ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

2-D September 29, 2026

EDWARD YEN
EXECUTIVE OFFICER

September 29, 2026

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

Dear Commissioners:

CONTRACT FOR INTERNET-BASED HOUSING DATABASE WEBSITE SERVICES (ALL DISTRICTS) (3 VOTE)

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

SUBJECT

This letter recommends approval of a Contract for Internet-Based Housing Database Website Services to Emphasys Computer Solutions, Inc.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Executive Director or designee to execute a Contract with Emphasys Computer Solutions, Inc. (Emphasys) to provide Internet-Based Housing Database Website Services (Services) for the Los Angeles County Development Authority (LACDA) for a five-year term, with a maximum contract sum not to exceed $1,783,764.90, comprised of (i) $1,599,166.18 for ongoing support; and (ii) $184,598.72 for Pool Dollars for additional Services as needed, with Pool Dollar expenditures to be authorized through issuance of change notices and/or amendments, as applicable.

2. Authorize the Executive Director or designee to execute amendments to the Contract to: (i) add, delete, and/or change certain terms and conditions as mandated by federal, state, or local law or regulations, or as required by the Board and/or Executive Director, which are not part of the Statement of Work (SOW); (ii) internally reallocate funds between budget pools within the Contract; (iii) approve assignment and delegation of the Contract, resulting from acquisitions, mergers, or

other changes in ownership; (iv) terminate the Contract for convenience, if necessary; and (v) make changes to the SOW as operationally necessary, with all actions subject to prior approval as to form by County Counsel.

3. Authorize deviations from LACDA standard provisions, including the indemnification provision when entering into this Contract, subject to prior review by the Executive Director, or designee and approval as to form by County Counsel; and

4. Find that approval of the Contract is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The objective of this action is to authorize a contract with Emphasys for the provision of an internet-based housing database, website, and call center to facilitate the ongoing operations of the LACDA's Housing Resource Center. This Center offers complimentary listings of residential rental properties within the County, accessible to individuals, families, and housing case workers through an online platform or toll-free telephone services. Advanced search filters enable users to identify landlords who accept Section 8 Housing Choice Vouchers and Veterans Affairs Supportive Housing Vouchers. The website further provides information on special needs rental units to assist County departments and approved agencies with housing placement, as well as ADA-compliant units to support individuals requiring accessible features.

The Housing Resource Center website was launched in 2007 as part of the County's Homeless Prevention Initiative. At present, more than 13,000 landlords are registered, and there are over 2,000 rental property listings featuring available units or open waiting lists. The current service contract is set to expire on September 30, 2026. The new Contract will ensure the uninterrupted operation of the Housing Resource Center website and related services, delivering essential housing information and resources to Los Angeles County residents.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund. The LACDA will use up to $310,180.12 included in the LACDA's approved Fiscal Year 2026-2027 budget for the first year of the Contract. Funds for years two through five will be included in the LACDA's annual budget approval process. The maximum Contract amount for all five years of the Contract will be $1,783,764.90.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed Contract has been reviewed and approved as to form by County Counsel, as well as the LACDA's Procurement, Risk Management and Information Security Officer. The Contract contains all latest applicable Board-mandated provisions, including those pertaining to contractor responsibility and debarment, Child Support program, consideration of hiring qualified GAIN/START participants, the Safely Surrendered Baby Law, Compliance with County of Los Angeles Policy of Equity, Zero Tolerance Human Trafficking, and Fair Chance Employment Practice.

The LACDA engaged in extensive negotiations with Emphasys regarding the LACDA's standard terms and conditions. There were some deviations from the terms and conditions. As a result of the negotiations, the parties have agreed to a change of the indemnification, record retention and

inspection-audit settlement, and background and security investigations language from the LACDA's standard provisions. In consideration of the security provisions, the LACDA's experience and Emphasys' experience, the LACDA believes that potential risks are acceptable given the services being provided.

In compliance with Board Policy 6.020 "Chief Information Office Board Letter Approval", the Office of the Chief Information Officer (OCIO) reviewed the information technology (IT) components of this request and recommends approval of the Contract for Internet-based Housing Database Website Services by Emphasys. The OCIO determined that because this recommended action(s) does not include any new IT items that would necessitate a formal written CIO Analysis. The OCIO completed a formal written analysis in June 2021 for Emphasys' Housing Database Website services.

ENVIRONMENTAL DOCUMENTATION

The proposed activities described in this Board Letter are exempt from the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because they involve administrative activities that will not have a physical impact on or result in any physical changes to the environment. These activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378(b)(4), because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS

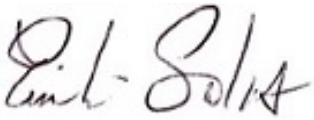
The Emphasys software license is solely provided by Emphasys, and the LACDA intends to execute a Sole Source Contract, pending Board approval, as allowed under HUD 2 CFR 200.320, Methods of procurement to be followed, subsection (f)(1), Sole Source, known as the "Common Rule". The contracting process was conducted in accordance with the LACDA's Procurement Policies and Procedures.

Since its launch in 2007, the Housing Resource Center website has been maintained by Socialserve.com, which was acquired by Emphasys in 2015. The Board approved a new contract with Emphasys in 2015. In 2021, the LACDA conducted a Request for Proposals (RFP) process, and Emphasys was recommended for another contract after submitting the highest ranked proposal. The LACDA is now recommending a new contract with Emphasys to maintain the existing services with no modifications or expansions. The LACDA has determined that a Sole Source Contract is the most cost-effective option to maintain operation of the Housing Resource Center. The current database of units that have been registered by over 13,000 landlords is maintained and supported by Emphasys in their own data center. The cost and time to re-establish a comparable database of rental housing listings with call center support would not serve the urgent need to help County residents locate affordable housing.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Emphasys Internet-Based Housing Database Website Services contract allows the Housing Resource Center to continue offering housing information and referral services to the County residents. These services support landlords, tenants, housing locators, lending institutions, real estate professionals, veterans, and other providers of affordable, special needs, supportive, transitional, and emergency housing.

Respectfully submitted,



Emilio Salas
Executive Director

Emilio Salas
Executive Director

ES:KT:mr

Enclosures

COUNTY OF LOS ANGELES BOARD OF SUPERVISORS POLICY 5.100
SOLE SOURCE CHECKLIST

Department Name: _____

☐ New Sole Source Contract

☐ New Sole Source Contract for Replacement of Existing Services, or Amendments for Extension of Contracts for Existing Services
Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS TO EXTEND CONTRACTS **Identify applicable justification and provide documentation for each checked item.**
	➢ Only one single source for the service exists.
	➢ Compliance with applicable statutory and/or regulatory provisions.
	➢ Compliance with State and/or federal programmatic requirements.
	➢ Services provided by other public or County-related entities.
	➢ Services are needed to address an emergent or related time-sensitive need.
	➢ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➢ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➢ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➢ Maintenance services and/or support services agreements are required on equipment and/or software, which must be serviced by the original manufacturer, software provider, or an authorized service representative.
	➢ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Approved by:

Montessa Duckett
Chief Executive Office

Date

CONTRACT

BY AND BETWEEN

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

AND

EMPHASYS COMPUTER SOLUTIONS, INC.

FOR

INTERNET-BASED HOUSING DATABASE WEBSITE SERVICES

TABLE OF CONTENTS

1.0 SECTION ONE 1
1.1 Definitions 1
1.2 Entire Contract 3
1.3 Standard Exhibits 3
1.4 Scope of Services 4
1.5 Contract Term 5
1.6 Contract Sum 5
1.7 Amendments 7
1.8 Source and Appropriation of Funds 8
1.9 Intentionally Omitted. 8

2.0 SECTION TWO 9
2.1 Assignment and Delegation 9
2.2 Mergers or Acquisitions 9
2.3 Compliance with County Code and Policies 9
2.4 Compliance with Applicable Laws 10
2.5 Subcontracting 10
2.6 Conflict of Interest 11
2.7 County Lobbyist Ordinance 12
2.8 Intentionally Omitted. 12
2.9 **Campaign Contribution Prohibition Following Final Decision in Contract Proceeding** 12
2.10 Prohibition from Participation in Future Solicitations 12
2.11 Independent Contractor Status 12
2.12 Confidentiality 13
2.13 Public Records Act 15
2.14 Publicity 15
2.15 Seals and Logo 16
2.16 R**ecord Retention and Inspection-Audit Settlement** 16
2.17 Warranty Against Continent Fees 17

3.0 SECTION THREE 17
3.1 LACDA's Administration 17
3.2 Contractor's Administration 18
3.3 Notices 20
3.4 Notice of Delays 20
3.5 Notice of Disputes 21
3.6 Notice to Employees Regarding the Federal Earned Income Credit 21
3.7 Damage to LACDA Facilities, Buildings or Grounds 21
3.8 Hiring Considerations 21

4.0 SECTION FOUR 22
4.1 Employment Eligibility Verification 22
4.2 Nondiscrimination and Affirmative Action 22
4.3 **Fair Chance Employment Practices** 25
4.4 Compliance with the LACDA's Policy of Equity 25
4.5 Jury Service Program 25
4.6 Time Off For Voting 26

4.7 **Defaulted Property Tax Reduction Program** 26
4.8 Zero Tolerance Policy on Human Trafficking 26
4.9 Child Support Compliance Program 27
4.10 Contractor's Acknowledgment and Notice to its Employees of the Safely Surrendered Baby Law 27
4.11 LACDA's Smoke Free Policy 28
4.12 Recycled Bond Paper 28
4.13 Intentionally Omitted. 28
4.14 Intentionally Omitted. 28
4.15 Intentionally Omitted. 28
4.16 Intentionally Omitted. 28
4.17 Compliance with County's Women in Technology Hiring Initiative 28
4.18 Intentionally Omitted. 28

5.0 SECTION FIVE 28
5.1 Information and Security 28
5.2 Information Security and Privacy Program 29
5.3 Operational Management 31
5.4 Use, Storage, Transmit, and Access Control 31
5.5 Proprietary Rights 32
5.6 Return or Destruction of LACDA Information 34
5.7 Business Continuity and Disaster Recovery 35
5.8 Privacy and Security Audits 35
5.9 Patent, Copyright and Trade Secret Indemnification 36
5.10 Employee Training 37

6.0 SECTION SIX 38
6.1 Indemnification 38
6.2 Insurance 39
6.3 Notice of Injury or Damage or Destruction 40
6.4 Additional Unique Insurance Coverage 40
6.5 Cancellation of or Change to Maintain Insurance 40
6.6 Failure to Maintain Insurance 41
6.7 Contractor's Insurance Must Be Primary 41
6.8 Insurance Specifics 41
6.9 Insurance Coverage 43
6.10 Quality Assurance Plan 43
6.11 Intentionally Omitted. 44
6.12 Termination for Convenience 44
6.13 Termination for Default 44
6.14 Termination for Improper Consideration 45
6.15 Termination for Insolvency 46
6.16 Termination for Non-Adherence of County Lobbyist Ordinance 46
6.17 Responsibility and Debarment 46

7.0 SECTION SEVEN 49
7.1 Force Majeure 49
7.2 Most Favored Public Entity 49
7.3 Governing Law, Jurisdiction, and Venue 50
7.4 Survival 50
7.5 Counterparts and Electronic Signatures 51

7.6 Authorization Warranty 51
7.7 Validity 51
7.8 Non Exclusivity 51
7.9 Waiver..... 51

STANDARD EXHIBITS

Exhibit A – Statement of Work
Exhibit B – Fee Schedule
Exhibit C – LACDA's Administration
Exhibit D – Contractor's Administration
Exhibit E – Required Contract Forms and Certifications
Exhibit F – Required Contract Provisions
Exhibit G – Required Forms at the Time of Contract Execution

CONTRACT BETWEEN
LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
AND
EMPHASYS COMPUTER SOLUTIONS, INC.
FOR
INTERNT-BASED HOUSING DATABASE WEBSITE SERVICES

This Contract for Internet-Based Housing Database Website Services ("**Contract**" or "**Agreement**") is entered into this 1st day of October, 2026 by and between the Los Angeles County Development Authority, hereinafter referred to as the ("**LACDA**") and Emphasys Computer Solutions, Inc., hereinafter referred to as the ("**Contractor**"). The LACDA and Contractor are herein referred to as collectively the "**Parties**", or individually as the "**Party**".

RECITALS

WHEREAS, the LACDA may contract with private businesses for Internet-Based Housing Database Website Services when certain requirements are met;

WHEREAS, the Contractor is in the business of providing website and professional services, hereinafter-described Internet-Based Housing Database Website Services to the LACDA. The Contractor was awarded a contract as allowed under the 2 CFR 200.320, Methods of procurement to be followed, subsection (f)(1), Sole Source. Under this section, LACDA issued a sole source contract, to which the Contractor is a the sole reseller of website and perform professional services to the internet-based housing database;

WHEREAS, on September 29, 2026, the LACDA's Board of Commissioners ("**Board**") delegated authority for the LACDA's Executive Director, or duly authorized designee (hereinafter jointly referred to as the "**Executive Director**") to execute a contract for internet-based housing database website services; and

WHEREAS, the Contractor is a recognized professional(s) with extensive experience and training in their specialized field. In rendering these services, the Contractor will, at a minimum, exercise the ordinary care and skill expected from the average practitioner in the Contractor's profession acting under similar circumstances, in consideration of the payments under this Contract and under the terms and conditions hereafter set forth.

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

1.0 SECTION ONE

1.1 Definitions

1.1.1 Board of Commissioners

The Board of Commissioners of the LACDA acting as their governing body.

1.1.2 Board of Supervisors

The Board of Supervisors of the County of Los Angeles acting as their governing body.

1.1.3 Contract

This agreement executed between the LACDA 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.

1.1.4 Contractor

The person or persons, sole proprietor, partnership, joint venture, corporation or other legal entity who has entered into an agreement with the LACDA to perform or execute the work covered by this Contract. The Contractor includes its officers, employees, agents, volunteers, interns, and Subcontractors providing services hereunder and/or by any other person performing or executing the work covered by this Contract.

1.1.5 Contractor Information

Any confidential, proprietary, or non-public information of the Contractor, including, without limitation, software (including source and object code), technical or non-technical data, patents, patent applications, copyrights, copyright applications, trade secrets, research, product or service plans, developments, inventions, processes, designs, drawings, algorithms, formulae, methods, techniques, know-how, templates, tools, documentation, business plans, financial information, and similar information and any information which a reasonable person would regard as confidential.

1.1.6 Contractor's Project Manager

The person designated by the Contractor to administer the Contract operations under this Contract.

1.1.7 County

The County of Los Angeles.

1.1.8 Day(s)

Calendar day(s) unless otherwise specified.

1.1.9 Fiscal Year

The twelve (12) month period beginning July 1st and ending the following June 30th.

1.1.10 LACDA Observed Holidays

Days on which LACDA are closed for business in observance of significant events. A list of LACDA observed holidays may be found in Exhibit A, Statement of Work in this Contract.

1.1.11 LACDA's Project Manager

The person designated by the LACDA to manage and facilitate the administrative functions of the Contract.

1.1.12 Statement of Work

A written description of the work to be performed by the Contractor to meet the needs of the LACDA, including special provisions pertaining to the method, frequency, manner, and place of performing the Contract services.

1.1.13 Subcontract

An agreement by the Contractor to employ a subcontractor to provide services to fulfill this Contract.

1.1.14 Subcontractor

Any individual, person or persons, sole proprietor, firm, partnership, joint venture, corporation, or other legal entity furnishing supplies, services of any nature, equipment, and/or materials to the Contractor in furtherance of Contractor's performance of this Contract, at any tier, under oral or written agreement. The Contractor is responsible for the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Contractor's employees.

1.2 Entire Contract

This Contract and the Exhibits hereto constitute 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 Paragraph 1.7, Amendments and signed by the Parties. The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof.

1.3 Standard Exhibits

The below Exhibits 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 Contract and then to the Exhibits according to the following priority:

Exhibit A - Statement of Work

Exhibit B - Fee Schedule

Exhibit C - LACDA Administration

Exhibit D - Contractor Administration

Exhibit E - Forms Required at Execution of Contract

- Application for Exception and Certification Form for the Jury Service Program

  Compliance with Fair Chance Employment Hiring Practices Certification
- Contractor's EEO Certification
- Defaulted Property Tax Reduction Program Certification
- Federal Lobbyist Requirements Certification
- Zero Tolerance Human Trafficking Policy Certification
- Attestation of Willingness to Consider GAIN/START Participants

Exhibit F - Required Contract Provisions

- Contractor Employee Jury Service Ordinance
- Defaulted Property Tax Reduction Program
- IRS Notice 1015 – Earned Income Credit (EIC)
- Lobbyist Ordinance
- Safely Surrendered Baby Law

Exhibit G - Required Form at the Time of Contract Execution

- Contractor Acknowledgement, Confidentiality, and Copyright Assignment Agreement

1.4 Scope of Services

The Contractor will fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in Exhibit A, Statement of Work. All tasks, deliverables, or services performed by the Contractor are subject to the written approval of the LACDA Project Manager, which approval or rejection of deliverable(s) will not be unreasonably withheld, conditioned, or delayed. Any LACDA request for services, deliverables, or changes outside the then-current Scope of Services must be in writing and approved by the Parties in accordance with this Contract before the

Contractor is required to perform such work.

If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, without the LACDA's prior written request or written approval, the same will be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor will have no claim whatsoever against the LACDA. If the LACDA requests, approves, accepts, or uses such additional work, the Contractor will be entitled to payment in accordance with at rates mutually agreed in writing by the Parties. Exhibit B or, if not specified in Exhibit B.

1.5 Contract Term

The term of this Contract will commence on October 1, 2026 and will be in full force and effect through September 30, 2027 ("**Term**"), subject to LACDA's right to terminate earlier in accordance with this Contract.

1.5.1 Term Extensions

The LACDA will have the sole option to extend this Term for up to four (4) additional one-year periods, for a maximum total Contract term of five (5) years. Each such extension will be exercised at the sole discretion of the Executive Director.

1.5.2 6-Months Within Expiration

The Contractor must provide written notification to the LACDA's Project Manager when this Contract is within six (6) months from the expiration of the Term at the address provided in Exhibit C, LACDA's Administration.

1.6 Contract Sum

The maximum amount of this Contract for the initial Term will be Three Hundred Ten Thousand One Hundred Eighty and 12/100 Dollars ($310,180.12) ("**Maximum Amount**"). The Maximum Amount for each renewal or extension year will be as set forth in Exhibit B, Fee Schedule, as may be adjusted in accordance with this Contract. Any costs incurred to complete the Services in excess of the applicable Maximum Amount will be borne by the Contractor unless otherwise approved in writing by the LACDA in accordance with this Contract.

1.6.1 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 Services hereunder in excess of the applicable Maximum Amount, unless approved by the LACDA through a written amendment to this Contract, a change notice, or other written approval by the LACDA.

Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity

other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, must not occur except with the LACDA's express prior written approval, or as permitted in Paragraph 2.1, Assignment and Delegation and Paragraph 2.2 Mergers, or Acquisitions.

1.6.2 Notification of 75% of Total Contract Sum

The Contractor must maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Maximum Amount. Upon occurrence of this event, the Contractor must send written notification to the LACDA Contract Manager at the address herein provided in Exhibit C, LACDA's Administration.

1.6.3 No Payment for Services Provided Following Expiration or Termination of Contract

The Contractor will have no claim against LACDA 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 they must immediately notify the LACDA and will immediately repay all such funds to the LACDA.

Payment by the LACDA for Services rendered after the expiration or termination of this Contract will not constitute a waiver of the LACDA's right to recover such payment from the Contractor.

1.6.4 Budget Reductions

In the event that the LACDA's Board adopts, in any twelve (12) month period beginning July 1st and ending the following June 30th ("**Fiscal Year**"), a LACDA Budget which provides for reductions in the salaries and benefits paid to the majority of the LACDA employees and imposes similar reductions with respect to the LACDA contracts, the LACDA reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract, including any extensions, and the services to be provided by the Contractor under this Contract will also be reduced correspondingly. The LACDA's notice to the Contractor regarding said reduction in payment obligation will be provided within thirty (30) 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.

1.6.5 Invoices and Payments

The Contractor must invoice LACDA only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A, Statement of Work, and elsewhere hereunder. The Contractor must

prepare invoices, which will include the charges owed to the Contractor by LACDA under the terms of this Contract.

Payment to the Contractor will be in arrears and based upon the approval and acceptance of tasks, deliverables, or services performed as set forth in Exhibit A, Statement of Work, and in accordance with Paragraph 1.4, Scope of Services, and Exhibit B, Fee Schedule, provided that the Contractor is not in default under any provision of this Contract and has submitted a complete and accurate invoice of payment due.

The LACDA's acceptance of services and/or deliverables will not be unreasonably withheld. The Contractor's fees must include all applicable taxes, and any additional taxes that are not included remain the responsibility of the Contractor.

The Contractor must submit the monthly invoices to the LACDA's Project Manager identified in Exhibit C, LACDA Administration, by the 1st calendar day of the following month that services and/or deliverables were provided to the LACDA.

All invoices submitted by the Contractor for payment must have the written approval of the LACDA's Project Manager prior to any payment thereof. In no event will the LACDA be liable or responsible for any payment prior to such written approval. Invoices not submitted timely and received after six (6) months from the expiration or termination of this Contract will be borne by the Contractor. Approval for payment will not be unreasonably withheld.

Certified Local Small Business Enterprises ("**LSBEs**") will receive prompt payment for services provided to the LACDA. Prompt payment is defined as fifteen (15) days after receipt of an undisputed invoice.

1.6.6 Suspension for Non-Payment

If the LACDA fails to pay any undisputed amount when due, the Contractor may, after providing written notice and a ten (10) business day opportunity to cure, suspend the Services until all undisputed overdue amounts are paid. Suspension for non-payment will not constitute a breach by the Contractor, relieve the LACDA of its payment obligations, or waive any other right or remedy available to the Contractor under this Contract.

1.7 Amendments

Any amendment to this Contract, including any extension to the Contract Term, will be at the mutual consent of the Parties and must be prepared by the LACDA.

1.7.1 Updated Terms and Conditions

The LACDA's Board, and as delegated to the Executive Director, may require the addition and/or change of certain terms and conditions in the Contract during the Term of this Contract. The LACDA reserves the right to add and/or change such provisions as required by the LACDA's Board or when the Board is acting as the Board of Supervisors for the County. To implement such changes, an amendment to the Contract must be prepared by the LACDA and executed by the Parties.

1.7.2 Change Notice

For any change which does not materially affect the Term, Maximum Contract, or Services set forth in the Scope of Work, or any terms or conditions in this Contract, a change notice may be signed by the LACDA's Project Manager and Contractor's Project Manager.

1.8 Source and Appropriation of Funds

1.8.1 General Source of Funds

Notwithstanding any other provision of this Contract, the LACDA will not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the LACDA's future Fiscal Years unless and until the LACDA's Board appropriates funds for this LACDA in the LACDA's Fiscal Year 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 LACDA will notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

1.8.2 Federal Source of Funds

The LACDA's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development ("**HUD**") and, for the purpose of this Contract. All funds are appropriated every Fiscal Year. Notwithstanding any other provision of this Contract, the LACDA will not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the LACDA's future Fiscal Years unless and until the LACDA's Board appropriates funds in LACDA's Budget for 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 LACDA will notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

1.9 Intentionally Omitted.

2.0 SECTION TWO

2.1 Assignment and Delegation

The Contractor must not assign its rights or delegate its duties under this Contract, whether in whole or in part, without the prior written consent of the LACDA, in its discretion, and any attempted assignment or delegation without such consent will be null and void, unless the assignment is to a related entity within the Contractor's group or as part of a merger, reorganization, change of control, or sale of all or substantially all of its assets or equity. The Contractor shall prompt notify the LACDA of such assignment.

The LACDA consent will require a written amendment to the Contract, which is formally approved and executed by the Parties. Any payments by the LACDA to any approved delegate or assignee on any claim under this Contract will be deductible, at the LACDA's sole discretion, against the claims, which the Contractor may have against the LACDA.

Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without the LACDA'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 LACDA will be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor as set forth in Paragraph 6.7, Termination for Default.

2.2 Mergers or Acquisitions

The Contractor will notify the LACDA of any pending mergers or acquisitions of its company unless otherwise legally prohibited from doing so. If the Contractor is restricted from legally notifying the LACDA of pending mergers or acquisitions, then it should timely notify the LACDA of the actual merger or acquisition as soon as the law allows and provide to the LACDA the legal framework that restricted it from notifying the LACDA prior to the actual merger or acquisition.

Failure to notify the LACDA or provide the LACDA timely notification may be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, the LACDA will be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor as set forth in Paragraph 6.7, Termination for Default.

2.3 Compliance with County Code and Policies

The LACDA is required to comply with all applicable County laws, policies,

regulations, ordinances, directives, guidelines, and procedures as set forth in the Los Angeles County Code ("**Code**") or as directed by the County's Board of Supervisors when also acting as the LACDA Board.

2.4 Compliance with Applicable Laws

The Contractor must comply with all applicable federal and State 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.

2.5 Subcontracting

The requirements of this Contract may not be subcontracted by the Contractor without the advance approval of the LACDA which shall not be unreasonably withheld or delayed. Any attempt by the Contractor to subcontract without the prior consent of the LACDA may be deemed a material breach of this Contract. The Parties acknowledge that LACDA has reviewed and approved, prior to the Effective Date of this Contract, the subcontractors identified in Exhibit I (Approved Subcontractors). Any subcontractor not identified in Exhibit I shall require LACDA's prior written approval before performing any Services under this Contract.

2.5.1 Subcontractor's Work to be Performed

If the Contractor desires to subcontract, the Contractor will provide the following information promptly to the LACDA upon written request:

1. A description of the work to be performed by the Subcontractor;
2. A draft copy of the proposed Subcontract which may have pricing and other unrelated terms redacted; and
3. Other pertinent information and/or certifications requested by the LACDA.

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 LACDA's approval of the Contractor's proposed Subcontract.

2.5.2 Consent of Subcontractor

1. The LACDA's consent to subcontract will not waive the LACDA's right to prior and continuing approval of any and all personnel, including the Subcontractor's employees, providing services under this Contract. The Contractor is responsible to notify its Subcontractors of this LACDA right.
2. The LACDA's Project Manager is authorized to act for and on behalf of the LACDA with respect to approval of any Subcontractor's employees. After approval of the Subcontractor

by the LACDA, the Contractor will forward a fully executed Subcontract, subject to Section 2.5.2 (2), to the LACDA for their files.

3. 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 LACDA's consent to subcontract any part of the Services.

2.6 Conflict of Interest

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, including, but not limited to, County Code Section 2.180.010.

2.6.1 No LACDA employee whose position with the LACDA 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 LACDA's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the LACDA's approval or ongoing evaluation of such work.

2.6.2 The Contractor must comply with County Code Section 2.180.010, prohibiting LACDA from contracting with the following:

1. Employees of the LACDA, County or of public agencies for which the Board is also the governing body;
2. Profit making firms or businesses in which employees described in subsection (1) serve as officers, principals, partners or major shareholders;
3. Persons who, within the immediately preceding twelve (12) months, came within the provisions of subsection (1), and who (a) were employed in positions of substantial responsibility in the area of service to be performed by Consultant, or (b) participated in any way in developing this Contract or its service specifications; and
4. Profit making firms or businesses in which the former employees described in subsection (3) serve as officers, principals, partners or major shareholders.

2.6.3 Contractor warrants that it is not now aware of any facts that create a conflict of interest. If Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, Contractor must immediately make full written disclosure of such

facts to LACDA. 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 Paragraph 2.6 will be a material breach of this Contract.

2.7 County Lobbyist Ordinance

The LACDA, as a legal entity created by the County, in which their Board also sits as the Board of Supervisors for the County, adheres to the requirements set forth in the County Code. Contractors performing services for the LACDA must comply with County Code Section 2.160.010. the Contractor, and each LACDA lobbyist or LACDA lobbying firm as similarly defined as a County lobbyist or County lobbying firm 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 LACDA lobbyist or LACDA 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 LACDA may in its sole discretion, immediately terminate or suspend this Contract.

2.8 Intentionally Omitted.

2.9 Campaign Contribution Prohibition Following Final Decision in Contract Proceeding

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

2.10 Prohibition from Participation in Future Solicitations

The Contractor is prohibited from submitting a bid or proposal in a LACDA solicitation if the Contractor has provided advice or consultation for the solicitation. The Contractor is also prohibited from submitting a bid or proposal in a LACDA solicitation if the Contractor has developed or prepared any of the solicitation materials on behalf of the LACDA.

A violation of this Paragraph will result in the disqualification of Contractor from participation in the LACDA solicitation or the termination or cancellation of any resultant LACDA contract. The above provision will also apply to the Contractor's subsidiaries, joint ventures, partners, and others having right or interest in the solicitation or the resultant LACDA contract.

2.11 Independent Contractor Status

This Contract is by and between the LACDA and 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 LACDA and 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.

2.11.1 The Contractor will be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract, including but not limited to the Contractor employees, consultants, outsourced vendors, independent contractors, interns, volunteers, and staff, any and all compensation and benefits. The Contractor must indemnify, defend and hold harmless the LACDA Indemnitees, as defined in Paragraph 6.1, Indemnification, from any and all liability, including but not limited to, salaries, overtime pay, liquidated damages, wages, penalties, unemployment benefits, disability benefits, Federal, State, or local taxes, court costs, attorneys' fees arising under any wage and hour law, or other compensation, benefits, or taxes for any personnel or work performed by or on behalf of the Contractor for which the LACDA Indemnitees may be found jointly or solely liable.

2.11.2 The Contractor understands and agrees that all persons performing work pursuant to this Contract including but not limited to the Contractor employees, consultants, outsourced vendors, independent contractors, interns, volunteers, and staff, are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of LACDA and do not have and will not acquire any rights or benefits of any kind from LACDA performing work under the Contract. 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 Contractor pursuant to this Contract.

2.12 Confidentiality

The Contractor agrees that all LACDA Information, including but not limited to, data and information in any form such as documents, reports, algorithms, programs, graphics, cartographs, audiovisuals, and all other materials that are in possession of, belong to, or were obtained from the LACDA; or originated, created, or developed by the Contractor under the Contract (collectively, "**LACDA Information**"), is confidential and proprietary to the LACDA regardless of whether such information was disclosed intentionally or unintentionally, or marked as "confidential". The Contractor will not disclose any LACDA Information except as described under this Contract. The Contractor must inform all their staff, including but not limited to officers, employees, agents, volunteers, interns, subcontractors, and individuals providing services hereunder of this Paragraph and ensure compliance of these provisions.

2.12.1 The Contractor must maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, the LACDA policies concerning information technology security and the protection of confidential records and information.

2.12.2 The Contractor may disclose LACDA Information only as necessary to carry out its obligations and to those individuals who have a need to know, or as required by law, and is prohibited from using LACDA Information for any other purpose without the prior express written approval of the LACDA's Project Manager and Contract Manager. If required by a court of competent jurisdiction or an administrative body to disclose LACDA Information, the Contractor must notify the LACDA's Project Manager immediately and prior to any such disclosure, to provide the LACDA an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.

2.12.3 The Contractor agrees to immediately report to the LACDA any and all violations of these provisions by the Contractor and/or by any other person of whom the Contractor becomes aware.

2.12.4 If the Contractor receives a request for the release of any LACDA Information, the Contractor must notify the LACDA within three (3) days and the LACDA will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request.

2.12.5 The Contractor acknowledges and agrees that due to the unique nature of the LACDA 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 LACDA, and therefore, that upon any such breach, the LACDA 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 these provisions will constitute a material breach of this Contract and be grounds for immediate termination of this Contract in the exclusive discretion of the LACDA.

2.12.6 The Contractor acknowledges that violation of these provisions may subject the Contractor and Contractor’s staff, including but not limited to officers, employees, agents, volunteers, interns, subcontractors, and individuals providing services hereunder to civil and/or criminal action and that the LACDA may seek all possible legal redress.

2.12.7 The Contractor may also disclose certain Contractor Information under this Contract, and the LACDA, together with its representatives who receive such Contractor Information, must

maintain the confidentiality of such Contractor Information in accordance with the confidentiality obligations set forth in this Contract.

2.13 Public Records Act

Any documents submitted by the Contractor, including but not limited to any documents submitted by the Contractor in the LACDA's contract selection process and documents subject to Paragraph 2.16, Record Retention and Inspection-Audit Settlement, of this Contract, are the exclusive property of the LACDA provided that Contractor Information and Contractor IP will remain the property of the Contractor and all other documents become a matter of public record and will be regarded as public records. Exceptions will be those elements California Government Code section 7921 et seq. (**"Public Records Act"**) and which are marked "trade secret", "confidential", or "proprietary" or that is Contractor Information. The LACDA will provide prompt notice to the Contractor before disclosing any such materials, to the extent legally permitted. The LACDA will not in any way be liable or responsible for the disclosure of any such records, including those so marked, if disclosure is required by law or by an order issued by a court of competent jurisdiction after the LACDA has complied with this notice obligation.

In the event the LACDA 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 may, at its option and expense, participate in or assume the defense of the confidentiality of such materials. The Contractor agrees to indemnify the LACDA Indemnitees pursuant to Paragraph 6.1, Indemnification, only to the extent the action or liability arises from the Contractor's designation of the materials as exempt from disclosure and not from the LACDA's negligence, willful misconduct, breach of this Contract, or violation of law.

2.14 Publicity

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.

In recognizing the Contractor's need to identify its services and related clients to sustain itself, the LACDA will not inhibit the Contractor from publishing the Contractor's role under this Contract within the following conditions: (i) The Contractor will develop all publicity material in a professional manner; and (ii) During this Contract Term, 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 LACDA without the prior written consent of the LACDA's Project Manager. The LACDA will not unreasonably withhold written consent.

2.15 Seals and Logo

The LACDA claims right, title, and interest in and to certain intellectual property including, but not limited to, the current and former LACDA seals and any of its logos, including County seals and any of its logos (hereafter collectively "**LACDA and County Seals**"). Except as expressly authorized herein, the Contractor shall not reproduce, copy, distribute, republish, download, display, post, transmit, or make any other use of any kind whatsoever of the LACDA and County Seals, in any format or by any means whatsoever.

At no time shall the Contractor in any manner (i) modify the LACDA and County Seals, or (ii) create derivative works of the LACDA and County Seals.

2.16 Record Retention and Inspection-Audit Settlement

2.16.1 The Contractor must maintain accurate and complete financial records of the Contractor's activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor must also maintain accurate and complete records relating to Contractor's performance of this Contract. The Contractor agrees that the County, or LACDA's 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. Any audit requested by the LACDA shall not exceed more than once pre year under this Paragraph and shall be conducted at the LACDA's sole cost and expense. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, and proprietary data and information, will be kept and maintained by the Contractor and will be made available to the LACDA upon its written request during the term of this Contract and for a period of five (5) years thereafter unless the LACDA's written permission is given to dispose of any such material prior to such time. All such material must be maintained by the Contractor and provided upon LACDA's written request via email. To the extent records are maintained electronically or digitally, Contractor will provide LACDA with secure access to such records upon written request.

2.16.2 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 LACDA within thirty (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, LACDA will make a reasonable effort to maintain the confidentiality of such audit report(s).

2.16.3 Failure on the part of the Contractor to comply with any of the provisions of this subparagraph will constitute a material breach of this Contract upon which the LACDA may terminate or suspend this Contract if Contractor fails to cure such breach within sixty (60) days after receipt of written notice specifying the breach.

2.16.4 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, the LACDA conducts an audit, or otherwise initiated by the Contractor, of the Contractor regarding the Services performed under this Contract, and if such audit finds that the LACDA's dollar liability for any such work is less than payments made by the LACDA to Contractor, then the difference must be either:

1. Repaid by the Contractor to LACDA by cash payment upon demand; or
2. At the sole option of the LACDA, deducted from any amounts due to the Contractor from the LACDA, whether under this Contract or otherwise.

2.16.5 If such audit finds that the LACDA's dollar liability for such work is more than the payments made by the LACDA to Contractor, then the difference will be paid to the Contractor by the LACDA by cash payment, provided that in no event will the LACDA's maximum obligation for this Contract exceed the funds appropriated by the LACDA for the purpose of this Contract.

2.17 Warranty Against Continent Fees

2.17.1 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.

2.17.2 For breach of this warranty, the LACDA 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.

3.0 SECTION THREE

3.1 LACDA's Administration

A listing of all LACDA Administration referenced in the following subparagraphs are designated in Exhibit C, LACDA's Administration.

LACDA will notify Contractor in writing of any changes as they occur.

3.1.1 LACDA's Project Director

The role of LACDA's Project Director may include:

1. Coordinating with the Contractor and ensuring the Contractor's performance of the Contract; however, in no event will the Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby; and
2. Upon request of the Contractor, providing direction to the Contractor, as appropriate in areas relating to County policy, information requirements, and procedural requirements; however, in no event, will the Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

3.1.2 LACDA's Project Manager

The role of LACDA's Project Manager may include:

1. Meeting with the Contractor's Project Manager on a regular basis; and
2. Inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor; however, in no event will the Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

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

3.2 Contractor's Administration

A listing of all of the Contractor's staff who will be providing the Services set forth in the Contract must be designated in Exhibit D, Contractor's Administration. The Contractor will notify the LACDA in writing of any changes as they occur.

3.2.1 Approval of Contractor's Staff

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

3.2.2 Contractor's Project Manager

1. The Contractor's Project Manager is designated in Exhibit D, Contractor's Administration. The Contractor must notify the LACDA in writing of any change to Contractor's staff, as changes

occur.

2. The Contractor's Project Manager will be responsible for the Contractor's day-to-day activities as related to this Contract and will meet and coordinate with the LACDA's Project Manager on a regular basis.

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

3.2.3 Contractor's Staff Identification

1. The Contractor will provide, at the Contractor's expense, all staff providing services under this the Contract with a photo identification badge; or

2. If applicable, all of the Contractor's staff assigned to LACDA facilities are required to have a LACDA Identification ("**ID**") badge, visible at all times. The Contractor bears all expense of the badging.

   a. The Contractor is responsible to ensure that staff have obtained a LACDA ID badge before they are assigned to work in a LACDA facility. The Contractor personnel may be asked by a LACDA representative to leave a LACDA facility if they do not have the proper LACDA ID badge on their person and the Contractor personnel must immediately comply with such request.

   b. The Contractor must notify the LACDA within the next business day when staff is terminated from working under this Contract. The Contractor must retrieve and return staff's LACDA ID badge to the LACDA on the next business day after the staff has terminated employment with the Contractor.

   c. If the LACDA requests the removal of a Contractor's staff, the Contractor must retrieve and return staff's LACDA ID badge to LACDA on the next business day after the staff has been removed from working on the Contract.

3.2.4 Background and Security Investigations

1. Each of the Contractor's staff performing Services under this Contract, is in a designated sensitive position, as determined by the LACDA, in their reasonable discretion, such staff must undergo and pass a background investigation to the satisfaction of the LACDA as a condition of beginning and continuing to perform such Services. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level

review, which may include, but will not be limited to criminal conviction information. The fees associated with the background investigation will be at the expense of the LACDA, regardless if the member of the Contractor's staff passes or fails the background investigation.

2. If a member of the Contractor's staff does not pass the background investigation, the LACDA may request in writing that the member of the Contractor's staff be immediately removed from performing Services under the Contract at any time during the Term of the Contract by providing the reason for such removal.
3. The LACDA, in its sole discretion, may immediately deny or terminate facility access to any member of the Contractor's staff that does not pass such investigation to the satisfaction of the LACDA or whose background or conduct is incompatible with the LACDA facility access.
4. These terms will also apply to the Contractor's subcontractors performing Services under this Contract.
5. Disqualification of any member of the Contractor's staff pursuant to this subparagraph will not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

3.3 Notices

Notices required or permitted to be given under the terms of this Contract or by any law now or hereafter in effect may, at the option of the Party giving notice, be given by a courtesy email, personal delivery, or by enclosing the same in a sealed envelope addressed to the Party for whom intended and by depositing such envelope with postage prepaid into the custody of the United States Postal Service. The notices and envelopes containing the same to LACDA must also be addressed and emailed to the LACDA's Project Manager listed in Exhibit C, LACDA's Administration.

3.3.1 In the event of suspension or termination of this Contract, notices may also be given upon personal delivery to any person whose actual knowledge of such suspension or termination would be sufficient notice to the Contractor.

3.3.2 All notices to the LACDA, must be emailed to the LACDA's Project Manager at the email address in Exhibit C, LACDA's Administration. Only the LACDA's Project Manager will have the authority to issue notices or demands required or permitted by the LACDA under this Contract.

3.4 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 Services set forth in this Contract, that the Party will, within the next business day, give notice thereof, including all relevant information with respect thereto, to the other Party.

3.5 Notice of Disputes

The Contractor will bring to the attention of the LACDA's Project Manager any dispute between the LACDA and Contractor regarding the Contractor's performance of Services as stated in this Contract. If the LACDA's Project Manager is not able to resolve the dispute, the dispute will be escalated to the LACDA's Project Director and Contractor's executive sponsor for good-faith resolution. Any determination by the LACDA Project Director will not limit either Party's rights or remedies under this Contract or applicable law.

3.6 Notice to Employees Regarding the Federal Earned Income Credit

If applicable, the Contractor will 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 will be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

3.7 Damage to LACDA Facilities, Buildings or Grounds

The Contractor will repair, or cause to be repaired, at its own cost, any and all damage to the LACDA facilities, buildings, or grounds caused by the Contractor or employees or agents of the Contractor. Such repairs will be made immediately after the Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

If the Contractor fails to make timely repairs, the LACDA may make any necessary repairs. All costs incurred by the LACDA as determined by the LACDA, for such repairs will be repaid by the Contractor by cash payment upon demand.

3.8 Hiring Considerations

3.8.1 LACDA Employees Targeted for Layoff or 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 will give first consideration for such employment openings to qualified, the permanent LACDA employees who are targeted for layoff or qualified or former LACDA employees who are on a re-employment list during the Term of this Contract. The Contractor has the final decision to hire LACDA employee or not.

3.8.2 Consideration of Hiring GAIN-START Participants

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 ("**DPSS**") 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.

1. Consideration means the Contractor will interview qualified candidates. DPSS will refer GAIN/START participants by job category to the Contractor.
2. Contractors must report all job openings with job requirements to: gainstart@dpss.lacounty.gov and DPSS will refer qualified GAIN/START job candidates.

3.8.3 In the event that the laid-off LACDA employees and GAIN/START participants are available and qualified for hiring, LACDA employees must be given first consideration Intentionally Omitted.

4.0 SECTION FOUR

4.1 Employment Eligibility Verification

4.1.1 Warranty of Compliance

The Contractor affirms compliance with both Federal and State laws regarding employment of workers, particularly those who are non-citizens, in accordance with the Immigration Reform and Control Act of 1986 ("**IRCA**"). If applicable for Services involved, the Contractor must use the E-Verify system to verify the employment eligibility of all employees performing Services under this Contract, as required by applicable federal and State law.

The Contractor shall require all Subcontractors performing work under this Contract to comply with the same employment eligibility verification requirements as set forth herein

4.1.2 Documentation

The Contractor must obtain all necessary employment eligibility documentation as mandated by federal and State laws, including but not limited to IRCA and any future amendments.

The Contractor is required to retain employment eligibility verification documents for the period prescribed by law. The Contractor agrees to indemnify, defend, and hold harmless, LACDA Indemnitees from any liabilities or penalties that may arise from non-compliance with federal or State employment eligibility laws.

4.2 Nondiscrimination and Affirmative Action

The Contractor certifies and agrees that all persons employed by the Contractor and 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, State and County anti- discrimination laws, policies and regulations.

4.2.1 Civil Right Laws

If federal funds are provided during the Contract Term, Contractors agrees during the performance of this Contract that the Contractor will:

1. Comply with Subchapter VI of the Civil Rights Act of 1964 (42 USC §§ 2000e-1 through 2000e-17), ensuring that no individual will, on the basis of race, creed, color, sex, religion, ancestry, age, disability, marital status, political affiliation, or national origin, be excluded from participation in, denied the benefits of, or subjected to discrimination under this Contract or under any project, program, or activity funded or supported by this Contract.
2. Comply with Section 109 of the Housing and Community Development Act of 1974, which prohibits discrimination on the basis of race, color, national origin, or sex in any program or activity funded, in whole or in part, by this Contract. No person shall be excluded from participation in, be denied the benefits of, or subjected to discrimination under this Contract on the basis of age or as a qualified individual with a disability.
3. Comply with the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibit discrimination on the basis of age or disability.
4. Affirm that no individual will be excluded from participation in, denied the benefits of, or subjected to discrimination under this Contract on the basis of age or as a qualified individual with a disability.

4.2.2 Intentionally Omitted.

4.2.3 Certification of Nondiscrimination and Affirmative Action

The Contractor certifies to the LACDA the following that the Contractor will:

1. Maintain a written policy prohibiting discrimination in all phases of employment.
2. Conduct periodic self-analyses or utilization analysis of its work force to ensure compliance with equal employment opportunities.
3. Have a system in place to assess whether its employment practices inadvertently discriminate against protected groups.

In instances where discriminatory practices are identified, the Contractor will take appropriate corrective actions, which may include setting specific goals or establishing timetables for

improvement.

4.2.4 Affirmative Action

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 will 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.

The Contractor certifies and agrees that the Contractor will:

1. 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.
2. 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.
3. Allow LACDA representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of Paragraph 4.2 when so requested by the LACDA.

If the LACDA finds that any provisions of Paragraph 4.2 have been violated, such violation will constitute a material breach of this Contract upon which the LACDA may terminate or suspend this Contract. While the LACDA 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 Contractor has violated federal or State anti-discrimination laws or regulations will constitute a finding by the LACDA that the Contractor has violated the anti-discrimination provisions of this Contract.

4.2.5 Penalties

The Parties agree that in the event the Contractor violates any of the anti- discrimination provisions of this Contract, the LACDA will, at its sole option, be entitled to the sum of Five Hundred Dollars ($500) for

each such violation pursuant to California Civil Code section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

4.3 Fair Chance Employment 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 Paragraph may constitute a material breach of the Contract. In the event of such material breach, the LACDA may, in its sole discretion, terminate the Contract.

4.4 Compliance with the LACDA's Policy of Equity

The Contractor acknowledges that the LACDA takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the LACDA Policy of Equity ("**LACDA POE**") to which the LACDA requires compliance by the Contractor. The Contractor further acknowledges that the LACDA strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the LACDA POE. Contractor, its Employees and Subcontractors acknowledge and certify receipt and understanding of the LACDA POE. Failure of the Contractor to uphold the LACDA'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 the Contract as well as civil liability.

4.5 Jury Service Program

The LACDA, in which its Board sits as the County's governing body, requires the Contractor to agree to provisions set forth in the County Code Chapter 2.203.

4.5.1 Contractor Jury Service Policy

If the Contractor meets the definition set forth in Section 2.203.020 of the County Code, or unless exempt as set forth in Section 2.203.070, the Contractor must have and adhere to a written jury service policy that provides that its employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service ("**Jury Service Policy**"). The Jury Service Policy may provide that employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the employees' regular pay the fees received for jury service.

The Contractor certifies to the LACDA and County that it has and adheres to a Jury Service Policy consistent with the County Code Chapter 2.203 or will have and adhere to such a Jury Service Policy prior to award of this Contract.

4.5.2 Enforcement

The Contractor's violation of this Paragraph 4.5 of the Contract may constitute a material breach of the Contract. In the event of such material breach, the LACDA may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future LACDA and County contracts for a period of time consistent with the seriousness of the breach.

4.6 Time Off For Voting

The Contractor will notify its employees, and will require each Subcontractor to notify and provide to its employees, information regarding the time off for voting law pursuant to California Elections Code section 14000 et seq. Not less than ten (10) days before every statewide election, every Contractor and their Subcontractors will 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 California Elections Code section 14000 et seq.

4.7 Defaulted Property Tax Reduction Program

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

Unless the 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 County Code Chapter 2.206 and is not in default on any County Property Taxes and is current in payments due under any approved payment arrangement.

Failure of the Contractor to maintain compliance with the requirements set forth in this Paragraph will constitute default under this Contract. Without limiting the rights and remedies available to the LACDA under any other provision of this Contract, failure of the Contractor to cure such default within ten (10) days of notice will be grounds upon which the County may terminate this Contract and/or pursue debarment of the Contractor, pursuant to Paragraph 6.11, Responsibility and Debarment.

4.8 Zero Tolerance Policy on Human Trafficking

The Contractor acknowledges that LACDA, in which its Board sits as the County Board of Supervisors, has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking. If a Contractor or member of the Contractor's staff is convicted of a human trafficking offense, the LACDA will require that the Contractor or member of the Contractor's staff be removed immediately from

performing services under the Contract. The LACDA 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 Paragraph will not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

4.9 Child Support Compliance Program

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

4.9.1 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and will during the term of this Contract, maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and 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 California Code of Civil Procedure section 706.031 and California Family Code section 5246(b).

4.9.2 Failure of the Contractor to maintain compliance with the requirements set forth in this Paragraph 4.9 will constitute default under this Contract. Without limiting the rights and remedies available to the LACDA under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar days of written notice will be grounds upon which LACDA may terminate this Contract pursuant to Paragraph 6.7, Termination for Default and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

4.10 Contractor's Acknowledgment and Notice to its Employees of the Safely Surrendered Baby Law

The Contractor acknowledges that the LACDA Board places a high priority on the implementation of 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, a Fact Sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and information on where and how to safely surrender a baby. Additionally, the Contractor understands that they are encouraged to

voluntarily post the County's "Safely Surrendered Baby Law Poster" (available in English/Spanish/Chinese/Korean) in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business.

The Contractor, and its Subcontractor(s), can access posters and other program material at www.babysafela.org.

4.11 LACDA's Smoke Free Policy

If applicable, the Contractor represents that it will comply with the LACDA's Smoke Free Policy, strictly prohibiting smoking on all LACDA's housing development properties, except at the South Bay Gardens Senior Housing Development located at 230 E. 130th Street, Los Angeles, CA 90061, where smoking is permitted only in a specified open area that is at least 25 feet away from a LACDA building and is clearly labeled as a "Smoking Designated Area." The Contractor acknowledges and understands that LACDA's Smoke Free Policy. Information is available on the LACDA's website.

4.12 Recycled Bond Paper

Consistent with the Board 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.

4.13 Intentionally Omitted.

4.14 Intentionally Omitted.

4.15 Intentionally Omitted.

4.16 Intentionally Omitted.

4.17 Compliance with County's Women in Technology Hiring Initiative

At the direction of the Board, the LACDA and County have 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 LACDA and 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 Hiring Initiative program participants, if feasible. The Contractors must report such programs available to: WITProgram@isd.lacounty.gov.

4.18 Intentionally Omitted.

5.0 SECTION FIVE

5.1 Information and Security

The Contractor must implement appropriate and reasonable measures to

secure and protect Contractor's systems and all LACDA Information against internal and external threats and risks and continuously review and revise those measures to address ongoing threats and risks. Failure to comply with the minimum requirements and procedures set forth in this Paragraph will constitute a material, non-curable breach of Contract by the Contractor, entitling the LACDA, 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.

5.2 Information Security and Privacy Program

The Contractor must maintain an information security and privacy program to evaluate risks of confidentiality, integrity, and availability and provide safeguards for LACDA Information ("**ISP Program**"). The Contractor will exercise the same degree of care in safeguarding and protecting LACDA 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 LACDA Information and to ensure compliance with all applicable laws and regulations and addressing new and emergency threats and risk. The Contractor must perform ongoing monitoring and audits of their operations to mitigate privacy and security threats.

5.2.1 Contractor's ISP Program must:

1. Protect the confidentiality, integrity, and availability of LACDA Information in the Contractor's possession or control against any threats or hazards, unauthorized or unlawful access, use, disclosure, alteration, destruction, loss, or damage.
2. Safeguard LACDA Information in compliance with any applicable laws and regulations.
3. Implement, maintain, and use appropriate privacy practices, policies, and protocols to preserve the confidentiality of LACDA Information.
4. Implement a response plan to address privacy and/or security Incidents, including but not limited to a suspected, attempted, successful, or imminent threat, or event with the potential to adversely impact the LACDA, of unauthorized electronic and/or physical access, use, disclosure, breach, modification, interference, or destruction of information; or significant violation of LACDA policy ("**Incidents**").

5.2.2 Information Security and Privacy Program Requirements

In the event of a security and/or privacy Incident, Contractor must:

1. Promptly notify the LACDA of any Incidents involving the LACDA Information, within twenty-four (24) hours of detection of the

Incident. Notification must include: date and time of discovery; approximate date and time of the Incident; description of the type of LACDA Information involved; summary of the facts including measures taken to respond and remediate the Incident and any planned corrective actions; and name and contract information of the Contractor's representative with relevant information.

2. Cooperate with the LACDA to investigate the Incident and seek to identify the specific LACDA Information involved in the Incident upon the LACDA's written request, without charge, unless the Incident was caused by the acts or omissions of the LACDA. As information about the Incident is collected or otherwise becomes available to the Contractor, and unless prohibited by law, The Contractor must provide all information regarding the nature and consequences of the Incident that are reasonably requested by the LACDA to allow the LACDA to notify affected individuals, government agencies, and/or credit bureaus.

3. Assist and cooperate with the LACDA and its Agents, including but not limited to federal, State, or local agencies, forensic investigators, law firms, and law enforcement agencies at the direction of the LACDA to help determine the nature, extent, and source of any Incident, and reasonably assist and cooperate with the LACDA on any additional disclosures that the LACDA is required to make as a result of the Incident.

4. Allow the LACDA and its Agents at the LACDA'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 the LACDA Information.

5. The LACDA reserves the right to view, upon request, summary results (i.e., the number of high, medium and low vulnerabilities) and related corrective action schedule for which the Contractor has undertaken on its behalf to assess Contractor's own network security. If requested, copies of these summary results and corrective action schedule will be sent to the LACDA.

5.2.3 Penalties

Subject to the limitations of liability and exclusions of damages in this Contract, the Contractor will be:

1. liable for reasonable, direct damages and fines to the extent caused by the Contractor;

2. responsible for all corrective action; and

3. responsible for legally required notifications arising from an Incident involving LACDA Information to the extent caused by the

Contractor's weaknesses, negligence, errors, or lack of ISP Program controls or provisions.

5.3 Operational Management

The Contractor will: (i) monitor and manage all of its information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with this Contract; (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.

5.4 Use, Storage, Transmit, and Access Control

5.4.1 The Contractor may use LACDA Information only as necessary to carry out its obligations under this Contract. The Contractor must collect, maintain, or use LACDA 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 LACDA Information, including, but not limited to any state and federal law governing the protection of personal Information, any state and federal security breach notification laws, and the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

5.4.2 All LACDA Information must 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 LACDA Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the LACDA.

5.4.3 The Contractor must not store LACDA Information in the cloud or in any other online storage provider without written authorization from the LACDA. Which shall not be unreasonably withheld or delayed. All mobile devices storing LACDA Information must be managed by a Mobile Device Management system. Such system must provide provisions to enforce a password or passcode on enrolled mobile devices. All workstations or 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 LACDA.

5.4.4 The Contractor will encrypt LACDA 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 the LACDA.

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

1. Network access to both internal and external networked services will be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
2. 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;
3. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to LACDA Information is removed in a timely manner;
4. Applications will include access control to limit user access to LACDA Information and application system functions;
5. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor must record, review and act upon all events in accordance with Incident response policies set forth in the Contract; and
6. In the event any hardware, storage media, or removable media must be disposed of or sent off-site for servicing, the Contractor must ensure all LACDA Information, has been eradicated from such hardware and/or media using industry best practices and in accordance with the Contract.

5.5 Proprietary Rights

5.5.1 LACDA Information

1. The LACDA will own all right, title, and interest in LACDA Information and deliverables specifically created by the Contractor exclusively for the LACDA under this Contract, excluding Contractor Information, Contractor software, tools, templates, pre-existing materials, know-how, methods, processes, generic functionality, enhancements, upgrades, and improvements that are not uniquely based on LACDA Information (collectively, "**Contractor IP**"). To the extent any LACDA-specific deliverables are assigned to the LACDA, the Contractor assigns

only such rights in those deliverables and retains all Contractor IP.

2. LACDA Information must not be used by Contractor for any purpose other than as required under this Contract, nor will such or any part of such be disclosed, sold, assigned, leased, or otherwise disposed of to third parties by Contractor, or commercially exploited or otherwise used by, or on behalf of, the Contractor, its officers, directors, employees, or agents, except as necessary to perform the Services or as otherwise permitted in this Contract. Contractor may assert no lien on or right to withhold from the LACDA any LACDA Information it receives from, receives addressed to, or stores on behalf of the LACDA. Nothing in this Contract prohibits Contractor from using Contractor IP or its general skills, knowledge, experience, ideas, concepts, know-how, methods, and techniques, provided Contractor does not disclose LACDA Confidential Information.

5.5.2 Contractor Information

1. Any and all materials, software and tools including Contractor Information (as defined in Section 1.1.5) which are developed or were originally acquired by the Contractor before or outside the scope of this Contract, or that are generally applicable to Contractor's business or not uniquely based on LACDA Information, are Contractor Information. Other tangible information should be specifically identified by the Contractor to LACDA's Project Manager as proprietary or confidential and plainly and prominently marked by the Contractor as "Proprietary" or "Confidential" where reasonably practicable.

2. Notwithstanding any other provision of this Contract, the LACDA will not be obligated to the Contractor under this subparagraph for Contractor Information that is not plainly and prominently marked with restrictive legends as required by this subparagraph, except for Contractor Information, or for any disclosure which the LACDA is required to make under any federal or State law or order of court after complying with any applicable notice obligations in this Contract.

3. The LACDA will use reasonable means to ensure that Contractor Information is safeguarded and held in confidence. The LACDA agrees not to reproduce, distribute, or disclose to non-LACDA entities any such proprietary and/or confidential items without the prior written consent of Contractor. Notwithstanding the above, the Contractor authorizes the LACDA to disclose such Contractor Information to the County in which the LACDA Board also sits as the Board of Supervisors for the County, and to the LACDA's and County's

employees, agents, advisors, and contractors who have a need to know and are bound by confidentiality obligations at least as protective as those in this Contract.

4. The Contractor grants to the LACDA and its Agents, as necessary, a limited, non-exclusive, non-transferable, paid-up license during the Contract Term to use, execute, reproduce, display, and perform Contractor Information solely as necessary to receive the Services and use the deliverables under this Contract. To the extent Contractor Information is incorporated into any deliverables, the Contractor grants the LACDA a non-exclusive, perpetual, irrevocable, fully paid-up license to use and reproduce such Contractor Information solely as incorporated in the deliverables for the LACDA's internal governmental purposes, provided that the proprietary item is not used, copied, modified, reverse engineered, distributed, or disclosed separately from the deliverables by the LACDA or its Agents. No source code, ownership interest, or other right in Contractor IP is transferred except as expressly stated in this Contract.

5.6 Return or Destruction of LACDA Information

Upon the LACDA's written request or upon expiration or termination of this Contract for any reason, the Contractor will promptly return or destroy, at the LACDA's option, all originals and copies of all documents, records, and materials the Contractor has received containing LACDA Information, and all documents, records, and materials prepared by the Contractor or prepared under the Contractor's direction. If return or destruction is not permissible under applicable law, the Contractor will continue to protect such LACDA Information in accordance with the terms of this Contract. If the LACDA does not provide written notice to the Contractor regarding the LACDA's option to return or destroy documents, records, and materials, the Contractor will contact the LACDA within five (5) days of expiration or termination of this Contract to confirm the LACDA's option.

5.6.1 For all documents, records, and materials described in this Paragraph 5.6 that LACDA requests to be returned, the Contractor must provide a written attestation on company letterhead certifying that all documents, records, and materials have been delivered.

5.6.2 For all LACDA Information LACDA requests to be destroyed, the Contractor must cross-cut shred paper, film, or other hard copy media so that the information cannot be read or otherwise reconstructed; and purge, or destroy electronic media containing LACDA Information consistent with NIST Special Publication 800-88, "Guidelines for Media Sanitization," such that LACDA Information cannot be retrieved. The Contractor must provide an attestation on company letterhead, detailing the destruction method used and

LACDA Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement must be sent to the LACDA within ten (10) days of termination or expiration of the Contract or at any time upon the LACDA's request.

5.7 Business Continuity and Disaster Recovery

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 LACDA 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 LACDA 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 backups to removable media all such backups must be encrypted in compliance with the encryption requirements in the Contract.

5.8 Privacy and Security Audits

5.8.1 The Contractor will 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 and as requested by the LACDA. These 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 LACDA. The LACDA will pay for the LACDA requested audit unless the auditor finds that the Contractor has materially breached this Contract, in which case the Contractor must bear all costs of the audit; and if the audit reveals material non-compliance with this Contract, the LACDA may exercise its termination rights underneath the Contract. Additionally, upon the LACDA's request Contractor must complete a questionnaire regarding the Contractor's ISP Program and their information security and privacy procedures.

5.8.2 The Contractor must have a process for correcting control deficiencies that have been identified in the audit, including follow up documentation providing evidence of such corrections. The Contractor must provide the audit results and any corrective action documentation to the LACDA promptly upon its completion at the LACDA's request. With respect to any other report, certification, or audit or test results prepared or received by the Contractor that

contains any LACDA Information, the Contractor must promptly provide the LACDA with copies of the same upon the LACDA's reasonable request, including identification of any failure or exception in the Contractor's 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 LACDA pursuant to this subparagraph will be provided at no additional charge to the LACDA.

5.8.3 When not prohibited by regulation, the Contractor will provide to the LACDA 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.

5.9 Patent, Copyright and Trade Secret Indemnification

5.9.1 Subject to the limitations of liability and exclusions of damages in this Contract, the Contractor will indemnify, hold harmless and defend the LACDA from and against third-party claims, damages, costs, and expenses, including reasonable defense costs and attorneys' fees, finally awarded by a court or agreed in a settlement approved by the Contractor, 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 the operation and utilization of the Contractor's work as provided by the Contractor and used by the LACDA in accordance with this Contract. The LACDA will inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and will support for the Contractor's defense and settlement thereof, and will not settle or compromise such claim without the Contractor's prior written consent.

5.9.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that the LACDA's continued use of such item is formally restrained, enjoined, or subjected to a material risk of damages, Contractor, at its sole expense and option, and providing that the LACDA's continued use of the system is not materially impeded, will either:

1. Procure for the LACDA all rights to continued use of the questioned equipment, part, or software product; or
2. Replace the questioned equipment, part, or software product with a non-questioned item; or
3. Modify the questioned equipment, part, or software so that it is free of claims.

5.9.3 The Contractor will have no liability if the alleged infringement or

unauthorized disclosure is based upon: (i) use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed or intended; (ii) modification by anyone other than Contractor or its authorized representatives; (iii) LACDA materials, specifications, instructions, or requirements; (iv) use after Contractor provides a non-infringing update, replacement, or workaround; or (v) use outside the scope of this Contract.

5.10 Employee Training

The Contractor must supply each of its employees with appropriate, annual training regarding ISP Program procedures, risks, and threats. The Contractor must have an established set of procedures to ensure the Contractor's employees promptly report actual and/or suspected breaches of security.

The Contractor agrees that training will cover, but may not be limited to the topics below.

5.10.1 Secure Authentication

The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.

5.10.2 Social Engineering Attacks

Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.

5.10.3 Handling of LACDA Information

The proper identification, storage, transfer, archiving, and destruction of LACDA Information.

5.10.4 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.

5.10.5 Identifying and Reporting Incidents

Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.

5.10.6 Privacy

The Contractor's privacy policies and procedures as described in Paragraph 5.2, Information Security and Privacy Program.

6.0 SECTION SIX

6.1 Indemnification

Subject to the limitations of liability and exclusions of damages in this Contract, the Contractor must indemnify, defend and hold harmless the LACDA, County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("**LACDA Indemnitees**") from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including reasonable defense costs and reasonable legal, accounting and other expert, consulting or professional fees, to the extent arising from the Contractor's own gross negligence, or willful misconduct, unless prohibited by law, resulting in material breach of this Contract.

Any legal defense pursuant to the Contractor indemnification obligations set forth in this Paragraph will be conducted by the Contractor and performed by counsel selected by the Contractor and reasonably approved by the LACDA, such approval not to be unreasonably withheld, conditioned, or delayed. The LACDA will have the right to participate in any such defense at the LACDA's sole cost and expense, except that in the event Contractor fails to provide the LACDA with a defense required under this Paragraph after reasonable written notice and opportunity to cure, the LACDA will be entitled to retain the LACDA's own counsel, including, without limitation, County Counsel, and to reimbursement from the Contractor for reasonable costs and expenses incurred by the LACDA in doing so. The Contractor may settle any claim without the LACDA's prior written approval if the settlement does not impose liability, an admission of fault, or non-monetary obligations on the LACDA Indemnitees; otherwise, the Contractor may not settle such claim without the LACDA's prior written approval, not to be unreasonably withheld, conditioned, or delayed. This provision will survive the expiration or other termination of this Contract.

6.1.1 Limitation of Liability

Notwithstanding anything to the contrary in this Contract, and to the maximum extent permitted by law, each Party's aggregate liability arising out of or relating to this Contract, whether in contract, tort, statute, indemnity, or otherwise, will not exceed the fees paid or payable to the Contractor under this Contract during the twelve (12) months preceding the event giving rise to the claim.

6.1.2 Exclusion of Damages

Neither Party will be liable to the other Party for any indirect, incidental, special, consequential, exemplary, punitive, or enhanced damages, or for lost profits, lost revenue, loss of goodwill, loss of use, loss of data, business interruption, or cost of substitute goods or services, arising out of or relating to this Contract, whether in contract, tort, statute, or otherwise, even if advised of the possibility of such damages.

6.1.3 Super Cap

Notwithstanding anything to the contrary, the limitations of liability and exclusions of damages set forth in Sections 6.1.1 and 6.1.2 shall not apply to (i) either Party's indemnification obligations, (ii) breaches of confidentiality, or (iii) damages arising from a data breach or security incident; provided, however, that the aggregate liability for all such claims shall not exceed two (2) times the amounts paid by LACDA under this Agreement during the twelve (12) months immediately preceding the event giving rise to the claim.

6.2 Insurance

Without limiting the Contractor's indemnification of LACDA Indemnitees, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, the Contractor must provide and maintain at its own expense insurance coverage satisfying the requirements specified in Section 6.2 – 6.4 Insurance. These minimum insurance coverage terms, types and limits (collectively, the "**Required Insurance**") also are in addition to and separate from any other contractual obligation imposed upon the Contractor pursuant to this Contract.

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

6.2.1 Certificate of Insurance Coverage:

1. Certificate(s) of Insurance Coverage ("**Certificate**") satisfactory to the LACDA, and a copy of an Additional Insured endorsement confirming the LACDA and its Agents, as defined below, has been given Insured status under the Contractor's General Liability policy, must be delivered to the LACDA at the address shown below and provided prior to commencing services under this Contract.
2. Renewal Certificates must be provided to the LACDA not less than ten (10) days prior to Contractor's policy expiration dates. The LACDA reserves the right to obtain complete, certified copies of any required the Contractor and/or subcontractor insurance policies at any time.
3. Certificates 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 Certificate must match the name of the Contractor identified as the contracting party in this Contract.

All certificates of insurance and additional insured endorsements shall carry the following identifier:

4. Certificates 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 fifty thousand ($50,000.00) dollars, and list any LACDA required endorsement forms.
5. Neither the LACDA's failure to obtain, nor LACDA's receipt of, or failure to object to a non-complying Certificate 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.
6. Certificates and copies of any required endorsements must be sent to the LACDA's Project Manager as identified in Exhibit C.

6.3 Notice of Injury or Damage or Destruction

The Contractor also must promptly report to the LACDA any injury or property damage accident or incident, including any injury to a Contractor employee occurring on LACDA property, and any loss, disappearance, destruction, misuse, or theft of LACDA property, monies or securities entrusted to Contractor. Contractor also must promptly notify the LACDA of any third-party claim or suit filed against the 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 the Contractor and/or LACDA.

6.4 Additional Unique Insurance Coverage

The LACDA, its Special Districts, elected officials, officers, agents, employees and volunteers (collectively, "**LACDA and its Agents**") must be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of the Contractor's ongoing and completed operations performed on behalf of the LACDA. The LACDA and its Agents additional insured status will 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 LACDA. The full policy limits and scope of protection also must apply to the LACDA and its Agents as an additional insured, even if they exceed the Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

6.5 Cancellation of or Change to Maintain Insurance

The Contractor must provide the LACDA with, or Contractor's insurance policies must contain a provision that the LACDA 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 the LACDA at least ten (10) days in advance of cancellation for non-payment of premium and ten (10) 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 LACDA, upon which the LACDA may suspend or terminate this Contract.

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

6.7 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 the Contractor. Any LACDA maintained insurance or self-insurance coverage will be in excess of and not contribute to any Contractor coverage.

6.8 Insurance Specifics

6.8.1 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against the LACDA and its Agents under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor will require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

6.8.2 Subcontractor Insurance Coverage Requirements

The Contractor must include all Subcontractors as insureds under the Contractor's own policies, or will provide the LACDA 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 will require that each Subcontractor name the LACDA and Agents and the Contractor as additional insureds on the subcontractor's General

Liability policy. The Contractor must obtain the LACDA's prior review and approval of any Subcontractor request for modification of the Required Insurance.

6.8.3 Deductibles and Self-Insured Retentions

The Contractor's policies must not obligate the LACDA to pay any portion of any Contractor deductibles or Self-Insured Retentions ("**SIR**"). The LACDA retains the right to require the Contractor to reduce or eliminate policy deductibles and SIRs as respect to the LACDA, or to provide a bond guaranteeing the Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond guaranteeing the Contractor's payment must be executed by a corporate surety licensed to transact business in the State of California.

6.8.4 Claims Made Coverage

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

6.8.5 Application of Excess Liability Coverage

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

6.8.6 Separation of Insureds

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

6.8.7 Alternative Risk Financing Programs

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

6.8.8 LACDA Review and Approval of Insurance Requirements

The LACDA reserves the right to review and adjust the Required Insurance provisions, conditioned upon LACDA's determination of changes in risk exposures subject to the Contractor's review and acceptance of any revised terms.

6.9 Insurance Coverage

6.9.1 Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming the LACDA and its Agents as an additional insured, with limits of not less than:

- General Aggregate: ..... $2 million
- Products/Completed/On-Going Operations Aggregate: ..... $2 million
- Personal and Advertising Injury: ..... $1 million
- Each Occurrence: ..... $1 million

6.9.2 Intentionally Omitted.

6.9.3 Professional Liability/Errors and Omissions insurance covering the Contractor's liability arising from or related to this Contract, with limits of not less than $1 million per claim and $2 million aggregate. Further, the Contractor understands and agrees it must maintain such coverage for a period of not less than three (3) years following this Contract's expiration, termination or cancellation. A copy of the policy Declarations Page is required.

6.9.4 Technology Errors & Omissions insurance for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included. Technology services should at a minimum include (1) systems analysis; (2) systems programming; (3) data processing; (4) systems integration; (5) outsourcing including outsourcing development and design; (6) systems design, consulting, development and modification; (7) training services relating to computer software or hardware; (8) management, repair and maintenance of computer products, networks and systems; (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software; (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by the vendor with limits of not less than $10 million. A copy of the policy Declarations Page and the Specific Exclusions/Conditions Page is required.

6.10 Quality Assurance Plan

The LACDA will evaluate the Contractor's performance under this Contract on not more than an annual basis. Such evaluation will include assessing the Contractor's compliance with this Contract. The Contractor deficiencies which the LACDA reasonably determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected, will be reported to the LACDA's Board. The report will include improvements

and/or corrective action measures taken by the LACDA and Contractor. If improvement does not occur consistent with the corrective action measures, the LACDA may terminate this Contract.

6.11 Intentionally Omitted.

6.12 Termination for Convenience

6.12.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the LACDA, 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 thirty (30) days after the notice is sent.

6.12.2 After receipt of a notice of termination and except as otherwise directed by the LACDA, the Contractor will:

1. Stop work under this Contract on the date and to the extent specified in such notice; and
2. Complete performance of such part of the work as will not have been terminated by such notice.

6.12.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract will be maintained by the Contractor in accordance with Paragraph 2.16, Record Retention and Inspection/Audit Settlement.

6.13 Termination for Default

6.13.1 The LACDA may, by written notice to the Contractor, terminate this Contract, if, in the reasonable judgment of the LACDA's Project Manager, any of the following events has occurred and, to the extent curable, Contractor fails to cure the event longer than sixty (60) days after receipt of written notice specifying the event:

1. The Contractor has materially breached this Contract;
2. The Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
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.

6.13.2 In the event that LACDA terminates this Contract as provided in subparagraph 6.7.1, LACDA may procure, upon such terms and in such manner as LACDA may deem appropriate, goods and services similar to those so terminated. Contractor will be liable to LACDA for any and all direct costs incurred by LACDA, for such similar goods

and services.

6.13.3 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 6.7.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the LACDA in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor 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. Nothing in this Paragraph relieves the LACDA of its payment obligations for Services properly performed, approved expenses incurred, and amounts otherwise due and payable under this Contract.

6.13.4 If, after the LACDA has given notice of termination under the provisions of this Paragraph 6.7, it is determined by the LACDA that the Contractor was not in default under the provisions of this Paragraph 6.7, or that the default was excusable under the provisions of subparagraph 6.7.3, the rights and obligations of the Parties will be the same as if the notice of termination had been issued pursuant to Paragraph 6.6.

6.13.5 The rights and remedies of the LACDA provided in this Paragraph 6.7, will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

6.13.6 Contractor Termination for LACDA Breach

The Contractor may terminate this Contract upon written notice if the LACDA breaches this Contract and fails to cure such breach longer than sixty (60) days after receipt of written notice specifying the breach.

6.14 Termination for Improper Consideration

The LACDA 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 LACDA Indemnitees 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 LACDA will be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor as provided in Paragraph 6.7.

The Contractor will immediately report any attempt by the LACDA officer or employee to solicit such improper consideration. The report will be made either to the LACDA Project Manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at procurement-contract.fraud@lacda.org.

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

6.15 Termination for Insolvency

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

6.15.1 The Contractor will be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

6.15.2 The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;

6.15.3 The appointment of a Receiver or Trustee for the Contractor; or

6.15.4 The execution by the Contractor of a general assignment for the benefit of creditors.

The rights and remedies of the LACDA provided in this Paragraph will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

6.16 Termination for Non-Adherence of County Lobbyist Ordinance

The Contractor, and each LACDA lobbyist or LACDA lobbying firm as similarly defined as a County lobbyist or County lobbying firm in County Code Section 2.160.010 retained by the Contractor, will fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any LACDA Lobbyist or LACDA 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 LACDA may in its sole discretion, immediately terminate or suspend this Contract.

6.17 Responsibility and Debarment

6.17.1 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 LACDA's policy to conduct business only with responsible contractors. LACDA, in which its Board also sits as the County's Board of Supervisors requires all contractors to comply with County Code Chapter 2.202. This Paragraph 6.11 shall also apply to the Contractor's Subcontractors who are performing services on this Contract.

6.17.2 Determinations of Contractor Non-Responsibility and Contractor Debarment

The Contractor is hereby notified that, in accordance with County Code Chapter 2.202, if the LACDA acquires information concerning the performance of the Contractor on this Contract or other contracts which indicates that the Contractor is not responsible, the LACDA 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 the LACDA contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the LACDA or County.

6.17.3 Non-Responsible Contractor

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

6.17.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the LACDA will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

2. The Contractor Hearing Board will conduct a hearing where

evidence on the proposed debarment is presented. The Contractor and/or 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 LACDA will be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.

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. The Board will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

4. If a Contractor has been debarred for a period longer than five (5) years, that the Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment.

5. The LACDA 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 LACDA.

6. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board 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.

7. 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. The Board will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

7.0 SECTION SEVEN

7.1 Force Majeure

7.1.1 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, 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 subparagraph as "**force majeure events**").

7.1.2 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, the 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 the Contractor to meet the required performance schedule. As used in this sub-paragraph, the term “subcontractor” and “subcontractors” mean subcontractors at any tier.

7.1.3 In the event the Contractor's failure to perform arises out of a force majeure event, the 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. Nothing in this Paragraph will excuse either Party’s payment obligations for Services properly performed, approved expenses incurred, and amounts otherwise due and payable under this Contract before or during the force majeure event.

7.2 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 will be immediately extended to the LACDA.

7.3 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 and consents that venue of any action brought hereunder will be exclusively in the County of Los Angeles.

7.4 Survival

In addition to any terms and conditions of this Contract that expressly survive expiration or termination of this Contract by their terms, including the limitation of liability and exclusion of damages in Paragraph 6.1, the following provisions will survive the expiration or termination of this Contract for any reason:

Paragraph 1.1	Definitions
Paragraph 1.2	Entire Contract
Paragraph 1.4	Scope of Services
Paragraph 1.6	Contract Sum
Paragraph 1.7	Amendments
Paragraph 3.3	Notices
Paragraph 6.1	Indemnification
Paragraph 6.2	General Provisions for all Insurance Coverage
Paragraph 6.5	Liquidated Damages
Paragraph 6.6	Termination for Convenience
Paragraph 6.7	Termination for Default
Paragraph 2.1	Assignment and Delegation
Paragraph 2.2	Mergers or Acquisitions
Paragraph 2.3	Compliance with County Code and Policies
Paragraph 2.4	Compliance with Applicable Laws
Paragraph 2.9	Campaign Contribution Prohibition Following Final Decision in Contract Proceeding
Paragraph 2.10	Prohibition from Participation in Future Solicitation
Paragraph 2.12	Confidentiality
Paragraph 2.16	Record Retention and Inspection-Audit Settlement
Paragraph 4.2	Nondiscrimination and Affirmative Action
Paragraph 7.2	Survival
Paragraph 7.1	Force Majeure

Paragraph 7.3 Governing Law, Jurisdiction, and Venue

Paragraph 7.7 Validity

Paragraph 7.9 Waiver

7.5 Counterparts and Electronic Signatures

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 other electronically delivered signature of the Parties will be deemed to constitute original signatures, and facsimile or electronic copies hereof will be deemed to constitute duplicate originals.

7.6 Authorization Warranty

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.

7.7 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.

7.8 Non Exclusivity

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

7.9 Waiver

No waiver by either Party of any breach of any provision of this Contract will constitute a waiver of any other breach or of such provision. Failure of either Party 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 Paragraph will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

[Signatures on the following page]

SIGNATURES

IN WITNESS WHEREOF, the LACDA and the Contractor, through their duly authorized officers, have executed this Contract as of the date first above written.

CONTRACTOR: EMPHASYS COMPUTER SOLUTIONS, INC.

By_____
Daniel Lee
CEO

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

By_____
Emilio Salas
Executive Director

APPROVED AS TO FORM:
DAWYN R. HARRISON
County Counsel

By_____
Behnaz Tashakorian
Principal Deputy County Counsel

APPROVED AS TO PROGRAM:
ADMINISTRATIVE SERVICES

By_____
Kathy Thomas
Chief of Operations