction without compromise of privacy, data loss, and security.
- 2.26 Statement of Work (SOW):** A written description of tasks, deliverables, and/or other work required by the County pursuant to this Contract.
- 2.27 Subcontractor(s):** Any individual, sole proprietor, firm, partnership, joint venture, corporation, or other legal entity furnishing supplies, services, equipment, and/or materials to Contractor in furtherance of Contractor's performance under this Contract, under oral or written agreement.
- 2.28 Tax Deed to Purchaser of Tax-Defaulted Property:** The instrument (deed) the TTC records with the County Registrar-Recorder/County Clerk's Office and issues to the purchaser, which transfers title of the property to the purchaser.
- 2.29 Tax-Defaulted Property Subject to the Tax Collector's Power to Sell:** Property in the County that has become tax-defaulted for three years or more for non-residential commercial property and vacant unimproved land, and five years or more for residential or agricultural property, as defined in R&TC Section 3691, and for which the TTC has recorded a notice of power to sell.
- 2.30 Traditional and Electronic Marketing:** Advertising via print or electronic media including newspaper, magazine, and trade/corporate publications directly or peripherally related to the selling of real estate or other auction-type materials.

- 2.31 Treasurer and Tax Collector:** The director of the County of Los Angeles Department of Treasurer and Tax Collector.
- 2.32 Trust Account:** An account held with a financial institution used to receive, hold, and disburse Bidder Deposits related solely to the Contract.
- 2.33 TTC:** The County of Los Angeles Department of Treasurer and Tax Collector.
- 2.34 TTC Staff:** Employees of the County of Los Angeles Department of Treasurer and Tax Collector.
- 2.35 Web-based Marketing:** Advertising and marketing efforts via the Internet, including email broadcasts to subscriber base government and private sector portals, and banner advertising on relevant and prominent websites.

3.0 SCOPE OF WORK

The Contractor must provide all personnel, materials, facilities, equipment, supervision, and other items or services necessary to provide Online Auction services of Tax-Defaulted Property Subject to the Tax Collector's Power to Sell for types of auctions that include Online Auctions and Online Sealed Bid Auctions, and all types of properties. The TTC has the sole discretion to add and/or delete work requirements, which it deems to be in the best interest of the County.

3.1 ONLINE AUCTIONS

Notwithstanding anything to the contrary in this Agreement, nothing stated herein will obligate the County to offer properties for auction through the Contractor. The total number of properties that the TTC will auction will vary per each Online Auction (see Attachment 4 – Historical Volumes of Properties Offered for Sale and Sold). The TTC does not guarantee any specific amount of work to the Contractor.

3.1.1 ONLINE AUCTION WEBSITE UPTIME

- 3.1.1.1** The Online Auction must be completely functional for 99.99% uptime from start to finish of each scheduled Online Auction to allow registered Bidders to actively Bid and participate in each auction.
- 3.1.1.2** The Auction Website must be completely functional for 99.99% uptime from start to finish of each scheduled

Bidder registration period to allow Bidders to register for an upcoming Online Auction.

3.2 ONLINE AUCTION PROCESS

3.2.1 Advertising/Marketing

The Contractor must develop and maintain Web-based Marketing and Traditional and Electronic Marketing plans acceptable to the TTC, including, but not limited to, advertising prior to the sale and advertising the sale results.

The Contractor must develop and submit the marketing plan to the TTC for approval, 60 days prior to an Online Auction. The marketing plan should be designed to reach as many potential Bidders as possible and to run at least 30 days prior to an Online Auction. The Contractor must advertise an Online Auction by obtaining placements in advertising media via the Internet including email broadcasts to subscriber base government and private sector portals, and banner advertising on relevant and prominent websites. Advertising of an Online Auction must be available to the public on the Auction Website, 24 hours per day, seven days per week, beginning 30 days prior to and ending on the last day of the Online Auction.

3.2.2 Online Auction Parameters

The Contractor must, at the direction of the TTC, establish parameters for Online Auctions which include both Online Auctions and online sealed bid auctions (in terms of time, minimum bid, and settlement terms), and include online any County due diligence information to Bidders, e.g., caution to investigate before bidding, listing of properties with special conditions, liens, etc.

3.2.3 Sealed Bid Online Auctions

3.2.3.1 The Contractor must provide Sealed Bid Online Auction services, which allows the County to send invitations to bid, which are limited to contiguous owners of the auction properties or holders of record of easements being offered at the scheduled Sealed Bid Online Auctions.

3.2.3.2 The Contractor must provide Sealed Bid Online Auction services which allow invitation-only owners to register as Bidders only for the auction property that is contiguous

to their own property or to holders of record of easements.

- 3.2.3.3** The Contractor must inhibit the ability of any individuals desiring to participate but have not been specifically invited to register as a Bidder for a Sealed Bid Online Auction.
- 3.2.3.4** The Contractor must provide Sealed Bid Online Auction services that ensure that registered invitation-only Bidders can discretely place their Bid, or add to their Bid until the prescribed deadline, without other Bidders seeing their Bid, or without them being able to see any Bids from any other registered Bidders authorized to bid on that same Sealed Bid property.

3.2.4 Online Communication

The Contractor must send communication via email to Bidders upon the occurrence of any of the following events:

- 3.2.4.1** A Bidder completes registration
- 3.2.4.2** A Bidder makes a Deposit
- 3.2.4.3** The Contractor posts County auction information online
- 3.2.4.4** The Contractor commences an Online Auction and concludes an Online Auction
- 3.2.4.5** The Contractor receives a Bid from the Bidder
- 3.2.4.6** A Bidder is outbid (except in the case of Sealed Bid Online Auctions)

3.2.5 Username ID/Password

The Contractor must require Bidders to create a unique username, and a strong password, which expires and must be reset at least annually, that consists of a minimum of eight characters, including one uppercase letter, one lowercase letter, and a number. In addition, the password shall not be the same as any of the six prior passwords used for a Bidder's login. The Contractor must provide a list of all registered Bidders at the request of the TTC at any time prior and up to the registration deadline for an Online Auction. The TTC reserves the right to disqualify any Bidder for any reason at

any time, including while an Online Auction is open for Bids, and after receiving any Bid. The TTC will provide the Contractor with a listing of TTC Staff that are duly authorized to disqualify a Bidder.

3.3 PROPERTY DATA FILE

The TTC will provide Online Auction property data to the Contractor electronically in a file format specified by the TTC. In the event that file format changes are required, the TTC will notify the Contractor in advance. The TTC and the Contractor must transfer the initial property data file elements and any subsequent additions, deletions, or modifications electronically under the requirements, as outlined in Attachment 2 – TTC Online Auction Data File, in this SOW and the exhibit identified in Paragraph 5.0, Information Security and Privacy Requirements, in this SOW.

3.4 PRE-QUALIFICATION/REGISTRATION OF BIDDERS

3.4.1 Bidder Acknowledgement

The Contractor must structure the Auction Website to include an online auction registration process to inform Bidders of disclaimers, due diligence information and certain relevant information concerning Online Auctions. The Contractor must require Bidders to acknowledge the receipt of this information as a pre-condition to bidding on properties. The Auction Website shall contain instructions that require Bidders to accept the Terms and Conditions as outlined in Subparagraph 3.5 – Online Auction Guidelines/Terms and Conditions, in this SOW, with instructions that require Bidders to accept the Terms and Conditions by selecting a designated check box during the registration process.

3.4.1.1 The Contractor must require Bidders to acknowledge that they have confirmed to their satisfaction the identity of the property for which they are about to Bid on as a specific property that they wish to acquire, before proceeding to Bid, and as a condition for them to place their Bid.

3.4.1.2 The Contractor must require Bidders to acknowledge that they have reviewed and researched to their satisfaction the property details and any special conditions of the property that they wish to acquire, before proceeding to Bid, and as a condition for them to place their Bid.

3.4.1.3 In the case of Sealed Bid Online Auctions, the Contractor must require Bidders to acknowledge before proceeding to Bid, and as a condition for them to place their Bid, that they will comply with the County's instructions in the event that they are the winning Bidder, which will include, but may not be limited to, combining the auction property with their own as a condition of sale.

3.4.2 Barring Banned Bidders from Registration

The Auction Website should detect and bar from registration any Bidder previously banned from bidding, per the TTC instructions or by the Contractor, per Subsection 3.10.2.2 - Payments, in this SOW.

3.4.3 Deposits

The Auction Website must have the following functionality:

3.4.3.1 Allow Bidders to remit Deposits

3.4.3.2 Reject any Deposits submitted less than five business days prior to the date of an Online Auction

3.4.3.3 Require the full Deposit amount in a single transaction

3.4.3.4 Prevent any Bidder failing to meet the Deposit requirement from bidding in the Online Auction.

3.4.3.5 Include Bid Deposit refund information

3.4.4 Trust Account/Deposit

The Contractor must maintain a Trust Account for all Bidder Deposits, each of which must be fully insured by the FDIC, or in a manner, that realizes the same objectives of the Trust Account such as letters of credit, with the TTC's written approval. The minimum ratings required will be a rating of "A" by Moody's or Standard & Poor's, regardless of numerical or symbolic qualifiers (1,2,3, +, or -) and an overall Community Reinvestment Act (CRA) rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency at the time of Contract award, unless otherwise agreed to by both the TTC and the Contractor. In the event that the Contractor's financial institution fails to maintain the minimum rating, the TTC reserves the right to

require the Contractor to replace its financial institution with another financial institution that meets the minimum rating requirements. The Contractor must use the Trust Account to hold, apply, disburse, and/or refund as applicable, the Deposit made by a Bidder.

No credit card payments will be accepted. The following is a list of acceptable payment methods for Bidder Deposits:

3.4.4.1 Wire transfer

3.4.4.2 Automated Clearing House

3.4.4.3 Cashier's Check, Bank Issued Money Order

3.5 ONLINE AUCTION GUIDELINES/TERMS AND CONDITIONS

The Contractor must include an Online Auction guidelines section on its Auction Website that sets forth the TTC Terms and Conditions and any Contractor best practices approved by the TTC, including, but not limited to, the following information:

3.5.1 Guidelines

3.5.1.1 "Buyer Beware" statement

3.5.1.2 Auction start and end times and dates

3.5.1.3 "All sales are as is, and final" statement

3.5.1.4 Minimum age requirements for bidding

3.5.1.5 Statement that indicates Bids starting at a minimum price

3.5.1.6 Functionality to record acknowledgement and understanding of Online Auction rules and advisements

3.5.1.7 Functionality to record acknowledgement and understanding that by proceeding to Bid, and as a condition for them to place their Bid, Bidders have confirmed to their satisfaction the identity of the property for which they are about to Bid on, as a specific property they wish to acquire

3.5.1.8 Functionality to record acknowledgement and understanding that by proceeding to Bid, and as a condition for them to place their Bid, Bidders have reviewed and researched to their satisfaction the property details and any special conditions of the property that they wish to acquire

3.5.1.9 “Withdrawal of property” statement

3.5.1.10 Deposit and bidding eligibility requirements

3.5.1.11 Statement that a person bidding on behalf of a legal entity is an authorized representative of that firm

3.5.2 Americans with Disabilities Act (ADA) Compliant Website

The Auction Website and any other websites the Contractor hosts on behalf of the County must comply with all applicable accessibility laws, rules, regulations, and industry standard guidelines including, but not limited to, the ADA and the Web Content Accessibility Guidelines, as may be amended or updated from time to time. Contractor must promptly comply with any amendments or updates to accessibility laws, rules, regulations, or industry standard guidelines that become effective during the term of the Contract.

3.5.3 Indemnity for ADA violations

The Contractor must indemnify and hold the County harmless for any violations of any applicable accessibility laws, rules, regulations, and industry standard guidelines including, but not limited to, the Americans with Disabilities Act and the Web Content Accessibility Guidelines related to its Auction Website and any other website the Contractor hosts on behalf of the County for the Contract.

3.5.4 Privacy Policy

The Auction Website must disclose its privacy policy to Auction Website users and Bidders. The privacy policy must comply with provisions of Exhibit I of the Contract, Information Security and Privacy Requirements, and the provisions of the Contract, Subparagraphs 7.7, Confidentiality and 8.6, Compliance with Applicable Law.

3.6 REJECTING BIDS

The Contractor must design the Auction Website to allow authorized TTC Staff to reject any Bid(s) at any point, for any reason.

3.7 WITHDRAWING PROPERTIES FROM AUCTION

The Contractor must design the Auction Website to permit authorized TTC Staff to withdraw single and/or multiple properties offered as a Block prior to and during an Online Auction.

3.8 CONFIRMATION OF WINNING BID

The Contractor must send notice to the winning Bidder(s) by email, and other appropriate means approved by the TTC, within one hour after the Close of an Online Auction and include instructional messages provided by the TTC. The Contractor may advertise the results of an Online Auction with the pre-approval, as to form and content, of the TTC.

3.9 REFUNDS

The Contractor must refund any unused portion of a Bidder's Deposit within 10 Business Days of the Close of an Online Auction. Refunds must be remitted in the same payment method used to register and may include any of the following:

3.9.1 Wire back to originating sender

3.9.2 Credit back to the eCheck originating bank account

3.9.3 Paper check via first class mail to the Bidder as specified on the Bidder registration profile

3.10 PAYMENTS

The Contractor must have the following capabilities:

3.10.1 A mechanism to process a winning Bidder's full payment that includes the Bidder's Deposit, such that the corresponding proceeds are transferred to the TTC, in a manner specified by the TTC, within 10 business days or a timeframe approved by the TTC, after Close of an Online Auction.

3.10.1.1 The Contractor must transfer to the TTC the total purchase price for each sold property, which may include, but not be limited to, several required taxes and

fees, such as State and city taxes, document and survey fees, etc., as delineated by the TTC, regardless of any calculation or application errors on the Contractor's part or failure to demand and collect the correct purchase price from the winning Bidder.

3.10.1.2 In the event of a collection error on the part of the Contractor involving an under-collection, the Contractor must make up any shortfall and transfer the correct total purchase price for each sold property to the TTC. It is the Contractor's sole responsibility whether to proceed to attempt to collect any shortfall from winning Bidders due to the Contractor's errors or failure to demand and collect the correct purchase price from the winning Bidder.

3.10.1.3 In the event of a collection error on the part of the Contractor involving an over-collection, the Contractor must refund the overage to the winning Bidders pursuant to Subparagraph 3.9 and transfer the correct total purchase price for each sold property to the TTC.

3.10.2 A mechanism to process a winning Bidder's Deferred-Payment Transaction, which includes applying the Deposit to the payment balance, plus the following functionality:

3.10.2.1 Ability to ensure that the Bidder Deposits are sufficient to cover the required down payment of \$5,000 or 10 percent of the winning Bid amount, whichever is greater, before closing the sale of the property.

3.10.2.2 Ability to lock out the Bidder to prevent further bidding if the required Deposit amount is insufficient.

3.10.2.3 Ability to accept a final payment up to 15 days from the date of the Close of an Online Auction.

3.10.3 A mechanism to secure the Bidder's Deposit as a forfeiture, bar a Bidder from further bidding, and place the Bidder on a banned list, when any purchase is not consummated according to the requirements listed in Subparagraphs 3.10.1 and 3.10.2 in this SOW.

3.10.3.1 The Contractor must transfer to the TTC the total amount sufficient to cover the required down payment of \$5,000 or 10 percent of the winning Bid amount,

whichever is greater, as forfeiture for any purchase that is not consummated according to the requirements listed in Subparagraphs 3.10.1 and 3.10.2.

- 3.10.3.2** In the event of a calculation, application, or collection error on the part of the Contractor, the Contractor must make up any shortfall and transfer to the TTC the correct total amount sufficient to cover the required down payment of \$5,000 or 10 percent of the winning Bid amount, whichever is greater, as forfeiture for any purchase that is not consummated according to the requirements listed in Subparagraphs 3.10.1 and 3.10.2.
- 3.10.3.3** The Contractor must notify the TTC timely when any purchase is not consummated to allow for TTC to determine whether the sale of the property can be awarded to the next highest Bidder, pursuant to California State law.
- 3.10.3.4** The Contractor must have a mechanism and upon the direction of the TTC, must award the sale of a property, for which the highest Bidder fails to remit full purchase price by the deadline to consummate the sale, to the next highest Bidder, pursuant to California State law.
- 3.10.3.5** The Contractor must maintain the banned list, update the list for each purchase that is not consummated according to the requirements listed in Subparagraphs 3.10.1 and 3.10.2 in this SOW, and provide to the TTC the current list at the commencement of each auction and whenever the list is updated.

3.11 CONTRACTOR'S FEE

The Contractor will collect from the Bidder a Flat Fee for each property sold. The Contractor must post the fee on its Auction Website and disclose the fee to Bidders. The Contractor must add the fee to the winning Bid amount and collect it from the winning Bidder prior to sending the balance to the TTC. The fee amount will be in accordance with Exhibit B, Commission Rate Schedule, of the Contract.

3.12 SALE INFORMATION DATA FILES

Within five days of the payment settlement date, or at a later time acceptable to the TTC, the Contractor must provide electronic data files

as identified in Attachment 3 - Contractor Sold Items Files, in this SOW, in a format acceptable to the TTC.

4.0 REPORTS

The Contractor must make available daily activity reports and comprehensive reports for each of the TTC's Online Auctions it conducts. All reports must be available in file formats set forth by the TTC including, but not limited to the following:

4.1 Online Auction Status Reports (as applicable, prior to or during an Online Auction):

4.1.1 List of registered Bidders

4.1.2 Current Bid activity for each property

4.1.3 Daily statistics of properties sold and unsold

4.1.4 List of properties forfeited

4.2 Post-Online Auction Status Reports (within five days after the final settlement date):

4.2.1 Sale statistics, including number of Bidders, number of properties offered/sold, and total revenue

4.2.2 Bidder reports, including completed/outstanding payment status of each property, and associated winning Bidder

4.2.3 Vesting details of each winning Bidder, including name and address, associated Assessor Identification Number (AIN), and purchase amount

5.0 INFORMATION SECURITY AND PRIVACY REQUIREMENTS

The Contractor must adhere to physical and/or computer security safeguards as identified in Contract, Exhibit I, Information Security and Privacy Requirements.

6.0 QUALITY CONTROL PLAN

The Contractor must establish and maintain a comprehensive Quality Control Plan (QCP) to ensure the Contractor meets the requirements of the Contract and provides a consistently high level of service throughout the Contract Term. The QCP must be submitted to the County's Contract Administrator within 10

business days following the start date of this Contract, and as changes occur during the Contract Term or upon request. The Contractor shall review its QCP annually and update as changes occur.

At a minimum, the QCP must include the following:

- 6.1** The method of monitoring to ensure that all Contract requirements are being met. It must specify the activities the Contractor will monitor, including activities monitored on either a scheduled or an unscheduled basis; how often the monitoring will be performed; and the title of the individual(s) who will perform the monitoring;
- 6.2** The methods used by the Contractor to identify and prevent deficiencies in the quality of service performed before the level of performance becomes unacceptable and not in compliance with this Contract including, but not limited to;
- 6.3** A record of all inspections conducted by the Contractor, any corrective action taken, the date a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, which must be provided to the TTC upon request;
- 6.4** The method for ensuring Contractor maintains confidentiality.

7.0 BUSINESS CONTINUITY PLAN

The Contractor must provide a written Business Continuity Plan (BCP) for providing continuing services to the County in the event of an emergency that disrupts the Contractor's operations. The Contractor must provide an updated copy of the BCP to the County's Contract Administrator within 10 business days of this Contract start date and within 10 business days when changes occur during the Contract Term. The BCP must include, at a minimum, the following components:

- 7.1** The process for notifying the TTC immediately of any emergency that disrupts service (e.g., power outages, natural disaster, fire, cyber terrorism, etc.);
- 7.2** Timeline for operationalizing the BCP;
- 7.3** Description of the Contractor's disaster recovery plans and solutions;
- 7.4** Address, phone number, email address, and fax number of any alternate site(s) where Contractor will perform services;
- 7.5** Description of the production capabilities at any alternate site(s);

- 7.6 Description of the Contractor's Information Technology plans and features to ensure the County's information remains accessible and secure;
- 7.7 Description of how Contractor would implement the BCP; and
- 7.8 Description of how Contractor will test the BCP on an annual basis and update it accordingly.

8.0 QUALITY ASSURANCE PLAN

The County will evaluate the Contractor's performance under this Contract using the quality assurance procedures as defined in this Contract.

8.1 Meetings

The Contractor is required to attend any scheduled meeting as requested by the County. Failure to attend may result in an assessment as defined in the Performance Requirements Summary (PRS) chart. The County will notify the Contractor in writing of the assessment and demand payment from the Contractor.

8.2 Contract Discrepancy Report

The County will determine whether a formal Contract Discrepancy Report (CDR) is issued to the Contractor. Upon receipt of this document, the Contractor must respond in writing to the County within three business days, acknowledging the reported discrepancies or presenting contrary evidence. The County will evaluate the evidence presented and determine whether the discrepancies are valid. The Contractor must submit a plan for correction of all deficiencies identified in the CDR to the County, within five business days, and resolve discrepancy within a time period mutually agreed upon by the County and the Contractor.

8.3 County Observations

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

8.4 TTC Quality Monitoring

On an ongoing basis, the TTC may compare the Contractor's performance to the Contract standards as set forth in Subparagraph 11.0, Performance Requirements Summary, in this SOW. The TTC may use a variety of inspection methods to evaluate the Contractor's performance. These methods may include, but not be limited to:

8.4.1 Effectiveness of advertising

8.4.2 Conduct of auctions

8.4.3 User complaints

8.4.4 Management information system reported results

8.4.5 100 percent inspection of completeness of reports on a periodic basis

8.4.6 Adherence to County and TTC policies, procedures, rules, and regulations as outlined in the Contract

8.5 Contractor Complaint Log

The Contractor must maintain a log of all complaints received from the County, Bidders, or the public. The Contractor must immediately investigate all complaints and provide a written report to the County regarding the disposition of each complaint within five business days of receiving the complaint. Each report must include a summary of the complaint, name of the Contractor's employee(s) involved, results of the Contractor's investigation, and a statement regarding the corrective action taken to avoid or mitigate the recurrence of such a complaint.

The County retains the right to terminate this Contract if the Contractor does not take any action to said complaint(s).

8.6 Site Visits

The TTC may designate personnel to conduct site visits to observe performance activities, and review documents relevant to this Contract. TTC personnel will conduct site visits during regular business hours and will not unreasonably interfere with the Contractor's performance.

9.0 DAYS OF OPERATION/HOURS/WORKDAY

The Contractor must maintain days and hours of operation and staffing sufficient to complete all services within the timeframes directed by the TTC. TTC's regular business hours are Monday through Friday, 8:00 a.m. to 5:00 p.m. Pacific Time (PT).

The Contractor must provide any necessary services, including, but not limited to, those services described in the Contract and Exhibit A, SOW, including any Exhibits and Attachments thereto, that do not require access to County facilities, regardless of the County's regular business hours and/or observed holidays.

A list of County Observed Holidays may be found on the County's website, [County-recognized holidays](#).

10.0 GREEN INITIATIVES

10.1 Contractor must use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits.

10.2 Contractor must notify County's Contract Manager of Contractor's new green initiatives prior to the Contract commencement.

11.0 PERFORMANCE REQUIREMENTS SUMMARY

The PRS chart lists the required services and deliverables monitored by the County during the Contract Term.

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

11.2 At the County's sole discretion, when the Contractor's performance does not conform to the requirements of this Contract, the County will have the option to apply nonperformance remedies that may include, but are not limited to, the following:

- Require the Contractor to implement a Corrective Action Plan (CAP), subject to approval by the County. In the CAP, the Contractor must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level, and monitoring methods to prevent recurrence.
- Notify the Contractor in writing and demand payment from the Contractor based on the assessment indicated in the PRS chart.
- Reduce, suspend, or cancel this Contract for systematic, deliberate misrepresentations or unacceptable levels of performance.
- Failure of the Contractor to comply with or satisfy requests for improvement of performance, or to perform the neglected work specified within ten business days or the timeframe specified by the TTC, will constitute authorization for the County to have the service(s) performed by others. Contractor must reimburse the County for the entire cost of such work performed by others because of the Contractor's failure to perform said service(s), as determined by the County. The County will notify the Contractor in writing and demand payment from the Contractor.

11.3 Nothing within this section precludes the County's right to terminate this Contract upon 10 days' written notice with or without cause as provided in this Contract.

12.0 GENERAL CRITERIA FOR SATISFACTORY AND UNSATISFACTORY PERFORMANCE

Performance of the listed services listed in the PRS chart is considered satisfactory when no discrepancies are found by the TTC through Contract monitoring or other means. When performance is unsatisfactory, the TTC may provide a CDR to the Contractor. The Contractor is required to respond to the CDR in writing within 10 business days explaining why performance was unsatisfactory, how performance will be returned to satisfactory levels, and how a reoccurrence will be prevented.

The County's Contract Administrator will evaluate the written response and, at his/her sole discretion, determine whether the Contractor must be responsible for full or partial payment, or if the Contract termination process is applicable.

13.0 ADDITION AND/OR DELETION OF SPECIFIC TASKS

13.1 All changes must be made in accordance with Subparagraph 8.1, Amendments and Change Notices, of the Contract.

EXHIBIT A1

STATEMENT OF WORK ATTACHMENTS

FOR

**ONLINE AUCTIONS OF TAX DEFAULTED
PROPERTY SERVICES**

EXHIBIT A1

SOW ATTACHMENTS

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STATEMENT OF WORK ATTACHMENTS

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Attachment 2	TTC Online Auction Data File
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Attachment 4	Historical Volumes of Properties Offered for Sale and Sold

TTC ONLINE AUCTION DATA FILE

I. Specification Overview

The record layout is in ASCII format with pipe (|) delimiter.

II. Record and Field References

FIELD NO.	FIELD NAME	MAX. FIELD LENGTH	FIELD DEFINITION
1	Group Number	10	The earliest defaulted parcel Assessor Identification Number
2	Group ID Year	4	Assessment year for cross reference parcels.
3	AIN	10	The unique ID number assigned to each parcel.
4	Sale Number	5	The ID number assigned to identify the auction.
5	Item Number	5	STPTS Item Number
6	Newspaper District Number	4	STPTS Newspaper District
7	Land Value	13	Land Value
8	Improvement Value	13	Improvement Value
9	TRA	5	Tax Rate Area
10	Minimum Bid	11	STPTS Minimum Bid
11	Location	21	Property Location
12	Property Address 1 (Situs)	32	Situs Street Address. If Situs Address not available - "VACANT LOT"
13	Property Address 2 (Situs)	32	Situs City, State and Zip
14	Assessment Year	4	The year in which the property value is assessed
15	Legal Descriptions 1-171 lines	40	Legal Descriptions for AIN

CONTRACTOR SOLD ITEMS FILES

Vesting File Specification

FIELD NAME	START POSITION	END POSITION	LENGTH	FIELD DEFINITION
Vesting Number	1	5	5	5-digit number with leading zeros
Name Line 1	6	37	32	
Name Line 2	38	69	32	
Address	70	101	32	
City	102	133	32	
State	134	135	2	2 character state
Zip	136	144	9	5-digit zip with optional 4-digit code or trailing blanks
Phone	145	154	10	10-digit phone number
Legal Title	155	155	1	
Description	156	305	150	Required if Legal Title is "Other"
Auction ID	306	310	5	4-digit year + A, B, C, etc.

Sold Item File Specification

FIELD NAME	START POSITION	END POSITION	LENGTH	FIELD DEFINITION
Vesting Number	1	5	5	5-digit number with leading zeros
Item Number	6	10	5	5-digit number with leading zeros
Purchase Price	11	22	12	Leading blanks with 2 decimal places
Auction ID	23	27	5	4-digit year + A, B, C, etc.
Sale Date	28	35	8	YYYYMMDD

HISTORICAL VOLUMES OF PROPERTIES OFFERED FOR SALE AND SOLD

Auction Date	Auction Name	Properties Offered	Properties Pulled	Properties Sold	Percentage Sold
December 2022	2022C Online Sealed Bid	91	0	25	27%
November 2022	2022B Online Follow-Up	247	0	120	49%
October 2022	2022B Online	560	10	314	56%
May 2022	2022A Online Follow-Up	411	0	130	32%
April 2022	2022A Online	688	30	254	37%
2020-2021	Postpone Sale	-	-	-	-
December 2019	2019A Online Follow-Up	157	0	92	59%
October 2019	2019A In Person	564	8	361	64%
August 2019	2019C In Person Sealed Bid	48	0	23	48%
June 2019	2019B Online	784	40	274	35%
December 2018	2018A Online Follow-Up	235	0	130	55%
October 2018	2018 In Person	686	5	343	50%
August 2018	2018B Online	935	65	324	35%
May 2018	2018C In Person Sealed Bid	58	0	56	97%
December 2017	2017A Online Follow-Up	152	0	88	58%
October 2017	2017A In Person	510	10	336	66%
August 2017	2017B Online	532	48	310	58%
May 2017	2017C In Person Sealed Bid	69	0	37	54%

EXHIBIT A2

STATEMENT OF WORK EXHIBITS

FOR

**ONLINE AUCTIONS OF TAX DEFAULTED PROPERTY
SERVICES**

EXHIBITS

- 1 Contract Discrepancy Report
- 2 Performance Requirements Summary Chart

**STATEMENT OF WORK
EXHIBIT 1
CONTRACT DISCREPANCY REPORT (CDR)**

TO:

FROM:

DATES:

Prepared: _____

Returned by Contractor: _____

Action Completed: _____

DISCREPANCY or PROBLEMS:

Signature of County Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE:

Signature of Contractor Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

**STATEMENT OF WORK
EXHIBIT 2**

PERFORMANCE REQUIREMENTS SUMMARY CHART

CONTRACT				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Subparagraph 7.5 Notice of Personnel Changes	Notify the Department of Treasurer and Tax Collector (TTC) of changes in Contract Administration staff, with resume, within five business days.	None	Inspection and observation	\$50 per day that notification is late.
Subparagraph 7.6 Approval of Contractor's Employees	Immediate removal of unacceptable Contract personnel.	One business day	Complaints, inspection, and observation	\$100 per occurrence of non-removal.
Subparagraph 7.8 Background and Security Investigations	Ensure staff undergo background checks before servicing the Contract.	None	Complaints, inspection, and observation	\$500 per incident of staff member noncompliance.
	Notify the TTC of the names of staff and dates fingerprinted.	None	Inspection, and observation	\$25 per incident of staff member noncompliance.

**STATEMENT OF WORK
EXHIBIT 2**

PERFORMANCE REQUIREMENTS SUMMARY CHART

CONTRACT				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Subparagraph 7.9 Confidentiality	Employee Acknowledgement and Confidentiality Agreement signed and provided to the TTC before servicing the Contract.	None	Review of reports; complaints	\$100 per day per staff member when form is not signed.
	Maintain the confidentiality of all records and information.	None	Observation; complaints	\$1,000 per unauthorized release of information.
Subparagraphs 8.24 General Provisions for all Insurance Coverage and Subparagraph 8.25 Insurance Coverage	Maintain required insurance policies and provide evidence of coverage to the TTC.	None	Receipt and review of insurance information	\$100 per day of lapsed coverage, and/or termination of Contract.
Subparagraph 8.37 Publicity	Obtain County's advanced written permission to use County's name in advertisements.	None	Complaints, inspection, and observation	\$500 per occurrence of unpermitted use of the County/TTC name and/or logo in advertising, and possible termination of Contract.

**STATEMENT OF WORK
EXHIBIT 2**

PERFORMANCE REQUIREMENTS SUMMARY CHART

CONTRACT				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Subparagraph 8.38 Record Retention and Inspection-Audit Settlement	Contractor to maintain all documents as specified in Subparagraph 8.38.	One business day	Inspection of files	\$50 per occurrence of failure to produce required documents upon demand.
Subparagraph 8.40 Subcontracting	Contractor must not subcontract any work.	None	Inspection and observation	\$500 per occurrence and possible Termination for Default.

**STATEMENT OF WORK
EXHIBIT 2**

PERFORMANCE REQUIREMENTS SUMMARY CHART

STATEMENT OF WORK				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Subparagraph 3.1.1 Online Auction Website Uptime	The Contractor's Online Auction website must be completely functional for uptime in accordance with Subparagraph 3.1.1.1.	None	Complaints, Inspection, and/or Observation	\$10 per minute of downtime beyond the downtime allowed in Statement of Work (SOW) Subparagraph 3.1.1.1.
	The Contractor's Online Auction website must be completely functional for uptime in accordance with Subparagraph 3.1.1.2.	None	Complaints, Inspection, and/or Observation	\$100 per hour of downtime beyond the downtime allowed in SOW Subparagraph 3.1.1.2.
Subparagraph 3.2 Online Auction Process	The Contractor must develop Web-Based and Traditional Marketing plans in accordance to Subparagraph 3.2.1.	None	TTC not receiving the marketing plan 60 days prior to an Online Auction; complaints	\$1,000 per occurrence plus \$100 per day until corrected.
	The Contractor must send communication via email to Bidders upon the occurrence of any of the events listed in 3.2.3.	None	Complaints	\$50 per occurrence of failure to send a required email communication.

**STATEMENT OF WORK
EXHIBIT 2**

PERFORMANCE REQUIREMENTS SUMMARY CHART

STATEMENT OF WORK				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Subparagraph 3.4 Pre-Qualification/ Registration of Bidders	The Contractor must structure its Website to provide for Bidder Acknowledgement pursuant to SOW Subparagraph 3.4.1 and 3.4.1.1 through 3.4.1.3.	None	Complaints, Inspection, and/or Observation	\$100 per occurrence of failure to require Bidders to acknowledge receipt of information described in SOW Subparagraph 3.4.1.1 through 3.4.1.3.
Subparagraph 3.4 Pre-Qualification/ Registration of Bidders	Contractor's Website must have the functionality delineated in SOW Subparagraph 3.4.1.1 through 3.4.1.3.	None	Complaints, Inspection, and/or Observation	\$100 per occurrence of failure to structure Website to meet one or more of the requirements of SOW Subparagraph 3.4.1.1 through 3.4.1.3.
	The Contractor must structure its Website to provide for detecting and barring banned bidders pursuant to SOW Subparagraph 3.4.2.	None	Complaints, Inspection, and/or Observation	\$100 per occurrence of failure to detect and bar a banned Bidder.

**STATEMENT OF WORK
EXHIBIT 2**

PERFORMANCE REQUIREMENTS SUMMARY CHART

STATEMENT OF WORK				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
	Contractor's Website must have the functionality delineated in SOW Subparagraph 3.4.3.	None	Complaints, Inspection, and/or Observation	\$100 per occurrence of failure to structure Website to meet one or more of the requirements of SOW Subparagraph 3.4.3.
Subparagraph 3.5 Online Auction Guidelines/Terms and Conditions	Contractor's Website must have the functionality delineated in SOW Subparagraph 3.5.1.6 through 3.5.1.8.	None	Complaints, Inspection, and/or Observation	\$100 per occurrence of failure to structure Website to meet one or more of the requirements of SOW Subparagraph 3.5.1.6 through 3.5.1.8.
Subparagraph 3.9 Refunds	The Contractor must refund unused bidder's deposit within ten business days of the close of auction.	None	Receipt and review of auction reports	\$50 per bidder per day refund is not issued within the specified time.

**STATEMENT OF WORK
EXHIBIT 2**

PERFORMANCE REQUIREMENTS SUMMARY CHART

STATEMENT OF WORK				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Subparagraph 3.10 Payments	The Contractor must transfer to the TTC corresponding proceeds within ten business days or an approved timeframe of close of auction.	None	Receipt and review of auction proceeds	\$50 per property, per day transfer is not made; possible Termination for Default.
Subparagraph 3.10.1.1 and 3.10.1.2 Payments	The Contractor must transfer to the TTC the correct total full purchase price for each sold property within ten business days or an approved timeframe at the close of auction.	None	Receipt and review of auction proceeds	\$50 per property, per day, that the correct total full purchase price for each sold property is not transferred and possible Termination for Default for failure to meet one or more of the requirements of SOW Subparagraph 3.10.1.1 and 3.10.1.2.
Subparagraph 3.12 Sale Information Data Files	The Contractor must capture and report Tax Deed data in a format acceptable to the TTC.	None	Inspection and review of Tax Deed data reports	\$50 per parcel.

**STATEMENT OF WORK
EXHIBIT 2**

PERFORMANCE REQUIREMENTS SUMMARY CHART

STATEMENT OF WORK				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Subparagraph 4.0 Reports	The Contractor must make available Online Auction daily activity and comprehensive reports, and Post-Online Auction Status Reports within five days after the final settlement date.	None	Receipt and review of reports	\$1,000 each day late.
Subparagraph 6.0 Quality Control Plan	The Contractor must establish and maintain a written Quality Control Plan.	None	Receipt and review of Plan	<ul style="list-style-type: none"> • \$100 per day late. • \$500 if Plan is incomplete.
Subparagraph 8.1 Meetings	A Contractor's representative must attend scheduled meetings.	None	Attendance	\$100 per occurrence of failure to attend scheduled meetings.

COMMISSION RATE SCHEDULE



EXHIBIT B - COMMISSION RATE SCHEDULE

COMMISSION RATE (FLAT FEE FOR EACH PROPERTY SOLD)
\$ 100

Contractor's commission rate must be a flat fee for each property sold. Contractor's commission rate must remain firm and fixed for the term of the contract, inclusive of any renewal options exercised by the County pursuant to Subparagraph 4.0, Term of Contract, of the Contract.

Contractor will not charge any other fees to the Bidders including registration fees, fees for deposit processing, or any other fee or cost to the Bidders.

INTENTIONALLY OMITTED

COUNTY'S ADMINISTRATION**CONTRACT NO. _____****COUNTY'S CONTRACT ADMINISTRATOR:**

Name: Nichole Alcaraz
Title: Operations Chief
Address: 225 North Hill Street, Room 130
Los Angeles, CA 90012
Telephone: (213) 974-0070
Facsimile: (213) 680-3648
Email Address: nalcaraz@ttc.lacounty.gov

COUNTY'S CONTRACT MANAGER:

Name: Michael McComas
Title: Assistant Operations Chief
Address: 225 North Hill Street, Room 130
Los Angeles, CA 90012
Telephone: (213) 584-1175
Facsimile: (213) 680-3648
Email Address: mmccomas@ttc.lacounty.gov

COUNTY'S ALTERNATE CONTRACT MANAGER:

Name: Son Leao
Title: Chief, Tax Services
Address: 225 North Hill Street, Room 130
Los Angeles, CA 90012
Telephone: (213) 584-1225
Facsimile: (213) 680-3648
Email Address: sleao@ttc.lacounty.gov

COUNTY'S CONTRACT MONITOR:

Name: Son Leao
Title: Chief, Tax Services
Address: 225 North Hill Street, Room 130
Los Angeles, CA 90012
Telephone: (213) 584-1225
Facsimile: (213) 680-3648
Email Address: sleao@ttc.lacounty.gov

COUNTY'S ADMINISTRATION**COUNTY'S CONTRACTS' SECTION – CONTRACT MONITOR:**

Name: Seeta Azizi
Title: Contract Monitor
Address: 500 West Temple Street, Room 464
Los Angeles, CA 90012
Telephone: (213) 584-1303
Facsimile: (213) 687-4857
Email Address: sazizi@ttc.lacounty.gov

CHIEF INFORMATION SECURITY OFFICER:

Name: Jeffrey Aguilar
Title: Chief Information Security Officer
Address: 320 West Temple, 7th Floor
Los Angeles, CA 90012
Telephone: (213) 253-5659
Email Address: CISO-CPO_Notify@lacounty.gov

CHIEF PRIVACY OFFICER:

Name: Lillian Russell
Title: Chief Privacy Officer
Address: 320 West Temple, 7th Floor
Los Angeles, CA 90012
Telephone: (213) 351-5363
Email Address: CISO-CPO_Notify@lacounty.gov

COUNTY'S DEPARTMENTAL CHIEF INFORMATION OFFICER (DCIO):

Name: Matthew Der
Title: Departmental Chief Information Officer
Address: 500 West Temple Street, Room 409
Los Angeles, CA 90012
Telephone: (213) 866-5783
Email Address: mder@ttc.lacounty.gov

COUNTY'S DEPARTMENTAL INFORMATION SECURITY OFFICER (DISO):

Name: Chamnan So
Title: Departmental Information Security Officer
Contract Exhibits
Online Auctions of Tax Defaulted Property

COUNTY'S ADMINISTRATION

Address: 500 West Temple Street, Room 409

Los Angeles, CA 90012

Telephone: (213) 584-1406

Email Address: csso@ttc.lacounty.gov

CONTRACTOR'S ADMINISTRATION

CONTRACT NO. _____

CONTRACTOR'S CONTRACT ADMINISTRATOR:

Name: David Myers

Title: VP, Business Development

Address: 2080 Main Street, Suite 200

Madison, MS 39110

Telephone: (769) 208-5050

E-mail Address: dmyers@govease.com

CONTRACTOR'S CONTRACT MANAGER:

Name: Mike Sherman

Title: Director, Account Management

Address: 2080 Main Street, Suite 200

Madison, MS 39110

Telephone: (769) 553-2491

E-mail Address: msherman@govease.com

CONTRACTOR'S ALTERNATE CONTRACT MANAGER:

Name: Maggi Cerutti

Title: VP, Operations

Address: 2080 Main Street, Suite 200

Madison, MS 39110

Telephone: (214) 208-2255

E-mail Address: mcerutti@govease.com

CONTRACTOR'S FINANCIAL MANAGER:

Name: Jack Butts

Title: Controller

Address: 2080 Main Street, Suite 200

Madison, MS 39110

Telephone: (601) 826-0474

E-mail Address: jbutts@govease.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S):

Name: Trey Pittman

CONTRACTOR'S ADMINISTRATION

Title: CEO and Founder
Address: 2080 Main Street, Suite 200
Madison, MS 39110
Telephone: (214) 205-4081
E-mail Address: tpittman@govease.com

Name: Maggi Cerutti
Title: VP, Operations
Address: 2080 Main Street, Suite 200
Madison, MS
Telephone: (214) 208-2255
E-mail Address: mcerutti@govease.com

Name: David Myers
Title: VP, Business Development
Address: 2080 Main Street, Suite 200
Madison, MS
Telephone: (769) 208-5050
E-mail Address: dmyers@govease.com

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

NON-IT CONTRACTS

- F1 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
- F2 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENTContractor Name: GovEase

Contract No _____

GENERAL INFORMATION:

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

CONTRACTOR ACKNOWLEDGEMENT:

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

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

CONFIDENTIALITY AGREEMENT:

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

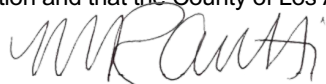
Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all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

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, 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 to me during this employment, Contractor and Contractor's Staff must 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: 8/1/2024PRINTED NAME: Maggi CeruttiPOSITION: VP, Operations

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENTContractor Name: GovEase Contract No _____Non-Employee Name: Maggi Cerutti**GENERAL INFORMATION:**

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and 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.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation will result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I 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. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I 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 or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I must keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

SIGNATURE:  DATE: 8/1/2024PRINTED NAME: Maggi CeruttiPOSITION: VP, Operations

THERE'S A BETTER CHOICE. SAFELY SURRENDER YOUR BABY.

Any fire station. Any hospital. Any time.



1.877.222.9723

BabySafeLA.org

No shame | No blame | No names



Some parents of newborns can find themselves in difficult circumstances. Sadly, babies are sometimes harmed or abandoned by parents who feel that they're not ready or able to raise a child. Many of these mothers or fathers are afraid and don't know where to turn for help.

This is why California has a Safely Surrendered Baby Law, which gives parents the choice to legally leave their baby at any hospital or fire station in Los Angeles County.

FIVE THINGS YOU NEED TO KNOW ABOUT BABY SAFE SURRENDER

- 1 Your newborn can be surrendered at any hospital or fire station in Los Angeles County up to 72 hours after birth.
- 2 You must leave your newborn with a fire station or hospital employee.
- 3 You don't have to provide your name.
- 4 You will only be asked to voluntarily provide a medical history.
- 5 You have 14 days to change your mind; a matching bracelet (parent) and anklet (baby) are provided to assist you if you change your mind.

No shame | No blame | No names



ABOUT THE BABY SAFE SURRENDER PROGRAM

In 2002, a task force was created under the guidance of the Children's Planning Council to address newborn abandonment and to develop a strategic plan to prevent this tragedy.

Los Angeles County has worked hard to ensure that the Safely Surrendered Baby Law prevents babies from being abandoned. We're happy to report that this law is doing exactly what it was designed to do: save the lives of innocent babies. Visit BabySafeLA.org to learn more.

No shame | No blame | No names

**ANY FIRE STATION.
ANY HOSPITAL.
ANY TIME.**

**1.877.222.9723
BabySafeLA.org**

**THERE'S A BETTER CHOICE.
SAFELY SURRENDER YOUR BABY.**



No shame | No blame | No names





FROM SURRENDER TO ADOPTION: ONE BABY'S STORY

Los Angeles County firefighter Ted and his wife Becki were already parents to two boys. But when they got the call asking if they would be willing to care for a premature baby girl who'd been safely surrendered at a local hospital, they didn't hesitate.

Baby Jenna was tiny, but Ted and Becki felt lucky to be able to take her home. "We had always wanted to adopt," Ted says, "but taking

home a vulnerable safely surrendered baby was even better. She had no one, but now she had us. And, more importantly, we had her."

Baby Jenna has filled the longing Ted and Becki had for a daughter—and a sister for their boys. Because her birth parent safely surrendered her when she was born, Jenna is a thriving young girl growing up in a stable and loving family.

ANSWERS TO YOUR QUESTIONS

Who is legally allowed to surrender the baby?

Anyone with lawful custody can drop off a newborn within the first 72 hours of birth.

Do you need to call ahead before surrendering a baby?

No. A newborn can be surrendered anytime, 24 hours a day, 7 days a week, as long as the parent or guardian surrenders the child to an employee of the hospital or fire station.

What information needs to be provided?

The surrendering adult will be asked to fill out a medical history form, which is useful in caring for the child. The form can be returned later and includes a stamped return envelope. No names are required.

What happens to the baby?

After a complete medical exam, the baby will be released and placed in a safe and loving home, and the adoption process will begin.

What happens to the parent or surrendering adult?

Nothing. They may leave at any time after surrendering the baby.

How can a parent get a baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days by calling the Los Angeles County Department of Children and Family Services at (800) 540-4000.

If you're unsure of what to do:

You can call the hotline 24 hours a day, 7 days a week and anonymously speak with a counselor about your options or have your questions answered.

1.877.222.9723 or BabySafeLA.org

English, Spanish and 140 other languages spoken.

Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 2.206.010 Findings and declarations.**
- 2.206.020 Definitions.**
- 2.206.030 Applicability.**
- 2.206.040 Required solicitation and contract language.**
- 2.206.050 Administration and compliance certification.**
- 2.206.060 Exclusions/Exemptions.**
- 2.206.070 Enforcement and remedies.**
- 2.206.080 Severability.**

2.206.010 Findings and declarations.

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

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to [California Revenue and Taxation Code section 3436](#); or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to [California Revenue and Taxation Code section 2922](#); except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.

Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.030 Applicability.

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

2.206.040 Required solicitation and contract language.

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

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

2.206.050 Administration and compliance certification.

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

2.206.060 Exclusions/Exemptions.

Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- A. This chapter shall not apply to the following contracts:
1. Chief Executive Office delegated authority agreements under \$50,000;
 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
 3. A purchase made through a state or federal contract;
 4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
 5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
 6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
 7. Program agreements that utilize Board of Supervisors' discretionary funds;
 8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
 9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
 10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
 11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
 12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
 13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
 14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.
- B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

2.206.070 Enforcement and remedies.

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

2.206.080 Severability.

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

INFORMATION SECURITY AND PRIVACY REQUIREMENTS



INFORMATION SECURITY AND PRIVACY REQUIREMENTS EXHIBIT

The County of Los Angeles (“County”) is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Exhibit to the Statement of Work “Information Security, and Privacy Requirements Exhibit,” (“Exhibit I”) sets forth in detail the County and the Contractor’s commitment and agreement to fulfill each of their obligations under applicable State or federal laws, rules, or regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability, and Integrity of such Information. The Contractor shall establish all Information Security, and Privacy Requirements within ten business days prior to the Effective Date of the Contract and maintain all Information Security and Privacy Requirements throughout the entire Contract term.

These requirements and procedures contained in this “Exhibit I” are incorporated by reference into the Terms and Conditions of the Contract and constitute a minimum standard for Information Security and Privacy Requirements in conjunction with the requirements of the Contract between the County and Contractor (the “Contract”). It is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise all measures pertaining to any ongoing Threats and Risks. Failure to comply with the minimum Information Security and Privacy Requirements set forth in this “Exhibit I” herein incorporated by reference into the Terms and Conditions of the Contract shall constitute a material, non-curable breach of Contract by the Contractor, entitling the County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. The Terms and Conditions of the Contract shall govern and control unless stated otherwise in the Contract.

1. DEFINITIONS

Unless otherwise defined in the Contract, the definitions herein contained are specific to the uses within this exhibit.

- a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).
- b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.
- c. **County Information:** all Data and Information belonging to the County.
- d. **Data:** a subset of Information comprised of qualitative or quantitative values.
- e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.
- f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.
- g. **Information Security Policy:** high level statements of intention and direction of an organization

used to create an organization's Information Security Program as formally expressed by its top management.

- h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting the County's information security requirements.
- i. **Information Technology:** any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of Data or Information.
- j. **Integrity:** the condition whereby Data or Information has not been improperly modified or destroyed and authenticity of the Data or Information can be ensured.
- k. **Mobile Device Management (MDM):** software that allows Information Technology administrators to control, secure, and enforce policies on smartphones, tablets, and other endpoints.
- l. **Privacy Policy:** high level statements of intention and direction of an organization used to create an organization's Privacy Program as formally expressed by its top management.
- m. **Privacy Program:** a formal document that provides an overview of an organization's privacy program, including a description of the structure of the privacy program, the resources dedicated to the privacy program, the role of the organization's privacy official and other staff, the strategic goals and objectives of the Privacy Program, and the program management controls and common controls in place or planned for meeting applicable privacy requirements and managing privacy risks.
- n. **Risk:** a measure of the extent to which the County is threatened by a potential circumstance or event, Risk is typically a function of: (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence.
- o. **Threat:** any circumstance or event with the potential to adversely impact County operations (including mission, functions, image, or reputation), organizational assets, individuals, or other organizations through an Information System via unauthorized access, destruction, disclosure, modification of Information, and/or denial of service.
- p. **Vulnerability:** a weakness in a system, application, network or process that is subject to exploitation or misuse.
- q. **Workforce Member:** employees, volunteers, and other persons whose conduct, in the performance of work for Los Angeles County, is under the direct control of Los Angeles County, whether or not they are paid by Los Angeles County. This includes, but may not be limited to, full and part time elected or appointed officials, employees, affiliates, associates, students, volunteers, and staff from third party entities who provide service to the County.

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

- a. **Information Security Program.** The Contractor shall maintain a company-wide Information Security Program designed to evaluate Risks to the Confidentiality, Availability, and Integrity of the County Information covered under this Contract.

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards, and procedures shall be communicated to all Contractor employees in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure

operational effectiveness, compliance with all applicable laws and regulations, and addresses new and emerging Threats and Risks.

The Contractor shall exercise the same degree of care in safeguarding and protecting County Information that the Contractor exercises with respect to its own Information and Data, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the Confidentiality, Integrity, and Availability of County Information.

The Contractor's Information Security Program shall:

- Protect the Confidentiality, Integrity, and Availability of County Information in the Contractor's possession or control;
 - Protect against any anticipated Threats or hazards to the Confidentiality, Integrity, and Availability of County Information;
 - Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
 - Protect against accidental loss or destruction of, or damage to, County Information; and
 - Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.
- b. **Privacy Program.** The Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. The Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures, and appropriate training shall be provided to all Contractor employees, agents, and volunteers. The Contractor's Privacy Policies, guidelines, and procedures shall be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. The Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

The Contractor shall exercise the same degree of care in safeguarding the privacy of County Information that the Contractor exercises with respect to its own Information, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate privacy practices and protocols to preserve the Confidentiality of County Information.

The Contractor's Privacy Program shall include:

- A Privacy Program framework that identifies and ensures that the Contractor complies with all applicable laws and regulations;
- External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;
- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- A training program that covers Privacy Policies, protocols and awareness;
- A response plan to address privacy Incidents and privacy breaches; and
- Ongoing privacy assessments and audits.

3. PROPERTY RIGHTS TO COUNTY INFORMATION

All County Information is deemed property of the County, and the County shall retain exclusive rights and ownership thereto. County Information shall not be used by the Contractor for any purpose other than as required under this Contract, nor shall such or any part of such be disclosed, sold, assigned, leased, or otherwise disposed of, to third parties by the Contractor, or commercially exploited or otherwise used by, or on behalf of, the Contractor, its officers, directors, employees, or agents. The Contractor may assert no lien on or right to withhold from the County, any County Information it receives from, receives addressed to, or stores on behalf of, the County. Notwithstanding the foregoing, the Contractor may aggregate, compile, and use County Information in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by the Contractor, provided that (i) no County Information in such aggregated or compiled pool is identifiable as originating from, or can be traced back to the County, and (ii) such Data or Information cannot be associated or matched with the identity of an individual alone, or linkable to a specific individual. The Contractor specifically consents to the County's access to such County Information held, stored, or maintained on any and all devices Contractor owns, leases or possesses.

4. CONTRACTOR'S USE OF COUNTY INFORMATION

The Contractor may use County Information only as necessary to carry out its obligations under this Contract. The Contractor shall collect, maintain, or use County Information only for the purposes specified in the Contract and, in all cases, in compliance with all applicable local, state, and federal laws and regulations governing the collection, maintenance, transmission, dissemination, storage, use, and destruction of County Information, including, but not limited to, (i) any state and federal law governing the protection of personal Information, (ii) any state and federal security breach notification laws, and (iii) the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

5. SHARING COUNTY INFORMATION AND DATA

The Contractor shall not share, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, County Information to a third party for monetary or other valuable consideration.

6. CONFIDENTIALITY

- a. **Confidentiality of County Information.** The Contractor agrees that all County Information is Confidential and proprietary to the County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential."
- b. **Disclosure of County Information.** The Contractor may disclose County Information only as necessary to carry out its obligations under this Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of the County's contract administrator in consultation with the County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or an administrative body to disclose County Information, the Contractor shall notify the County's contract administrator immediately and prior to any such disclosure, to provide the County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.
- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract,

the Contractor may encounter County Non-public Information (“NPI”) in the course of performing this Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as “Internal Use,” “Confidential,” or “Restricted” as defined in Board of Supervisors Policy 6.104 – Information Classification Policy as NPI. The Contractor shall not disclose or publish any County NPI and material received or used in performance of this Contract. This obligation is perpetual.

- d. **Individual Requests.** The Contractor shall acknowledge any request or instructions from the County regarding the exercise of any individual’s privacy rights provided under applicable federal or state laws. The Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from the County within seven calendar days. If an individual makes a request directly to the Contractor involving County Information, the Contractor shall notify the County within five calendar days and the County will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request. Similarly, if the Contractor receives a privacy or security complaint from an individual regarding County Information, the Contractor shall notify the County as described in Section 13 SECURITY AND PRIVACY INCIDENTS, and the County will coordinate an appropriate response.
- e. **Retention of County Information.** The Contractor shall not retain any County Information for any period longer than necessary for the Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. SUBCONTRACTORS AND THIRD PARTIES

The County acknowledges that in the course of performing its services, the Contractor may desire or require the use of goods, services, and/or assistance of Subcontractors or other third parties or suppliers. The terms of this Exhibit shall also apply to all Subcontractors and third parties. The Contractor or third party shall be subject to the following terms and conditions: (i) each Subcontractor and third party must agree in writing to comply with and be bound by the applicable terms and conditions of this Exhibit within ten business days upon receiving TTC’s written approval and prior to performing any work under the Contract, both for itself and to enable the Contractor to be and remain in compliance with its obligations hereunder, including those provisions relating to Confidentiality, Integrity, Availability, disclosures, security, and such other terms and conditions as may be reasonably necessary to effectuate the Contract including this Exhibit; and (ii) the Contractor shall be and remain fully liable for the acts and omissions of each Subcontractor and third party, and fully responsible for the due and proper performance of all Contractor obligations under this Contract.

The Contractor shall obtain advanced approval from the Treasurer and Tax Collector in conjunction with the approval of County’s Chief Information Security Officer and/or Chief Privacy Officer prior to subcontracting services subject to this Exhibit.

8. STORAGE AND TRANSMISSION OF COUNTY INFORMATION

All County Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, the Contractor will encrypt all workstations, portable devices (such as mobile, wearables, tablets,) and removable media (such as portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the County’s Chief Information Security Officer and approved by the TTC.

The Contractor will encrypt County Information transmitted on networks outside of the Contractor's control with Transport Layer Security (TLS) or Internet Protocol Security (IPSec), at a minimum cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer.

In addition, the Contractor shall not store County Information in the cloud or in any other online storage provider without written authorization from the County's Chief Information Security Officer. All mobile devices storing County Information shall be managed by a Mobile Device Management system. Such system must provide provisions to enforce a password/passcode on enrolled mobile devices. All workstations/Personal Computers (including laptops, 2-in-1s, and tablets) will maintain the latest operating system security patches, and the latest virus definitions. Virus scans must be performed at least monthly. Request for less frequent scanning must be approved in writing by the County's Chief Information Security Officer.

9. RETURN OR DESTRUCTION OF COUNTY INFORMATION

The Contractor shall return or destroy County Information in the manner prescribed in this section unless the Contract prescribes procedures for returning or destroying County Information and those procedures are no less stringent than the procedures described in this section.

- a. **Return or Destruction.** Upon County's written request, or upon expiration or termination of this Contract for any reason, Contractor shall (i) promptly return or destroy, at the County's option, all originals and copies of all documents and materials it has received containing County Information; or (ii) if return or destruction is not permissible under applicable law, continue to protect such Information in accordance with the terms of this Contract; and (iii) deliver or destroy, at the County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by the Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection (i) of this Section. For all documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be returned to the County, the Contractor shall provide a written attestation on company letterhead certifying that all documents and materials have been delivered to the County. For documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be destroyed, the Contractor shall provide an attestation on company letterhead and certified documentation from a media destruction firm consistent with subdivision b of this Section. Upon termination or expiration of the Contract or at any time upon the County's request, the Contractor shall return all hardware, if any, provided by the County to the Contractor. The hardware should be physically sealed and returned via a bonded courier, or as otherwise directed by the County.
- b. **Method of Destruction.** The Contractor shall destroy all originals and copies by (i) cross-cut shredding paper, film, or other hard copy media so that the Information cannot be read or otherwise reconstructed; and (ii) purging, or destroying electronic media containing County Information consistent with NIST Special Publication 800-88, "Guidelines for Media Sanitization," such that the County Information cannot be retrieved. The Contractor will provide an attestation on company letterhead and certified documentation from a media destruction firm, detailing the destruction

method used and the County Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement will be sent to the designated County contract manager within ten days of termination or expiration of the Contract or at any time upon the County's request. On termination or expiration of this Contract, the County will return or destroy all Contractor's Information marked as confidential (excluding items licensed to the County hereunder, or that provided to the County by the Contractor hereunder), at the County's option.

10. PHYSICAL AND ENVIRONMENTAL SECURITY

All Contractor facilities that process County Information will be located in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.

All Contractor facilities that process County Information will be maintained with physical and environmental controls (temperature and humidity) that meet or exceed hardware manufacturer's specifications.

11. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY

The Contractor shall: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 13 SECURITY AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

The Contractor must have business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; (iv) fully restore applications and operating systems; and (v) demonstrate periodic testing of restoration from back-up location. If the Contractor makes back-ups to removable media (as described in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such back-ups shall be encrypted in compliance with the encryption requirements noted above in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

12. ACCESS CONTROL

Subject to and without limiting the requirements under Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by the County Contract Administrator or Contract Manager in writing; and (ii) if transferred using removable media (as described in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), must be sent via a bonded courier and protected using encryption technology designated by the Contractor and approved by the

County's Chief Information Security Officer in writing. The foregoing requirements shall apply to back-up media stored by the Contractor at off-site facilities.

The Contractor shall implement formal procedures to control access to County systems, services, and/or Information, including, but not limited to, user account management procedures and the following controls:

- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, multi-factor authentication, use of virtual private networks (VPN), authorization, and event logging;
- c. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor shall record, review and act upon all events in accordance with Incident response policies set forth in Section 13 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any hardware, storage media, or removable media (as described in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, the Contractor shall ensure all County Information has been eradicated from such hardware and/or media using industry best practices as discussed in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. SECURITY AND PRIVACY INCIDENTS

In the event of a Security or Privacy Incident, the Contractor shall:

- a. Promptly notify the County's Chief Information Security Officer, the Departmental Information Security Officer, and the County's Chief Privacy Officer of any Incidents involving County Information, within 24 hours of detection of the Incident. All notifications shall be submitted via encrypted email and telephone to the individuals listed on Exhibit D, County's Administration.
- b. Include the following Information in all notices:
 - i. The date and time of discovery of the Incident,
 - ii. The approximate date and time of the Incident,
 - iii. A description of the type of County Information involved in the reported Incident, and
 - iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
 - v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.
- c. Cooperate with the County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon the County's written request, without charge, unless the Incident was caused by the acts or omissions of the County. As Information about the Incident is collected or otherwise becomes available to the Contractor, and unless prohibited by law, the

Contractor shall provide Information regarding the nature and consequences of the Incident that are reasonably requested by the County to allow the County to notify affected individuals, government agencies, and/or credit bureaus.

- d. Immediately initiate the appropriate portions of their Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.
- e. Assist and cooperate with forensic investigators, the County, law firms, and/or law enforcement agencies at the direction of the County to help determine the nature, extent, and source of any Incident, and reasonably assist and cooperate with the County on any additional disclosures that the County is required to make as a result of the Incident.
- f. Allow the County or its third-party designee at the County's election to perform audits and tests of the Contractor's environment that may include, but are not limited to, interviews of relevant employees, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Information.

Notwithstanding any other provisions in this Contract and Exhibit, the Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by the Contractor's weaknesses, negligence, errors, or lack of Information Security or privacy controls or provisions.

14. NON-EXCLUSIVE EQUITABLE REMEDY

The Contractor acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to the County, and therefore, that upon any such breach, the County will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies are available within law or equity. Any breach of Section 6 CONFIDENTIALITY shall constitute a material breach of this Contract and be grounds for immediate termination of this Contract in the exclusive discretion of the County.

15. AUDIT AND INSPECTION

- a. **Self-Audits.** The Contractor shall periodically conduct audits, assessments, testing of the system of controls, and testing of Information Security and privacy procedures, including penetration testing, intrusion detection, and firewall configuration reviews. These periodic audits will be conducted by staff certified to perform the specific audit in question at Contractor's sole cost and expense through either (i) an internal independent audit function, (ii) a nationally recognized, external, independent auditor, or (iii) another independent auditor approved by the County.

The Contractor shall have a process for correcting control deficiencies that have been identified in the periodic audit, including follow-up documentation providing evidence of such corrections. The Contractor shall provide the audit results and any corrective action documentation to the County promptly upon its completion at the County's request. With respect to any other report, certification, or audit or test results prepared or received by the Contractor that contains any County Information, the Contractor shall promptly provide the County with copies of the same upon the County's reasonable request, including identification of any failure or exception in the Contractor's Information systems, products, and services, and the corresponding steps taken by the Contractor to mitigate such failure

or exception. Any reports and related materials provided to the County pursuant to this Section shall be provided at no additional charge to the County.

- b. **County Requested Audits.** At its own expense, the County, or an independent third-party auditor commissioned by the County, shall have the right to audit the Contractor's infrastructure, security and privacy practices, Data center, services and/or systems storing or processing County Information via an onsite inspection at least once a year. Upon the County's request, the Contractor shall complete a questionnaire regarding Contractor's Information Security and/or program. The County shall pay for the County requested audit unless the auditor finds that the Contractor has materially breached this Exhibit, in which case the Contractor shall bear all costs of the audit; and if the audit reveals material non-compliance with this Exhibit, the County may exercise its termination rights underneath the Contract.

Such audit shall be conducted during the Contractor's normal business hours with reasonable advance notice, in a manner that does not materially disrupt or otherwise unreasonably and adversely affect the Contractor's normal business operations. The County's request for the audit will specify the scope and areas (e.g., Administrative, Physical, and Technical) that are subject to the audit and may include, but are not limited to physical controls inspection, process reviews, policy reviews, evidence of external and internal Vulnerability scans, penetration test results, evidence of code reviews, and evidence of system configuration and audit log reviews. It is understood that the results may be filtered to remove the specific Information of other Contractor customers such as IP address, server names, etc. The Contractor shall cooperate with the County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. This right of access shall extend to any regulators with oversight of the County. The Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

When not prohibited by regulation, the Contractor will provide to the County a summary of: (i) the results of any security audits, security reviews, or other relevant audits, conducted by the Contractor or a third party; and (ii) corrective actions or modifications, if any, the Contractor will implement in response to such audits.