



County of Los Angeles
**CHIEF EXECUTIVE OFFICE
OPERATIONS CLUSTER**

FESIA A. DAVENPORT
Chief Executive Officer

DATE: June 22, 2022
TIME: 2:00 p.m. – 4:00 p.m.
LOCATION: **TELECONFERENCE CALL-IN NUMBER: 1(323)776-6996**
TELECONFERENCE ID: 605696861#

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

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

[Click here to join the meeting](#)

**THIS MEETING WILL CONTINUE TO BE CONDUCTED VIRTUALLY TO ENSURE
THE SAFETY OF MEMBERS OF THE PUBLIC AND EMPLOYEES AS PERMITTED
UNDER STATE LAW**

AGENDA

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

1. **Call to order – Kirk Shelton/Anthony Baker**
2. **INFORMATIONAL ITEM(S):**
 - A) Board Letter:
AUTHORIZATION TO EXECUTE A SOLE SOURCE AGREEMENT
WITH 4aiSOFT, LLC, TO PROVIDE FRAUD DETECTION ANALYTICS
AND AUDIT MANAGEMENT SYSTEM AND RELATED SERVICES
CEO/RM – Steven Robles, Assistant Chief Executive Office/County Risk
Manager
 - B) Board Letter:
APPROVAL TO AMEND THE LOS ANGELES COUNTY CODE ON THE
PURCHASE OF PUBLIC OFFICIALS BONDS OR INSURANCE
CEO/RM – Steven Robles, Assistant Chief Executive Office/County Risk
Manager

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C) Board Letter:

AUTHORIZATION TO ENTER INTO CONTRACT AO-22-409 WITH
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC., FOR MEDICAL
MALPRACTICE, HOSPITAL LIABILITY CLAIMS ADMINISTRATION
AND LEGAL DEFENSE MANAGEMENT SERVICES

CEO/RM – Steven Robles, Assistant Chief Executive Office/County Risk
Manager

D) Board Letter:

NINE-YEAR LEASE AMENDMENT DEPARTMENT OF HEALTH
SERVICES 38350 40TH STREET EAST, PALMDALE

CEO/RE – Michael Navarro, Chief Program Specialist

3. **PRESENTATION/DISCUSSION ITEMS:**

A) RISK MANAGEMENT INFORMATION SYSTEM (RMIS) ANNUAL
UPDATE

CEO/RM – Steven Robles, Assistant Chief Executive Office/County Risk
Manager

4. **Public Comment**

(2 minutes each speaker)

5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:

A) DAC – RECOMMENDATIONS REGARDING 2022-23 GRANT AWARDS
FOR CULTURAL SERVICES

B) DAC – RECOMMENDATIONS REGARDING 2022-23 AWARDS FOR
COMMUNITY IMPACT ARTS GRANTS

C) DAC – ACCEPTANCE OF GRANT AWARD OF \$425,000 FROM THE
CONRAD N. HILTON FOUNDATION

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	6/22/2022			
BOARD MEETING DATE	7/12/2022			
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th			
DEPARTMENT(S)	Chief Executive Office			
SUBJECT	REQUEST APPROVAL TO EXECUTE SOLE SOURCE CONTRACT AO-22-407 FOR FRAUD DETECTION ANALYTICS AND AUDIT MANAGEMENT SYSTEM AND RELATED SERVICES (FDAAMS) WITH 4AISOF, LLC			
PROGRAM	Fraud detection analytics of CEO's Risk Management, Workers' Compensation Third-Party Administration Services.			
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: On August 27, 2021, and pursuant to Board Policy 5.100, CEO informed the Board of its intent to engage in sole source negotiations with 4aiSoft for the continued provisions and build of advanced fraud detection analytics and audit management systems (FDAAMS). With CEO's new expanded system security, FDAAMS' fraud defense strategies will identify potential fraud schemes; mitigate and reduce waste; identify problematic providers and further procure cutting-edge technology for its fraud, waste, and abuse defense arsenal. CEO found the Master Agreement Work Order Solicitation process limiting in both term and Maximum Contract Sum; thus, seeking a sole source contract to lift limitations while providing time to complete the Request for Proposals solicitation.			
DEADLINES/ TIME CONSTRAINTS	N/A			
COST & FUNDING	<table border="1" style="width: 100%;"> <tr> <td>Total cost: \$5,108,200.00</td><td>Funding source: Workers' Compensation Operating Budget</td></tr> </table>		Total cost: \$5,108,200.00	Funding source: Workers' Compensation Operating Budget
Total cost: \$5,108,200.00	Funding source: Workers' Compensation Operating Budget			
	TERMS (if applicable): Initial term: July 12, 2022 through June 30, 2025. Optional term: July 1, 2025 through December 31, 2025.			
	Explanation: N/A			
PURPOSE OF REQUEST	Execute a sole source contract with 4aiSoft, LLC, to provide fraud detection analytics and audit management system and related services. The contract has an initial term of three years from effective date. The recommended action also authorizes the CEO to exercise, as needed, a six-month optional extension and if the option is exercised, the total term of this contract is for three and a half (3.5) years.			
BACKGROUND (include internal/external issues that may exist including any related motions)	There are no internal or external issues that may exist relative to these set of services.			
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:			
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:			
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Name: Steven Robles, Assistant Chief Executive Office; County Risk Manager Phone: (213) 351-5346 Email: srobles@ceo.lacounty.gov			



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Chief Executive Officer

DRAFT

July 12, 2022

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

Dear Supervisors:

**AUTHORIZATION TO EXECUTE A SOLE SOURCE AGREEMENT WITH
4aiSOFT, LLC, TO PROVIDE FRAUD DETECTION ANALYTICS AND AUDIT
MANAGEMENT SYSTEM AND RELATED SERVICES
(ALL DISTRICTS – 3 VOTES)**

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

SUBJECT

Approval of the recommended action will provide authorization to the Chief Executive Office (CEO) to execute a sole source contract with 4aiSoft, LLC, (4aiSoft) to provide Fraud Detection Analytics and Audit Management System and Related Services (FDAAMS). The contract has an initial term of three years from the effective date, with a total maximum contract sum of \$5,108,200, when factoring in all implementation work, the exercise of all option terms, and \$634,584 in Pool Dollars. The recommended action also authorizes the CEO to exercise, as needed, a six-month optional extension and, if the option is exercised, the total term of this contract will be for three and a half (3.5) years.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Chief Executive Officer, or her designee, to execute a contract with 4aiSoft to provide FDAAMS, substantially similar to Contract No. AO-22-407 (Exhibit I), to develop a single FDAAMS solely under the authority of the CEO. FDAAMS is capable of managing, administering, and detecting fraud through analytics to reduce risk exposure, Countywide, through June 30, 2025, for a maximum contract sum of \$3,870,560, which is 100 percent funded by the Workers' Compensation (W/C) Budget.

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

2. Delegate authority to the Chief Executive Officer, or her designee, to exercise the six-month option extension, through December 31, 2025, for a maximum sum of \$360,000.00, which is 100 percent offset by the W/C Budget, with funding adjustments commensurate with the system and service delivery development, enhancements, and configurations, and subject to review and approval as to form by County Counsel.
3. Delegate authority to the Chief Executive Officer, or her designee, to execute change orders to the FDAAMS contract, as needed, to: (i) promote fraud detection system enhancements that provide cutting-edge analytics; (ii) improve modern machine learning tools; (iii) augment the system to realize creative solutions that increase real time audit management, performance, capabilities, and related services; (iv) implement system updates; and (v) incorporate necessary changes within the Statement of Work utilizing the Pool Dollars in an amount not to exceed \$634,584.00, and subject to review and approval as to form by County Counsel.
4. Delegate authority to the Chief Executive Officer, or her designee, to approve and execute contract amendments to: (i) add, delete, and/or change certain terms and conditions as required under federal or State of California (State) law or regulations, County of Los Angeles (County) policy, the Board of Supervisors (Board), and/or CEO; (ii) extend the term beyond the expiration date when change orders exercising modifications, additions, system or process requirements/functionalities, additional interfaces, and customizations to work that goes beyond the FDAAMS contract expiration date; and (iii) effectuate name changes or assignment and delegations should the original contracting entity merge, be acquired, or otherwise have a change in entity.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

The County's self-insured W/C Claim Administration Program is the largest local governmental program in the State. The CEO Risk Management Branch (CEO Risk Management) is responsible for administering approximately 32,000 open W/C claims, which generate over 500,000 payments and 1.5 million payment transaction codes, annually. This complex program is designed to consistently deliver the highest quality care to the County's injured workers. The program is overseen by experienced professionals that ensure the timely delivery of care, and that the care and payment to treatment providers are appropriate. This includes the detection and resolution of fraud, waste, and abuse which ultimately increases the County's cost of risk.

In 2017, CEO Risk Management developed and launched the first generation of fraud detection algorithms by utilizing the data housed in the W/C management system. These algorithms allowed the County to visualize relationships and payment anomalies that previously were only detected over time and through the eyes of experienced professionals. However, the data was limited due to the disparate systems, the aging legacy claims management systems in use at that time, and the inability to consolidate data into a comprehensive Risk Management Information System (RMIS).

CEO Risk Management developed a Request for Proposals (RFP) and, in 2017, awarded a contract to Ventiv Technology, Inc., to develop a comprehensive RMIS. In 2020, the implementation of RMIS combined multiple data systems into one comprehensive system. This project is now fully operational and allows the County to compile and process payment information and warehouse intricate data elements without the limitations encountered with previous disparate systems.

Upon substantial completion of RMIS, CEO Risk Management issued Work Order 17-20 for W/C audit analytics to develop an advanced fraud, waste, and abuse detection system capable of incorporating the consolidated data and further analyze the information to detect transaction anomalies and establish audit criteria. 4aiSoft has successfully completed the initial three phases of this project, concluding the third phase in September 2021.

As part of the development of advanced capabilities, CEO Risk Management required an upgrade to its fraud, waste, and abuse detection capabilities, and issued a Work Order Solicitation under the CEO Risk Management and Insurance Consulting Services Master Agreement. This competitive solicitation resulted in a Work Order awarded to Digitangle (now 4aiSoft) who developed the platform for creating multiple detection systems.

However, CEO Risk Management has found the Master Services Agreement process limiting in both term and maximum contract sum; thus, we are seeking a sole source contract to lift limitations while providing time to complete the RFP solicitation; justification provided in Exhibit II (Sole Source Checklist). Due to the duration of the Work Order, CEO Risk Management determined it was beneficial to obtain the Board's approval of a sole source contract with 4aiSoft. Under this sole source contract, we will utilize 4aiSoft's expertise to further develop the fraud, waste, and abuse detection system to review all payment transaction data, coding, and other elements to detect anomalies and relationships that will focus on issues that may be increasing the cost of risk in the W/C Program. Additionally, we will be able to audit important elements of the \$400 million in transactions, utilizing artificial intelligence and anomaly detection algorithms leading to increased performance capabilities of staff who oversee the administration of the W/C Program. Finally, 4aiSoft will develop quarterly updates, institute product support, develop additional performance monitoring, and provide training and documentation of the system.

Recommendations

Approval of recommendations one and two will allow the Chief Executive Officer, or her designee, to execute the FDAAMS contract with 4aiSoft for a three-year term, with a six-month option for the provision of critical risk mitigation services.

Recommendations three and four will allow the Chief Executive Officer, or her designee, to execute change orders and amendments to the FDAAMS, as necessary, to provide CEO with maximum flexibility and nimbleness in managing the resultant agreement.

CEO Risk Management and CEO Information Technology Service, in conjunction with County Counsel, are developing an RFP anticipated to be released in Fiscal Year (FY) 2023-24, which will supersede the sole source contract with 4aiSoft.

Implementation of Strategic Plan Goals

The system and services provided under the proposed contract support the County's Strategic Plan Goal III – Realize Tomorrow's Government Today, by providing vital fraud detection analytics and audit management system services through an independent contractor to improve the effectiveness of Countywide risk management activities.

FISCAL IMPACT/FINANCING

The recommended sole source contract is for a three-year initial term, with a six-month option, for a total contract term of three years and six months. There will be no cost-of-living adjustments for the term of the contract. The term of the contract includes FY 2022-23 through 2024-25, and the option year through December 31, 2025. The cost for each period is as follows:

- Fiscal Year – Date of execution through June 30, 2023 = \$2,487,504
- Fiscal Year – July 1, 2023 through June 30, 2024 = \$663,056
- Fiscal Year – July 1, 2024 through June 30, 2025 = \$720,000
- Option Fiscal Year – July 1, 2025 through December 31, 2025 = \$360,000

The contract cost for the initial term through June 30, 2025 is \$3,870,560. The cost of the contract will be funded by the CEO W/C Budget for Fiscal Year 2022-23. CEO will continue to allocate funding for these services in the future years through 2024-25.

This total Maximum Contract Sum includes a maximum obligation for the three-year initial term of \$2,430,560 for implementation, performance verification, and operational costs; \$1,800,000 for system subscription fees (support, license, hosting, and maintenance costs), inclusive of the six-month option; and use of approximately 15 percent in Pool Dollars in the amount of \$634,584, with work performed under an hourly rate of \$220.00. Upon final acceptance by the County, holdbacks in the amount of \$243,056 will be payable. Under the Pricing Schedule in Exhibit I, the contract sets forth in further detail the amounts for the proposed work, for a Maximum Contract Sum of \$5,108,200, when exercising the option.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board may award contracts for a software system and services provided by an independent contractor or private firm pursuant to Section 44.7 of the Los Angeles County Charter, and as authorized by Government Code 31000.8. Federal and State laws and regulations require electronic data interchanges to analyze collected claim data via modern-machine tools such as fraud detection analytics and audit management mitigation systems. 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. The OCIO determined this recommended action includes new IT items that necessitate a formal CIO Analysis (Exhibit III).

Pursuant to this authority, Proposition A does not apply and, therefore, is not subject to the Living Wage Program (County Code Chapter 2.201). It has been determined that the services under this contract do not impact Board Policy 5.030, "Low-Cost Labor Resources Program" because of the specialized nature of the work.

CONTRACTING PROCESS

Under the CEO Risk Management and Insurance Consulting Services Master Agreement, a Work Order was awarded to 4aiSoft to develop the platform for creating multiple detection systems. Furthermore, 4aiSoft developed audit capabilities of our transactions and several critically necessary fraud detection algorithms. This Work Order expired on September 17, 2021, and since that time CEO Risk Management has not purchased any support services to enhance its current system.

On August 27, 2021, pursuant to Board Policy No. 5.100, CEO informed the Board of its intent to engage in sole source negotiations with 4aiSoft for the continued provisions and build of a fraud detection analytics and audit management systems to mitigate and reduce evolving fraud schemes, and further cutting-edge technology to enhance the capabilities of the risk management professionals who oversee the W/C Program. On May 13, 2022, CEO successfully negotiated the sole source contract with 4aiSoft.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will enable the CEO to meet its revised strategic priorities and increase efficiency and security with its administration of the W/C Program. Implementation of this contract will not have any adverse impact on services being provided currently by County employees. The contract will provide the County the versatility to respond and adapt to evolving risks and monitor and increase performance within CEO Risk Management.

Respectfully submitted,

Reviewed by:

FESIA A. DAVENPORT
Chief Executive Officer

PETER LOO
Acting Chief Information Officer

FAD:JMN:STR:PL
KSJ:TLM:sg

Enclosures

c: Executive Officer, Board of Supervisors
Auditor-Controller
Chief Information Officer
County Counsel



CONTRACT BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

4AISOF, LLC

FOR

FRAUD DETECTION ANALYTICS AND AUDIT MANAGEMENT
SYSTEM & RELATED SERVICES

CONTRACT NUMBER:
AO-22-407

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A-8	Change Order Request Form
B	Pricing Schedule(s)
C	Contractor's Proposed Schedule(s)
D	Intentionally Omitted
E	County's Administration
F	Contractor's Administration
G	Forms Required at the Time of Contract Execution
G1	Contractor Acknowledgment and Confidentiality Agreement
G2	Contractor Employee Acknowledgment and Confidentiality Agreement
G3	Contractor Non-Employee Acknowledgment and Confidentiality Agreement
H	Jury Service Ordinance
I	Safely Surrendered Baby Law
J	Forms Required for Information Technology Contracts (Transfer of Copyrights)
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J2	Contractor's Assignment and Transfer of Copyright
J3	Notary Statement for Assignment and Transfer of Copyright
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L	Compliance with Fair Chance Employment Hiring Practices Certification
M	Information Security and Privacy Requirements

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P-2	Background Investigation Certification

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
4AISOF, LLC
FOR
FRAUD DETECTION AND AUDIT MANAGEMENT SYSTEM AND
RELATED SERVICES**

This Contract ("Contract") made and entered into as of the Effective Date by and between the County of Los Angeles ("County"), and 4aiSoft, LLC ("Contractor"). Contractor's local office is located at 5252 Orange Avenue #208, Cypress, California 90630.

RECITALS

WHEREAS, the County may Contract with private businesses for a Fraud Detection Analytics and Audit Management System and Related Services (collectively, "System") when certain requirements are met; and

WHEREAS, the Contractor is a private firm specializing in providing a System; and

WHEREAS, this Contract is therefore authorized under California Codes, Government Code Section 31000 which authorized the Board of Supervisors to contract for special services; and

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

1.0 APPLICABLE DOCUMENTS

Exhibits A, A-1, A-2, A-3, A-4, A-4, A-5, A-6, A-7, A-8, B, C, E, F, G, H, I, J, J1, J2, J3, K, L, M, N, O, P-1, and P-2 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 shall be resolved by giving precedence first to the terms and conditions of Contract and then to the Exhibits according to the following priority.

Standard Exhibits:

- 1.1 Exhibit A – Statement of Work
- 1.2 Exhibit A-1: Functional & Technical Requirements
- 1.3 Exhibit A-2: Minimum System Requirements
- 1.4 Exhibit A-3: Third Party Products
- 1.5 Exhibit A-4: System Interfaces
- 1.6 Exhibit A-5: Performance Requirements Summary Chart
- 1.7 Exhibit A-6: Task/Deliverable Acceptance Form
- 1.8 Exhibit A-7: Contract Discrepancy Report
- 1.9 Exhibit A-8: Change Order Request Form
- 1.10 Exhibit B – Pricing Schedule
- 1.11 Exhibit C – Contractor’s Proposed Schedule
- 1.12 Intentionally Omitted
- 1.13 Exhibit E – County’s Administration
- 1.14 Exhibit F – Contractor’s Administration
- 1.15 Exhibit G – Forms Required at the Time of Contract Execution
 - G1 Contractor Acknowledgment and Confidentiality Agreement
 - G2 Contractor Employee Acknowledgment and Confidentiality Agreement
 - G3 Contractor Non-Employee Acknowledgment and Confidentiality Agreement
- 1.16 Exhibit H – Jury Service Ordinance
- 1.17 Exhibit I – Safely Surrendered Baby Law
- 1.18 Exhibit J – Forms Required for Information Technology Transfer of Copyrights
 - J1 Individual’s Assignment and Transfer of Copyright
 - J2 Contractor’s Assignment and Transfer of Copyright

J3 Notary Statement for Assignment and Transfer of Copyright

- 1.19 Exhibit K – Business Associate Agreement under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- 1.20 Exhibit L – Compliance with Fair Chance Employment Hiring Practices Certification
- 1.21 Exhibit M – Information Security and Privacy Requirements
- 1.22 Exhibit N – COVID-19 Vaccination Certification
- 1.23 Exhibit O – Support Services
- 1.24 Exhibit P-1 – Background Investigation Criteria
- 1.25 Exhibit P-2 – Background Investigation Certification

This Contract constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Paragraph 8.1 (Amendments) and signed by both parties.

2.0 DEFINITIONS

2.1 Standard Definitions:

2.1.1 The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

2.1.1.1 **Acceptance (Accepted):** The County's written approval of any tasks, subtasks, Support Services, Deliverables, the System and milestones (if applicable).

2.1.1.2 **Acceptance Criteria:** As defined in Paragraph 9.2.1 (Acceptance Criteria) of this Contract.

2.1.1.3 **Acceptance Test(s):** As defined in Paragraph 9.2.2 (Acceptance Tests) of the Contract.

- 2.1.1.4 **Amendments:** As defined in Paragraph 8.1 (Change to Contract) of the Contract.
- 2.1.1.5 **Attachments:** As defined in the preamble to the Contract.
- 2.1.1.6 **Board of Supervisors (Board):** The Board of Supervisors of the County of Los Angeles acting as governing body.
- 2.1.1.7 **Change Order:** For any change requested by County which requires Contractor to incur any additional costs or expenses and County chooses to use Pool Dollars for such change. As defined in Paragraph 3.3 of this Contract.
- 2.1.1.8 **Chief Executive Officer:** The County's Chief Executive Officer or designee.
- 2.1.1.9 **Confidential Information:** As defined in Subparagraph 7.6.1 (Treatment of Confidential Information) of the Contract.
- 2.1.1.10 **Configuration:** Configuration of the Licensed Software provided by Contractor to meet the County's requirements set forth in Attachment A-2 (System Requirements) to Exhibit A (Statement of Work) or as Optional Work in order to meet changes in County's requirements from those set forth in the then-current version of Attachment A-2 (Minimum System Requirements) to Exhibit A (Statement of Work). "Configuration" mean the act of configuring the Licensed Software in order to implement a Configuration.
- 2.1.1.11 **Contract:** This agreement executed between County and Contractor. Included are all supplemental agreements amending or extending the service to be performed. The Contract sets forth the terms and conditions for the issuance and performance of all tasks, deliverables, services and other work.
- 2.1.1.12 **Contractor:** The person or persons, sole proprietor, partnership, joint venture, corporation or other legal entity who has entered into an agreement with the County to perform or execute the work covered by this Contract.

- 2.1.1.13 **Contractor Project Director:** The person designated by the Contractor to execute and bind the Contractor to the performance as outlined in the Contract.
- 2.1.1.14 **Contractor Project Manager:** The person designated by the Contractor to administer the Contract operations under this Contract
- 2.1.1.15 **Contract Term:** As defined in Paragraph 4.2 of this Contract.
- 2.1.1.16 **County:** As defined in the preamble of the Contract.
- 2.1.1.17 **County Contract Project Monitor:** Person with responsibility to oversee the day-to-day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.
- 2.1.1.18 **County Data:** All of the County Confidential Information, data, records, and information of County to which Contractor has access, or otherwise provided to Contractor under this Contract.
- 2.1.1.19 **County Indemnitees:** As defined in Subparagraph 8.23.1 (Indemnification).
- 2.1.1.20 **County Project Director:** Person designated by County with authority for County on Contractual or administrative matters relating to this Contract that cannot be resolved by the County's Project Manager.
- 2.1.1.21 **County Project Manager:** Person designated by County's Project Director to manage the operations under this Contract.
- 2.1.1.22 **Customization and Enhancement:** Customization to or enhancement of the Licensed Software provided by Contractor to meet the County's requirements set forth in Attachment A-1 (Functional Requirements and Technical Requirements), and A-2 (Minimum System Requirements) to Exhibit A (Statement of Work) or as Optional Work in order to create new application functionality to meet changes in County's requirements from those set forth in the then-current version of Attachment A-1 (Functional Requirements and Technical Requirements), and

A-2 (System Requirements) to Exhibit A (Statement of Work). Customizations and Enhancements are not intended to include and shall not include changes to the Licensed Software that are required to be provided to the Licensed Software as Revisions. "Customize" and "Enhance" mean the act of customizing or enhancing the Licensed Software in order to implement a Customization and Enhancement

2.1.1.23 **Day(s):** Calendar day(s) unless otherwise specified.

2.1.1.24 **Development:** The process of creating a software program or a set of programs to perform the different tasks that a business requires.

2.1.1.25 **Deliverables:** Whether singular or plural, the software, items and/or services provided or to be provided by Contractor under this Contract identified as a deliverable, by designation, number, or context, in the Statement of Work, Exhibits, or any document associated with the foregoing, including all Deliverable(s) in Exhibit A (Statement of Wok).

2.1.1.26 **Department or CEO Risk:** The County's Depart of Chief Executive Office Risk Management Services.

2.1.1.27 **Designated Test:** As defined in Paragraph 9.3.2 (Failed Testing) of this Contract.

2.1.1.28 **Disabling Device(s):** As defined in Paragraph 9.4 (Revisions During Term) of this Contract.

2.1.1.29 **Displaced/Renamed Product:** As defined in Paragraph 9.1.2.2 of this Contract.

2.1.1.30 **Dispute Resolution Procedure:** As defined in Paragraphs 9.15 (Dispute Resolution Procedure) of this Contract.

2.1.1.31 **Documentation:** All of Contractor's training course materials, system specifications and technical manuals, and all other user instructions regarding the capabilities, operation, and use of the Licensed Software, including, but not limited to, online help screens contained in the Licensed Software, existing as of the effective date and any revisions,

supplements, or updates thereto as defined in Paragraph 9.1.1.2.

- 2.1.1.32 **Downtime:** As defined in Exhibit O (Support Services), the period of time when the System or any System component is unavailable, including Unscheduled Downtime and Scheduled Downtime.
- 2.1.1.33 **Effective Date:** The date the Contract is executed by the Chief Executive Officer or designee, which cannot be earlier than the date on which this Contract has been approved by the Board of Supervisors.
- 2.1.1.34 **Error:** With respect to Licensed Software, Services, or Deliverables, a failure of the Licensed Software , or Deliverables to conform to its Specifications, or with respect to the Licensed Software, a failure that impairs the performance of the Licensed Software when operated in accordance with the Agreement.
- 2.1.1.35 **Exhibit(s):** As defined in the preamble to the Contract.
- 2.1.1.36 **Final Acceptance:** As defined in Paragraph 9.3 (Final Acceptance) of this Contract, and as further set forth in Exhibit A (Statement of Work).
- 2.1.1.37 **Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.1.1.38 **Fixed Hourly Rate:** For Contractor's personnel, the fully burdened hourly or daily rate set forth in Exhibit B (Pricing Schedule), which rate includes an allocated average of direct and indirect costs, overhead, administrative expenses, any and all out-of-pocket expenses and any other incidental expenses attributable to each personnel hour worked for the Fixed Labor Rate.
- 2.1.1.39 **Force Majeure Event(s):** As defined in Paragraph 8.20 (Force Majeure) of this Contract.
- 2.1.1.40 **HIPPA Rules:** As defined in Subparagraph 9.11 (HIPAA).
- 2.1.1.41 **Holdback Amount:** Ten percent (10%) withhold of the payment associated with the Contractor's invoices for all Deliverables under Exhibit A

(Statement of Work) and Exhibit B (Pricing Schedule) that will be released following Final Acceptance.

2.1.1.42 **Hosted Environment:** As defined in Exhibit O (Support Services).

2.1.1.43 **Hosted Managed Service(s):** An information technology (IT) services provider that manages and assumes responsibility for providing a defined set of services including off-premises hosting of the necessary technology infrastructure and management of all system software and business applications.

2.1.1.44 **Hosted Network:** The network and all other data communications components to be provided by Contractor under this Agreement as a part of its obligation to perform Hosting Services.

2.1.1.45 **Hosting Services:** Services provided by the Contractor to host the System in the Hosted Environment at its facilities, as set forth in this Contract including Exhibit A (Statement of Work) and Exhibit O (Support Services).

2.1.1.46 **Hourly Labor Rate; Daily Labor Rate:** For Contractor's personnel, the fully burdened hourly or daily rate set forth in Exhibit B(Pricing Schedule), which rate includes an allocated average of direct and indirect costs, overhead, administrative expenses, any and all out-of-pocket expenses and any other incidental expenses attributable to each personnel hour worked for the Hourly Labor Rate, and to each eight-hour period worked for the Daily Labor Rate.

2.1.1.47 **Indemnified Items:** As defined in Paragraph 8.23.2.1 of this Contract.

2.1.1.48 **Infringement Claim(s):** As defined in Paragraph 8.23.2.1 of this Contract.

2.1.1.49 **Intellectual Property Rights:** All intellectual property or other proprietary rights (including without limitation copyrights, patent rights, trade secret rights, rights of reproduction, trademark rights, rights of publicity, moral rights, and rights to secure

registrations, renewals, reissues, and extensions thereof.

2.1.1.50 **Interface Control Document:** As defined in Exhibit A (Statement of Work).

2.1.1.51 **Interface:** Broadly as multiple systems sharing data regardless of the batch or real-time nature of the data exchange.

2.1.1.52 **Implementation Services:** As defined in Paragraph 9.2.24.2.1 of the Agreement

2.1.1.53 **ISO:** International Organization for Standardization.

2.1.1.54 **Key Deliverable:** As defined in Paragraph 5.6 of the Agreement

2.1.1.55 **License:** As defined in Paragraph 9.1 of this Contract.

2.1.1.56 **Licensed Software:** Individually each, and collectively all, of the computer programs provided by Contractor under this Contract (including Third-Party Products) for the System, including as to each such program, the processes and routines used in the processing of data, the object code, Interfaces to be provided hereunder by Contractor, and Revisions, and any and all programs otherwise provided by Contractor under this Contract. All Licensed Software and the components thereof shall be Release versions, and shall not be test versions (e.g., alpha or beta test version), unless otherwise agreed to in writing by County.

2.1.1.57 **Local Office Site:** Any County office in which there are users.

2.1.1.58 **Maintenance Agreement:** Contractual agreement beyond the initial delivery and implementation of system, which may be necessary for support or maintenance.

2.1.1.59 **Maximum Contract Sum:** As defined in Paragraph 5.1 of this Contract.

2.1.1.60 **Non-exclusive Enterprise License:** A license in which the same rights to an intellectual property

granted to several licensees within the same scope or field consecutively or simultaneously.

2.1.1.61 **Option:** As defined in Paragraph 4.2 of this Contract.

2.1.1.62 **Optional Work:** Additional professional services, if any, which may be provided by Contractor to County upon County's request and approval in accordance with Exhibit A-8, Paragraph 1 (Optional Work).

2.1.1.63 **Personally Identifiable Information:** Any information that identifies a person, including, but not limited to, name, address, email address, passwords, account numbers, social security numbers, credit card information, personal financial or healthcare information, personal preferences, demographic data, marketing data, credit data, or any other identification data. For the avoidance of doubt, Personal Data shall include, but not be limited to, all "nonpublic personal information," as defined under the Gramm-Leach-Bliley Act (15 United States Code ("U.S.C.") § 6801 et seq.), Protected Health Information, and Personally Identifiable Information as that term is defined in California Civil Code section 19798.29 and EU Data Protection Directive (Directive 95/46/EEC) on the protection of individuals with regard to processing of personal data and the free movement of such data.

2.1.1.64 **Pool Dollars:** Absent an Amendment in accordance with Paragraph 8.1.1 (Amendment to Contract), the maximum amount allocated under this Contract for the provision of Optional Work, including Professional Services, approved by County in accordance with the terms of this Contract.

2.1.1.65 **Production or Production Use:** The actual use of the System or any component thereof in the Hosted Environment to process actual live data in County's day-to-day operations.

2.1.1.66 **Professional Services:** Services, including but not limited to, consulting services, additional training and/or customizations, which Contractor may provide upon County's request therefore in the form of Optional Work in accordance with Exhibit A-8, Paragraph 1 (Optional Work).

- 2.1.1.67 **Project Control Document:** Defines the schedule of Deliverables identified in RFP Appendix A, SOW and identifies any dependencies between Deliverables that require County approval of one or more prior Deliverables.
- 2.1.1.68 **Protected Health Information or PHI:** As defined in Exhibit M (Information Security and Privacy Requirements)
- 2.1.1.69 **Releases:** A type of Revision, or a combination of Revisions, to the Licensed Software of the System as described in Paragraph 9.9 of Exhibit O (Support Services).
- 2.1.1.70 **Remedial Acts:** As defined in Paragraph 8.23.2.2 of this Contract.
- 2.1.1.71 **Required Insurance:** As defined in Paragraph 8.24.1 of this Contract.
- 2.1.1.72 **Service(s):** Collectively, and as applicable, all work required from the Contractor as set forth in Exhibit A (Statement of Work) and otherwise in this Contract, including providing for the System, Optional Work, implementation/training services, Professional Services, and Support Services.
- 2.1.1.73 **Service Credits:** Any form of discount or credit to be applied to the applicable Support Services Fees for Contractor's failure to timely correct Deficiencies or for Unscheduled Downtime, as specified in Exhibit O (Support Services).
- 2.1.1.74 **Software-as-a-Service (SaaS):** A software licensing and delivery model in which software is licensed on a subscription basis and is vendor hosted. This could be in a single or multi-tenant setting
- 2.1.1.75 **Specifications:** All specifications, requirements, and standards specified in Exhibit A (Statement of Work), including Attachment A-2 (System Requirements); all performance requirements and standards specified in this Agreement, including, but not limited to, the requirements identified in Exhibit O (Supportive Services); the Documentation for the Licensed Software, to the extent not inconsistent with any of the foregoing; all specifications for the

Licensed Software provided or made available by Contractor under this Agreement, but only to the extent: (i) not inconsistent with any of the foregoing; and (ii) acceptable to County in its sole discretion; and all written and/or electronic materials furnished or made available by or through Contractor regarding the System, including functionality, features, capacity, availability, response times, accuracy, or any other performance or other System criteria or any element of the System, but only to the extent not inconsistent with any of the foregoing

- 2.1.1.76 **Statement of Work:** The directions, provisions, and requirements provided herein and special provisions pertaining to the method, frequency, manner and place of performing the Contract services.
- 2.1.1.77 **Subcontract:** An agreement by the Contractor to employ a Subcontractor to provide services to fulfill this Contract.
- 2.1.1.78 **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 Contractor in furtherance of Contractor's performance of this Contract, at any tier, under oral or written agreement.
- 2.1.1.79 **Support Services:** As defined in Paragraph 9.9 of this Contract, of which the scope required of Contractor is as set forth in Exhibit O (Support Services).
- 2.1.1.80 **Support Services Fees:** As defined in Paragraph 3.2 of this Contract.
- 2.1.1.81 **System:** The Software-as-a-Service solution and related services that Contractor is providing to County pursuant to this Contract, including through a web interface or other networked system.
- 2.1.1.82 **System Availability:** The System operating as required when required during the term of the Contract, as set forth in Paragraph 8.9.1 (Ongoing Evaluation of Contractor Performance - Operations, Maintenance, Performance and Service Level

Requirements, Exhibit O) of Exhibit A (Statement of Work).

- 2.1.1.83 **System Performance Requirements:** The accuracy, efficiency, responsiveness and speed of the System, as set forth in Paragraph 8.9.1 (Ongoing Evaluation of Contractor Performance - Operations, Maintenance, Performance and Service Level Requirements) of Exhibit A (Statement of Work).
- 2.1.1.84 **Tax; Taxes:** Governmental fees (including license, filing and registration fees) and all taxes (including franchise, excise, stamp, value added, income, gross receipts, gross revenue, import, export, sales, use, transfer, and property taxes), withholdings, assessments, levies, imposts, duties, charges, or interest thereon imposed.
- 2.1.1.85 **Technical Support:** Qualified technical support for an automated claims system, Documentation and training to Department of Risk Management's staff.
- 2.1.1.86 **Term:** As defined in Paragraph 4.1 of this Contract.
- 2.1.1.87 **Third party:** For purposes of Paragraph 8.23 (Indemnification) only, "third party" means and includes any person or entity other than the County of Los Angeles as the contracting party to this Agreement
- 2.1.1.88 **Third Party Product:** All software and content licensed, leased, or otherwise obtained by Contractor from a third-party, and used with the System or used for the performance of the Services, as set in Exhibit A-3 (Third Party Products).
- 2.1.1.89 **Updates:** Changes to the Licensed Software, including but not limited to: (a) a bug fix, patch, or redistribution of the Licensed Software that corrects an Error as well as addresses common functional and performance issues; (b) an aggregation of fixes, updates, or significant new features, functionality or performance improvements (sometimes accompanied by a change in the reference to the Licensed Software such as a change in the number to the left of the period in the version numbering format 9.1.1.1); or (c) any modifications to the Licensed Software designed to improve its operation,

usefulness, or completeness that is made generally available by Contractor to its other customers.

2.1.1.90 **Users:** All County defined users of the System, which will include County employees.

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, Contractor shall fully perform, complete, and deliver on time, all tasks, Deliverables, Services and other work as set forth in herein. The Contractor will provide and implement the System as specified in this Contract. The Contractor will provide the Services, fulfill the obligations to County, produce and deliver the Deliverables, and retain the responsibilities set forth in this Contract, and more specifically, Exhibit A (Statement of Work). Contractor shall provide the Services without causing a material disruption of County's operations. As part of the Services, Contractor shall provide the training to County and its personnel set as forth in Exhibit A (Statement of Work).
- 3.2 During the term of this Contract, Contractor shall provide the support, hosting and maintenance services for the System described in this Contract, including Exhibits A (Statement of Work) and O (Support Services) (collectively, the "Support Services"), in exchange for County's payment of the applicable fees for Support Services set forth on Exhibit B (Pricing Schedule) ("Support Services Fees"). Contractor shall provide the Support Services described in Exhibit O (Support Services). The Support Services shall commence upon acceptance of existing System. The support fee schedule is provided in Exhibit B (Pricing Schedule) for three years and a six-month optional renewal.
- 3.3 The County may initiate Optional Work by providing written notice of the desired services to Contractor, and Contractor will advise County of Contractor's availability and schedule for performing the Optional Work. Contractor's performance of the Optional Work shall be subject to County's written Acceptance of: (i) Contractor's schedule for meeting County's Optional Work request; (ii) Contractor's fees for such Optional Work using the Fixed Hourly Rate set forth in Exhibit B (Pricing Schedule); and (iii) if not in Exhibit B (Pricing Schedule), any other relevant pricing agreed to by the County. In accordance with the terms of this Contract, Subparagraph 8.1.2 (Change Orders), for any Optional Work requested by County following agreement on the Services, a Change Order shall be prepared and executed by each of: (a) the County's Project Director or designee, and (b) Contractor's authorized representative(s).

- 3.4 If Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against County.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be for three (3) years and six (6) months commencing on the Effective Date, following approval by County's Chief Executive Officer or designee as authorized by the Board of Supervisors and expiring **June 30, 2025** ("Term"), unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 County shall have the sole Option to extend this Contract term for a six (6) month extension through **December 31, 2025** ("Option"), for a maximum total Contract Term of three (3) years and six (6) months. Each such extension Option may be exercised at the sole discretion of the County's Chief Executive Officer or designee as authorized by the Board of Supervisor.

County maintains a database that track/monitor Contractor performance history. Information entered into the database may be used for a variety of purposes, including determining whether County will exercise an Option.

- 4.3 Contractor shall notify Chief Executive Office when this Contract is within six (6) months of the expiration of the Term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to Chief Executive Office at the address herein provided in Exhibit E - County's Administration.

5.0 CONTRACT SUM

5.1 Maximum Contract Sum

- 5.1.1 Contractor shall provide all tasks, Deliverables, goods, Services and other work specified under this Contract at the amounts and prices identified in Exhibit B (Pricing Sheet).
- 5.1.2 The Maximum Contract Sum of this Contract shall be **Five Million, One Hundred Eight Thousand, and Two Hundred Dollars (\$5,108,200.00)** for the Term of this Contract. Any costs incurred to complete this project in excess of the Maximum Contract Sum will be borne by the Contractor. If County does not Accept work under and in accordance with this Contract, no payment shall be due to

Contractor for such work. The Maximum Contract Sum, includes all applicable taxes and Pool Dollars.

5.2 Written Approval for Reimbursement

Contractor shall not be entitled to payment or reimbursement for any tasks, Deliverables, or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, Subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall not occur except with County's express prior written approval.

5.3 Notification of 75% of Maximum Contract Sum

Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Maximum Contract Sum under this Contract. Upon occurrence of this event, Contractor shall send written notification to Chief Executive Office at the address herein provided in Exhibit E (County's Administration).

5.4 No Payment for Services Provided Following Expiration-Termination of Contract

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

5.5 Invoices and Payments

5.5.1 Contractor shall invoice County only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A (Statement of Work) and elsewhere hereunder. Contractor shall prepare invoices, which shall include the charges owed to Contractor by County under the terms of this Contract. Contractor's payments shall be as provided in Exhibit B (Pricing Schedule) and Contractor shall be paid only

for the tasks, deliverables, goods, services, and other work approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work.

- 5.5.2 Contractor's invoices shall be priced in accordance with Exhibit B (Pricing Schedule).
- 5.5.3 Contractor's invoices shall contain the information set forth in Exhibit A (Statement of Work) describing the tasks, deliverables, goods, services, work hours, facility and/or other work for which payment is claimed.
- 5.5.4 Contractor shall submit the monthly invoices to County by the 15th calendar Day of the month following the month of service.
- 5.5.5 All invoices under this Contract shall be submitted via email in two (2) copies (one (1) e-signature and the 2nd may be a copy) to the following address:

County of Los Angeles, Chief Executive Office
Risk Management Branch, Claims Division
Attention: Ansara Lewis, County Project Manager
Email: alewis@ceo.lacounty.gov

5.5.6 **County Approval of Invoices**

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

5.6 **Holdbacks**

Upon Contractor's completion and County's Acceptance of each Deliverable, ninety percent (90%) of the amount due and payable for such Deliverable will be made by County for the Deliverable. Additionally, upon Contractor's completion and County's Acceptance of each other Deliverable under each Task in Exhibit A (Statement of Work), the remaining ten percent (10%) of the payment associated with the Deliverables ("Holdback Amount") will be retained by County and the Holdback Amounts for all Deliverables will be payable upon Final Acceptance of the System pursuant to Paragraph 9.5 (Final Acceptance), subject to adjustment for any amounts arising under this Contract owed to the County by the Contractor. To account for such Holdback Amounts, Contractor will only invoice County for

ninety percent (90%) on all Deliverables. A Deliverable shall be deemed approved for purposes of this Paragraph on the earliest date that all of the tasks, subtasks, Deliverables, goods, Services and other work required for completion of the Deliverable is completed and Accepted by County. The determination of whether each Deliverable has been so completed and so Accepted shall be made by the County's Project Director as soon as practicable after County is informed by Contractor that such Deliverable has been completed and is given all the necessary information, data, and Documentation. When preparing a Change Order for Optional Work, the parties shall identify in the Scope of Work for such Optional Work, all required Deliverables. All such Deliverables shall also be subject to a ten percent (10%) Holdback Amount as well.

5.7 Default Method of Payment: Direct Deposit or Electronic Funds Transfer

5.7.1 County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/Contract with County shall be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

5.7.2 Contractor shall submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

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

5.7.4 At any time during the duration of the agreement/Contract, Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by A-C is not feasible and an alternative is necessary. A-C, in consultation with Contracting department(s), shall decide whether to approve exemption requests.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

6.1 County Administration

- 6.1.1 A listing of all County Administration referenced in the following subparagraphs are designated in Exhibit E (County's Administration). County will notify Contractor in writing of any change in the names or addresses shown.

6.2 County's Project Director

- 6.2.1 The role of the County's Project Director may include:

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

6.3 County's Project Manager

- 6.3.1 The role of the County's Project Manager is authorized to include:

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

The County'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 County in any respect whatsoever.

6.4 County's Contract Project Monitor

- 6.4.1 The role of County's Project Monitor is to oversee the day-to-day administration of this Contract; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby. The Project Monitor reports to County's Project Manager.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor Administration

A listing of all Contractor's Administration referenced in the following paragraphs is designated in Exhibit F (Contractor's Administration). Contractor will notify County in writing of any change in the names or addresses shown.

7.2 Contractor's Project Manager

- 7.2.1 Contractor's Project Manager is designated in Exhibit F (Contractor's Administration). Contractor shall notify County in writing of any change in the name or address of Contractor's Project Manager.
- 7.2.2 Contractor's Project Manager shall be responsible for Contractor's day-to-day activities as related to this Contract and shall meet and coordinate with County's Project Manager and County's Contract Project Monitor on a regular basis.

7.3 Approval of Contractor's Staff

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

7.4 Contractor's Staff Identification

Contract shall provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge.

7.5 Background and Security Investigations

- 7.5.1 Each of Contractor's staff performing services under this Contract, who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the

satisfaction of County as a condition of beginning and continuing to perform services under this Contract. 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 shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of Contractor, regardless of whether the member of Contractor's staff passes or fails the background investigation.

County will receive notification of results by use of County's ORI **A1714** code (assigned by DOJ) by Contractor. If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be removed immediately from performing services under Contract. Contractor shall comply with County's request at any time during the term of Contract. County will not provide to Contractor or to Contractor's staff any information obtained through County's background investigation.

7.5.2 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.

7.5.3 Disqualification of any member of Contractor's staff pursuant to this Paragraph 7.5 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.6 Confidentiality

7.6.1 Contractor shall 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, County policies concerning information technology security and the protection of confidential records and information.

7.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense

costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or Subcontractors, to comply with this Paragraph 7.6, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 7.6 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.6.3 Contractor shall inform all of its officers, employees, agents and Subcontractors providing services hereunder of the confidentiality provisions of this Contract.

7.6.4 Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Exhibit G1-IT; have its employees execute the "Contractor Employee Acknowledgement and Confidentiality Agreement", Exhibit G2-IT, and have its Subcontractors execute "Contractor Non-Employee Acknowledgement and Confidentiality Agreement", Exhibit G3-IT.

8.0 STANDARD TERMS AND CONDITIONS

8.1 Amendments

8.1.1 For any change which affects the scope of work, term, contract sum, payments, or any term or condition included under this Contract, an amendment to Contract shall be prepared and executed by the Contractor and by Chief Executive Officer or designee as authorized by the Board of Supervisors.

8.1.2 The County's Board or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in Contract during the term of this Contract. County reserves the right to add and/or change such provisions as required by County's Board or Chief Executive Officer. To

implement such changes, an Amendment to Contract shall be prepared and executed by Contractor and by Chief Executive Officer or designee as authorized by the Board of Supervisors

- 8.1.3 The Chief Executive Officer or designee as authorized by the Board of Supervisors, may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4 - Term of Contract. Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to Contract shall be prepared and executed by Contractor and by Chief Executive Officer or designee as authorized by the Board of Supervisors.

8.2 Assignment and Delegation/Mergers or Acquisitions

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

consent of County in accordance with applicable provisions of this Contract.

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

8.3 Authorization Warranty

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

8.4 Budget Reductions

- 8.4.1 In the event that the County's Board adopts, in any Fiscal Year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County Contracts, County 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 Contractor under this Contract shall also be reduced correspondingly. County's notice to Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar Days of the Board's approval of such actions. Except as set forth in the preceding sentence, Contractor shall continue to provide all of the services set forth in this Contract.

8.5 Complaints

- 8.5.1 Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.5.2 Complaint Procedures

- 8.5.2.1 Within thirty (30) business Days after Contract Effective Date, Contractor shall provide County with Contractor's policy for receiving, investigating, and responding to user complaints.
- 8.5.2.2 County will review Contractor's policy and provide Contractor with approval of said plan or with requested changes.
- 8.5.2.3 If County requests changes in Contractor's policy, Contractor shall make such changes and resubmit the plan within ten (10) business Days for County approval.
- 8.5.2.4 If, at any time, Contractor wishes to change Contractor's policy, Contractor shall submit proposed changes to County for approval before implementation.
- 8.5.2.5 Contractor shall preliminarily investigate all complaints and notify County's Project Manager of the status of the investigation within five (5) business Days of receiving the complaint.
- 8.5.2.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.5.2.7 Copies of all written responses shall be sent to the County's Project Manager within five (5) business Days of mailing to the complainant.

8.6 Compliance with Applicable Law

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

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

8.7 Compliance with Civil Rights Laws

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

- 8.7.1 That Contractor has a written policy statement prohibiting discrimination in all phases of employment.
- 8.7.2 That Contractor periodically conducts a self-analysis or utilization analysis of its work force.
- 8.7.3 That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- 8.7.4 Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.

8.8 Compliance with the County's Jury Service Program

8.8.1 Jury Service Program

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

8.8.2 Written Employee Jury Service Policy

8.8.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from Contractor, on an annual basis, no less than five Days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the Employee's regular pay the fees received for jury service.

8.8.2.2 For purposes of this paragraph, "Contractor" means a person, partnership, corporation or other entity which has a Contract with County or a Subcontract with a County Contractor and has received or will receive an aggregate sum of fifty thousand dollars (\$50,000) or more in any twelve (12) month period under one or more County Contracts or Subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) Days or less within a twelve (12) month period are not

considered full-time for purposes of the Jury Service Program. If Contractor uses any Subcontractor to perform services for County under Contract, the Subcontractor shall also be subject to the provisions of this paragraph. The provisions of this paragraph shall be inserted into any such Subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

8.8.2.3 If Contractor is not required to comply with the Jury Service Program when Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during Contract and at its sole discretion, that Contractor demonstrate, to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

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

8.9 Conflict of Interest

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

County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such work.

- 8.9.2 Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. 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, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph shall be a material breach of this Contract.

8.10 Consideration of Hiring County Employees Targeted for Layoffs or are on a County Re-Employment List

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

8.11 Consideration of Hiring GAIN-GROW Participants

- 8.11.1 Should Contractor require additional or replacement personnel after the Effective Date of this Contract, Contractor shall give consideration for any such employment openings to participants in County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN-GROW participants by job category to Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@DPSS.LACOUNTY.GOV and BSERVICES@WDACS.LACOUNTY.GOV and DPSS will refer qualified GAIN/GROW job candidates.

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

8.12 Contractor Responsibility and Debarment

8.12.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform Contract. It is County's policy to conduct business only with responsible Contractors.

8.12.2 Chapter 2.202 of the County Code

Contractor is hereby notified that, in accordance with Chapter 2.202 of County Code, if County acquires information concerning the performance of Contractor on this or other Contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in Contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County Contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing Contracts Contractor may have with County.

8.12.3 Non-responsible Contractor

County may debar a Contractor if the Board finds, in its discretion, that Contractor has done any of the following: 1) violated a term of a Contract with County or a nonprofit corporation created by County, 2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a Contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, 3) committed an act or offense which indicates a lack of business integrity or business honesty, or 4) made or submitted a false claim against County or any other public entity.

8.12.4 Contractor Hearing Board

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

- 8.12.4.2 Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
- 8.12.4.3 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of Contractor Hearing Board.
- 8.12.4.4 If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that 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 County.
- 8.12.4.5 Contractor Hearing Board will consider a request for review of a debarment determination only where 1) 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, Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

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

8.12.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

8.13 Contractor's Acknowledgement of County's Commitment to Safely Surrendered Baby Law

- 8.13.1 Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster, in Exhibit I, in a prominent position at Contractor's place of business. Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. Information and posters for printing are available at www.babysafela.org.

8.14 Contractor's Warranty of Adherence to County's Child Support Compliance Program

- 8.14.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through Contracts are in compliance with their court-ordered child, family and spousal support obligations in order

to mitigate the economic burden otherwise imposed upon County and its taxpayers.

- 8.14.2 As required by 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 shall 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 shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.15 County's Quality Assurance Plan

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

8.16 Damage to County Facilities, Buildings or Grounds

- 8.16.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by Contractor or employees or agents of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) Days after the occurrence.
- 8.16.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand.

8.17 Employment Eligibility Verification

- 8.17.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by law.
- 8.17.2 Contractor shall indemnify, defend, and hold harmless, County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.18 Counterparts and Electronic Signatures and Representations

This Contract may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Contract. The facsimile, email or electronic signature of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

County and Contractor hereby agree to regard electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Paragraph 8.1 (Amendments) and received via communications facilities (facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Amendments to this Contract.

8.19 Fair Labor Standards

- 8.19.1 Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless County and its agents, officers,

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

8.20 Force Majeure

- 8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's Subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this paragraph as "Force Majeure Events"). Notwithstanding the foregoing, the parties agree that failures arising out of the coronavirus disease 2019 or COVID-19 shall not constitute Force Majeure Events.
- 8.20.2 Notwithstanding the foregoing, a default by a Subcontractor of Contractor shall not constitute a Force Majeure event, unless such default arises out of causes beyond the control of both Contractor and such Subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this subparagraph, the term "Subcontractor" and "Subcontractors" mean Subcontractors at any tier.
- 8.20.3 In the event Contractor's failure to perform arises out of a Force Majeure Event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such Force Majeure Event.

8.21 Governing Law, Jurisdiction, and Venue

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

Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.22 Independent Contractor Status

- 8.22.1 This Contract is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.
- 8.22.2 Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.
- 8.22.3 Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of Contractor and not employees of County. Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of Contractor pursuant to this Contract.
- 8.22.4 Contractor shall adhere to the provisions stated in Paragraph 7.6 (Confidentiality).

8.23 Indemnification

- 8.23.1 Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and volunteers (County Indemnitees) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or

damage arising from the sole negligence or willful misconduct of County indemnitees.

8.23.2 Intellectual Property Indemnification

8.23.2.1 Intellectual Property Indemnification Contractor shall indemnify, hold harmless, and defend County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, but not limited to, defense costs and legal, accounting, and other expert, consulting, or professional fees and attorney's fees, as such are incurred, for or by reason of any actual or alleged infringement of any third party's patent, copyright, or other Intellectual Property Right, or any actual or alleged unauthorized trade secret disclosure or misappropriation, arising from or related to this Contract, the System, Services, work product, and/or Deliverables (collectively, the "Indemnified Items") (collectively referred to for purposes of this Sub-paragraph as "Infringement Claim(s)"), provided that the Indemnified Item has not been altered, revised, or modified by County in a manner that causes the alleged infringement. Notwithstanding the foregoing, Contractor shall have no indemnity obligation for Infringement Claims arising from (A) the development of custom software code for the System required by County and based on specifications provided by County when Contractor has advised County of potential infringement in writing; (8) use of the Indemnified Items in excess of the rights granted hereunder; or (C) County's failure to implement an update or enhancement to the Indemnified Items provided Contractor provides the update or enhancement at no additional charge to County and provides County with written notice that implementing the update or enhancement would avoid the infringement. Any legal defense pursuant to Contractor's indemnification obligations under this Sub-paragraph shall be conducted by Contractor and performed by counsel selected by Contractor. Notwithstanding the foregoing, County shall have the right to participate in any such defense at its sole cost and expense.

8.23.2.2 County shall notify Contractor, in writing, as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure. If any Indemnified Item hereunder becomes the subject of an Infringement Claim under Paragraph 8.23.2, (Intellectual Property Indemnification), or in County's opinion is likely to become the subject of such a claim, then, in addition to defending the claim and paying any damages and attorneys' fees as required above in Paragraph 8.23.2, (Intellectual Property Indemnification), Contractor shall, at its option and in its sole discretion and at no cost to County, as remedial measures, either: (i) procure the right, by license or otherwise, for County to continue to use the Indemnified Items or affected component(s) thereof, or part(s) thereof, pursuant to this Contract; or (ii) replace or modify the Indemnified Items or component(s) thereof with another software, service, item, or component(s) thereof of at least equivalent quality and performance capabilities, in County's determination, until it is determined by County that the Indemnified Items and all components thereof become non-infringing, non-misappropriating, and non-disclosing (hereinafter collectively for the purpose of this Sub-paragraph "Remedial Act(s)").

8.23.2.3 If Contractor fails to complete the Remedial Acts described in Paragraph 8.23.2.2 above within forty-five (45) days of notice of the claim (and such time has not been extended by County in writing) then, County shall have the right, at its sole option, to elect to (i) terminate this Contract with regard to the infringing Indemnified Items for default pursuant to the Termination for Default provision, and/or (ii) take such Remedial Acts as it determines to be commercially reasonable to mitigate any impairment of its use of the infringing Indemnified Items or damages (hereafter collectively referred to as "County's Mitigation Acts"). Contractor shall indemnify and hold harmless County for all amounts paid and all direct and indirect costs associated with County's Mitigation Acts. Failure by Contractor

to pay such amounts within ten (10) Business Days of invoice by County shall, in addition to, and cumulative of all other remedies, entitle County to immediately withhold all payments due to Contractor under this Contract up to the amount paid by County in connection with County's Mitigation Acts.

8.24 General Provisions for all Insurance Coverage

8.24.1 Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Paragraphs 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other Contractual obligation imposed upon Contractor pursuant to this Contract. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to this Contract.

8.24.2 Evidence of Coverage and Notice to County

8.24.2.1 Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.

8.24.2.2 Renewal Certificates shall be provided to County not less than ten (10) Days prior to Contractor's policy expiration dates. County reserves the right to obtain complete, certified copies of any required Contractor and/or Subcontractor insurance policies at any time.

8.24.2.3 Certificates shall 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 shall match the name of Contractor identified as the Contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand dollars (\$50,000), and list any County required endorsement forms.

8.24.2.4 Neither County's failure to obtain, nor County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

8.24.2.5 Certificates and copies of any required endorsements shall be emailed to:

County of Los Angeles, Chief Executive Office
Risk Management Branch, Claims Division
Insurance Endorsement: County of Los Angeles, Risk Management Branch – FDAAM Services, AO-22-407
Attention: Contracts and Purchasing Division
Email: ContractInsurance@ceo.lacounty.gov

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

8.24.3 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, employees and volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of Contractor's acts or omissions, whether such liability is attributable to Contractor or to County. The full policy limits and scope of protection shall also apply to County and its Agents as an additional insured, even if they exceed County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.4 Cancellation of or Changes in Insurance

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

8.24.5 Failure to Maintain Insurance

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

8.24.6 Insurer Financial Ratings

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

8.24.7 Contractor's Insurance Shall Be Primary

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

8.24.8 Waivers of Subrogation

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

8.24.9 Subcontractor Insurance Coverage Requirements

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

8.24.10 Deductibles and Self-Insured Retentions (SIRs)

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

executed by a corporate surety licensed to transact business in the State of California.

8.24.11 Claims Made Coverage

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

8.24.12 Application of Excess Liability Coverage

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

8.24.13 Separation of Insureds

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

8.24.14 Alternative Risk Financing Programs

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

8.24.15 County Review and Approval of Insurance Requirements

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

8.25 Insurance Coverage

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

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.25.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 **Workers Compensation and Employers' Liability** insurance or qualified self- insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming County as the Alternate Employer. The written notice shall be provided to County at least ten (10) Days in advance of cancellation for non-payment of premium and thirty (30) Days in advance for any other cancellation or policy change. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 **Unique Insurance Coverage**

8.25.4.1 **Professional Liability-Errors and Omissions**

Insurance covering 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, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

8.25.4.2 Technology Errors & Omissions Insurance

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.

8.25.3 Cyber Liability Insurance

Contractor shall secure and maintain cyber liability insurance coverage with limits of \$5 Million per occurrence and in the aggregate during the term of Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding, defense, response, expenses and fines; technology professional liability (Errors and Omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and Data/Information loss and business interruption; any other liability or risk that arises out of Contract. Contractor shall add County as an additional insured to its cyber liability insurance policy and provide to County certificates of insurance evidencing the

foregoing upon County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, shall not be construed as a limitation upon Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

8.26 Liquidated Damages

- 8.26.1 If, in the judgment of the Department Head, or his/her designee, Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Department Head, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to Contractor from County, will be forwarded to Contractor by the Department Head, or his/her designee, in a written notice describing the reasons for said action.
- 8.26.2 If the Department Head, or his/her designee, determines that there are deficiencies in the performance of this Contract that the Department Head, or his/her designee, deems are correctable by Contractor over a certain time span, the Department Head, or his/her designee, will provide a written notice to Contractor to correct the deficiency within specified time frames. Should Contractor fail to correct deficiencies within said time frame, the Department Head, or his/her designee, may: (a) Deduct from Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is one thousand dollars (\$1000) per day per infraction, or as specified in the Exhibit A.5 (Performance Requirements Summary hereunder, and that Contractor shall be liable to County for liquidated damages in said amount. Said amount shall be deducted from County's payment to Contractor; and/or (c)

Upon giving five (5) Days' notice to Contractor for failure to correct the deficiencies, County may correct any and all deficiencies and the total costs incurred by County for completion of the work by an alternate source, whether it be County forces or separate private Contractor, will be deducted and forfeited from the payment to Contractor from County, as determined by County.

8.26.3 The action noted in Paragraph 8.26.2 shall not be construed as a penalty, but as adjustment of payment to Contractor to recover County cost due to the failure of Contractor to complete or comply with the provisions of this Contract.

8.26.4 This Paragraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in the PRS or Paragraph 8.26.2, and shall not, in any manner, restrict or limit County's right to terminate this Contract as agreed to herein.

8.27 Most Favored Public Entity

8.27.1 If Contractor's prices decline, or should 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 shall be immediately extended to County.

8.28 Nondiscrimination and Affirmative Action

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

8.28.2 Contractor certified to the County each of the following:

8.28.2.1 That contractor has a written policy statement prohibiting discrimination in all phases of employment;

8.28.2.2 That Contractor periodically conducts a self-analysis of its work force; and

- 8.28.2.3 That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- 8.28.2.4 Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.
- 8.28.3 Contractor shall 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 shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 8.28.4 Contractor certifies and agrees that it will deal with its Subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 8.28.5 Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.28.6 Contractor shall allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) when so requested by County.
- 8.28.7 If County finds that any provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) have been violated, such violation shall constitute a material breach of

this Contract upon which County may terminate or suspend this Contract. While County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Contract.

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

8.29 Non- Exclusivity

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

8.30 Notice of Delays

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

8.31 Notice of Disputes

Contractor shall bring to the attention of County's Project Manager and/or County's Project Director any dispute between County and Contractor regarding the performance of services as stated in this Contract. If County's Project Manager or County's Project Director is not able to resolve the dispute, the Chief Executive Officer, or designee shall resolve it.

8.32 Notice to Employees Regarding the Federal Earned Income Credit

Contractor shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws.

Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.33 Notice to Employees Regarding the Safely Surrendered Baby Law

Contractor shall notify and provide to its employees, and shall require each Subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit I (Safely Surrendered Baby Law) of this Contract. Additional information is available at www.babysafela.org.

8.34 Notices

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

8.35 Prohibition Against Inducement or Persuasion

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

8.36 Public Records Act

8.36.1 Any documents submitted by Contractor; all information obtained in connection with County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to Paragraph 8.38 (Record Retention and Inspection-Audit Settlement) of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code

Section 6250 et seq. (Public Records Act) and which are marked “trade secret”, “confidential”, or “proprietary”. County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

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

8.37 Publicity

- 8.37.1 Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing Contractor’s need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publishing its role under this Contract within the following conditions:

- 8.37.1.1 Contractor shall develop all publicity material in a professional manner; and

- 8.37.1.2 During the term of this Contract, Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of County’s Project Director. County shall not unreasonably withhold written consent.

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

8.38 Record Retention and Inspection-Audit Settlement

- 8.38.1 Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract

in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. Contractor agrees that County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by Contractor and shall be made available to County during the term of this Contract and for a period of five (5) years thereafter unless County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at County's option, the Contractor shall pay County for travel, per diem, and other costs incurred by County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.2 In the event that an audit of Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, then Contractor shall file a copy of such audit report with the County's A-C within thirty (30) Days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, County shall make a reasonable effort to maintain the confidentiality of such audit report(s)

8.38.3. Failure on the part of Contractor to comply with any of the provisions of this subparagraph 8.38 shall constitute a material breach of this Contract upon which County may terminate or suspend this Contract.

8.38.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of County conduct an audit of Contractor regarding the work performed under this Contract, and if such audit finds that County's dollar liability for any such work is less than payments made by County to Contractor, then the difference shall be either: a) repaid by Contractor to County by cash payment upon demand or b) at the sole option of County's A-C, deducted from any amounts due to Contractor from County, whether under this Contract or otherwise. If

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

8.39 Recycled Bond Paper

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

8.40 Subcontracting

- 8.40.1 The requirements of this Contract may not be Subcontracted by Contractor without the advance approval of the County. Any attempt by Contractor to Subcontract without the prior consent of the County may be deemed a material breach of this Contract.
- 8.40.2 If Contractor desires to Subcontract, Contractor shall provide the following information promptly at County's request:
 - 8.40.2.1 A description of the work to be performed by the Subcontractor;
 - 8.40.2.2 A draft copy of the proposed Subcontract; and
 - 8.40.2.3 Other pertinent information and/or certifications requested by County.
- 8.40.3 Contractor shall indemnify, defend, and hold County harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were Contractor employees.
- 8.40.4 Contractor shall remain fully responsible for all performances required of it under this Contract, including those that Contractor has determined to Subcontract, notwithstanding County's approval of Contractor's proposed Subcontract.
- 8.40.5 County's consent to Subcontract shall not waive County's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under

this Contract. Contractor is responsible to notify its Subcontractors of this County right.

- 8.40.6 County's Project Director is authorized to act for and on behalf of County with respect to approval of any Subcontract and Subcontractor employees. After approval of the Subcontract by County, Contractor shall forward a fully executed Subcontract to County for their files.
- 8.40.7 Contractor shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding County's consent to Subcontract.
- 8.40.8 Contractor shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by County from each approved Subcontractor. Before any Subcontractor employee may perform any work hereunder, Contractor shall ensure delivery of all such documents emailed to:

County of Los Angeles, Chief Executive Office
Risk Management Branch, Claims Division
Insurance Endorsement: County of Los Angeles, Risk
Management Branch – FDAAM Services, AO-22-407
Attention: Contracts and Purchasing Division
Email: ContractInsurance@ceo.lacounty.gov

8.41 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) shall constitute default under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure of Contractor to cure such default within ninety (90) calendar Days of written notice shall be grounds upon which County may terminate this Contract pursuant to Paragraph 8.43 (Termination for Default) and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

8.42 Termination for Convenience

- 8.42.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by County, in its sole discretion, to be in its best interest. Termination of work

hereunder shall be affected by notice of termination to Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) Days after the notice is sent.

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

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

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

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

8.43 Termination for Default

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

8.43.1.1 Contractor has materially breached this Contract; or

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

8.43.1.3 Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working Days (or such longer period as County may authorize in writing) after receipt of written notice from County specifying such failure.

8.43.2 In the event that County terminates this Contract in whole or in part as provided in Paragraph 8.43.1, County may procure, upon such terms and in such manner as County may deem appropriate, goods and services similar to those so

terminated. Contractor shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and services. Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this paragraph.

- 8.43.3 Except with respect to defaults of any Subcontractor, Contractor shall not be liable for any such excess costs of the type identified in Paragraph 8.43.2 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 County in either its sovereign or Contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of 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, Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this paragraph, the term "Subcontractor(s)" means Subcontractor(s) at any tier.
- 8.43.4 If, after County has given notice of termination under the provisions of Paragraph 8.43 (Termination for Default) it is determined by County that Contractor was not in default under the provisions of Paragraph 8.43 (Termination for Default) or that the default was excusable under the provisions of subparagraph 8.43.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 8.42 (Termination for Convenience).
- 8.43.5 The rights and remedies of County provided in this Paragraph 8.43 (Termination for Default) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 Termination for Improper Consideration

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

8.45 Termination for Insolvency

- 8.45.1 County may terminate this Contract forthwith in the event of the occurrence of any of the following:
 - 8.45.1.1 Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) Days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
 - 8.45.1.2 The filing of a voluntary or involuntary petition regarding Contractor under the Federal Bankruptcy Code;
 - 8.45.1.3 The appointment of a Receiver or Trustee for Contractor; or
 - 8.45.1.4 The execution by Contractor of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of County provided in this Paragraph 8.45 (Termination for Insolvency) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 Termination for Non-Adherence of County Lobbyist Ordinance

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

8.47 Termination for Non-Appropriation of Funds

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

8.48 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 shall not be affected thereby.

8.49 Waiver

No waiver by County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this paragraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 Warranty Against Contingent Fees

- 8.50.1 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 Contractor for the purpose of securing business.
- 8.50.2 For breach of this warranty, County shall have the right to terminate this Contract and, at its sole discretion, deduct from Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.51 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

- 8.51.1 Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.
- 8.51.2 Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

8.52 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 8.51 "Warranty of Compliance with County's Defaulted Property Tax Reduction Program" shall constitute default under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure of Contractor to cure such default within ten (10) Days of notice shall be grounds upon which County may terminate this Contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

8.53 Time Off for Voting

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

8.54 Compliance with County's Zero Tolerance Policy on Human Trafficking

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

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

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

8.55 Injury and Illness Prevention Program

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

8.56 Compliance with Fair Chance Employment Practices

Contractor shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor's violation of this paragraph of Contract may constitute a material breach of Contract.

In the event of such material breach, County may, in its sole discretion, terminate Contract.

8.57 Compliance with the County Policy of Equity

Contractor acknowledges that County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). Contractor further acknowledges that County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. Contractor, its employees and Subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of Contractor, its employees or its Subcontractors to uphold County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject Contractor to termination of Contractual agreements as well as civil liability.

8.58 Prohibition from Participation in Future Solicitation(s)

A Proposer, or a Contractor or its subsidiary or Subcontractor ("Proposer/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has provided advice or consultation for the solicitation. A Proposer/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has developed or prepared any of the solicitation materials on behalf of County. A violation of this provision shall result in the disqualification of Contractor/Proposer from participation in County solicitation or the termination or cancellation of any resultant County Contract. This provision shall survive the expiration, or other termination of this Agreement.

8.59 COVID-19 Vaccinations of County Contractor Personnel

8.59.1 At Contractor's sole cost, Contractor shall comply with Chapter 2.212 (COVID-19 Vaccinations of County Contractor Personnel) of County Code Title 2 - Administration, Division 4. All employees of Contractor and persons working on its behalf, including but not limited to, Subcontractors of any tier (collectively, "Contractor Personnel"), must be fully vaccinated against the novel coronavirus 2019 ("COVID-19") prior to (1) interacting in person with County employees, interns, volunteers, and commissioners ("County workforce members"), (2) working

on County owned or controlled property while performing services under this Contract, and/or (3) coming into contact with the public while performing services under this Contract (collectively, "In-Person Services").

8.59.2 Contractor Personnel are considered "fully vaccinated" against COVID-19 two (2) weeks or more after they have received (1) the second dose in a 2-dose COVID-19 vaccine series (e.g. Pfizer-BioNTech or Moderna), (2) a single-dose COVID-19 vaccine (e.g. Johnson and Johnson [J&J]/Janssen), or (3) the final dose of any COVID-19 vaccine authorized by the World Health Organization ("WHO").

8.59.3 Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated by confirming Contractor Personnel is vaccinated through any of the following documentation: (1) official COVID-19 Vaccination Record Card (issued by the Department of Health and Human Services, CDC or WHO Yellow Card), which includes the name of the person vaccinated, type of vaccine provided, and date of the last dose administered ("Vaccination Record Card"); (2) copy (including a photographic copy) of a Vaccination Record Card; (3) Documentation of vaccination from a licensed medical provider; (4) a digital record that includes a quick response ("QR") code that when scanned by a SMART HealthCard reader displays to the reader client name, date of birth, vaccine dates, and vaccine type, and the QR code confirms the vaccine record as an official record of the State of California; or (5) documentation of vaccination from Contractors who follow the CDPH vaccination records guidelines and standards. Contractor shall also provide written notice to County before the start of work under this Contract that its Contractor Personnel are in compliance with the requirements of this section. Contractor shall retain such proof of vaccination for the document retention period set forth in this Contract and must provide such records to the County for audit purposes, when required by County.

8.59.4 Contractor shall evaluate any medical or sincerely held religious exemption request of its Contractor Personnel, as required by law. If Contractor has determined that Contractor Personnel is exempt pursuant to a medical or sincerely held religious reason, the Contractor must also maintain records of the Contractor Personnel's testing

results. The Contractor must provide such records to the County for audit purposes, when required by County. The unvaccinated exempt Contractor Personnel must meet the following requirements prior to (1) interacting in person with County workforce members, (2) working on County owned or controlled property while performing services under this Contract, and/or (3) coming into contact with the public while performing services under this Contract:

8.59.4.1 Test for COVID-19 with either a polymerase chain reaction (PCR) or antigen test has an Emergency Use Authorization (EUA) by the FDA or is operating per the Laboratory Developed Test requirements by the U.S. Centers for Medicare and Medicaid Services. Testing must occur at least weekly, or more frequently as required by County or other applicable law, regulation or order.

8.59.4.2 Wear a mask that is consistent with CDC recommendations at all times while on County controlled or owned property, and while engaging with members of the public and County workforce members.

8.59.4.3 Engage in proper physical distancing, as determined by the applicable County department that the Contract is with.

8.59.5 In addition to complying with the requirements of this section, Contractor shall also comply with all other applicable local, departmental, State, and federal laws, regulations and requirements for COVID-19. A completed Exhibit N (COVID-19 Vaccination Certification of Compliance) is a required part of any agreement with the County.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 Licensed Software and Intellectual Property

9.1.1 License Grant

9.1.1.1 Scope of License

Subject to the terms and conditions of this Contract, Contractor grants to County a fully paid, worldwide, non-exclusive license to use the System, the Licensed

Software and Documentation for County's business purposes and activities ("License") during the Contract Term, including any Revisions to the System and any new Version Releases and upgrades to the System. For the purposes of this License Grant, the term "use" as it applies to System means to copy, install, access, execute, operate, distribute, archive and run unlimited copies of the System and by an unlimited number of users for installation, test, development, production, support, archival, emergency restart, and disaster recovery purposes. Without limitation of the above, County's business purposes and activities will include making the System available for use by Users as determined by the County, and may include its contractors, subcontractors, and consultants. This License shall cover the County and all its Users, including its contractors and consultants, and there shall be no additional cost for licensing separately applied by Contractor to County's contractors, subcontractors and consultants, which at any given time shall not exceed 200 Users and approximately 100 view only Users.

9.1.1.2 Documentation.

At no additional charge to County, Contractor shall provide or make available to County all Documentation relating to the System. If the Documentation for the System is revised or supplemented at any time, Contractor shall promptly provide or make available to County a copy of such revised or supplemental Documentation, at no additional cost to County. County may, at any time, reproduce copies of all Documentation and other materials provided or made available by Contractor, distribute such copies to County personnel or County designees and Users of the System, and incorporate such copies into its own technical and user manuals, provided that such reproduction relates to County's and Users' use of the System as permitted in this Contract, and all copyright and trademark notices, if any, are reproduced thereon. Contractor shall provide or make available to County all Documentation in electronic form.

9.1.2 Revisions.

9.1.2.1 Notice of Revisions.

Contractor may from time to time make material revisions to the Licensed Software. In the event of such Revisions, (a) the Revision of the Licensed Software will include at least the functionality, level, or quality of services that County previously received and shall continue to comply with all of the requirements of this Contract, and (b) County shall be provided, at least fourteen (14) days in advance of any such changes, written notice and a demonstration of such changes. If such advanced demonstration reveals material adverse effects on functionality or operation of the Licensed Software and/or the System, including, but not limited to, a failure to comply with the requirements of this Contract, or compatibility with County's technical, business or regulatory requirements, including, without limitation, hardware, software, or browser configurations, then County may in its sole discretion reject such changes, and remain on the current Revision of the Licensed Software and continue to receive support and maintenance services as required hereunder for the remainder of the term of the Contract.

9.1.2.2 Revisions During Term.

During the term of this Contract, all Revisions (including Displaced/Renamed Products, Revisions to the System and any new Version Releases and upgrades to the System) shall be provided to County at no additional charge beyond the fees payable hereunder, regardless of whether Contractor charges other customers for such Revisions. During the term of this Contract, if (a) the Licensed Software is displaced in Contractor's product line by another product or (b) a renamed product containing substantially similar functionality to the Licensed Software is distributed by Contractor (even if the renamed product contains additional features, functionality, or other capabilities) (each a "Displaced/Renamed Product"), County shall receive such Displaced/Renamed Product as a Revision.

9.1.3 Work Product and Background Intellectual Property.

9.1.3.1 Ownership of County Data.

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

9.1.3.2 Ownership of Background Intellectual Property & Licensed Software.

Contractor retains all right, title and interest in and to any such Background Intellectual Property and Licensed Software (including any modifications thereto made by Contractor). However, to the extent Background Intellectual Property constitutes or is incorporated into Work Product or required for County to fully exploit such Work Product or the System, Contractor hereby grants to County a perpetual, irrevocable, fully paid up, royalty free, transferable, sub-licensable, worldwide, nonexclusive right and license to use, prepare derivative works, and otherwise fully exploit in connection with County's business, the Background Intellectual Property constituting or incorporated into the Work Product or otherwise delivered to County in connection with this Contract, and provided further that the Background Intellectual Property is not separately commercially exploited by County. Any and all Background Intellectual Property which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to the County's Project Director as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "PROPRIETARY" or "CONFIDENTIAL."

9.1.3.3 Third Party Product.

Approved Third-Party Products are identified in Exhibit A-3 (Third-Party Product). The Contractor shall not use any Third-Party Product in the System without the prior written approval of the County to be granted or withheld in its sole discretion. In the event Contractor provides any Third-Party Product to County in connection with this Contract, Contractor shall obtain, at Contractor's sole cost and expense, a fully paid up, royalty-free, worldwide, perpetual, nonexclusive license for County and County's agents and assigns, to use the Third-Party Product for County's business purposes and activities.

9.2 Acceptance

9.2.1 Acceptance Criteria

The System, Services, Deliverables, and Milestones (if applicable) may be subject to Acceptance testing consisting of a review session for a time period determined by the County, in its sole discretion, to verify that they satisfy the Acceptance Criteria mutually agreed to by the parties and this Paragraph (Acceptance) (the "Acceptance Criteria"). Such Acceptance Criteria shall be based, at a minimum, on conformance of the System, Services, and Deliverables, to the Specifications. In the event the parties fail to agree upon Acceptance Criteria, the acceptability of the System, Services, Deliverables, and Milestones, and the System as a whole, shall be based solely on County's reasonable satisfaction therewith.

9.2.2 Acceptance Tests

When Contractor notifies County that the System has been implemented as required in Exhibit A (Statement of Work) or that a Service, Deliverable, or Milestone (if applicable) has been completed, County may, in its sole discretion, elect to test or evaluate the related System, Services, Deliverables, and/or Milestones to determine whether they comply in all material respects with the Acceptance Criteria and the System, as a whole, is operating in accordance with the Specifications. Testing may be performed at various stages of the Implementation Services as set forth in Exhibit A (Statement of Work), or otherwise deemed appropriate by County. For each test, Contractor shall provide County testing scenarios consistent with Contractor's best practices for the applicable System, Service, Deliverable, and/or Milestone.

9.2.3 Production Use

The System shall be ready for Production Use when the County Project Director, or his/her designee, approves in writing the System.

9.3 Final Acceptance

9.3.1 The System shall achieve "Final Acceptance" when there is (i) successful completion of Implementation; (ii) successful completion of all work necessary for the System to be available for production use by County; (iii) Deficiencies identified by Contractor or County have been corrected by Contractor in accordance with this Contract; (iv) corrections of such Deficiencies have been approved by County Project Director(s); and (v) following County Project Director(s) approval of all such corrections, the System has performed for thirty (30) consecutive days in compliance with the Contract, including all performance requirements, without any Deficiencies of Priority Level 1-Critical or Priority Level 2-Severe. Contractor shall submit the Final Acceptance Certification as required in Exhibit A (Statement of Work).

9.3.2 Failed Testing

If the County's Project Director makes a good faith determination at any time that the System (as a whole, or any component thereof), Services and/or Deliverables, have not successfully completed an Acceptance Test or has not achieved Final Acceptance (collectively referred to for purposes of this Sub-paragraph (Failed Testing) as "Designated Test"), the County's Project Director shall promptly notify Contractor in writing of such failure, specifying with as much detail as possible the manner in which the System, Services, and/or Deliverables failed to pass the applicable Designated Test. Contractor shall immediately commence all reasonable efforts to complete, as quickly as possible, such necessary corrections, repairs, and modifications to the System, Services and/or Deliverables, and/or will permit the System, Services and/or Deliverables to be ready for retesting. Contractor shall notify the County's Project Director in writing when such corrections, repairs, and modifications have been completed, and the applicable Designated Test shall begin again. Such procedure shall continue until such time as County notifies Contractor in writing of the successful completion of such Designated Test.

9.4 Disabling Device

Contractor represents and warrants that Contractor shall not intentionally cause any unplanned interruption of the operations of,

or accessibility to the System or any component through any device, method or means including, without limitation, the use of any "virus", "lockup", "time bomb", or "key lock", "worm", "back door" or "Trojan Horse" device or program, or any disabling code, which has the potential or capability of compromising the security of County Data or of causing any unplanned interruption of the operations of, or accessibility of the System or any component to County or any User or which could alter, destroy, or inhibit the use of the System or any component, or the data contained therein (collectively, "Disabling Device(s)"), which could block access to or prevent the use of the System or any component by County or Users. Contractor represents, warrants, and agrees that it has not purposely placed, nor is it aware of, any Disabling Device in any System component provided to County under this Contract, nor shall Contractor knowingly permit any subsequently delivered or provided System component to contain any Disabling Device. In addition, Contractor shall prevent viruses from being incorporated or introduced into the System or Revisions thereto prior to the installation onto the System and shall prevent any viruses from being incorporated or introduced in the process of Contractor's performance of on-line support.

9.5 Non-Infringement

To the best of Contractor's knowledge, the System, Services and the Deliverables shall not contain defamatory or indecent matter, and County's permitted use of the System, Services, including Implementation Services, Support Services, and Deliverables will not infringe the intellectual property rights of any third party.

9.6 Pending Litigation

There is no pending or threatened litigation that would have a material adverse impact on its performance under the Contract. In addition, Contractor also represents and warrants that based on pending actions, claims, disputes, or other information, Contractor has no knowledge of a failure of the System to perform in accordance with the requirements of this Contract.

9.7 Assignment of Warranties

To the extent permissible under the applicable third-party Agreements, Contractor hereby assigns and agrees to deliver to County all representations and warranties received by Contractor from its third party licensors and suppliers, including hardware vendors.

9.8 Other Warranties

During the term of this Contract, Contractor shall not subordinate this Contract or any of its rights hereunder to any third party without the prior written consent of County, and without providing in such

subordination instrument for non-disturbance of County's use of the System (or any part thereof) in accordance with this Contract. This Contract and the System licensed or acquired herein, are neither subject to any liens, encumbrances, or pledges nor subordinate to any right or claim of any third party, including Contractor's creditors. County is entitled to use the System without interruption. As of the date furnished, no statement contained in writing in the response to the request for proposals for the System contains any untrue statements about the prior experience or corporate description of Contractor, or omits any fact necessary to make such statement not misleading.

9.9 Support Services

During the term of this Contract, Contractor shall provide the Support Services and remedy Deficiencies within the Resolution Time Requirements as described in Exhibit O (Support Services), in exchange for County's payment of the applicable fees set forth on Exhibit B (Pricing Schedule) in accordance with this Contract. There shall be no additional charge to County for on-site support services beyond the applicable Support Services fees set forth in Exhibit B (Pricing Schedule) to remedy a breach of this Contract, to correct a failure of the System to conform to the Specifications, or to fulfill Contractor's obligations pursuant to this Contract.

9.10 System Performance Requirements

Contractor represents and warrants that when operated in conformance with the terms of this Contract, the Licensed Software and/or Services (as applicable) shall achieve the System Performance Requirements set forth in Exhibit O (Support Services).

9.11 Health Insurance Portability and Accountability Act of 1996 (HIPAA)

County is subject to the Administrative Simplification requirements and prohibitions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules"). Under this Agreement, Contractor provides services to County and Contractor creates, has access to, receives, maintains, or transmits Protected Health Information as defined in Exhibit K (Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)) in order to provide those services. County and Contractor therefore agree to the terms of Exhibit K.

9.12 Information Security and Privacy Requirements

Contractor shall comply with the requirements set forth in Exhibit M (Information Security and Privacy Requirements).

9.13 Ownership of Materials, Software and Copyright

9.13.1 County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools (hereafter "materials") which are originated or created through Contractor's work pursuant to this Contract. Contractor, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in County all of Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to Contractor's work under this Contract.

9.13.2 During the term of this Contract and for five (5) years thereafter, Contractor shall maintain and provide security for all of Contractor's working papers prepared under this Contract. County shall have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all information contained therein.

9.13.3 Any and all materials, software and tools which are developed or were originally acquired by Contractor outside the scope of this Contract, which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to County's Project Manager as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.

9.13.4 County will use reasonable means to ensure that Contractor's proprietary and/or confidential items are safeguarded and held in confidence. County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or confidential items without the prior written consent of Contractor.

9.13.5 Notwithstanding any other provision of this Contract, County will not be obligated to Contractor in any way under subparagraph 9.3.4 for any of Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by

subparagraph 9.3.3 or for any disclosure which County is required to make under any state or federal law or order of court.

- 9.13.6 All the rights and obligations of this Paragraph 9.3 shall survive the expiration or termination of this Contract.

9.14 Data Destruction

- 9.14.1 Contractor(s) and Vendor(s) that have maintained, processed, or stored the County's data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled *Guidelines for Media Sanitization*. Available at:

<http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88> Rev.%201

- 9.14.2 The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within County, or external to County's boundaries. County must receive within ten (10) business Days, a signed document from Contractor(s) and Vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and/or indecipherable.
- 9.14.3 Vendor shall certify that any County Data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current NIST Special Publication SP-800-88, *Guidelines for Media Sanitization*. Vendor shall provide County with written certification, within ten (10) business Days of removal of any electronic storage equipment and devices that validates that any and all County Data was destroyed and is unusable, unreadable, and/or undecipherable.

9.15 Dispute Resolution Procedure

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

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

- 9.15.1 Contractor and County agree to act with urgency to mutually resolve any disputes which may arise with respect to this Agreement. All such disputes shall be subject to the provisions of this Paragraph 23.0 (Dispute Resolution Procedure) (such provisions shall be collectively referred to as the “Dispute Resolution Procedure”). Time is of the essence in the resolution of disputes.
- 9.15.2 Contractor and County agree that, the existence and details of a dispute notwithstanding, both parties shall continue without delay their performance hereunder, except for any performance which County determines should be delayed as a result of such dispute.
- 9.15.3 Subject to the provisions of Subparagraph 7.4 (Invoices and Payments), if Contractor fails to continue without delay its performance hereunder which County, in its sole discretion, determines should not be delayed as a result of such dispute, then any additional costs which may be incurred by Contractor or County as a result of Contractor’s failure to continue to so perform shall be borne by Contractor, and Contractor shall make no claim whatsoever against County for such costs. Contractor shall promptly reimburse County for such County costs, as determined by County, or County may deduct all such additional costs from any amounts due to Contractor from County.
- 9.15.4 If County fails to continue without delay to perform its responsibilities under this Agreement which County determines should not be delayed as a result of such dispute, then any additional costs incurred by Contractor or County as a result of County’s failure to continue to so perform shall be borne by County, and County shall make no claim whatsoever against Contractor for such costs. County shall promptly reimburse Contractor for all such

additional Contractor costs subject to the approval of such costs by County.

- 9.15.5 In the event of any dispute between the parties with respect to this Agreement, Contractor and County shall submit the matter to their respective Project Managers for the purpose of endeavoring to resolve such dispute.
- 9.15.6 In the event that the Project Managers are unable to resolve the dispute within a reasonable time not to exceed ten (10) days from the date of submission of the dispute to them, then the matter shall be immediately submitted to the parties' respective Project Directors for further consideration and discussion to attempt to resolve the dispute.
- 9.15.7 In the event that the Project Directors are unable to resolve the dispute within a reasonable time not to exceed ten (10) days from the date of submission of the dispute to them, then the matter shall be immediately submitted to Contractor's president or equivalent and the Chief Executive Officer. These persons shall have ten (10) days to attempt to resolve the dispute.
- 9.15.8 In the event that at these levels, there is not a resolution of the dispute acceptable to both parties, then each party may assert its other rights and remedies provided under this Agreement and/or its rights and remedies as provided by law.
- 9.15.9 All disputes utilizing this dispute resolution procedure shall be documented in writing by each party and shall state the specifics of each alleged dispute and all actions taken. The parties shall act in good faith to resolve all disputes. At all three (3) levels described in this Paragraph 9.15 (Dispute Resolution Procedure), the efforts to resolve a dispute shall be undertaken by conference between the parties' respective representatives, either orally, by face-to-face meeting or by telephone, or in writing by exchange of correspondence.
- 9.15.10 Notwithstanding any other provision of this Agreement, County's right to terminate this Agreement or both party's right to seek injunctive relief to enforce the provisions of Paragraph 7.6 (Confidentiality) shall not be subject to this Dispute Resolution Procedure. The preceding sentence is intended only as a clarification of County's rights and shall

not be deemed to impair any claims that County may have against Contractor or County's rights to assert such claims after any such termination, or such injunctive relief has been obtained.

- 9.15.11 Contractor shall bring to the attention of the County's Project Manager and/or County's Project Director any dispute between the County and the Contractor regarding the performance of services as stated in this Agreement.

11.0 SURVIVAL CLAUSE

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

Paragraph 1.0	(Applicable Documents)
Paragraph 2.0	(Definitions)
Paragraph 3.2	
Paragraph 3.3	
Paragraph 5.4	(No Payment for Services Provided Following Expiration/ Termination of Contract)
Paragraph 7.6	(Confidentiality)
Paragraph 8.2	(Assignment and Delegation/Mergers or Acquisitions)
Paragraph 8.6.2	
Paragraph 8.16	(Damage to County Facilities, Buildings or Grounds)
Paragraph 8.17.2	
Paragraph 8.19	(Fair Labor Standards)
Paragraph 8.21	(Governing Law, Jurisdiction, and Venue)
Paragraph 8.22	(Independent Contactor Status)
Paragraph 8.23	(Indemnification)
Paragraph 8.24	(General Provisions for all Insurance Coverage)
Paragraph 8.25	(Insurance Coverage)
Paragraph 8.34	(Notices)
Paragraph 8.38	(Record Retention and Inspection-Audit Settlement)
Paragraph 8.40.3	
Paragraph 8.42	(Termination for Convenience)
Paragraph 8.43	(Termination for Default)
Paragraph 8.48	(Validity)
Paragraph 8.49	(Wavier)
Paragraph 9.1	(License Software and Intellectual Property)
Paragraph 9.2	(Acceptance)
Paragraph 9.3	(Final Acceptance)
Paragraph 9.8	(Other Warranties)
Paragraph 9.9	(Support Services)
Paragraph 9.10	(System Performance Requirements)

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

COUNTY OF LOS ANGELES

CONTRACTOR: 4AISoft, LLC

Date Signed by CEO ("Effective Date")

By _____
FESIA A. DAVENPORT
Chief Executive Officer

By  _____
BRIJESH KUMAR
Chief Executive Officer

APPROVED AS TO FORM:

DAWYN R. HARRIS
Acting County Counsel

By _____
TRUC L. MOORE
Principal County Counsel

STATEMENT OF WORK

1.0 INTRODUCTION

The County of Los Angeles (County) Chief Executive Office Risk Management Branch (CEO-Risk) administers one of the largest workers' compensation programs in California. The County's Workers' Compensation Program processes approximately 500,000 bills and 1.5 million procedure codes per year. Amongst the hundreds of thousands of transactions that occur in this administrative process are audit, performance, fraud detection, waste and abuse opportunities that are overseen by a variety of personnel and software solutions. CEO-Risk utilizes data analytics, artificial intelligence, and algorithms designed by data scientists to help sort through the information to find anomalies that may lead to unnecessary costs or are evidence of fraud, waste and abuse.

2.0 GENERAL REQUIREMENTS

The services provided by the Contractor through this Statement of Work will serve as a roadmap to develop and evolve the existing data analytic program to detect fraud, waste, and abuse, and identify cost reduction and audit capabilities of the County's transactions.

The following is an overview of the capabilities and requirements that the Contractor shall deliver as required by the Contract, including as set forth in this Statement of Work:

2.1 Comprehensive Fraud Detection, Audit, Waste and Abuse Analytics System

2.1.1 The Contractor shall provide a fully managed secured Software as a Service (SaaS) platform providing all functionality described in Section 3.0 (General Requirements) of this document, as well as in Exhibits A.1 (Functional and Technical Requirements) and A.2 (Required Interfaces).

2.1.2 Utilizing the Contractor's existing analytics system and centralized data warehouse from the existing Risk Management Information Systems (RMIS) – the Contractor shall further develop the comprehensive fraud detection, audit, waste and abuse analytics system (System) to include the following capabilities:

2.1.2.1 Detect new and evolving sophisticated fraud, waste and abuse patterns and threats.

2.1.2.2 Leverage the System's native AI and machine learning modules to provide early detection of unknown fraud.

- 2.1.2.3 Develop customizable System alerts, notifications, and business rules.
- 2.1.2.4 Analyze clustering and graphical data to proactively detect fraud, waste, and abuse.
- 2.1.2.5 Develop System visualizations including dashboards, heat maps, reports, and/or risk scoring for fraud, waste, and abuse.
- 2.1.3 "Business rule-driven models" – enabling the incorporation of automated business rules for identifying certain types of transactions. This element shall contain the development of alerts, notifications which reach certain thresholds identified by CEO – Risk.
- 2.1.4 The recommendation and development of new and emerging fraud, waste, and abuse algorithms developed by the Contractor leveraging the System's native AI and predictive capabilities through the System's advanced proprietary machine learning models beyond business rule-based engines.

2.2 Audit Management

- 2.2.1 Development of automated audit systems in consultation with CEO-Risk with the following capabilities, including but not limited to:
 - 2.2.1.1 Analyze payment to vendors, split transactions, overpayments, and self-imposed penalties.
 - 2.2.1.2 Analyze patterns in relation to payment approvals, examiners, vendors, and other attributes.
 - 2.2.1.3 Develop automated System audits with results, alerts, dashboards, visualizations, and report generation without User involvement.
 - 2.2.1.4 Develop flexible audit sampling and audit scoring parameters, which should be configurable as per the desired audit objectives.
 - 2.2.1.5 Store audit results in a database and make them available for current and historic audits. The System should be able to highlight areas with scope for improvement.
 - 2.2.1.6 Develop ability for Auditors to access their custom workflows and view their queues with list of audits assigned to them.

- 2.2.1.7 Provide status of all historic and current audits to help the risk management team monitor the progress of overall audit function.

2.3 Examiner Performance

- 2.3.1 Develop criteria for rating and ranking Third Party Administrator (TPA) examiners and managers in consultation with CEO-Risk.
- 2.3.2 Incorporate examiner customer service survey data into performance.
- 2.3.3 Rank TPA examiners based on quantity and quality performance metrics.
- 2.3.4 Develop performance dashboards by unit, department, manager, and examiner.

2.4 Fraud Analytics

- 2.4.1 Leverage the System's native AI and predictive capabilities through the System's advanced proprietary machine learning models to identify a list of excluded individuals/entities that are providing services to County employees in consultation with CEO-Risk. This element shall include data sourcing, scanning, risk scoring and other system visualizations.
- 2.4.2 Develop the identification of Provider Cartelization – A group of interacting providers spread across multiple business entities and geographically separated, but also having a defined magnitude of transactions between themselves.
- 2.4.3 Develop a pharmaceutical cost analyzer in conjunction with CEO-Risk.
- 2.4.4 Develop a bill review cost analyzer in conjunction with CEO-Risk.
- 2.4.5 Develop a "Social Network Analytics" – utilizing the latest information available from third party vendors.
- 2.4.6 Develop advanced fraud, waste and abuse algorithms leveraging the System's native AI and machine learning models that go beyond standard blacklists and rule-based engines.

2.5 Software Updates and Help Desk

- 2.5.1 Contractor will continuously maintain the System to allow for daily, monthly, and/or quarterly functions to include, but not be limited to,

reports, fraud analytics, adjuster performance, and auditing of the Workers' Compensation Program transactions.

2.5.2 Contractor shall develop updates as deemed necessary by CEO-Risk and as requested to sustain system integrity, functionality, and security.

2.5.3 Contractor shall institute product support approved by CEO-Risk to troubleshoot issues that arise.

2.5.4 Troubleshooting capabilities and relevant Help Desk shall be available from Monday – Friday, excluding County holidays, from the hours of 8:00 a.m. to 5:00 p.m., Pacific Standard Time.

2.6 Training

2.6.1 Contractor shall provide web-based archivable training resources available to County-specified Users who will be using the System 30 days prior to the commencement of services for Production use. Training shall include all aspects of the System, maintenance, and capabilities.

2.6.2 Contractor shall develop all training materials, training guides, quick reference guides and other user materials to explain and interpret data and its relationship to Fraud, Waste, Abuse, and Performance.

2.6.3 Contractor shall develop training materials for ongoing maintenance, updates and enhance the developed automated System audits, alerts, dashboards, visualizations, and reports in the System.

2.7 Data Management Library

2.7.1 Contractor shall create a data library with content approved by CEO-Risk which defines each function's methodology, data resources used, and the intent of the function's action, within 90 days from the launch of new system functionality or module.

2.8 Reporting and Data Extract

2.8.1 Contractor shall create additional ad-hoc reports as requested and approved by CEO-Risk without limitation or create a reporting module to be executed by the County-specified Users.

2.8.2 Contractor shall create an export of data to be used in various systems of the County.

2.8.3 Contractor shall create an export of a complete back-up of all modules that can be utilized in common office software programs, such as Excel, Word, Access, etc.

2.9 County Resources

The County will provide the following:

County's Project Director shall have the responsibilities as set forth in the Contract.

County's Project Manager shall have the responsibilities as set forth in the Contract. The County's Project Manager will also oversee periodic external project management audits, approve any plans related to transition to Production and monitor that transition, and supports the final escalation point for project issues.

County CEO-Risk Project Team, under the direction of the County's Project Manager, will provide support to the Contractor to include monitoring project progress against the County-approved Contractor's Project Schedule, timelines and milestones, project costs, and project risk assessment.

County Staff on the County CEO-Project Team, consisting of the aforementioned staff, is responsible for certain project activities, as determined by County's Project Director and or County Project Manager, including working with Contractor staff, providing certain subject matter expertise and additional resources for workgroups, requirements validation, testing, and review of Deliverables and other work.

2.10 Contractor Resources: Key Staff

The Contractor shall provide the following Contractor key staff, which shall be part of Contractor's project management team. All proposed staff must perform and render all Services within the continental United States.

The Contractor shall provide qualified experienced personnel to perform all work in accordance with this statement of work. The Contractor shall provide technical support within the designated hours with the ability to provide remote support as needed.

Contractor Project Director shall be a full-time employee of the Contractor responsible for the Contractor's overall performance of the Contract and shall have the authority to commit resources of the Contractor to address all needs and requirements addressed in this Contract.

Contractor's Project Manager shall be a full-time employee of the Contractor and shall be assigned full-time on-site at the Project Office or other location(s) approved by the County's Project Director for this Contract. The Contractor's Project Manager shall report directly to the Contractor's Project Director. The Contractor's Project Manager shall serve as the primary point-of-contact between the County's Project Director and the Contractor. The Contractor's Project Manager is responsible for the overall day-to-day management and coordination to ensure that all Deliverables and other requirements are completed successfully and that all Contract dates are met.

2.11 Deliverable Acceptance Criteria (General)

The Contractor shall develop Contractor's Project Schedule as part of Deliverable 1.1.1 (Project Control Document (PCD)) that defines the schedule of Deliverables, identifying any dependencies between Deliverables that require County approval of one or more prior Deliverables. Once this schedule is approved, unless otherwise authorized in writing by County's Project Director, Deliverables must be approved by the County's Project Director according to this schedule prior to Contractor beginning work on any subsequent Deliverables.

If the Contractor begins work on the next scheduled Deliverable without receiving the County's Project Director approval, Contractor does so at Contractor's sole risk, including the County's right to withhold payment. In general, County requires a minimum of ten (10) business days to review each Deliverable, with a corresponding ten (10) business days resolution period for Contractor to correct any Deficiencies regarding the Deliverable. However, the Contractor acknowledges and agrees that some Deliverables may require a more extensive review and resolution and will be notified by County of a timeframe for review. The County reserves the right to extend any review of any Deliverable.

Contractor shall identify such Deliverables and schedule Deliverable review/resolution periods accordingly in its proposed Contractor's Project Schedule. County reserves the right to increase the review period prior to its final approval of the proposed Contractor's Project Schedule.

Contractor shall submit each Deliverable to the County in an agreed upon method. The County's right to approve all Deliverables and other work, as set forth in this Contract, shall not be limited in any way by the contents of any prior approved Deliverable by the County.

3.0 SCOPE OF WORK

TASK 1: PROJECT ADMINISTRATION

Contractor shall, in coordination with County oversight, provide project management, planning, monitoring, supervision, tracking, documentation, and control for all project activities during the term of the Contract. The Contractor shall employ best project management standards and practices in the performance of all work.

Subtask 1.1: Project Initiation

Contractor shall perform the following work in this Subtask:

1. Deliver and obtain County approval for the PCD, including the initial Contractor's Project Schedule.
2. Contractor shall deliver and present Deliverable 1.1.1, PCD to the County at a meeting within thirty (30) days of the Effective Date of Chief Executive Officer approval as authorized by the Board of Supervisors. Approval by the County's Project Director of Deliverable 1.1.1, PCD must occur before any further work under the Contract may continue. Contractor shall provide an updated PCD as part of its status updates.
3. As part of Deliverable 1.1.1, PCD, Contractor shall include the initial version of the Contractor's Project Schedule, developed in County-specified version of Microsoft Project (or such other project management software as approved in advance by the County's Project Director). In the Contractor's Project Schedule, the Contractor shall identify the time required to complete all tasks and subtasks.

Deliverable 1.1.1: Project Control Document (PCD)

Contractor shall provide the PCD which shall include:

1. All work described in this SOW and elsewhere in the Contract.
2. An approach to completing all work, including a comprehensive work breakdown structure (WBS) with task and subtask descriptions, associated Deliverables, and resource requirements. The WBS establishes all task dependencies against project Deliverables.
3. Contractor's Project Schedule shall include:

- A. All Deliverables, including those referenced in Exhibit B (Pricing Schedule);
 - B. All tasks, subtasks, Deliverables and other work;
 - C. Start date and date of completion for each Deliverable, task, subtask, and other work;
 - D. Proposed County review period for each Deliverable; and
 - E. Proposed milestones;
- 4. Identification of all Contractor Key Staff, including those described in Section 2.2 (Contractor Resources);
 - 5. Quality assurance (QA) methodology and practices;
 - 6. Approach to project communications;
 - 7. Define a Risk Management plan;
 - 8. An approach to configuration management and change management. Changes, in this context, refer to changing the functionality of a component or adding additional functionality (e.g., changes to the project scope). The approach shall ensure that the impacts and rationale for each change are analyzed and coordinated prior to being approved. The change management process may vary from item to item, as determined by the County's Project Director.

Subtask 1.2: Ongoing Project Administration

Contractor shall perform ongoing project administration during the term of the Contract, which shall include:

- 1. Manage all Contractor staff, including Subcontractor staff, assigned to the project.
- 2. Coordinate with CEO-Risk, other County departments, or external agencies, as appropriate.
- 3. Manage/resolve issues raised by the County and documented in status reports.

4. Provide planning and direction in accordance with the County approved PCD, ensuring that proper project management controls exist and are in use.
5. Provide change management.
6. Provide routine and realistic assessments of progress as targeted in the Contractor's Project Schedule.
7. Implement quality assurance measures that allow the delivery of high quality, effective Deliverables to the County.
8. Participate in the Deliverable review/resolution process for all Deliverables.
9. Maintain a project Risk Registry.

Contractor Project Director shall conduct project status meetings as agreed upon and provide status reports in a County-specified format to the County's Project Director throughout the term of the Contract. In each project status report, Contractor shall include:

1. Contractor Project Director Name.
2. Contractor Name.
3. Reporting periods start and stop dates.
4. Date of report.
5. Highlights of the reporting period.
6. Tasks, subtasks and other work completed during the reporting period which were not scheduled.
7. Tasks, subtasks, and other work completed during the reporting period which were scheduled.
8. Tasks, subtasks, and other work started during the reporting period.
9. Tasks, subtasks, and other work in progress during the reporting period.
10. Tasks, subtasks, and other work scheduled for completion during the reporting period which were not completed.

11. Planned activities for the next reporting period.
12. Issues identified during that reporting period.
13. Issues resolved during that reporting period.
14. Corrections to the prior status report.
15. Meetings scheduled for the next reporting period; and
16. Any other items requested by County's Project Director.

Contractor's Project Director shall attend status meetings with the County's Project Director to review any issues, and the status of the Contractor's Project Schedule. The Contractor shall deliver an updated PCD and include an indication of any variance from the current County-approved Contractor's Project Schedule affecting the project's schedule, resources, or impacting the project's critical path. All variances shall be presented to the County's Project Director for approval at the status meeting or as directed by the County's Project Director. Contractor shall send an updated copy of the PCD incorporating only County-approved variances to the County's Project Director for approval no later than twenty-four (24) hours prior to any subsequent status meeting.

Deliverable 1.2.1: Ongoing Project Administration

Contractor shall provide ongoing project administration to include but not limited to:

1. Project status reports; and
2. Updates to the PCD, including the Contractor's Project Schedule.

TASKS 2 THROUGH 12

The following remaining Tasks describe the work that the Contractor shall perform as relating to the project.

- Task 2 – Requirements Gathering
- Task 3 – Requirements Verification and Analysis
- Task 4 – General Design
- Task 5 – Technical Infrastructure Planning and Design
- Task 6 – Functional Design
- Task 7 – Data Migration
- Task 8 – Testing
- Task 9 – Implementation Planning

- Task 10 – Implementation Preparation
- Task 11 – Implementation
- Task 12 – Performance Verification
- Task 13 – Operational Phase (Ongoing Specialized Training Support)
- Task 14 – Performance Requirements Summary
- Task 15 – Contract Discrepancy Report
- Task 16 – Support Services

Contractor shall work collaboratively with key stakeholders from the County who will interact with the System. Contractor will update Deliverables, as needed, for each task on which it receives a notice to proceed.

TASK 2: REQUIREMENTS GATHERING

Contractor shall perform the following work during this Task 2:

1. Plan Task 2 with County and stakeholders; and
2. Gather County functional, technical, and training requirements through discovery sessions.

Subtask 2.1: Planning for Requirements Gathering

Contractor, working in conjunction with County designated stakeholders, shall plan the schedule for the discovery activities in Task 2 (Requirements Gathering). The planning shall include the development of schedules and locations for the appropriate analysis and meetings with the County and others approved by the County, as well as identification of the key participants for each meeting.

Deliverable 2.1.1: Requirements Gathering Schedule

Contractor shall provide the Requirements Gathering Schedule that describes the proposed number of meetings, names of anticipated participants, proposed agenda(s), and updates to the Contractor's Project Schedule. The updates to the Contractor's Project Schedule will include the detailed activities, schedule, and resources required for completing Task 2 (Requirements Gathering).

Subtask 2.2: Gather the Requirements

Contractor shall conduct discovery sessions of all functional, technical, and training requirements. As a result of this subtask, the Contractor shall establish a working set of baseline functional, technical, and training requirements that will serve as the basis for design and development. The Contractor shall accomplish this by completing the following steps:

1. Reviewing the Contract terms & conditions, SOW requirements and Contract Exhibits.
2. Conducting discovery sessions with County staff and County-specified key Users of the System to ensure a common understanding of the requirements.

Deliverable 2.2.1: Draft Systems Requirements Document (SRD)

Contractor shall provide a draft SRD that shall document a preliminary set of functional, technical, and training requirements for the System, describing in detail what the System must do and other attributes the System must have to provide and support all services. Draft SRD will be reviewed and approved to the satisfaction of County prior to the start of Task 3.

TASK 3: REQUIREMENTS VERIFICATION AND ANALYSIS

Contractor shall perform the following work during this Task 3:

1. Plan Task 3 with County and other stakeholders; and
2. Analyze and verify all functional, technical, and training requirements.

Subtask 3.1: Planning for Requirements Verification

Contractor, working in conjunction with County designated stakeholders, shall plan requirements review and schedule for the activities in Task 3 (Requirements Verification and Analysis). The planning shall include the development of schedules and locations for the appropriate analysis and meetings with County and others approved by County, as well as identification of the key participants for each meeting.

Deliverable 3.1.1: Requirements Verification Schedule

Contractor shall provide the Requirements Verification Schedule that describes the proposed number of meetings, names of anticipated participants, proposed agenda(s), and updates to the Contractor's Project Schedule. The updates to the Contractor's Project Schedule will include the detailed activities, schedule, and resources required for completing Task 3 (Requirements Verification and Analysis).

Subtask 3.2: Analyze and Verify the Requirements

Contractor shall conduct a thorough verification of all functional, technical, and training requirements gathered from Task 2 (Requirements Gathering). The Contractor shall validate all functional, technical, and training requirements and verify that all requirements have been identified. As a result of this subtask, the Contractor shall establish a complete set of baseline functional, technical, and training requirements that will serve as the basis for System design and configuration/development. Contractor shall accomplish this by completing the following steps:

1. Reviewing the Contract with Exhibits.
2. Conducting any indicated clarification sessions with County staff and County-specified key Users of the System to ensure a common understanding of the requirements.
3. Requesting additional information, as appropriate, to ensure a thorough understanding of the requirements.

Contractor shall record all functional, technical, and training requirements in the requirements traceability and verification tool. The Contractor shall ensure that:

1. Additional documentation, such as clarifications, details, and/or examples that help more thoroughly define a requirement, shall be attached to the appropriate requirement(s); and
2. All Requirements Traceability Matrix links exist between each unique functional, technical, and training requirement and other related functional, technical, and training requirements, including the Exhibits, documents (e.g., clarifications or examples), or other Deliverables.

Contractor shall prepare Deliverable 3.2.1 (System Requirements Document (SRD)), summarizing the Contractor analysis and verification of the functional, technical, and training requirements, including any impacts to the proposed System design concept and its related requirements, specifications and components prior to initiating design. This document shall serve as the foundation for future design and development.

Contractor shall prepare Deliverable 3.3.2.2 (Requirements Traceability Matrix and Report) that includes any unresolved traceability issues. Deliverable 3.3.2.2 (Requirements Traceability Matrix and Report) shall be used to ensure that all technical requirements can be clearly traced to the business or functional requirements that they must support. The Contractor shall use County business processes, workflows, terminology and nomenclature wherever possible. The Requirements Traceability Matrix and Report can also be used to ensure that all proposed business logic can be traced to the supporting business need or County objective. This matrix will be used as a quality assurance tool throughout the System design and development process and shall be updated by the Contractor as needed for subsequent activities.

Deliverable 3.2.1: System Requirements Document (SRD)

Contractor shall provide a SRD that documents the complete set of verified functional, technical, and training requirements for the System, describing in detail what the System must do and other attributes the System must have in order to provide and support all services.

Deliverable 3.2.2: Requirements Traceability Matrix and Report

Contractor shall provide a Requirements Traceability Matrix and Report to establish that all links for each functional, technical, and training requirement, as set forth in the Exhibits, documents (e.g., clarifications or examples), or other Deliverables, have been successfully documented. Contractor shall also indicate any unresolved traceability issues (i.e., functional, technical or training requirement that is not fully satisfied by the Contractor). Unresolved traceability issues will be reviewed and discussed with County in detail to reach resolution to the satisfaction of County.

TASK 4: GENERAL DESIGN

The General Design shall describe the features and functions of the System, outlining System behavior as seen by a User, and containing the technical information and data needed for the design. The Contractor shall describe the following System architectures based on Deliverable 3.2.1 SRD: functional, application, and data. The Contractor shall document these architectures in Deliverable 4.1.1 (General Design Document) that:

1. Ensures that all System features and functions are correctly understood before moving into the System detailed design tasks.
2. States any assumptions, limitations, and constraints used in formulating the System architectures.
3. Establishes traceability for each architectural requirement, specification and component to requirements as documented in Deliverable 3.2.1 SRD.
4. Provides all the information necessary for the detailed design of the System, Customizations and Enhancements to be delivered and technical infrastructure.

The General Design Document shall include specific information about each System architectural requirement, specification, and component to include:

1. Functional architecture: a high-level description of the functionality and capabilities of the System.

2. Application architecture: a high-level description of the organization of the application into service components, Interface management, and security processing.
3. Data architecture: a high-level description of the logical design, structure, and implementation of the data needed for the System functionality and operations.

Contractor will participate with County at meeting(s) in a review of the General Design Document to obtain concurrence between the Contractor and the County on the content of the final General Design Document before proceeding to the next tasks. General Design Document must be reviewed and approved to the satisfaction of County.

Deliverable 4.1.1: General Design Document

Contractor shall provide a General Design Document to include:

Overview: An overview of the proposed System general design:

1. Architectural Component Descriptions: A description of the System in terms of its architectural requirements, specifications and components, highlighting the most important features and capabilities of each, to include functional architecture, application architecture, and data architecture; and
2. General Constraints, Limitations, Dependencies and Assumptions: Any constraints or limitations discovered, or assumptions made in specifying the System general design. In its design of the System, the Contractor shall utilize existing business processes and workflows, terminology and nomenclature, and datasets, to mitigate the impact on Users; and
3. Security Design: A description of how security will be implemented and administered in accordance with the specifications in the SRD and the General Design Document; and
4. User Interface(s): A description of the Contractor user interface design strategy, describing compliance with related System functional,

technical, and training requirements and usability features; and

5. Performance: A discussion of design considerations that may impact System performance, to include availability, response time, throughput, data volume, problem complexity, maximum number of concurrent Users, and peak load; and
6. Additional Design Considerations: A description of any other characteristics of the System design that were not covered in the prior sections.

Contractor shall provide an updated PCD reviewed and approved to the satisfaction of County.

TASK 5: TECHNICAL INFRASTRUCTURE PLANNING AND DESIGN

The technical infrastructure shall be designed and sized based on County requirements. The System shall be fully managed at a primary central site and, shall on a daily basis, perform data back-ups of the System, accessed via a secure browser-based interface, and shall meet the performance requirements as set forth in the Contract.

Subtask 5.1: Design Technical Infrastructure

Contractor shall describe the various main Hosted Environments (e.g., Test, Staging, Production, Reporting, etc.) that shall be used throughout the term of the Contract. The Contractor shall document its technical design of the main Hosted Environments to be used for the System, including a description of the changes from one Hosted Environment to another. The System shall include, at a minimum two (2) Hosted Environments:

1. Test – a Hosted Environment robust enough to support multiple tests simultaneously. The Hosted Environment for testing shall be comprised of multiple sub-environments, including the ability to change the System date by sub-environment and parallel test environments for the sole use of the County for the testing of all modifications and enhancements.
2. Production – the Hosted Environment for Production Use of the fully tested and integrated System accessible by County-specified Users.

Deliverable 5.1.1: Technical Infrastructure Design Document - Key

Contractor shall provide a Technical Infrastructure Design Document to include:

1. An overall description of the System topology; and
2. Specific topology for each System Hosted Environment; and
3. System maintenance strategy; and
4. Strategy for ensuring that the System shall continue to meet scalability and growth demands throughout the term of the Contract; and
5. System administration and management strategy to include ongoing and Business Continuity/Disaster Recovery.

Subtask 5.2: Develop Information Systems Security Plan

Contractor shall provide the Information Systems Security Plan which shall describe in detail the security strategy. The Contractor shall include a description of the different levels of security, the processes that shall ensure the System security meets the County requirements and the roles and responsibilities for managing the System security. Contractor shall provide periodic updates as requested by the County. In addition to all other requirements, the Contractor shall specifically comply with the County's information security policies, standards, guidelines, and procedures.

Deliverable 5.2.1: Information System Security Plan

Contractor shall include:

1. Roles and responsibilities of the Contractor, including, without limitation, the Contractor Security Officer; and
2. Strategies for complying with all legal requirements in accordance with the Contract; and
3. Baseline security measures, risk assessments, and continual monitoring of the System security; and

4. Physical security, hardware security, and Software security; and
5. Internet security, including information movement.

TASK 6: FUNCTIONAL DESIGN

Contractor shall perform the following work in this Task 6:

1. Develop and document the functional design of the System; and
2. Conduct a meeting for presentation to the County of the System functional design.

Subtask 6.1: Develop the Functional Design

Contractor shall develop the functional design of each system requirement, specification or component in the System based on both Deliverable 3.2.1 (System Requirements Document (SRD)) and Deliverable 4.1.1 (General Design Document). The functional design will include the requisite data structures, data flows, business logic, user interface design, Interfaces, and algorithms needed for the System.

Contractor shall document the elements of the functional design, such as process models and use case analyses. The Contractor shall develop models that achieve the functional requirements of each requirement, specification, and component, while describing key constraints, such as performance goals, performance requirements, and infrastructure concerns. The Contractor shall:

1. Describe all functional requirements, specifications, and components of the System, describing how each will be structured and what functionality will be included in that component.
2. Design the user interface to include specific User controls, layout for major screens, navigation flow, and expected content for each screen, input validation, and data protection.
3. Define the System business rules, including formulas and algorithms not documented in the SRD.
4. Define appropriate scenarios (defined through process maps, use cases).
5. Provide functional design traceability to verified requirements.

Contractor shall document the System functional design in Deliverable 6.1.1 (Functional Design Document (FDD)). This document shall serve as the detailed functional specification for the System design and shall be updated, as appropriate, throughout the term of the Contract, as a part of Hosting and Support Services.

Deliverable 6.1.1: Functional Design Document - Key

Contractor shall provide a Functional Design Document (FDD) to include:

1. High-level summary of the System design including a requirement, specification and component decomposition chart and a functional description of each component.
2. Detailed design for each module to include:
 - A. Name and description;
 - B. Function;
 - C. Process (algorithm);
 - D. Interfaces; and
 - E. Data.
3. Description of the user interface to include specific User controls, layout for major screens, navigation flow, and expected content for each screen, input validation, and data protection.
4. Description of the System security design.
5. Documentation of scenarios.
6. Updated Requirements Traceability Matrix.

Deliverable 6.2.1: Functional Design Presentation Report

Contractor shall provide a Functional Design Presentation Report.

TASK 7: DATA MIGRATION

Contractor shall perform the following work during this Task 7:

Contractor shall work with the County to acquire data from its current systems and provide or develop programs or scripts required to migrate data to the new System.

Once the information has been acquired from the County, Contractor shall map the data, load the data into the System, and perform the necessary tests to ensure the data is structured properly and can be used to meet the functional requirements.

Subtask 7.1: Prepare Data Migration Plan

Contractor shall prepare Deliverable 7.1.1 (Data Migration Plan) that describes how the data migration solution will be designed, mapped, documented, tested, reconciled, and integrated. The Contractor shall provide detailed updates to the Contractor's Project Schedule reflecting the specific schedule and resource requirements.

Deliverable 7.1.1: Data Migration Plan

Contractor shall provide the Data Migration Plan which shall include:

1. **Project Organization:** The Contractor shall identify the roles and responsibilities for the data migration. The Contractor shall indicate how this data migration effort will be managed and controlled and what procedures will be used for tracking and reporting progress.
2. **Project Assumptions and Potential Risks:** The Contractor shall document all key assumptions, risks, dependencies and plans for data mitigation that exist at the initiation of all data migration activities. The Contractor shall track these assumptions and potential risks regularly.
3. **Schedule:** The Contractor shall provide a detailed plan for Task 7 (Data Migration), integrated and consistent with the Contractor's Project Schedule, which describes the activities, schedule, and resources for the data migration, including any Contractor-proposed milestones, status meetings, reviews, and documentation preparation. Updates to this schedule shall be reflected in the Contractor's Project Schedule.
4. **Defect Tracking:** Contractor shall describe the following:
 - A. **Deficiency tracking:** Contractor shall describe how it tracks and resolves data issues encountered.
5. **Test Strategy:** Contractor shall document the strategy for data migration testing, including the following:
 - B. **Testing Approach:** Contractor shall describe its approach for planning and executing testing, both incrementally during development and for the entire System before delivery to the County.

- C. Testing Schedule: Contractor shall include all proposed tasks and major testing milestones. Contractor shall also integrate these dates with the schedule in the Contractor's Project Schedule.

Subtask 7.2: Execution of Data Migration Plan

Contractor shall conduct scheduled execution of the Data Migration Plan to migrate data into the System and reflect in the Contractor's Project Schedule any issues that are identified and resolved in a timely fashion. The execution of the Data Migration Plan will be an incremental repeatable process to load all required data into the System.

Deliverable 7.2.1 Data Migration Report - Key

Contractor shall provide to the County a written Data Load and Reconciliation Report and Certification. This Report and Certification shall serve as documentation that all of the necessary data has been loaded into the System and can be used to meet the functional requirements.

TASK 8: TESTING

This Task 8 includes integration and testing. A full regression test shall be conducted at the conclusion of each major set of testing activities.

Contractor shall perform the following work during this Task 8:

1. Develop the General Test Plan.
2. Develop test plans and procedures for all stages of testing, including integration testing, system testing, and UAT, that ensure all requirements are being tested and verified.
3. Conduct the testing for all stages of testing, including integration testing, system testing, and evaluate results, correct problems, and re-test.

Subtask 8.1: Develop General Test Plan

Contractor shall prepare Deliverable 8.1.1 (General Test Plan) that describes the overall approach to testing the System, including integration testing, system testing, and user acceptance testing (UAT). Contractor shall include:

1. Overall test approach, including a summary of techniques to be used.
2. Roles and responsibilities for the Contractor's System test team members, for functional, technical, and training purposes.
3. Testing schedule, including all proposed activities and major testing milestones. Contractor shall also integrate these dates with the schedule in the Contractor's Project Schedule.

4. Approach to validating that all requirements have been tested and verified.
5. Configuration of the System Hosting Environments used for each specific level of testing.

Deliverable 8.1.1: General Test Plan

Contractor shall provide the General Test Plan in accordance with Subtask 8.1 (Develop General Test Plan).

Deliverable 8.1.2: General Test Summary Report

Contractor shall provide the General Test Summary Report, which summarizes all activities, types of tests, and results of the System testing to allow the County to assess the System test outcome. This General Test Summary Report shall include:

1. Summary of all tests conducted during system testing;
2. Summary of results;
3. Summary of each Deficiency identified by the Contractor or the County, its corrective action status, date of completion of each correction, and date of the County's Project Director's approval of each correction, as applicable; and
4. Justification for moving to UAT.

The County's Project Director's approval of this Deliverable 8.1.2 is required prior to the Contractor proceeding to Subtask 8.2 (User Acceptance Testing).

Subtask 8.2: Pilot and User Acceptance Testing

Pilot and UAT is a major project milestone during which the County, with the assistance of the Contractor, shall comprehensively test the System against the Specifications with County data loaded to determine if the System is ready for Implementation.

Contractor shall provide a Recommended User Acceptance Test Plan to include:

1. A description of proposed test scripts to be conducted during UAT;
2. A description of tools, environments, and controls to be used during UAT;
3. A proposed test schedule;
4. A description of the Contractor and the County roles, responsibilities, and resources needed to perform UAT;
5. A proposed training plan and schedule for UAT team;

6. A process for UAT problem reporting, tracking, and resolution process;
7. A proposed approach for the correction of Deficiencies identified by the Contractor or the County during UAT; and

Contractor shall provide the above to the County in Deliverable 8.2.1 (Recommended UAT Plan).

Contractor shall provide tools, environment, and controls to be used during UAT.

Contractor will develop all test scenarios in consultation with CEO-Risk. The Contractor shall incorporate and manage all developed test scenarios, together with the related procedures, and verify traceability between scenario/procedures to the Specifications throughout the term of the Contract. The Contractor shall update Deliverable 8.2.2 (User Acceptance Test Procedures/Scenarios Inventory Report) and provide update to the County from time-to-time when requested by the County's Project Director. The Contractor shall assist the County Project Team with the integration of County-developed scenarios.

CEO-Risk shall assist the Contractor in developing the User Acceptance Test Plan which shall be prepared by the Contractor.

During UAT, Contractor shall provide support to County, including configuration of the Hosted Environment for testing, training on testing tools or processes for County UAT team, management of test results, and performance of any corrective actions in the case of identified Deficiencies by the Contractor or the County. The Contractor shall be responsible for installing any special software and/or making any other needed changes to ensure the System is ready for UAT. The Contractor shall provide any necessary tools to simulate the System performance under operational conditions. County staff will perform UAT using data sets representative of operational complexity. County will record all UAT results, and Contractor shall prepare the reports that include a record of all successes, failures, and corrective actions taken by Contractor.

Contractor shall provide Deliverable 8.2.3 (User Acceptance Test Weekly Status Reports) which summarizes all aspects of UAT performed during that week, including any Deficiencies identified by the Contractor or the County, corrected, and still outstanding. Reports shall be due every Tuesday for the entire period of the UAT. The Contractor shall document the review and acceptance of test materials, activities, and results at weekly meetings with the County.

County will notify the Contractor of any Deficiencies identified by County during UAT. For each Deficiency identified by the Contractor or the County, the Contractor shall provide a corrective action plan, which shall include:

1. Description of each Deficiency and its root cause.

2. Business processes, the System functions, and/or Interfaces impacted.
3. Description of all potential risks to the System, including implementation, and mitigation strategy for the System.

Contractor shall schedule and participate in a meeting with the County to review the results of UAT and determine whether the Contractor has met all County requirements for the System design and development prior to the start of Task 10 (Implementation).

Contractor shall provide Deliverable 8.2.4 (User Acceptance Test Certification of Successful Completion) to the County certifying that all known Deficiencies identified by the Contractor, or the County have been corrected by the Contractor, in accordance with this SOW and that all corrections have been approved by the County's Project Director. The County's Project Director's approval of Deliverable 8.2.4 (User Acceptance Test Certification of Successful Completion) will indicate the completion of Subtask 8.2 (User Acceptance Testing) and the Contractor may commence Task 10 (Implementation).

Contractor shall correct all Deficiencies in accordance with this SOW prior to the start of Task 11 (Implementation).

Deliverable 8.2.1: Recommended User Acceptance Test Plan

Contractor shall provide a Recommended User Acceptance Test Plan which shall include:

1. Description of proposed tests to be conducted during UAT;
2. Tools, environments, and controls to be used during UAT;
3. Proposed test schedule;
4. Contractor roles, responsibilities, and resources in performing UAT;
5. Training plan and schedule for UAT team;
6. Deficiency reporting, tracking, and correction process; and
7. Approach to correcting Deficiencies identified during UAT.

Deliverable 8.2.2: User Acceptance Test Procedures/Scenarios Inventory Report

Contractor shall provide the UAT Procedures/Scenarios Inventory Report which shall include an inventory of all developed test scenarios, together with the related procedures and verify traceability between scenario/procedures to the System requirements.

Deliverable 8.2.3: User Acceptance Test Weekly Status Reports

Contractor shall provide UAT Weekly Status Reports throughout UAT period. Each Report shall include:

1. Summary of all tests conducted during UAT;
2. Summary of test results;
3. Summary of each Deficiency identified by Contractor or County. The summary shall include for each Deficiency:
 - A. Description of each Deficiency and its root cause;
 - B. Business processes, the System functions, and/or Interfaces impacted;
 - C. Corrective action plan, test scenarios, and implementation approach;
 - D. Schedule for completion of each corrective action and resources required/assigned;
 - E. Status of each corrective action;
 - F. Date of completion of each correction; and
 - G. Date of the County's Project Director's approval of each correction, as applicable.
4. Documentation of the review of the previous week's UAT Weekly Status Report with the County, including agenda, attendees, action items, and supporting documentation.

Deliverable 8.2.4: User Acceptance Test Certification of Successful Completion

Contractor shall provide a User Acceptance Test Certification of Successful Completion to County within ten (10) days after successful completion of UAT, certifying that: (i) all requirements traceability to all tests and test results have been verified, (ii) Deficiencies identified by the Contractor or the County have been corrected by the Contractor and approved by County's Project Director in accordance with this SOW, as described in Subtask 7.2 (User Acceptance Testing), and (iii) all other UAT-related activities have been completed.

County's Project Director's approval of this Deliverable 8.2.4 shall indicate the completion of Subtask 8.2 (User Acceptance Testing) and will allow Contractor to proceed with Task 10 (Implementation).

TASK 9: IMPLEMENTATION PLANNING

Contractor shall initiate planning for implementation of the System. The Contractor shall perform the following work in this Task 9:

1. Develop the Implementation Master Plan that includes the strategy, resources, and schedule for implementation of the System.
2. Develop System Training Plans that describe how the Contractor shall provide training for all County-specified Users, including County support staff.

Subtask 9.1: Prepare Implementation Master Plan

Contractor, in consultation with County, shall develop Deliverable 9.1.1 (Implementation Master Plan), including a description of preparation activities to be included in Task 9 (Implementation Preparation), and the schedule to ensure that all Hosting Services, Support Services and sites are fully operational by the end of Task 10 (Implementation). The Contractor shall also reference any additional plans, developed during this Task 9 (Implementation Planning), in Deliverable 9.1.1 (Implementation Master Plan).

Contractor shall propose an implementation approach that describes the size and complexity of the User population, taking into account any transition and productivity concerns, technical considerations, and logistical, training, or implementation support issues. The Contractor shall document its approach for implementation activities in Deliverable 9.1.1 (Implementation Master Plan). The Contractor shall provide an implementation work plan that provides a detailed schedule and required resources for both Contractor and County. Contractor must obtain County's Project Director's approval of this plan prior to the start of Task 10 (Implementation).

Contractor shall provide fully trained support staff involved in the Implementation to provide direct User support for the System. Contractor shall provide onsite support staff and/or host a virtual Support War-Room where County-specified Users can freely join for System support during the implementation period.

Contractor shall minimize any disruption to County staff in the normal operation of business.

Contractor shall describe the process for issue identification, tracking, and resolution that sets forth how the Contractor shall work with the County to track, manage, resolve, and/or mitigate any issues arising throughout the implementation of the System.

Deliverable 9.1.1: Implementation Master Plan

Deliverable 9.1.1, The Contractor shall provide the Implementation Master Plan which shall document the strategy, plan, and resources needed for the implementation of the System, including:

1. Roles and responsibilities of Contractor staff.
2. Implementation work plan, including Task 9 (Implementation Preparation), that includes schedule and resources required.
3. Installation, configuration, and testing for the System Hosted Environments and databases.
4. Approach for support as they begin to use the System.
5. Contingency plan(s) if, at any point during implementation, the System fails to meet or comply with County requirements for functionality, availability, response time, and other performance.

Contractor shall provide an updated PCD and Technical Infrastructure Design Document.

Subtask 9.2: Prepare Training Plans

Initial instructor-led training shall be the responsibility of the Contractor and developed based, in part, on County input. Contractor shall evaluate the needs of the various User groups to be trained. The User groups may be changed from time-to-time, as determined by the County.

The System Training Plan shall include:

1. Curriculum Plan that describes components, materials, learning objectives, and hours of required training for each User group.
2. Training locations, site preparation plans, provision and installation of all necessary equipment for the training sites.
3. Preliminary schedule for training, based on the System implementation schedule, and any identified County constraints for staffing, and resources for training.

Contractor shall provide all training and the System Training Materials to County-specified Users. The Contractor shall provide

training at the Project Office or other location(s) approved by County's Project Director.

Deliverable 9.2.1: Develop Training Plans

Contractor shall develop the new System Training Plans as described in Subtask 9.2 (Prepare the System Training Plans) as approved by County.

Contractor shall provide an updated PCD and Technical Infrastructure Design Document.

Deliverable 9.2.2: Provide System Training Plans

Contractor shall provide the new the System Training Plan as described in Subtask 9.2 (Prepare the System Training Plans) to the satisfaction of County.

TASK 10: IMPLEMENTATION PREPARATION

In this Task 10, the Contractor shall prepare for Implementation. The Contractor shall perform the following work:

1. Provide all Documentation in electronic format, and on read-only medium, as specified by County, prior to the start of Task 10 (Implementation);
2. Review and update the PCD and Technical Infrastructure Design Document;
3. Prepare the System Training Materials in accordance with Deliverable 9.2.1 (The System Training Plans);
4. Establish the procedures for informing the County of any issues that will affect the System in complying with the Specifications, and including meeting the performance requirements; and
5. Prepare the System for implementation and operations, ensuring that all support and operational procedures, tools, and facilities are in place and operational in accordance with the schedule in Deliverable 9.1.1 (Implementation Master Plan).

Subtask 10.1: Prepare Documentation

Contractor shall provide all Documentation in electronic format, and on read-only medium, as specified by County, prior to the start of Task 10 (Implementation).

Contractor shall establish Documentation update procedures that allow specified County representatives to update and add Documentation to the System Hosted Environments as needed. Any update to Documentation shall require prior approval of the County's Project Director.

Deliverable 10.1.1: Documentation:

1. User manuals;
2. Online help, both general and context sensitive;
3. Orientation and training materials and manuals; and
4. The System practices and procedures.

Subtask 10.2: Prepare Training Materials

Contractor shall provide Deliverable 10.2 (The System Training Materials), including procedures for accessing Contractor-provided System support resources, the System Training Materials shall be provided at least thirty (30) days prior to the start of Task 11 (Implementation). The System Training Materials shall include all training requirements in Exhibit A.1 (System Requirements).

Contractor shall provide all training, including specialized training, and the System Training Materials to County-specified Users.

Contractor shall provide and maintain all the System Training Materials in electronic copy format for each training session, consistent with the Curriculum Plan described in Deliverable 10.2.1 (The System Training Materials). The Contractor shall work with County to develop materials that reflect realistic scenarios based on County standard business processes and procedures, tailored to User groups as required. The training materials and tutorials shall accurately reflect the online version of the System functionality.

Contractor shall provide electronic copy of Documentation to each User prior to the first day of any training sessions.

Contractor shall provide the County with master copies of all training materials. The System Training Materials shall be clear and understandable to both Users and technical staff.

Contractor shall provide the County with the System Training Materials in accordance with Subtask 10.2.1 (Prepare the System Training Materials) and Exhibit A.1 (System Requirements).

Deliverable 10.2.1: System Training Materials

The System Training Materials for shall include:

1. Master copies in electronic format of all training materials and manuals provided by the Contractor and third parties (e.g., product Contractors).
2. Electronic copy of training materials for each User group.
3. Online the System tutorials and Documentation.

TASK 11: IMPLEMENTATION

Contractor shall implement the System in accordance with the County-approved updated Deliverable 9.1.1 (Implementation Master Plan). Contractor shall perform the following work during this Task 11:

1. Train County-specified support staff and County-specified Users.
2. Upon successful completion of training and approval from the County to proceed, Contractor to begin Implementation of the system.
3. Prepare interim and final reports documenting the results of implementation.
4. Achieve County's Project Director approval of the successful completion of Implementation.

Subtask 11.1: Conduct Training

Contractor shall conduct the System training in accordance with Deliverable 10.2.1 (The System Training Materials). Contractor shall provide all trainers, training manuals and materials necessary to train County-specified Users. Upon completion of Implementation, Contractor shall prepare Deliverable 11.1.1 (The System Training Report) that contains how many Users received training, and any retraining that was required.

Deliverable 11.1.1: Training Report

Contractor shall provide the System Training Report which shall summarize all training delivered to Users, document the effectiveness of this training, and provide recommendations for further training activities or processes.

Subtask 11.2: Execution and Completion of Implementation

After the County's Project Director approval of Deliverable 11.1.1 (The System Training Report), Contractor shall bring the Hosted

Environments online for Production Use in accordance with the accepted schedule.

Prior to the completion of Task 11 (Implementation), the Contractor shall provide to the County evidence, including supporting documentation, that all requirements for Implementation have been successfully met. The Contractor shall conduct a review of Deliverable 11.2.1 (Implementation Report) with County at a meeting and provide any County-requested demonstrations of the deployed the System.

Contractor shall evaluate the status of each Deficiency identified by Contractor or County, and shall include for each Deficiency:

1. Description of each Deficiency and its root cause.
2. Business processes, the System functions, and/or Interfaces impacted.
3. Corrective action plan, test scenarios, and implementation approach.
4. Schedule for completion of each corrective action and resources required/assigned.
5. Status of each corrective action.
6. Date of completion of each correction.
7. Date of County's Project Director's approval of each correction, as applicable.

Contractor shall provide:

1. Summary of lessons learned; and
2. Recommendations for any improvements to the System.

Deliverable 11.2.1: Implementation Report

Contractor shall provide the Implementation Report documenting the successful completion of Task 11 (Implementation), including:

1. Summary of Task 11 (Implementation) activities, results, and outcomes.
2. Summary of each Deficiency identified by the Contractor or the County. The summary shall include for each Deficiency:
 - A. Description of each Deficiency and its root cause.
 - B. Business processes, System functions, and/or Interfaces impacted.
 - C. Corrective action plan, test scenarios, and implementation approach.

- D. Schedule for completion of each corrective action and resources required/assigned.
 - E. Status of each corrective action.
 - F. Date of completion of each correction.
 - G. Date of County's Project Director's approval of each correction, as applicable.
- 3. Summary of lessons learned.
 - 4. Recommendations for any improvements to the System.

Contractor shall provide an updated Requirements Traceability Matrix which shall include the status of each functional, technical, and training requirement.

Deliverable 11.2.2: Final Acceptance Certification

Contractor shall provide the Final Acceptance Certification, certifying: (i) successful completion of implementation and that Contractor has completed all work necessary for the System to be available for Production Use by all Users; (ii) Deficiencies identified by the Contractor or the County have been corrected by Contractor in accordance with this SOW; (iii) corrections of such Deficiencies have been approved by County's Project Director; and (iv) following County's Project Director's approval of all such corrections, the System has performed for thirty (30) consecutive days in compliance with the Specifications, including all performance requirements. The Certification shall also document the review with County of Deliverable 11.2.1 (Implementation Report), including agenda, attendees, action items and supporting documentation.

County requires thirty (30) days to approve this Deliverable 11.2.2. County approval of this Deliverable 11.2.2 shall signify Final Acceptance of the System by County.

Contractor shall provide an updated PCD, Requirements Traceability Matrix, the System Training Plans, and any other applicable documents.

TASK 12: PERFORMANCE VERIFICATION

Contractor shall consult County to adhere and provide Performance Verification as stipulated in this Exhibit A and its attachments to the satisfaction of County.

TASK 13: OPERATIONAL PHASE (ONGOING SPECIALIZED TRAINING SUPPORT)

Contractor shall consult County to adhere and provide Operational Phase as stipulated in this Exhibit A and its attachments to the satisfaction of County.

TASK 14: PERFORMANCE REQUIREMENTS SUMMARY

Contractor shall consult County to adhere the Performance Requirements Summary as stipulated in this Exhibit A and in accordance with Exhibit A-5 to the satisfaction of County.

TASK 15: CONTRACT DISCREPANCY REPORT

Verbal notification of a Contract discrepancy will be made to the County Contract Project Manager as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor.

The County Contract Project Director will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this written document, the Contractor is required to respond in writing to the County Contract Project Director within five (5) business days, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the County Contract Project Director within five (5) business days.

Subtask 15.1: Adherence to Contract Discrepancy Report

Contractor is responsible for the resolution of all discrepancies as listed in the Contract Discrepancy Report (CDR), Exhibit A-7.

Deliverable 15.1.1: Contract Discrepancy Report

Contractor shall respond to the CDR with its action plan.

TASK 16: SUPPORT SERVICES

Deliverable 16.1.1: Support Services

Contractor shall consult County to adhere and provide Support Services as stipulated in this Exhibit A (SOW) and Exhibit O to the satisfaction of County. The Support Services will be provided by Contractor to the County at the time frames set forth by the County, which may include when the County initially uses the System before the start of implementation.

4.0 DELIVERABLE SUMMARY

This Section 4 provides a summary of all Deliverables for the System as detailed in the sections above. The County requirements for due dates are specified. As part of the Contractor's Project Schedule, the Contractor shall provide a proposed schedule for the submission of all Deliverables to the County in accordance with County requirements.

4.1 PROJECT DELIVERABLES:

Table 1: Deliverables for Task 1 – Project Administration

Del. #	Deliverable Name	Due Date
1.1.1	Project Control Document (PCD)	Effective Date + 30 days
1.1.2	Incoming Orientation Plans	In PCD
1.1.3	Project Initiation Completion Report	In PCD
1.1.4	Quality Assurance Plan - Methodology and Practices	In PCD
1.2.1	Perform Ongoing Project Administration	In PCD
1.2.2	Project status meeting and provide status reports in the County-specified and approved format	In PCD

Table 2: Deliverables for Task 2 – Requirements Gathering

Del. #	Deliverable Name	Due Date
2.1.1	Planning for Requirements Gathering	In PCD
2.1.2	Draft System Requirements Document (SRD)	In PCD
2.2.1	Review and Analyze SRD	In PCD
2.2.2	Implementing Results in SRD	In PCD

Table 3: Deliverables for Task 3 – Requirements Verification and Analysis

Del. #	Deliverable Name	Due Date
3.1.1	Planning for SRD Verification and Analysis Schedule	In PCD
3.2.1	Performing SRD Verification and Analysis	In PCD
3.2.2	Finalizing Requirements Traceability Matrix and Report	In PCD

Table 4: Deliverable for Task 4– General Design

Del. #	Deliverable Name	Due Date
4.1.1	General Design Document	In PCD

Table 5: Deliverables for Task 5 – Technical Infrastructure Planning and Design

Del. #	Deliverable Name	Due Date
5.1.1	Technical Infrastructure Design Document	In PCD
5.2.1	Information Systems Security Plan	In PCD

Table 6: Deliverables for Task 6 – Functional Design

Del. #	Deliverable Name	Due Date
6.1.1	Functional Design Document (FDD)	In PCD
6.2.1	Functional Design Presentation Report	In PCD

Table 7: Deliverables for Task 7 – Data Migration

Del. #	Deliverable Name	Due Date
7.1.1	Data Migration Plan	In PCD
7.2.1	Data Migration Report	In PCD

Table 8: Deliverables for Task 8 –Testing

Del. #	Deliverable Name	Due Date
8.1.1	General Test Plan	In PCD
8.1.2	General Test Summary Report	Completion of Subtask 8.1
8.2.1	Recommended User Acceptance Test Plan	In PCD
8.2.2	User Acceptance Test Procedures/Scenarios Inventory Report	In PCD
8.2.3	User Acceptance Test Weekly Status Reports	In PCD
8.2.4	User Acceptance Test Certification of Successful Completion	In PCD

Table 9: Deliverables for Task 9– Implementation Planning

Del. #	Deliverable Name	Due Date
9.1.1	Implementation Master Plan	In PCD
9.2.1	Develop Training Plans	In PCD
9.2.2	Provided System Training Plans	In PCD

Table 10: Deliverables for Task 10 – Implementation Preparation

Del. #	Deliverable Name	Due Date
10.1.1	Documentation	Prior to start of Task 10
10.2.1	System Training Materials	30 days prior to start of Task 10

Table 11: Deliverables for Task 11 – Implementation

Del. #	Deliverable Name	Due Date
11.1.1	Provide System Training Report upon the Successful Facilitation of Training	In PCD
11.1.2	Evaluate and Provide Implementation Report Document(s)	Completion of Task 11
11.2.2	Final Acceptance Certificate	Completion of Task 11

Table 12: Deliverables for Task 12 – Performance Verification

Del. #	Deliverable Name	Due Date
12.1.1	Specialized Training Reports	Completion of Task 12
12.2.1	Performance Verification Report	Completion of Task 12

Table 13: Deliverables for Task 13 – Operational Phase

Del. #	Deliverable Name	Due Date
13.1.1	Ongoing Specialized Training Support	Completion of Task 13
13.2.1	Final Acceptance Report	Completion of Task 13
13.3.1	Final Acceptance Certification	Completion of Task 13
13.3.2	Certification of Completion of Outgoing Transition Support	Completion of Task 13

Table 14: Deliverables for Task 14 – Performance Requirements Summary

Del. #	Deliverable Name	Due Date
14.1.1	Adherence to & Completion of Performance Requirements Summary	Completion of Task 14

Table 15: Deliverables for Task 15 – Contract Discrepancy Report

Del. #	Deliverable Name	Due Date
15.1.1	Timely Response to Contract Discrepancy Report	Completion of Task 15

Table 16: Deliverables for Task 16 – Contract Discrepancy Report

Del. #	Deliverable Name	Due Date
16.1.1	Adherence and Provide Support Services	Completion of Task 16

FUNCTIONAL REQUIREMENTS & TECHNICAL REQUIREMENTS

Contractor Name: AxiSoft LLC								
1.1 General Functional Requirements								
1.1.1 Mainframe County Information								
	Functional Requirement Response Form Matrix		How It will be Provided					
			Available	Alternative Construction	Customization	Enhancement	Not Available	Comments
1	The System shall provide for retention and maintenance of County Data and other data extracts used specifically for the System for Fraud Detection, Waste and Abuse. History maintenance shall enable the County to take full advantage of efficient Data storage techniques employed by the System. This requirement does not cover the need to archive data, which County is not required at this time. To the extent that the Contractor can still meet a requirement without archiving the System Data, Contractor shall meet such requirement. It shall also include a mechanism to ensure that System Data can be retrieved, reported, tracked, stored, or recovered for purposes of:							
2	Audit;		X					
3	Fraud Investigations;		X					
4	Inquiries.		X					
5	The system shall satisfy the following requirements to ensure the delivery a comprehensive system to support Audit, Fraud Detection, Waste and Abuse System							
a	Detecting new and evolving sophisticated fraud, waste and abuse patterns and threats.					X		
b	Leverage the System's native AI and machine learning modules that can provide early detection of unknown fraud.		X					Applies to provider fraud detection .
c	The development of customizable alerts, notifications, and business rules shall be incorporated into the System.				X			System has a notification module, that shall be customized as per COLA needs
d	Analyze clustering and graphical data to proactively detect fraud, waste and abuse.				X			
e	System visualizations including dashboards, heat maps, reports, and/or risk scoring for fraud, waste, and abuse.		X					
f	"Business rule-driven models" – enabling the incorporation of automated business rules for identifying certain types of transactions. This element shall contain the development of alerts, notifications which reach certain thresholds identified by CDO – Risk.				X			
g	Development of new and emerging fraud, waste, and abuse algorithms developed by the Contractor leveraging the System's native AI and predictive capabilities through the System's advanced proprietary machine learning models beyond business rule-based engines.				X			

6	The system shall satisfy the following requirements to ensure the full support of Audit Management activities:								
a	Visualizations and reports to analyze payment to vendors, split transactions, overpayments, and self-imposed penalties.		X						
b	Visualizations and reports to analyze patterns in relation to payment approvals, examiners, vendors and other attributes.		X						
c	Development of automated System audits with results, alerts, dashboards, visualizations, and report generation without User involvement.		X						
e	Flexible audit sampling and audit scoring parameters, which should be configurable as per the desired audit objectives.		X						
f	Audit results to be stored in a database and be available for current and historic audits. The System should be able to highlight areas with scope for improvement.		X						
g	Ability for Auditors to access their custom workflows and view their queues with list of audits assigned to them.		X						
h	Status of all historic and current audits should be available to help the risk management team monitor the progress of overall audit function.		X						
7	The system shall satisfy the following requirements to ensure the full support of Examiner Performance monitoring:								
a	Develop criteria for rating and ranking TPA examiners and managers in consultation with CEO-Risk.				X				
b	Incorporate examiner customer service survey data into performance.				X				
c	Rank examiners based on quantity and quality of performance.				X				
d	Develop performance dashboards by unit, department, manager, and examiner.				X				
8	The system shall satisfy the following requirements to ensure key focus areas are met for CEO-Risk:								
a	Leverage the System's native AI and predictive capabilities through the System's advanced proprietary machine learning models to identify a list of individuals/entities that are providing services to County employees in consultation with CEO-Risk. This element shall include data sourcing, scanning, risk scoring and other system visualizations.				X				
b	Development of bill review cost analyzer in conjunction with CEO-Risk.				X				
c	Development of advanced fraud, waste and abuse algorithms leveraging the System's native AI and machine learning models that go beyond standard blacklists and rule-based engines.				X				
9	The system shall satisfy the following requirements for CEO-Risk:								
a	Maintain current System - Update and maintain current System				X				
b	Update: Duplicate Payments module - Update the previously developed module				X				
c	Update: TPA Audit module - Update the previously developed module				X				
d	Update: Auditor dashboard - Update the previously developed module				X				
e	Update: Provider Risk Rating module - Update the previously developed module				X				
f	Update: Provider Fraud, waste, abuse module - Update the previously developed module				X				
g	Update: Other System modules - Update the previously developed module				X				
h	Risk Rating: Severity - Create a claim severity predictive module				X				
i	Risk Rating: Reserve - Create a claim reserve predictive module				X				
j	Risk Rating: Fraud - Create a claim fraud predictive module				X				

EXHIBIT A-1 - Functional and Technical Requirements

k	Risk Rating: Litigation - Create a claim litigation predictive module				X			
l	Risk Rating: Subrogation - Create a claim subrogation predictive module				X			
m	Adjuster KPI - Create adjuster KPI to measure individual performance				X			
n	Provider KPI - Create provider KPI to measure individual performance				X			
o	Counsel KPI - Create counsel KPI to measure individual performance				X			
p	Audit Mgmt - Create automated audit mgmt module				X			
q	Excluded Providers - Create a module to automatically detect excluded providers				X			
r	Provider Cartelization - Create a module to automatically detect provider cartelization				X			
s	Pharmaceutical Cost Analyzer - Create a module to automatically review bills and detect problematic transactions (payments, extra costs, etc...)				X			
t	Social Network Module - Create a module to detect nefarious connections between providers, examiners, and other entities.				X			
u	Other advanced modules - Create modules incorporating the Systems AI as directed				X			
v	Admin Model - Create a module to generate administratively controlled reports, alerts and notifications		X					
w	Training: Provider Fraud - Create a provider fraud training module				X			
x	Training: KPIs - Create a KPI training module				X			
y	Training: Reporting - Create a KPI training module				X			
z	Training: Risk Ratings - Create a risk rating training module				X			
aa	Documentation - Create a user manual and "how to" instructions				X			
ab	Application Update - Update as necessary					X		
ac	Application Support		X					
1.1 General Functional Requirements								
1.1.2 General Processing								
Technical Requirement Response Form Matrix		How it will be Provided						
		Available	Alternative	Customization	Enhancement	Not Available	Comments	
1	The System shall be user-friendly, including in presentation, navigation, and other ease of use features for data visualization for the purposes of Fraud Detection, Waste and Abuse.	X						
2	The System shall maintain the System Data necessary to produce all established reports, dashboard, views, etc., created, including all custom reports.	X						
3	The System shall support the accumulation of System Data over time for daily, weekly, monthly, quarterly, annual, fiscal, as of, and time period reports.	X						
4	The System shall maintain online descriptions and definitions of each report that are easily accessible by County-specified Users.	X						
5	The System shall process County Data and other data extracts and adapt the System processes to be compatible with the County Data and other data extracts provided.			X			Data mapping with the new claims management system will need to be undertaken.	
6	The System shall include flexible report sorting capabilities and support multiple file format export capabilities for the reports (e.g., PDF, CSV, Excel, TXT, etc...)	X						
7	The System shall include the ability to assign tasks and create workflows.	X						

1.1 General Functional Requirements						
1.1.3 Display and Views						
	Functional Requirement Response Form Matrix		How It will be Provided			
			Available	Alternative Customization	Enhancement	Not Available
						Comments
1	System shall display the County's Confidentiality Terms and Conditions after successful authentication into the System. The User must agree to the terms and conditions prior to accessing the site or the System will force an exit.			X		County's terms and conditions acceptance needs to be developed
2	The System shall prominently display confidentiality statements and privacy protections wherever appropriate.			X		
3	The System shall provide an efficient pathway to view detailed System data from summary screens.		X			
4	The System shall include the ability to present multiple views of information, depending on the roles and responsibilities of the County specified User.		X			
6	The System shall use "reminder" or "tickler" statements that provide a direct hyperlink to the related claim, and/or screen as appropriate.		X			
8	The System shall have the ability to create management views for assigned tasks and workflows.		X			
1.1 General Functional Requirements						
1.1.4 Navigation and Search Capabilities						
	Functional Requirement Response Form Matrix		How It will be Provided			
			Available	Alternative Customization	Enhancement	Not Available
						Comments
1	The System shall allow the County-specified Users an intuitive navigation method through the System screens with minimal effort.		X			
2	The System shall allow County-specified Users to drill from summary information into detailed information where applicable.		X			
3	The System shall have the ability to search for all System data elements using simple and advanced search queries.		X			
1.1 General Functional Requirements						
1.1.6 Printing						
	Functional Requirement Response Form Matrix		How It will be Provided			
			Available	Alternative Customization	Enhancement	Not Available
						Comments
1	The System shall allow for printing to a network print device for all data visualization for Fraud Detection, Waste and Abuse.		X			
2	A print button option shall be displayed on the screen		X			
3	A printed document shall have the same format as the displayed document		X			

Contractor Name: 4aiSoft LLC

2.1 General Technical Requirements

2.1.1 General Technical Requirements

Technical Requirement Response Form Matrix		How it will be Provided					Comments
		Available	Alternative Customization	Enhancement	Not Available		
1	The System shall provide a secure web based User Interface for User to access the System from various operating Systems (e.g., Windows 10, Windows 11, etc.).	X					
2	The System shall support flexible workflow as specified by the County.	X					
3	The System shall provide a secure web based User Interface for User to access the System from a web browser.	X					
4	The System shall provide a User Interface that complies with recognized usability standards (e.g. the American Disabilities Act (http://www.ada.gov/), the Rehabilitation Act Section 508 (http://www.section508.gov/), etc.).	X					
5	The System shall provide a Fully Managed Solution (Vendor-Hosted).	X					
6	The System shall provide a device agnostic solution, with respect to devices used for data entry.	X					
7	The System shall provide a browser agnostic solution (e.g. Microsoft Edge, Chrome, Firefox, Safari, etc.).	X					
8	The System shall provide a comprehensive audit trail for all material actions (e.g. login, maintenance, activity) performed in the System.	X					
9	The System shall be dedicated to County's data and processes and not shared.	X					

2.2 Security Requirements

2.2.1 Access

Technical Requirement Response Form Matrix		How it will be Provided					Comments
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	
1	The System shall utilize the County's Identity Management Module to support Single Sign-On (SSO) for County Users.			X			
2	The System shall provide the option for Multi-Factor Authentication for Users not included within the County's Identity Management Module including a comprehensive risk-based authentication and fraud detection platform that correlates behavioral analysis, device profiling and leverages data feeds from various intelligence sources.		X				
3	The System shall support password complexity that meets the following requirements:						
a	Must contain 3 out of 4: 1 upper case alpha, 1 lower case alpha, 1 numeric, and 1 special character;	X					
b	Minimum password length - 8 characters;	X					
c	Initial or "first-time" passwords should be created by the User, when feasible. If a default password must be assigned, the System should require the User to change the password immediately at log-in. Default passwords should also expire if not used timely, based on the type of information and access granted.	X					
4	The System shall have all default passwords in hardware and software changed prior to deployment.	X					
5	The system shall provide the following password change rules for User accounts:	X					
a	Passwords can only be changed by the authorized System Administrator or the associated User;	X					

b	Passwords can be changed by the authorized System Administrator or the associated User at any time;	X					
c	Users are re-authenticated before changing passwords.	X					
d	The System shall provide the ability to set the time to change User passwords. The County standard for Users is 90 days. Users should not be able to reuse their past three passwords and only the User should have the ability to change his/her own password.	X					
6	The System shall not display the password as clear text (Password Masking).	X					
7	The System shall encrypt passwords before being transmitted.	X					
8	The System shall salt and one-way hash passwords before being stored.	X					
9	The System shall encrypt sensitive data transmitted between clients and servers (e.g., Secure Socket Layer (SSL) Certificates, Transport Layer Security (TLS)).	X					
10	The System shall provide a web (HTTPS) interface and an SSL configuration mechanism.	X					
11	The System shall provide a secure process for Users to reset their own passwords in the event that they have forgotten their User ID and/or Password.	X					
12	The System must automatically timeout a session if it is idle for a pre-specified and configurable duration.	X					
13	The System must warn the User before the timeout and prompt the User to re-authenticate within a specified period of time.	X					
14	The System shall limit session lifetime to a pre-specified and configurable duration.	X					
15	The System shall maintain login security including number of login attempts before locking account, mechanism for unlocking accounts, and duration of time before passwords expire.	X					

2.2 Security Requirements

2.2.2 User Profiles/Administration

Technical Requirement Response Form Matrix		How It will be Provided					Comments
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	
1	The System shall provide the ability for Users to define and store User profile information (e.g., User's name, User ID, email).	X					
2	The System shall provide the ability to define User roles and User groups and associate these with User accounts.	X					
3	The System shall provide the ability to restrict access based on Users' accounts' privileges.	X					
4	The System shall allow restriction of rights, privileges or access at the User and group level.	X					
5	The System shall allow the assignment of all of the following rights to Users:						
a	Full;	X					
b	Read;	X					
c	Write;	X					
d	Modify;	X					
e	Delete.	X					
6	The System shall allow assigning of multiple roles to one User.	X					
7	The System shall allow the County to define custom security roles/access.	X					

2.2 Security Requirements

2.2.3 Input Validation

Technical Requirement Response Form Matrix	How It will be Provided
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		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	Comments
1	The System shall insure that input validation is applied whenever input is received through User or external data interfaces. The validation approach is to constrain, reject, report/notify, and then sanitize input.	X					
2	The System shall not rely on client-side validation. The System design shall assume that User input is malicious.	X					
3	The System shall validate data for type, length, format, and range. The System shall maintain consistent data validation across the solution.	X					
4	The System shall have measures to prevent the upload of unauthorized files (e.g., executable files).	X					
2.2 Security Requirements							
2.2.4 Parameter Manipulation							
	Technical Requirement Response Form Matrix	How It will be Provided					Comments
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	
1	The System shall validate and sanitize all input parameters (including form fields, query strings, cookies, and HTTP headers).	X					
2	The System shall encrypt cookies with sensitive data (e.g., authentication cookies).	X					
3	The System shall not pass sensitive data in query strings or form fields.	X					
4	The System shall apply HTML encoding to strings before accepting or displaying them, so that the strings do not include any executable elements.	X					
2.2 Security Requirements							
2.2.6 Authentication							
	Technical Requirement Response Form Matrix	How It will be Provided					Comments
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	
1	The System shall identify all solution and User accounts.	X					
2	The System shall insure that minimum error information is returned in the event of authentication failure.	X					
3	The System shall authenticate the User before any access is allowed to protected resources (e.g., Protected Health Information).	X					
4	The system shall use SFTP keys for data exchange	X					
3.2 Security Requirements							
3.2.8 Sensitive Data							
	Technical Requirement Response Form Matrix	How It will be Provided					

		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	Comments
1	The System shall not store sensitive data and secrets (e.g., password challenge phrases, credential and authentication tokens) in code.	X					
2	The System shall store secrets securely using a one-way hash or encryption. The System shall not store secrets, database keys, connections, and passwords in plain text.	X					
3	The System shall protect application logs that contain sensitive data.	X					
4	The System shall provide database/file encryption for protection of sensitive data fields while the data is at rest (e.g., stored data).	X					
5	The System shall include protection mechanisms for sensitive data that is sent over the network.	X					
6	The System shall transmit encrypted sensitive data using secure protocols, such as sftp, ssh, https, etc., or tunneled through an authenticated encrypted connection (e.g., VPN).	X					
3.2 Security Requirements							
3.2.7 Encryption							
	Technical Requirement Response Form Matrix	How it will be Provided					
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	Comments
1	The System shall use FIPS 140-2 compliant encryption solution and, at minimum use industry standard cryptography available for the platform (e.g., AES 256).	X					
2	The System shall securely deliver information over the Internet using encryption (e.g., triple-DES (Data Encryption Standard), Advance Encryption Standard (AES)).	X					
3	The System shall use the latest, stable and industry recommended version of SSL/TLS to deliver encrypted data over the Internet.	X					
4	The System shall encrypt all confidential and sensitive data at storage and in transit.	X					
5	The System shall use and encryption keys.	X					
6	The System shall encrypt all confidential and sensitive data at storage and in transit.	X					
2.2 Security Requirements							
2.2.8 Exception Management / Error Handling							
	Technical Requirement Response Form Matrix	How it will be Provided					
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	Comments
1	The System shall provide exception handling to minimize information disclosure in case of an exception (e.g., login failure).	X					
2	The System shall return generic errors messages to the client, to avoid disclosure of sensitive information (e.g., database error, application error).	X					
3	The System shall have a configurable notification System (e.g., email notifications) for exception handling for scheduled or automated jobs/processes.		X				

2.2 Security Requirements						
2.2.9 Audit Trails and Logging						
	Technical Requirement Response Form Matrix	How it will be Provided				
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other
		Comments				
1	The System shall include auditing and logging of an event, and at a minimum includes authenticated access.	X				
2	The System shall include the following logged parameters:					
a	User or system account ID;	X				
b	Date/time stamp;	X				
c	IP address;	X				
d	Event source;	X				
e	Outcome (success or failure) of the event.	X				
3	The System shall restrict solution administrator from changing log activity.	X				
2.2 Security Requirements						
2.2.10 Backup						
	Technical Requirement Response Form Matrix	How it will be Provided				
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other
		Comments				
1	All System Data Center(s) and backup/replication locations shall reside in the Continental United States.	X				
2	The System backup processes shall be automated.	X				
3	The System shall complete backups during Off Prime Business Hours, with no adverse effect on the System performance.	X				
4	The System shall, at a minimum, backup data, on a daily basis.	X				
5	The System data must be encrypted using the requirements set forth in Encryption section of this document	X				
2.2 Security Requirements						
2.2.11 Infrastructure and Hosting Environment						
	Technical Requirement Response Form Matrix	How it will be Provided				
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other
		Comments				
1	The System shall implement Network Intrusion Prevention System (NIPS) or Network Intrusion Detection System (NIDS) for the internal network.		X			
2	The System shall implement Host Intrusion Prevention System (HIPS) on the servers.			X		The system needs to be integrated with Azure or a 3rd party HIDS solution provider.
3	All System access shall be restricted through a whitelist of IP ranges.	X				
4	The System shall keep all components updated with current antivirus, operating System, and application security patches.	X				
5	The System shall be contained by a perimeter firewall to protect network from external attacks.	X				
6	The System shall undergo periodic web application vulnerability testing/scanning (e.g., static, dynamic).	X				

7	The System shall communicate with all County Internal Systems, for interfaces and/or other Systems integration needs, through one of the following secure network connectivity options: a. Internet Protocol Security (IPSec) Tunnel, or b. Direct Private Network Connection or c. SFTP encryption keys. The System must adhere to County network standards when connecting into the County's Site-to-Site Virtual Private Network (S2S VPN) environment for IPSec tunnel and/or Extranet environment for direct private network connection. Additionally, the System will be responsible for establishing network communication between the System software solution and other third party vendors for Systems located outside of the County's network environment. The County's network infrastructure shall NOT be used as a transit network to facilitate such communication, and the System will develop the proper means to secure the transmission of County data between such Systems.	X					
8	The System shall provide a feedback alerting solution for the hosting environment to notify appropriate personnel and report repeated attempts to gain unauthorized access to the solution including, capture of identification/address of the location where the attempt was made, and the type of access that was being attempted.		X				The feature of notifying the designated personnel about multiple failed login attempt shall need to be developed as per County's recommended workflow.
9	Antivirus Endpoint Protection software (AV/AS, personal Firewalls) shall be installed on all System platforms. Refer to the County Board of Supervisors Policy 6.102 "Countywide Antivirus Security Policy" for details. http://countypolicy.co.la.ca.us/BOGP/PolicyFrame.htm	X					
10	All System software installed on servers, workstations and other devices must be authorized, licensed, and documented to ensure that data security is not compromised.	X					
11	The System shall provide the capability to filter traffic by IP address/range as provided by County to isolate traffic to/from specific County locations and facilities.	X					
12	The System host environment shall have an established Computer Incident response team.	X					
13	Background checks shall be required for all System IT staff to include subcontractors.	X					
14	Describe the location(s) and who owns and operates the System data center(s) where you propose to house and process County Data, including the location(s) where County Data is backed up and/or replicated. All System data center(s) and backup/replication locations shall reside in the Continental United States.	X					
2.2 Security Requirements							
2.2.12 Cybersecurity Insurance							
Technical Requirement Response Form Matrix		How It will be Provided					
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	Comments
1	Contractor shall meet the provisions of insurance and indemnification which may include but not limited to General Liability, Cyber and Network Liability, Errors and Omissions, Vehicle and Crime Insurance provisions.	X					
2.3 Support							
System Problem Reporting and Contractor Helpdesk							
2.3.1 Application							
Technical Requirement Response Form Matrix		How It will be Provided					

		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	Comments
	The System helpdesk application shall allow County-specified Users the ability to record new problems, view the status of existing problems, or update specific information for previously reported problems.		X				We have an existing helpdesk application. The application shall be customized as per County's requirements
1	The System helpdesk application shall be browser-based and accessible via County-specified Users' computing devices.		X				
2	The System helpdesk application shall include a method for County-specified Users to indicate the urgency/importance of a problem (e.g., "Hot") and escalated tickets (e.g., "Priority").		X				
3							
2.3 Support							
2.3.2 Business Continuity/Disaster Recovery Planning							
	Technical Requirement Response Form Matrix	How it will be Provided					
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	Comments
	The Business Continuity/Disaster Recovery Plan shall include documentation that specifies and describes the activities required to ensure that the Primary Central Site, Backup Central Site shall be able to recover from any disruption in service regardless of the level of severity.	X					
1							
2	The Business Continuity/Disaster Recovery Plan document shall be updated whenever a new System Component or other major System change is implemented.	X					
3	The System and System data shall be available for Production Use at the backup sites (Backup Central Site) in the event of a disaster.					X	Usually not a standard practice for audit and analytics system.
4	The Business Continuity/Disaster Recovery Plan shall be fully tested semi-annually.	X					
2.4 Infrastructure							
2.4.1 Infrastructure							
	Technical Requirement Response Form Matrix	How it will be Provided					
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	Comments
1	The System shall include all infrastructure support.						
2	The System shall, at a minimum, have the following environments:						
a	Test - environment to support testing, including unit testing, System testing, integration testing, performance testing, User Acceptance testing, and automated regression testing;	X					
b	Production - environment that is comprised of the System that has been fully tested and integrated and is accessible by authorized Users;	X					
c	Reporting - environment that contains copies of portions of the production environment database to be used for standard and ad-hoc reporting; and	X					

	The System test environment shall support all testing activities as specified in Appendix A (Statement of Work) for all System and the System changes and modifications (both minor and major) prior to implementation in the production environment. These testing activities include:							
a	System testing:		x					
b	User Acceptance Testing:		x					
	The JOC Software test and staging environments shall include robust and automated regression testing tools for use by County-specified Users.						x	Need more explanation on the need and the suggested approach for regression testing.
2.4 Infrastructure								
2.4.2 Performance and Availability								
Technical Requirement Response Form Matrix		How It will be Provided						
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	Comments	
1	The System environments shall be accessible to County-specified Users, as determined by County.	x						
2	The System environments shall operate on a 24x7x365 basis.	x						
3	System Availability percentage shall be as defined in the SOW	x						
4	The System shall have an average response time of three (3) seconds, as measured from the Hosted Environments.	x						
2.5 General Training								
2.5.1 Training Requirement								
Technical Requirement Response Form Matrix		How It will be Provided						
		Standard Tool Feature	Tool Customization	Tool Integration	Purchased Service	Other	Comments	
1	The Contractor shall include development and delivery of training materials for the System.		x					
2	The Contractor shall include development and completion of specialized training for County-specified staff in support of User Acceptance Test, and implementation activities and schedules.		x					
3	The training program developed by the Contractor shall include traditional classroom training or virtual classroom training for County-specified Users and special support staff.		x					
4	There shall be no more than fourteen (14) days between the completion of any training and the scheduled start of the use of the System by the trainee.		x					
5	The System Training Materials shall be constructed in such a way as to allow training to continue beyond the classroom to the County-specified Users sites upon the completion of training. The System Training Materials shall include:							
a	How To* guide for all functional areas, consisting of guiding a User through the procedural processes for all business functions within the System application software. This "How To" guide shall be in a manual format for changes, additions, and deletions of System-related procedures.		x					

<p>Online Help screens shall be provided for each System screen and shall also be integrated into the provided knowledge base software. They shall describe the screen and how to use it. Special command or function keys shall be used to invoke the Help screens and return the User to the System at the same point the User left it. Online Help shall be context sensitive (e.g., it shall not show information about fields that are not related to the function the User is performing). Online Help shall be provided at the field level, where cursoring to a field obtains specific Help information regarding that field. The Help facility shall have an index that lists the contents of the Help screens, and can be used to access specific subjects. Online Help shall be easily accessible, with return access from all screens.</p>			X				
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MINIMUM SYSTEM REQUIREMENTS

System Requirements for AO-22-407 Fraud Detection & Audit Management Services (FDAAMS)

FDAAMS application covers two key functionalities – Audit Management and Provider Fraud Detection. The application is hosted on Cloud (Microsoft Azure). It requires minimal resources at users' end to access the application.

The recommended hardware and software specifications for FDAAMS are described below.

Desktop Hardware and Software

Minimum Specifications
PC
2GHz processor or faster
Minimum 4GB of RAM
Operating System
Windows 7,10 or 11
Display
1280x1024 or higher
Monitors
Standard 14" monitors or larger
Desktop Software
Adobe Reader DC
Microsoft Excel 2013 and Word 2013 or higher versions
Browser
Chrome (Recommended)
Internet Explorer 11
Microsoft Edge

Database and Application Server Hardware and Software

Minimum Specifications

Database Server Software

Databases are hosted on our cloud.
No requirement at County' end.

Applications Server Software

Application is hosted on our cloud.
No requirement at County' end.

Database and Application Server Hardware

No requirement at County' end.

Network

Minimum Specifications

Download: 1.0Mb/sec of Internet bandwidth
Upload: 384Kbps of Internet bandwidth

Firewall Settings

Web connections must allow the users to access the KlearAI Application server. The URL for whitelisting shall be provided to County's tech teams.

Printers and Scanners

Minimum Specifications

Printers & Scanners

Any compatible printer or scanner

THIRD PARTY PRODUCTS

CONTRACTOR STATES IT DOESN'T HAVE THIRD PARTY SOFTWARE PRODUCTS. IF AT ANY TIME CONTRACTOR DESIRES TO USE ANY THIRD-PARTY SOFTWARE PRODUCTS, COUNTY'S PREAPPROVAL MUST BE SECURED FIRST, AND THIS EXHIBIT A-3 MUST BE IMMEDIATELY UPDATED.

SYSTEM INTERFACES

Table 1. Summary of Required System Interfaces

Table 1 presents a high-level summary of those systems and applications outside the System with which the System will need to be exchanging information. The Interfaces include those currently in place or those that are in development, and those foreseen as being part of the System. As a high-level overview, Table 1 does not fully describe the complexities of these Interfaces.

Item #	Interface	Summary Description	One-way or Two-way	Frequency	Interfacing Entity and System Description	Interface Protocol	Currently Implemented	File Format
1	Claim Attributes	The System shall import claim attributes to be used for System analysis and visualizations.	One-way	TBD	System: VCE CEO – Risk Management’s Ventiv Claims Enterprise (VCE) is the County’s enterprise solution for managing Workers’ Compensation Claims.	Batch: SFTP over SSH	No	File Format (TBD)
2	Transaction Attributes	The System shall import payment transaction attributes to be used for System analysis and visualizations.	One-way	TBD	System: VCE CEO – Risk Management’s Ventiv Claims Enterprise (VCE).	Batch: SFTP over SSH	No	File Format (TBD)
3	User and Role Attributes	The System shall import User attributes to be used	One-way	TBD	System: VCE	Batch: SFTP over SSH	No	File Format (TBD)

Item #	Interface	Summary Description	One-way or Two-way	Frequency	Interfacing Entity and System Description	Interface Protocol	Currently Implemented	File Format
		for System analysis and visualizations.			CEO – Risk Management’s Ventiv Claims Enterprise (VCE).			
4	Bill Review Attributes	The System shall import Bill Review attributes to be used for System analysis and visualizations.	One-way	TBD	System: VCE CEO – Risk Management’s Ventiv Claims Enterprise (VCE).	Batch: SFTP over SSH	No	File Format (TBD)
5	SSO	The System shall interface with the County’s Identity Management Solution to support Single Sign-On (SSO)	Two-way	Real-Time	System: Microsoft Azure AD The County’s Azure AD Identity Management Solution that support Single Sign-On (SSO)	Microsoft API SAML	No	SAML
6	Death Master File	The System shall import the Death Master File (or equivalent data attributes from an alternative data source) based off of querying the SSN.	One-way	TBD	System: National Technical Information Service. https://ladmf.ntis.gov/	Batch: SFTP over SSH	No	File Format: (TBD)

PERFORMANCE REQUIREMENTS SUMMARY CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Contract, Paragraph 4.0, Term of Contract, Subparagraph 4.3	Contractor shall notify CCA when this Contract is within six (6) months of the expiration of the term.	Inspection & Observation	\$100 per occurrence per day Contractor lapsed notification
Contract, Paragraph 5.0, Contract Sum, Subparagraph 5.3, Notification of 75% of Total Contract Sum Subparagraph 5.3.1	Contractor shall notify County when it has incurred seventy-five percent (75%) of the total contract sum under this Contract.	Inspection & Observation	\$100 per occurrence per day Contractor lapsed notification
Contract, Paragraph 5.0, Contract Sum, Subparagraph 5.5, Invoice and Payments Subparagraph 5.5.4	Contractor shall submit the monthly invoices to the County by the 15 th calendar day of the month following the month of service.	Inspection & Observation	\$100 per occurrence per day Contractor lapsed submission
Contract, Paragraph 7.0, Administration of Contract – Contractor, Subparagraph 7.1, Contractor's Project Manager Subparagraph 7.2.1	Contractor shall notify County in writing of any change in the name or address of the Contractor's Project Manager.	Inspection & Observation	\$50 per occurrence per day Contractor lapsed notification
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.5, Complaints Subparagraph 8.5.2.1	Contractor shall provide the County with the Contractor's policy for receiving, investigating and responding to user complaints within thirty (30) business days after the Contract Effective Date	Inspection & Observation	\$50 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.5, Complaints Subparagraph 8.5.2.3	Contractor shall make changes as requested by County to the compliant policy and resubmit within ten (10) business days for County approval.	Inspection & Observation	\$50 per occurrence of failed compliance

Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.5, Complaints Subparagraph 8.5.2.5	Contractor shall preliminarily investigate all complaints and notify the County's Contract Manager of the status of the investigation within five (5) business days of receiving the complaint.	Inspection & Observation	\$50 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.5, Complaints Subparagraph 8.5.2.7	Contractor shall send copies of all written responses to the County's Project Manager within five (5) business days of mailing to the complainant.	Inspection & Observation	\$25 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.24, General Provisions for all Insurance Coverage Subparagraphs 8.24.2.1 and 8.24.2.2	Contractor shall provide certificate(s) of insurance coverage (Certificates) satisfactorily to County, and a copy of an Additional Insured endorsement confirming County and its Agents. Renewal Certificates shall be provided to County not less than ten (10) days prior to Contractor's policy expiration date.	Inspection & Observation	\$50 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.24, General Provisions for all Insurance Coverage Subparagraph 8.24.4, Cancellation of or Change in Insurance	Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance at least ten (10) days in advance of cancellation for non-payment or premium and thirty (30) days in advance for any other cancellation or policy change.	Inspection & Observation	\$50 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.24, General Provisions for all Insurance Coverage	Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.	Inspection & Observation	\$100 per occurrence of failed compliance

Subparagraph 8.24.11, Claims Made Coverage			
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.34, Notices	Contractor shall notify County by giving ten (10) days prior written notice of any changes to the Exhibit F – Contractor’s Administration.	Inspection & Observation	\$25 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.38, Record Retention and Inspection/Audit Settlement	Contractor shall maintain all records as specified	Inspection & Observation	\$25 per occurrence of failed compliance

TASK/DELIVERABLE ACCEPTANCE FORM
(To Be Completed by Contractor)

(Contractor Name and Address)

 CONTRACT NUMBER:
 AO-22-407

 TRANSMITTAL
 DATE:

FROM:

TO:

Contractor Program Manager

CEO Risk Management

Contractor hereby certifies to County that as of the date of this Task / Deliverable Acceptance Form, it has satisfied all conditions in the Contract, including satisfaction of the completion criteria applicable to such Tasks and Deliverables and County's approval of the Work performed in connection with the achievement of such Task. Contractor further represents and warrants that the Work performed in respect of such Tasks and Deliverables has been completed in accordance with the Statement of Work (SOW), Exhibit A. Attached hereto is a copy of all supporting Documentation required pursuant to this Statement of Work (SOW), including any additional Documentation reasonably requested by County. County's approval and signature constitutes an acceptance of the Tasks and Deliverables listed below.

TASK DESCRIPTION
 (including Task and subtask numbers as set forth in the
 SOW)
DELIVERABLE
 (including Deliverable numbers as set forth in the
 SOW)

Comments:

Signature:

Title:

Phone Number:

Email:

*To be completed by County***COUNTY APPROVAL/ACCEPTANCE**

County Project Manager

County Project Director

Signature:

Signature:

Name:

Name:

Date:

Date:

Approve ☒Not approved ☐Approve ☒Not approved ☐☒

Comments:

CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES: **Prepared:** _____

Returned by Contractor: _____

Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of County Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of Contractor Representative

Date _____

COUNTY ACTIONS:_____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

CHANGE ORDER REQUEST FORM (FOR OPTIONAL WORK)**1. OPTIONAL WORK**

CHANGE ORDER #	WORK TITLE	REQUEST DATE	COMPLETION DATE	COUNTY APPROVAL	MAXIMUM FIXED PRICE
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TOTAL:

\$

2. POOL DOLLARS

CHANGE ORDER #	DEDUCTED CHANGE ORDER AMOUNT	REMAINING POOL DOLLARS AMOUNT
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WORK DESCRIPTION

DELIVERABLE/S

Comments:

Contractor Signature:

Title:

Phone Number:

Email:

To be completed by County

COUNTY APPROVAL/ACCEPTANCE

County Project Manager

County Project Director

Signature:

Signature:

Name:

Name:

Date:

Date:

Approve ☒Not approved ☐Approve ☒Not approved ☐☒

Comments:

COUNTY OF LOS ANGELES, RISK MANAGEMENT BRANCH
FRAUD DETECTION ANALYTICS AND AUDIT MANAGEMENT SYSTEM AND RELATED
SERVICES

PRICING SCHEDULE

PROJECT SUMMARY OF TOTAL COSTS
SCHEDULE A
SCHEDULE B
SCHEDULE C
SCHEDULE D

COUNTY OF LOS ANGELES, RISK MANAGEMENT BRANCH
FRAUD DETECTION ANALYTICS AND AUDIT MANAGEMENT SYSTEM AND RELATED SERVICES

PROJECT SUMMARY SUMMARY OF TOTAL COSTS		
#	PROJECT ITEMS	TOTAL
1	Total Implementation Performance Verification Operational Costs	\$ 2,430,560.00
2	Total Support Services Fees - License & Maintenance Costs (Year One Term)	\$ 300,000.00
3	Total Support Services Fees - License & Maintenance Costs (Year Two Term)	\$ 420,000.00
4	Total Support Services Fees - License & Maintenance Costs (Year Three Term)	\$ 720,000.00
5	Total Support Services Fees - License & Maintenance Costs (Six-Month Option Term - 6 Months)	\$ 360,000.00
	Total Price	\$ 4,230,560.00
	Maximum Agreement Sum	\$ 4,230,560.00
9	15% in Pool Dollars	\$ 634,584.00
	TOTAL MAXIMUM AGREEMENT SUM - POOL DOLLARS OF 15%	\$ 4,865,144.00
10	Total Holdbacks	\$ 243,056.00
11	Fixed Hourly Rate (Rate Used for Optional Work)	\$ 220.00
	MAXIMUM TOTAL	\$ 5,108,200.00

COUNTY OF LOS ANGELES, RISK MANAGEMENT BRANCH
FRAUD DETECTION ANALYTICS AND AUDIT MANAGEMENT SYSTEM AND RELATED SERVICES

SCHEDULE A Implementation Performance Verification Operational Costs			
#	TASKS	PRICE	HOLDBACKS
1	Task 1 (Project Administration)	\$ 280,500.00	\$ 28,050.00
2	Task 2 (Requirements Gathering)	\$ 268,840.00	\$ 26,884.00
3	Task 3 (Requirements Verification and Analysis)	\$ 167,640.00	\$ 16,764.00
4	Task 4 (General Design)	\$ 51,480.00	\$ 5,148.00
5	Task 5 (Technical Infrastructure Planning and Design)	\$ 128,920.00	\$ 12,892.00
6	Task 6 (Functional Design)	\$ 90,200.00	\$ 9,020.00
7	Task 7 (Data Migration)	\$ 257,400.00	\$ 25,740.00
8	Task 8 (Testing)	\$ 334,840.00	\$ 33,484.00
9	Task 9 (Implementation Planning)	\$ 70,180.00	\$ 7,018.00
10	Task 10 (Implementation Preparation)	\$ 183,040.00	\$ 18,304.00
11	Task 11 (Implementation)	\$ 220,220.00	\$ 22,022.00
		\$ 2,053,260.00	\$ 205,326.00
12	Task 12 (Performance Verification Phase)	\$ 69,300.00	\$ 6,930.00
13	Task 13 (Operational Phase)	\$ 169,400.00	\$ 16,940.00
14	Task 14 (Performance Requirements Summary)	\$ 39,600.00	\$ 3,960.00
	Task 15 (Contract Discrepancy Report)	\$ 49,500.00	\$ 4,950.00
15	Task 16 (Supportive Services)	\$ 49,500.00	\$ 4,950.00
		\$ 377,300.00	\$ 37,730.00
	Total for Tasks 1 through 16	\$ 2,430,560.00	\$ 243,056.00

**COUNTY OF LOS ANGELES, RISK MANAGEMENT BRANCH
FRAUD DETECTION ANALYTICS AND AUDIT MANAGEMENT SYSTEM AND RELATED SERVICES**

SCHEDULE B					
Project Administration & Implementation					
#	TASKS	SUBTASKS	DELIVERABLES	PRICE	HOLDBACKS
1	Task 1 Project Administration	1.1	Deliverable 1.1.1: Project Control Document (PCD)	\$ 64,460.00	\$ 6,446.00
2			Deliverable 1.1.2: Incoming Orientation Plans including a work breakdown structure (WBS)	\$ 67,320.00	\$ 6,732.00
3			Deliverable 1.1.3: Project Initiation Completion Report including a Project Schedule	\$ 77,220.00	\$ 7,722.00
4			Deliverable 1.1.4: Quality Assurance Plan - Methodology and Practices	\$ 71,500.00	\$ 7,150.00
5		1.2	Deliverable 1.2.1: Perform Ongoing Project Administration	\$ -	\$ -
6			Deliverable 1.2.2: Project status meeting and provide status reports in the County-specified and approved format	\$ -	\$ -
		Total		\$ 280,500.00	\$ 28,050.00
7	Task 2 Requirements Gathering	2.1	Deliverable 2.1.1 Planning for Requirements Gathering	\$ 57,200.00	\$ 5,720.00
8			Deliverable 2.1.2 Draft System Requirements Document (SRD)	\$ 114,400.00	\$ 11,440.00
9		2.2	Deliverable 2.2.1 Review and Analyze SRD	\$ 51,480.00	\$ 5,148.00
10			Deliverable 2.2.2 Implementing Results in SRD	\$ 45,760.00	\$ 4,576.00
		Total		\$ 268,840.00	\$ 26,884.00
11	Task 3 Requirements Verification and Analysis	3.1	Deliverable 3.1.1 Requirements Verification Schedule	\$ 38,720.00	\$ 3,872.00
12		3.2	Deliverable 3.2.1 Performing SRD Verification and Analysis	\$ 64,460.00	\$ 6,446.00
13			Deliverable 3.2.2 Finalizing Requirements Traceability Matrix and Report	\$ 64,460.00	\$ 6,446.00
		Total		\$ 167,640.00	\$ 16,764.00
1	Task 4 General Design	4.1	Deliverable 4.1.1 General Design Document	\$ 51,480.00	\$ 5,148.00
		Total		\$ 51,480.00	\$ 5,148.00
2	Task 5 Technical Infrastructure Planning and Design	5.1	Deliverable 5.1.1 Technical Infrastructure Design Document	\$ 64,460.00	\$ 6,446.00
1		5.3	Deliverable 5.2.1 Information System Security Plan	\$ 64,460.00	\$ 6,446.00
		Total		\$ 128,920.00	\$ 12,892.00
2	Task 6 Functional Design	6.1	Deliverable 6.1.1 Functional Design Document	\$ 64,460.00	\$ 6,446.00
3		6.2	Deliverable 6.2.1 Functional Design Presentation Report	\$ 25,740.00	\$ 2,574.00
		Total		\$ 90,200.00	\$ 9,020.00
4	Task 7 Data Migration	7.1	Deliverable 7.1.1 Prepare Data Migration Plan	\$ 128,700.00	\$ 12,870.00
5		7.2	Deliverable 7.2.1 Data Migration Report	\$ 128,700.00	\$ 12,870.00
		Total		\$ 257,400.00	\$ 25,740.00

COUNTY OF LOS ANGELES, RISK MANAGEMENT BRANCH
FRAUD DETECTION ANALYTICS AND AUDIT MANAGEMENT SYSTEM AND RELATED SERVICES

SCHEDULE B					
Project Administration & Implementation					
6	Task 8 Testing	8.1	Deliverable 8.1.1 Develop General Test Plan	\$ 64,460.00	\$ 6,446.00
			Deliverable 8.1.1 Develop and Provide General Test Summary Report	\$ 37,200.00	\$ 3,720.00
7		8.2	Deliverable 8.2.1 Recommended User Acceptance Test Plan	\$ 64,460.00	\$ 6,446.00
8			Deliverable 8.2.2 User Acceptance Test Procedures/Scenarios Inventory Report	\$ 64,460.00	\$ 6,446.00
9			Deliverable 8.2.3 User Acceptance Test Weekly Status Report	\$ 64,460.00	\$ 6,446.00
10			Deliverable 8.2.4 User Acceptance Test Certification of Successful Completion	\$ 19,800.00	\$ 1,980.00
			Total	\$ 334,840.00	\$ 33,484.00
11	Task 9 Implementation Planning	9.1	Deliverable 9.1.1 Prepare and Develop Implementation Master Plan	\$ 3,720.00	\$ 372.00
12		9.2	Deliverable 9.2.1 Develop Training Plans	\$ 38,720.00	\$ 3,872.00
13		9.3	Deliverable 9.2.2 Provide System Training Plans	\$ 23,740.00	\$ 2,374.00
		Total	\$ 70,180.00	\$ 7,018.00	
14	Task 10 Implementation Preparation	10.1	Deliverable 10.1.1 Prepare and Provide Documentation	\$ 91,520.00	\$ 9,152.00
15		10.2	Deliverable 10.2.1 System Training Materials	\$ 91,520.00	\$ 9,152.00
		Total	\$ 183,040.00	\$ 18,304.00	
16	Task 11 Implementation	11.1	Deliverable 11.1.1 Provide System Training Report upon the Successful Facilitation of Training	\$ 102,960.00	\$ 10,296.00
17			Deliverable 11.1.2 Evaluate and Provide Implementation Report Document(s)	\$ 91,520.00	\$ 9,152.00
18		11.2	Deliverable 11.2.2 Final Acceptance Certificate	\$ 23,740.00	\$ 2,374.00
			Total	\$ 220,220.00	\$ 22,022.00
GRAND TOTAL				\$ 2,053,260.00	\$ 205,326.00

**COUNTY OF LOS ANGELES, RISK MANAGEMENT BRANCH
FRAUD DETECTION ANALYTICS AND AUDIT MANAGEMENT SYSTEM AND RELATED SERVICES**

SCHEDULE C					
Performance Verification & Operational Costs					
#	TASKS	SUBTASKS	DELIVERABLES	PRICE	HOLDBACKS
19	Task 12 (Performance Verification)	12.1	Deliverable 12.1.1 Specialized Training Reports	\$ 39,600.00	\$ 3,960.00
20		12.2	Deliverable 12.2.1 Performance Verification Report	\$ 29,700.00	\$ 2,970.00
			Total	\$ 69,300.00	\$ 6,930.00
21	Task 13 (Operational Phase)	13.1	Deliverable 13.1.1 Ongoing Specialized Training Support	\$ 39,400.00	\$ 3,940.00
22		13.2	Deliverable 13.2.1 Final Acceptance Report	\$ 39,600.00	\$ 3,960.00
		13.3	Deliverable 13.3.1 Final Acceptance Certification	\$ 39,600.00	\$ 3,960.00
23			Deliverable 13.3.2 Certification of Completion of Outgoing Transition	\$ 30,800.00	\$ 3,080.00
			Total	\$ 169,400.00	\$ 16,940.00
24	Task 14 (Performance Requirements Summary)	14.1	Deliverable 14.1.1 Adherence to & Completion of Performance Requirements Summary	\$ 39,600.00	\$ 3,960.00
			Total	\$ 39,600.00	\$ 3,960.00
25	Task 15 (Contract Discrepancy Report)	15.1	Deliverable 15.1.1 Timely Response to Contract Discrepancy Report	\$ 49,500.00	\$ 4,950.00
			Total	\$ 49,500.00	\$ 4,950.00
25	Task 16 (Supportive Services)	16.1	Deliverable 16.1.1 Adherence and Provide Supportive Services	\$ 49,500.00	\$ 4,950.00
			Total	\$ 49,500.00	\$ 4,950.00
GRAND TOTAL				\$ 377,300.00	\$ 37,730.00

**COUNTY OF LOS ANGELES, RISK MANAGEMENT BRANCH
FRAUD DETECTION ANALYTICS AND AUDIT MANAGEMENT SYSTEM AND RELATED SERVICES**

SCHEDULE D SUPPORT SERVICES FEES		
#	SYSTEM SUPPORT SERVICES FEES (INCLUDES ALL NEEDED SUBSCRIPTION USE, LICENSES FOR UP TO 200 CONCURRENT USERS AND 100 VIEW ONLY USERS, SUPPORT & MAINTENANCE)	PRICE
1	MONTHLY SUPPORT SERVICES FEE (YEAR ONE TERM)	\$ 25,000.00
	TOTAL	\$ 25,000.00
	TOTAL (12-MONTHS)	\$ 300,000.00
2	MONTHLY SUPPORT SERVICES FEE (YEAR TWO TERM)	\$ 35,000.00
	TOTAL	\$ 35,000.00
	TOTAL (12-MONTHS)	\$ 420,000.00
3	MONTHLY SUPPORT SERVICES FEE (YEAR THREE TERM)	\$ 60,000.00
	TOTAL	\$ 60,000.00
	TOTAL (12-MONTHS)	\$ 720,000.00
4	MONTHLY SUPPORT SERVICES FEE (SIX-MONTH OPTION TERM)	\$ 60,000.00
	TOTAL	\$ 60,000.00
	TOTAL (6-MONTHS)	\$ 360,000.00
	GRAND TOTAL FOR ALL SUPPORT FEES (3.5 YEARS)	\$ 1,800,000.00
Note, all Hosting Service costs are included in the above Support Services Fees.		

CONTRACTOR'S PROPOSED SCHEDULE

TO BE PROVIDED BY CONTRACTOR AND APPROVED BY COUNTY, AND
INCORPORATED BY REFERENCE

CONTRACTOR'S EEO CERTIFICATION

INTENTIONALLY OMITTED

COUNTY'S ADMINISTRATIONCONTRACT NO. AO-22-407**COUNTY CONTRACT PROJECT DIRECTOR:**

Name:	Steven Robles
Title:	County Risk Manager
Address:	320 West Temple Street, 7 th Floor
	Los Angeles, California 90012
Telephone:	213-351-5346
Facsimile:	213-252-0404
E-mail Address:	srobles@ceo.lacounty.gov

COUNTY CONTRACT PROJECT MANAGER

Name:	Alex Rossi
Title:	Manager, CEO
Address:	320 West Temple Street, 7 th Floor
	Los Angeles, California 90012
Telephone:	213-738-2154
Facsimile:	213-252-0404
E-mail Address:	arossi@ceo.lacounty.gov

COUNTY CONTRACT PROJECT SUPERVISOR

Name:	TBD
Title:	Program Specialist
Address:	320 West Temple Street, 7 th Floor
	Los Angeles, California 90012
Telephone:	
Facsimile:	213-252-0404
E-mail Address:	

COUNTY CONTRACT PROJECT MONITORS

Name:	Ansara Lewis
Title:	Program Specialist
Address:	320 West Temple Street, 7 th Floor
	Los Angeles, California 90012
Telephone:	213-639-6072
Facsimile:	213-252-0404
E-mail Address:	alewis@ceo.lacounty.gov

CONTRACTOR'S ADMINISTRATION

4aiSoft, LLC
CONTRACTOR'S NAME

CONTRACT NO. AO-22-407

CONTRACTOR'S PROJECT DIRECTOR:

Name: Sudhi Kowligi
Title: Project Manager
Address: 5252 Orange Avenue #208
Cypress, California 90630
Telephone: 562-269-7082
Facsimile: 562-381-7327
E-mail Address: Sudhi.kowligi@4aisoft.com

CONTRACTOR'S AUTHORIZED OFFICIALS:

Name: Brijesh Kumar
Title: Chief Executive Officer
Address: 5252 Orange Avenue #208
Cypress, California 90630
Telephone: 909-579-9140
Facsimile: 562-381-7327
E-mail Address: Brij.kumar@4aisoft.com

Name: Darrel Vaughn
Title: Vice President
Address: 5252 Orange Avenue #208
Cypress, California 90630
Telephone: 925-640-7156
Facsimile: 562-381-7327
E-mail Address: Darrel.Vaughn@4aisoft.com

Notices to Contractor shall be sent to the following address:

Name: Darrel Vaughn
Title: Vice President
Address: 5252 Orange Avenue #208
Cypress, California 90630
Telephone: 925-640-7156
Facsimile: 562-381-7327
E-mail Address: Darrel.Vaughn@4aisoft.com

CONTRACTOR ACKNOWLEDGEMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME: 4aiSoft, LLC Contract No. AO-22-407

GENERAL INFORMATION:

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

CONTRACTOR ACKNOWLEDGEMENT:

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

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

CONFIDENTIALITY AGREEMENT:

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

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

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

COPYRIGHT ASSIGNMENT AGREEMENT

Contractor and Contractor's Staff agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by Contractor and Contractor's Staff in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, Contractor and Contractor's Staff hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, Contractor and Contractor's Staff agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit J1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above. Contractor and Contractor's Staff acknowledge that violation of this agreement may subject them to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE:  _____ DATE: June 3rd 2022

PRINTED NAME: Brijesh Kumar _____

POSITION: CEO _____

**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME: 4aiSoft, LLC Contract No. AO-22-407

Employee Name _____

GENERAL INFORMATION:

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

EMPLOYEE ACKNOWLEDGEMENT:

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

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

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

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

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

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit J1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: _____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME: 4aiSoft, LLC Contract No. AO-22-407

Non-Employee Name _____

GENERAL INFORMATION:

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

NON-EMPLOYEE ACKNOWLEDGEMENT:

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

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

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

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

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

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

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

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit J1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: _____

PRINTED NAME: _____

POSITION: _____

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The Board of Supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 - 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 - 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 - 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

CONTRACTOR EMPLOYEE JURY SERVICE

Page 2 of 3

- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the Board of Supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

“Dominant in its field of operation” means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

“Affiliate or subsidiary of a business dominant in its field of operation” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

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

Any fire station. Any hospital. Any time.



1.877.222.9723

BabySafeLA.org

No shame | No blame | No names



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

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

FIVE THINGS YOU NEED TO KNOW ABOUT BABY SAFE SURRENDER

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

No shame | No blame | No names



ABOUT THE BABY SAFE SURRENDER PROGRAM

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

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

No shame | No blame | No names

ANY FIRE STATION.
ANY HOSPITAL.
ANY TIME.

1.877.222.9723
BabySafeLA.org

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



No shame | No blame | No names





FROM SURRENDER TO ADOPTION: ONE BABY'S STORY

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

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

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

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

ANSWERS TO YOUR QUESTIONS

Who is legally allowed to surrender the baby?

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

Do you need to call ahead before surrendering a baby?

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

What information needs to be provided?

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

What happens to the baby?

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

What happens to the parent or surrendering adult?

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

How can a parent get a baby back?

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

If you're unsure of what to do:

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

1.877.222.9723 or BabySafeLA.org

English, Spanish and 140 other languages spoken.

INDIVIDUAL'S ASSIGNMENT AND TRANSFER OF COPYRIGHT

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned,

_____, an individual ("Grantor"), does hereby assign, grant, convey and transfer to the County of Los Angeles, California ("Grantee") and its successors and assigns throughout the world in perpetuity, all of Grantor's right, title and interest of every kind and nature in and to all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types (including, without limitation, those items listed on Schedule A, attached hereto and incorporated herein by reference) developed or acquired, in whole or in part, under the Agreement described below, including, but not limited to, all right, title and interest in and to all copyrights and works protectable by copyright and all renewals and extensions thereof (collectively, the "Works"), and in and to all copyrights and right, title and interest of every kind or nature, without limitation, in and to all works based thereon, incorporated in, derived from, incorporating, or related to, the Works or from which the Works are derived.

Without limiting the generality of the foregoing, the aforesaid conveyance and assignment shall include, but is not limited to, all prior choses-in-action, at law, in equity and otherwise, the right to recover all damages and other sums, and the right to other relief allowed or awarded at law, in equity, by statute or otherwise.

_____ and Grantee have entered into County of Los Angeles

Agreement Number _____ for _____, dated _____, as

amended by Amendment Number _____, dated _____,

{NOTE to Preparer: reference all existing Amendments} as the same hereafter may be amended or otherwise modified from time to time (the "Agreement").

Grantor's Signature

Date

Grantor's Printed Name: _____

Grantor's Printed Position: _____

CONTRACTOR'S ASSIGNMENT AND TRANSFER OF COPYRIGHT

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned, _____, a _____, ("Grantor") does hereby assign, grant, convey and transfer to the County of Los Angeles, California ("Grantee") and its successors and assigns throughout the world in perpetuity, all of Grantor's right, title and interest of every kind and nature in and to all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training aids, training documentation and aids, and other information and/or tools of all types (including, without limitation, those items listed on Schedule A, attached hereto and incorporated herein by reference) developed or acquired, in whole or in part, under the Agreement described below, including, but not limited to, all right, title and interest in and to all copyrights and works protectable by copyright and all renewals and extensions thereof (collectively, the "Works"), and in and to all copyrights and right, title and interest of every kind or nature, without limitation, in and to all works based thereon, incorporated in, derived from, incorporating or relating to, the Works or from which the Works are derived.

Without limiting the generality of the foregoing, the aforesaid conveyance and assignment shall include, but is not limited to, all prior choices-in-action, at law, in equity and otherwise, the right to recover all damages and other sums, and the right to other relief allowed or awarded at law, in equity, by statute or otherwise.

Grantor and Grantee have entered into County of Los Angeles Agreement Number ____ AO-22-407-FDAAM for Fraud Detection Analytics and Audit Management System____, dated _____, as amended by Amendment Number _____, dated _____,

{NOTE to Preparer: reference all existing Amendments} as the same hereafter may be amended or otherwise modified from time to time (the "Agreement").



Grantor's Signature

____ June 3rd 2022____
Date

Grantor's Printed Name: ____Brijesh Kumar____

Grantor's Printed Position: ____CEO____

NOTARY STATEMENT FOR ASSIGNMENT AND TRANSFER OF COPYRIGHT

(To be Completed by County and attached to J1 and/or J2)

**REQUIRED ONLY IF COPYRIGHT IS TO BE REGISTERED WITH
COPYRIGHT BUREAU**

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 20____, before me, the undersigned, a Notary Public in and for
the State of California, personally appeared _____,
personally known to me or proved to me on the basis of satisfactory evidence to be the
_____ of _____,
the corporation that executed the within Assignment and Transfer of Copyright, and further
acknowledged to me that such corporation executed the within Assignment and Transfer of
Copyright pursuant to its bylaws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

NOTARY PUBLIC

**BUSINESS ASSOCIATE AGREEMENT
UNDER THE HEALTH INSURANCE PORTABILITY
AND ACCOUNTABILITY ACT OF 1996 (HIPAA)**

County is a Covered Entity as defined by, and subject to the requirements and prohibitions of, the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules").

Contractor performs or provides functions, activities or services to County that require Contractor in order to provide such functions, activities or services to create, access, receive, maintain, and/or transmit information that includes or that may include Protected Health Information, as defined by the HIPAA Rules. As such, Contractor is a Business Associate, as defined by the HIPAA Rules, and is therefore subject to those provisions of the HIPAA Rules that are applicable to Business Associates.

The HIPAA Rules require a written agreement ("Business Associate Agreement") between County and Contractor in order to mandate certain protections for the privacy and security of Protected Health Information, and these HIPAA Rules prohibit the disclosure to or use of Protected Health Information by Contractor if such an agreement is not in place.

This Business Associate Agreement and its provisions are intended to protect the privacy and provide for the security of Protected Health Information disclosed to or used by Contractor in compliance with the HIPAA Rules.

Therefore, the parties agree as follows:

1. Definitions

- 1.1 "Breach" has the same meaning as the term "breach" at 45 C.F.R. § 164.402.
- 1.2 "Business Associate" has the same meaning as the term "business associate" at 45 C.F.R. § 160.103. For the convenience of the parties, a "business associate" is a person or entity, other than a member of the workforce of covered entity, who performs functions or activities on behalf of, or provides certain services to, a covered entity that involve access by the business associate to Protected Health Information. A "business associate" also is a Subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of another business associate. And in reference to the party to this Business Associate Agreement "Business Associate" shall mean Contractor.

- 1.3 "Covered Entity" has the same meaning as the term "covered entity" at 45 C.F.R. § 160.103, and in reference to the party to this Business Associate Agreement, "Covered Entity" shall mean County.
- 1.4 "Data Aggregation" has the same meaning as the term "data aggregation" at 45 C.F.R. § 164.501.
- 1.5 "De-identification" refers to the de-identification standard at 45 C.F.R. § 164.514.
- 1.6 "Designated Record Set" has the same meaning as the term "designated record set" at 45 C.F.R. § 164.501.
- 1.7 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its workforce. (See 45 C.F.R. § 160.103.)
- 1.8 "Electronic Health Record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff. (See 42 U.S. C. § 17921.)
- 1.9 "Electronic Media" has the same meaning as the term "electronic media" at 45 C.F.R. § 160.103. For the convenience of the parties, electronic media means (1) Electronic storage material on which data is or may be recorded electronically, including, for example, devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the Internet, extranet or intranet, leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media if the information being exchanged did not exist in electronic form immediately before the transmission.
- 1.10 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" at 45 C.F.R. § 160.103, limited to Protected Health Information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.
- 1.11 "Health Care Operations" has the same meaning as the term "health care operations" at 45 C.F.R. § 164.501.
- 1.12 "Individual" has the same meaning as the term "individual" at 45 C.F.R. § 160.103. For the convenience of the parties, Individual means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502 (g).

- 1.13 "Law Enforcement Official" has the same meaning as the term "law enforcement official" at 45 C.F.R. § 164.103.
 - 1.14 "Minimum Necessary" refers to the minimum necessary standard at 45 C.F.R. § 164.502 (b).
 - 1.15 "Protected Health Information" has the same meaning as the term "protected health information" at 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity, and includes Protected Health Information that is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Protected Health Information.
 - 1.16 "Required by Law" " has the same meaning as the term "required by law" at 45 C.F.R. § 164.103.
 - 1.17 "Secretary" has the same meaning as the term "secretary" at 45 C.F.R. § 160.103
 - 1.18 "Security Incident" has the same meaning as the term "security incident" at 45 C.F.R. § 164.304.
 - 1.19 "Services" means, unless otherwise specified, those functions, activities, or services in the applicable underlying Agreement, Contract, Master Agreement, Work Order, or Purchase Order or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
 - 1.20 "Subcontractor" has the same meaning as the term "subcontractor" at 45 C.F.R. § 160.103.
 - 1.21 "Unsecured Protected Health Information" has the same meaning as the term "unsecured protected health information" at 45 C.F.R. § 164.402.
 - 1.22 "Use" or "Uses" means, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations. (See 45 C.F.R § 164.103.)
 - 1.23 Terms used, but not otherwise defined in this Business Associate Agreement, have the same meaning as those terms in the HIPAA Rules.
2. Permitted and required Uses and Disclosures of Protected Health Information

2.1 Business Associate may only Use and/or Disclose Protected Health Information as necessary to perform Services, and/or as

necessary to comply with the obligations of this Business Associate Agreement.

- 2.2 Business Associate may Use Protected Health Information for de-identification of the information if de-identification of the information is required to provide Services.**
 - 2.3 Business Associate may Use or Disclose Protected Health Information as Required by Law.**
 - 2.4 Business Associate shall make Uses and Disclosures and requests for Protected Health Information consistent with the Covered Entity's applicable Minimum Necessary policies and procedures.**
 - 2.5 Business Associate may Use Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities.**
 - 2.6 Business Associate may Disclose Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities, provided the Disclosure is Required by Law or Business Associate obtains reasonable assurances from the person to whom the Protected Health Information is disclosed (i.e., the recipient) that it will be held confidentially and Used or further Disclosed only as Required by Law or for the purposes for which it was disclosed to the recipient and the recipient notifies Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.**
 - 2.7 Business Associate may provide Data Aggregation services relating to Covered Entity's Health Care Operations if such Data Aggregation services are necessary in order to provide Services.**
-

3. Prohibited Uses and Disclosures of Protected HEALTH INFORMATION

- 3.1 Business Associate shall not Use or Disclose Protected Health Information other than as permitted or required by this Business Associate Agreement or as Required by Law.**

3.2 Business Associate shall not Use or Disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific Uses and Disclosures set forth in Sections 2.5 and 2.6.

3.3 Business Associate shall not Use or Disclose Protected Health Information for de-identification of the information except as set forth in section 2.2.

4. OBLIGATIONS to safeguard protected health information

4.1 Business Associate shall implement, use, and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information other than as provided for by this Business Associate Agreement.

4.2 Business Associate shall comply with Subpart C of 45 C.F.R. Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for by this Business Associate Agreement.

5. Reporting Non-Permitted Uses or Disclosures, Security Incidents, and Breaches of Unsecured Protected Health Information

5.1 *Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information not permitted by this Business Associate Agreement, any Security Incident, and/ or any Breach of Unsecured Protected Health Information as further described in Sections 5.1.1, 5.1.2, and 5.1.3.*

5.1.1 Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors not provided for by this Agreement of which Business Associate becomes aware.

5.1.2 Business Associate shall report to Covered Entity any Security Incident of which Business Associate becomes aware.

5.1.3. Business Associate shall report to Covered Entity any Breach by Business Associate, its employees, representatives, agents, workforce members, or Subcontractors of Unsecured Protected Health Information that is known to Business Associate or, by exercising reasonable diligence, would have been known to Business Associate. Business Associate shall be deemed to have knowledge of a Breach of Unsecured Protected Health Information if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of Business Associate, including a Subcontractor, as determined in accordance with the federal common law of agency.

5.2 *Except as provided in Section 5.3, for any reporting required by Section 5.1, Business Associate shall provide, to the extent available, all information required by, and within the times frames specified in, Sections 5.2.1 and 5.2.2.*

5.2.1 *Business Associate shall make an immediate telephonic report upon discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident or Breach of Unsecured Protected Health Information to (562) 940-3335 that minimally includes:*

- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
- (b) The number of Individuals whose Protected Health Information is involved;
- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);

- (d) The name and contact information for a person highly knowledge of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach

5.2.2 Business Associate shall make a written report without unreasonable delay and in no event later than three (3) business days from the date of discovery by Business Associate of the non-permitted Use or Disclosure of Protected Health Information, Security Incident, or Breach of Unsecured Protected Health Information and to the **HIPAA Compliance Officer at: Hall of Records, County of Los Angeles, Chief Executive Office, Risk Management Branch-Office of Privacy, 320 W. Temple Street, 7th Floor, Los Angeles, California 90012, PRIVACY@ceo.lacounty.gov**, that includes, to the extent possible:

- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
- (b) The number of Individuals whose Protected Health Information is involved;
- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- (d) The identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, Used, or Disclosed;
- (e) Any other information necessary to conduct an assessment of whether notification to the Individual(s) under 45 C.F.R. § 164.404 is required;
- (f) Any steps Business Associate believes that the Individual(s) could take to protect him or herself from potential harm from the non-permitted Use or Disclosure, Security Incident, or Breach;

- (g) A brief description of what Business Associate is doing to investigate, to mitigate harm to the Individual(s), and to protect against any further similar occurrences; and
- (h) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach.

5.2.3 If Business Associate is not able to provide the information specified in Section 5.2.1 or 5.2.2 at the time of the required report, Business Associate shall provide such information promptly thereafter as such information becomes available.

5.3 *Business Associate may delay the notification required by Section 5.1.3, if a law enforcement official states to Business Associate that notification would impede a criminal investigation or cause damage to national security.*

5.3.1 If the law enforcement official's statement is in writing and specifies the time for which a delay is required, Business Associate shall delay its reporting and/or notification obligation(s) for the time period specified by the official.

5.3.2 If the statement is made orally, Business Associate shall document the statement, including the identity of the official making the statement, and delay its reporting and/or notification obligation(s) temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described in Section 5.3.1 is submitted during that time.

6. Written Assurances of Subcontractors

6.1 In accordance with 45 C.F.R. § 164.502 (e)(1)(ii) and § 164.308 (b)(2), if applicable, Business Associate shall ensure that any Subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate is made aware of its status as a Business Associate with respect to such information and that Subcontractor agrees in writing to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information.

6.2 Business Associate shall take reasonable steps to cure any material breach or violation by Subcontractor of the agreement required by Section 6.1.

- 6.3 If the steps required by Section 6.2 do not cure the breach or end the violation, Contractor shall terminate, if feasible, any arrangement with *Subcontractor by which Subcontractor creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate.*
- 6.4 If neither cure nor termination as set forth in Sections 6.2 and 6.3 is feasible, Business Associate shall immediately notify County.
- 6.5 Without limiting the requirements of Section 6.1, the agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall require Subcontractor to contemporaneously notify Covered Entity in the event of a Breach of Unsecured Protected Health Information.
- 6.6 Without limiting the requirements of Section 6.1, agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall include a provision requiring Subcontractor to destroy, or in the alternative to return to Business Associate, any Protected Health Information created, received, maintained, or transmitted by Subcontractor on behalf of Business Associate so as to enable Business Associate to comply with the provisions of Section 18.4.
- 6.7 Business Associate shall provide to Covered Entity, at Covered Entity's request, a copy of any and all Subcontractor Business Associate Agreements required by Section 6.1.
- 6.8 Sections 6.1 and 6.7 are not intended by the parties to limit in any way the scope of Business Associate's obligations related to Subcontracts or Subcontracting in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
-

7. ACCESS TO PROTECTED HEALTH INFORMATION

- 7.1 To the extent Covered Entity determines that Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within two (2) business days after receipt of a

request from Covered Entity, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and shall provide such Individuals(s) or other person(s) designated by Covered Entity with a copy the specified Protected Health Information, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.524.

- 7.2 If any Individual requests access to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within two (2) days of the receipt of the request. Whether access shall be provided or denied shall be determined by Covered Entity.
 - 7.3 To the extent that Business Associate maintains Protected Health Information that is subject to access as set forth above in one or more Designated Record Sets electronically and if the Individual requests an electronic copy of such information, Business Associate shall provide the Individual with access to the Protected Health Information in the electronic form and format requested by the Individual, if it is readily producible in such form and format; or, if not, in a readable electronic form and format as agreed to by Covered Entity and the Individual.
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8. Amendment of PROTECTED HEALTH INFORMATION

- 8.1 To the extent Covered Entity determines that any Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within ten (10) business days after receipt of a written request from Covered Entity, make any Amendments to such Protected Health Information that are requested by Covered Entity, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.526.
- 8.2 If any Individual requests an amendment to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request.

Whether an amendment shall be granted or denied shall be determined by Covered Entity.

9. Accounting of Disclosures of PROTECTED HEALTH INFORMATION

9.1 Business Associate shall maintain an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or Subcontractors, as is determined by Covered Entity to be necessary in order to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

9.1.1 Any accounting of disclosures provided by Business Associate under Section 9.1 shall include:

- (a) The date of the Disclosure;
- (b) The name, and address if known, of the entity or person who received the Protected Health Information;
- (c) A brief description of the Protected Health Information Disclosed; and
- (d) A brief statement of the purpose of the Disclosure.

9.1.2 For each Disclosure that could require an accounting under Section 9.1, Business Associate shall document the information specified in Section 9.1.1, and shall maintain the information for six (6) years from the date of the Disclosure.

9.2 Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of a written request from Covered Entity, information collected in accordance with Section 9.1.1 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528

9.3 If any Individual requests an accounting of disclosures directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request and shall provide the requested accounting of disclosures to the Individual(s) within

30 days. The information provided in the accounting shall be in accordance with 45 C.F.R. § 164.528.

10. Compliance with Applicable HIPAA Rules

10.1 To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity's performance of such obligation(s).

10.2 Business Associate shall comply with all HIPAA Rules applicable to Business Associate in the performance of Services.

11. Availability of Records

11.1 Business Associate shall make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity available to the Secretary for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations.

11.2 Unless prohibited by the Secretary, Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

12. Mitigation of Harmful Effects

12.1 Business Associate shall mitigate, to the extent practicable, any harmful effect of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Business Associate Agreement that is known to Business Associate.

13. Breach Notification to Individuals

13.1 Business Associate shall, to the extent Covered Entity determines that there has been a Breach of Unsecured Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors, provide

breach notification to the Individual in a manner that permits Covered Entity to comply with its obligations under 45 C.F.R. § 164.404.

- 13.1.1 Business Associate shall notify, subject to the review and approval of Covered Entity, each Individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, Used, or Disclosed as a result of any such Breach.
- 13.1.2 The notification provided by Business Associate shall be written in plain language, shall be subject to review and approval by Covered Entity, and shall include, to the extent possible:
- (a) A brief description of what happened, including the date of the Breach and the date of the Discovery of the Breach, if known;
 - (b) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
 - (c) Any steps the Individual should take to protect him or herself from potential harm resulting from the Breach;
 - (d) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individual(s), and to protect against any further Breaches; and
 - (e) Contact procedures for Individual(s) to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.
- 13.2 **Covered Entity, in its sole discretion, may elect to provide the notification required by Section 13.1 and/or to establish the contact procedures described in Section 13.1.2.**
- 13.3 **Business Associate shall reimburse Covered Entity any and all costs incurred by Covered Entity, in complying with Subpart D of 45 C.F.R. Part 164, including but not limited to costs of notification, internet posting, or media publication, as a result of Business Associate's Breach of Unsecured Protected Health**

Information; Covered Entity shall not be responsible for any costs incurred by Business Associate in providing the notification required by 13.1 or in establishing the contact procedures required by Section 13.1.2.

14. Indemnification

14.1 Business Associate shall indemnify, defend, and hold harmless Covered Entity, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, expenses (including attorney and expert witness fees), and penalties and/or fines (including regulatory penalties and/or fines), arising from or connected with Business Associate's acts and/or omissions arising from and/or relating to this Business Associate Agreement, including, but not limited to, compliance and/or enforcement actions and/or activities, whether formal or informal, by the Secretary or by the Attorney General of the State of California.

14.2 Section 14.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Insurance and/or Indemnification in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

15. Obligations of Covered Entity

15.1 Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the Use or Disclosure of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own Uses and Disclosures accordingly.

15.2 Covered Entity shall not request Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except to the extent that Business Associate may Use or Disclose Protected Health Information as provided in Sections 2.3, 2.5, and 2.6.

16. Term

16.1 Unless sooner terminated as set forth in Section 17, the term of this Business Associate Agreement shall be the same as the term of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

16.2 Notwithstanding Section 16.1, Business Associate's obligations under Sections 11, 14, and 18 shall survive the termination or expiration of this Business Associate Agreement.

17. Termination for Cause

17.1 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and the breaching party has not cured the breach or ended the violation within the time specified by the non-breaching party, which shall be reasonable given the nature of the breach and/or violation, the non-breaching party may terminate this Business Associate Agreement.

17.2 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and cure is not feasible, the non-breaching party may terminate this Business Associate Agreement immediately.

18. Disposition of Protected Health Information Upon Termination or Expiration

- 18.1 **Except as provided in Section 18.3, upon termination for any reason or expiration of this Business Associate Agreement, Business Associate shall return or, if agreed to by Covered entity, shall destroy as provided for in Section 18.2, all Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, that Business Associate, including any Subcontractor, still maintains in any form. Business Associate shall retain no copies of the Protected Health Information.**
- 18.2 **Destruction for purposes of Section 18.2 and Section 6.6 shall mean that media on which the Protected Health Information is stored or recorded has been destroyed and/or electronic media have been cleared, purged, or destroyed in accordance with the use of a technology or methodology specified by the Secretary in guidance for rendering Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals.**
- 18.3 **Notwithstanding Section 18.1, in the event that return or destruction of Protected Health Information is not feasible or Business Associate determines that any such Protected Health Information is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities, Business Associate may retain that Protected Health Information for which destruction or return is infeasible or that Protected Health Information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities and shall return or destroy all other Protected Health Information.**
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18.3.1 Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information, including continuing to use appropriate safeguards and continuing to comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for in Sections 2.5 and 2.6 for so long as such Protected Health Information is retained, and Business Associate shall not Use or Disclose such

Protected Health Information other than for the purposes for which such Protected Health Information was retained.

18.3.2 Business Associate shall return or, if agreed to by Covered entity, destroy the Protected Health Information retained by Business Associate when it is no longer needed by Business Associate for Business Associate's proper management and administration or to carry out its legal responsibilities.

18.4 **Business Associate shall ensure that all Protected Health Information created, maintained, or received by Subcontractors is returned or, if agreed to by Covered entity, destroyed as provided for in Section 18.2.**

19. Audit, Inspection, and Examination

19.1 **Covered Entity reserves the right to conduct a reasonable inspection of the facilities, systems, information systems, books, records, agreements, and policies and procedures relating to the Use or Disclosure of Protected Health Information for the purpose determining whether Business Associate is in compliance with the terms of this Business Associate Agreement and any non-compliance may be a basis for termination of this Business Associate Agreement and the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, as provided for in section 17.**

19.2 **Covered Entity and Business Associate shall mutually agree in advance upon the scope, timing, and location of any such inspection.**

19.3 **At Business Associate's request, and to the extent permitted by law, Covered Entity shall execute a nondisclosure agreement, upon terms and conditions mutually agreed to by the parties.**

19.4 **That Covered Entity inspects, fails to inspect, or has the right to inspect as provided for in Section 19.1 does not relieve Business Associate of its responsibility to comply with this Business Associate Agreement and/or the HIPAA Rules or impose on Covered Entity any responsibility for Business Associate's compliance with any applicable HIPAA Rules.**

- 19.5 **Covered Entity's failure to detect, its detection but failure to notify Business Associate, or its detection but failure to require remediation by Business Associate of an unsatisfactory practice by Business Associate, shall not constitute acceptance of such practice or a waiver of Covered Entity's enforcement rights under this Business Associate Agreement or the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.**
- 19.6 **Section 19.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Inspection and/or Audit and/or similar review in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.**
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20. Miscellaneous Provisions

- 20.1 **Disclaimer.** Covered Entity makes no warranty or representation that compliance by Business Associate with the terms and conditions of this Business Associate Agreement will be adequate or satisfactory to meet the business needs or legal obligations of Business Associate.
- 20.2 **HIPAA Requirements.** The Parties agree that the provisions under HIPAA Rules that are required by law to be incorporated into this Amendment are hereby incorporated into this Agreement.
- 20.3 **No Third-Party Beneficiaries.** Nothing in this Business Associate Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 20.4 **Construction.** In the event that a provision of this Business Associate Agreement is contrary to a provision of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a

Business Associate, the provision of this Business Associate Agreement shall control. Otherwise, this Business Associate Agreement shall be construed under, and in accordance with, the terms of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

- 20.5 Regulatory References. A reference in this Business Associate Agreement to a section in the HIPAA Rules means the section as in effect or as amended.**
- 20.6 Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits the parties to comply with the HIPAA Rules.**
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Amendment. The parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity or Business Associate to comply with the requirements of the HIPAA Rules and any other privacy laws governing Protected Health Information.

COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES CERTIFICATION


Company Name: <u>4aiSoft, LLC</u>	Contract No.: <u>AO-22-407</u>
Company Address: <u>5252 Orange Avenue #208</u>	
City: <u>Cypress</u>	State: <u>California</u> Zip Code: <u>90630</u>
Telephone Number: <u>909-579-9140</u> Email address: <u>brij.kumar@4aisoft.com</u>	
Solicitation/Contract for Fraud Detection Analytics and Audit Management System and Related Services	

PROPOSER/CONTRACTOR CERTIFICATION

The Los Angeles County Board of Supervisors approved a Fair Chance Employment Policy in an effort to remove job barriers for individuals with criminal records. The policy requires businesses that contract with the County to comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History (California Government Code Section 12952), effective January 1, 2018.

Proposer/Contractor acknowledges and certifies compliance with fair chance employment hiring practices set forth in California Government Code Section 12952 and agrees that proposer/contractor and staff performing work under the Contract will be in compliance. Proposer/Contractor further acknowledges that noncompliance with fair chance employment practices set forth in California Government Code Section 12952 may result in rejection of any proposal, or termination of any resultant Contract, at the sole judgment of the County.

I declare under penalty of perjury under the laws of the State of California that the information herein is true and correct and that I am authorized to represent this company.

Print Name: <u>Brijesh Kumar</u>	Title: <u>CEO</u>
Signature: 	Date: <u>June 3rd 2022</u>

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

The County of Los Angeles ("County") is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Information Security and Privacy Requirements Exhibit ("Exhibit") sets forth the County and the Contractor's commitment and agreement to fulfill each of their obligations under applicable state or federal laws, rules, or regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability, and Integrity of such Information. The Information Security and privacy requirements and procedures in this Exhibit are to be established by the Contractor before the Effective Date of the Contract and maintained throughout the term of the Contract.

These requirements and procedures are a minimum standard and are in addition to the requirements of the underlying base agreement between the County and Contractor (the "Contract") and any other agreements between the parties. However, it is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise those measures to address ongoing Threats and Risks. Failure to comply with the minimum requirements and procedures set forth in this Exhibit will constitute a material, non-curable breach of Contract by the Contractor, entitling the County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. To the extent there are conflicts between this Exhibit and the Contract, this Exhibit shall prevail unless stated otherwise.

1. DEFINITIONS

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

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

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

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

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

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards, and procedures will be communicated to all Contractor employees in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure operational effectiveness, compliance with all applicable laws and regulations, and addresses new and emerging Threats and Risks.

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

The Contractor's Information Security Program shall:

- Protect the Confidentiality, Integrity, and Availability of County Information in the Contractor's possession or control;
- Protect against any anticipated Threats or hazards to the Confidentiality, Integrity, and Availability of County Information;
- Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- Protect against accidental loss or destruction of, or damage to, County Information; and
- Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.

- b. **Privacy Program.** Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. The Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures, and appropriate training will be provided to all Contractor employees, agents, and volunteers. The Contractor's Privacy Policies, guidelines, and procedures shall be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. The Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

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

The Contractor's Privacy Program shall include:

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

3. PROPERTY RIGHTS TO COUNTY INFORMATION

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

4. CONTRACTOR'S USE OF COUNTY INFORMATION

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

5. SHARING COUNTY INFORMATION AND DATA

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

6. CONFIDENTIALITY

- a. **Confidentiality of County Information.** The Contractor agrees that all County Information is Confidential and proprietary to the County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential".
- b. **Disclosure of County Information.** The Contractor may disclose County Information only as necessary to carry out its obligations under this Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of the County's contract administrator in consultation with the County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or an administrative body to disclose County Information, the Contractor shall notify the County's contract administrator immediately and prior to any such disclosure, to provide the County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.
- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, the Contractor may encounter County Non-public Information ("NPI") in the course of performing this Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as "Internal Use", "Confidential" or "Restricted" as defined in Board of Supervisors Policy 6.104 – Information Classification Policy as NPI. The Contractor shall not disclose or publish any County NPI and material received or used in performance of this Contract. This obligation is perpetual.
- d. **Individual Requests.** The Contractor shall acknowledge any request or instructions from the County regarding the exercise of any individual's privacy rights provided under applicable federal or state laws. The Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from the County within seven (7) calendar days. If an individual makes a request directly to the Contractor involving County Information, the Contractor shall notify the County within five (5) calendar days and the County will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request. Similarly, if the Contractor receives a privacy or security complaint from an individual regarding County Information, the Contractor shall notify the County as described in Section 14 SECURITY AND PRIVACY INCIDENTS, and the County will coordinate an appropriate response.
- e. **Retention of County Information.** The Contractor shall not retain any County Information for any period longer than necessary for the Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. CONTRACTOR EMPLOYEES

The Contractor shall perform background and security investigation procedures in the manner prescribed in this section unless the Contract prescribes procedures for conducting background and security investigations and those procedures are no less stringent than the procedures described in this section.

To the extent permitted by applicable law, the Contractor shall screen and conduct background investigations on all Contractor employees and Subcontractors as appropriate to their role, with access to County Information for potential security Risks. Such background investigations must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review and conducted in accordance with the law, may include criminal and financial history to the extent permitted under the law, and will be repeated on a regular basis. The fees associated with the background investigation shall be at the expense of the Contractor, regardless of whether the member of the Contractor's staff passes or fails the background investigation. The Contractor, in compliance with its legal obligations, shall conduct an individualized assessment of their employees, agents, and volunteers regarding the nature and gravity of a criminal offense or conduct; the time that has passed since a criminal offense or conduct and completion of the sentence; and the nature of the access to County Information to ensure that no individual accesses County Information whose past criminal conduct poses a risk or threat to County Information.

Contractor shall require all employees, agents, and volunteers to abide by the requirements in this Exhibit, as set forth in the Contract, and sign an appropriate written Confidentiality/non-disclosure agreement with the Contractor.

Contractor shall supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks, and Threats. The Contractor agrees that training will cover, but may not be limited to the following topics:

- a) **Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.
- b) **Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.
- c) **Handling of County Information:** The proper identification, storage, transfer, archiving, and destruction of County Information.
- d) **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.
- e) **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.
- f) **Privacy:** The Contractor's Privacy Policies and procedures as described in Section 2b. Privacy Program.

Contractor shall have an established set of procedures to ensure the Contractor's employees promptly report actual and/or suspected breaches of security.

8. SUBCONTRACTORS AND THIRD PARTIES

County acknowledges that in the course of performing its services, the Contractor may desire or require the use of goods, services, and/or assistance of Subcontractors or other third parties or suppliers. The terms of this Exhibit shall also apply to all Subcontractors and third parties. The Contractor or third party shall be subject to the

following terms and conditions: (i) each Subcontractor and third party must agree in writing to comply with and be bound by the applicable terms and conditions of this Exhibit, both for itself and to enable the Contractor to be and remain in compliance with its obligations hereunder, including those provisions relating to Confidentiality, Integrity, Availability, disclosures, security, and such other terms and conditions as may be reasonably necessary to effectuate the Contract including this Exhibit; and (ii) the Contractor shall be and remain fully liable for the acts and omissions of each Subcontractor and third party, and fully responsible for the due and proper performance of all Contractor obligations under this Contract.

Contractor shall obtain advanced approval from the County's Chief Information Security Officer and/or Chief Privacy Officer prior to subcontracting services subject to this Exhibit.

9. STORAGE AND TRANSMISSION OF COUNTY INFORMATION

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

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

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

10. RETURN OR DESTRUCTION OF COUNTY INFORMATION

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

- a. **Return or Destruction.** Upon County's written request, or upon expiration or termination of this Contract for any reason, Contractor shall (i) promptly return or destroy, at the County's option, all originals and copies of all documents and materials it has received containing County Information; or (ii) if return or destruction is not permissible under applicable law, continue to protect such

Information in accordance with the terms of this Contract; and (iii) deliver or destroy, at the County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by the Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection (i) of this Section. For all documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be returned to the County, the Contractor shall provide a written attestation on company letterhead certifying that all documents and materials have been delivered to the County. For documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be destroyed, the Contractor shall provide an attestation on company letterhead and certified documentation from a media destruction firm consistent with subdivision b of this Section. Upon termination or expiration of the Contract or at any time upon the County's request, the Contractor shall return all hardware, if any, provided by the County to the Contractor. The hardware should be physically sealed and returned via a bonded courier, or as otherwise directed by the County.

- b. **Method of Destruction.** The Contractor shall destroy all originals and copies by (i) cross-cut shredding paper, film, or other hard copy media so that the Information cannot be read or otherwise reconstructed; and (ii) purging, or destroying electronic media containing County Information consistent with NIST Special Publication 800-88, "Guidelines for Media Sanitization" such that the County Information cannot be retrieved. The Contractor will provide an attestation on company letterhead and certified documentation from a media destruction firm, detailing the destruction method used and the County Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement will be sent to the designated County contract manager within ten (10) days of termination or expiration of the Contract or at any time upon the County's request. On termination or expiration of this Contract, the County will return or destroy all Contractor's Information marked as confidential (excluding items licensed to the County hereunder, or that provided to the County by the Contractor hereunder), at the County's option.

11. PHYSICAL AND ENVIRONMENTAL SECURITY

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

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

12. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY

Contractor shall: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 14 SECURITY

AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

Contractor must have business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; (iv) fully restore applications and operating systems; and (v) demonstrate periodic testing of restoration from back-up location. If the Contractor makes backups to removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such backups shall be encrypted in compliance with the encryption requirements noted above in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. ACCESS CONTROL

Subject to and without limiting the requirements under Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by the County Project Director or Project Manager in writing; and (ii) if transferred using removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be sent via a bonded courier and protected using encryption technology designated by the Contractor and approved by the County's Chief Information Security Officer in writing. The foregoing requirements shall apply to back-up media stored by the Contractor at off-site facilities.

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

- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, multi-factor authentication, use of virtual private networks (VPN), authorization, and event logging;
- c. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor shall record, review and act upon all

events in accordance with Incident response policies set forth in Section 14 SECURITY AND PRIVACY INCIDENTS; and

- f. In the event any hardware, storage media, or removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, the Contractor shall ensure all County Information, has been eradicated from such hardware and/or media using industry best practices as discussed in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

14. SECURITY AND PRIVACY INCIDENTS

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

- a. Promptly notify the County's Chief Information Security Officer, the Departmental Information Security Officer, and the County's Chief Privacy Officer of any Incidents involving County Information, within twenty-four (24) hours of detection of the Incident. All notifications shall be submitted via encrypted email and telephone.

County Chief Information Security Officer and Chief Privacy Officer email
CISO-CPO_Notify@lacounty.gov

Acting Chief Information Security Officer:

Jeffrey Aguilar
Chief Information Security Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 253-5600
Email: jaguilar@ceo.lacounty.gov

Chief Privacy Officer:

Lillian Russell
Chief Privacy Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 351-5363
Email: lrussell@ceo.lacounty.gov

Departmental Information Security Officer:

TBD
Departmental Information Security Officer:
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 253-5600
Email: TBD

- b. Include the following Information in all notices:
 - i. The date and time of discovery of the Incident,
 - ii. The approximate date and time of the Incident,

- iii. A description of the type of County Information involved in the reported Incident, and
 - iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
 - v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.
- c. Cooperate with the County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon the County's written request, without charge, unless the Incident was caused by the acts or omissions of the County. As Information about the Incident is collected or otherwise becomes available to the Contractor, and unless prohibited by law, the Contractor shall provide Information regarding the nature and consequences of the Incident that are reasonably requested by the County to allow the County to notify affected individuals, government agencies, and/or credit bureaus.
 - d. Immediately initiate the appropriate portions of their Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.
 - e. Assist and cooperate with forensic investigators, the County, law firms, and and/or law enforcement agencies at the direction of the County to help determine the nature, extent, and source of any Incident, and reasonably assist and cooperate with the County on any additional disclosures that the County is required to make as a result of the Incident.
 - f. Allow the County or its third-party designee at the County's election to perform audits and tests of the Contractor's environment that may include, but are not limited to, interviews of relevant employees, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Information.

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

15. NON-EXCLUSIVE EQUITABLE REMEDY

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

16. AUDIT AND INSPECTION

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

Contractor shall have a process for correcting control deficiencies that have been identified in the periodic audit, including follow up documentation providing evidence of such corrections. The Contractor shall provide the audit results and any corrective action documentation to the County promptly upon its completion at the County's request. With respect to any other report, certification, or audit or test results prepared or received by the Contractor that contains any County Information, the Contractor shall promptly provide the County with copies of the same upon the County's reasonable request, including identification of any failure or exception in the Contractor's Information systems, products, and services, and the corresponding steps taken by the Contractor to mitigate such failure or exception. Any reports and related materials provided to the County pursuant to this Section shall be provided at no additional charge to the County.

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

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

recommendations that result from such inspections, tests, and audits within reasonable timeframes.

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

17. PRIVACY AND SECURITY INDEMNIFICATION

In addition to the indemnification provisions in the Contract, the Contractor agrees to indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, agents, employees, and volunteers from and against any and all claims, demands liabilities, damages, judgments, awards, losses, costs, expenses or fees including reasonable attorneys' fees, accounting and other expert, consulting or professional fees, and amounts paid in any settlement arising from, connected with, or relating to:

- The Contractor's violation of any federal and state laws in connection with its accessing, collecting, processing, storing, disclosing, or otherwise using County Information;
- The Contractor's failure to perform or comply with any terms and conditions of this Contract or related agreements with the County; and/or,
- Any Information loss, breach of Confidentiality, or Incident involving any County Information that occurs on the Contractor's systems or networks (including all costs and expenses incurred by the County to remedy the effects of such loss, breach of Confidentiality, or Incident, which may include (i) providing appropriate notice to individuals and governmental authorities, (ii) responding to individuals' and governmental authorities' inquiries, (iii) providing credit monitoring to individuals, and (iv) conducting litigation and settlements with individuals and governmental authorities).

Notwithstanding the preceding sentences, the County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

COVID-19 VACCINATION CERTIFICATION OF COMPLIANCE
Urgency Ordinance, County Code Title 2 – Administration, Division 4 – Miscellaneous –
Chapter 2.212 (COVID-19 Vaccinations of County Contractor Personnel)

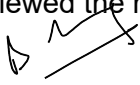
I, Brijesh Kumar, on behalf of 4aiSoft, LLC, (the "Contractor"),
 certify that on County Contract AO-22-407-FDAAM [ENTER CONTRACT NUMBER AND
 NAME]:

X All Contractor Personnel* on this Contract are fully vaccinated as required by the
 Ordinance.

 Most Contractor Personnel* on this Contract are fully vaccinated as required by the
 Ordinance. The Contractor or its employer of record, has granted a valid medical or religious exemption
 to the below identified Contractor Personnel. Contractor will certify weekly that the following
 unvaccinated Contractor Personnel have tested negative within 72 hours of starting their work week
 under the County Contract, unless the contracting County department requires otherwise. The
 Contractor Personnel who have been granted a valid medical or religious exemption are [LIST ALL
 CONTRACTOR PERSONNEL]:

*Contractor Personnel includes subcontractors. I have authority to bind the Contractor and have

reviewed the requirements above and further certify that I will comply with said requirements.



 Signature

June 3rd 2022

 Date

CEO

 Title

4aiSoft, LLC

 Company/Contractor Name

SUPPORT SERVICES

1. GENERAL

This Exhibit O (Support Services) is attached to and forms a part of that certain Contract for E-Procurement System and Related Services, dated as of the Effective Date (together with all exhibits, Attachments, and schedules thereto, all as amended from time to time, the "Contract"), between the County of Los Angeles ("County") and 4aiSoft, LLC ("Contractor"). Capitalized terms used herein without definition have the meanings given to such terms in the Contract.

This Exhibit O sets forth the scope of the System under the Exhibit A (Statement of Work), and Contractor's Service Level commitment regarding hosting services and support services, including correction of Deficiencies, warranties and County's remedies for Contractor's failure to meet the Service Levels specified herein.

2. SCOPE OF SERVICES

2.1 Description

Contractor shall provide Service Levels and warranties relating to Support Services for the System as specified in the Contract and this Exhibit, as more fully described below. Support Services shall include but are not limited to correction of Deficiencies based on Service Levels and warranties. Support Services commence as specified in the Contract.

2.2 Definitions

As used herein the following terms have the following meanings:

"Available" means the System shall be available for access and use by the County.

"Business Hours" shall mean 7:00 a.m. to 7:00 p.m. Pacific Time (PT) Monday through Friday except for County approved holidays.

"Critical Deficiency" shall mean a Deficiency of Priority Level 1, as further described in Paragraph 3.2.1 (Problem Correction Priorities).

“Compatible”; “Compatibility” means, with respect to the Licensed Software, that (a) the applicable components of the Licensed Software are capable of supporting, operating and otherwise performing all functions of such Licensed Software components set forth in the Specifications and this Contract, when the Minimum System Requirements are met; (b) the applicable components of Third Party Products are capable of supporting, operating and otherwise performing all functions of such Third Party Products components set forth in the Specifications and this Contract, when used in conjunction with the other components of the Licensed Software; (c) the applicable components of Licensed Software are capable of supporting, operating and otherwise performing all functions of such Licensed Software components set forth in the Specifications and this Contract, when used in conjunction with the Third Party Products; and (d) the applicable components of the Licensed Software are capable of supporting, operating and otherwise performing all functions of such Licensed Software components set forth in the Specifications and this Contract, when used in conjunction with one another and with the Hosted Environment.

“Help Desk Support” shall have the meaning specified in Paragraph 5.1 (Scope of Support).

“Hosted Environment” shall mean hardware, hosted network, and hosted operating software to be supplied by Contractor as a part of its obligation to perform Hosting Services. The Hosted Environment includes the Hosted Environment for Production Use and any other environments described in this Contract, if any, including Exhibit A (Statement of Work).

“Days of Operation” shall mean 365/366 days per year, 7:00 a.m. to 7:00 p.m. Pacific Time (PT), excluding County recognized holidays and “Scheduled Downtime”.

“Disaster” shall mean a catastrophic event that results in significant or potentially significant Downtime or disruption of the Hosted Environment for Production Use and requires Contractor to invoke the Disaster Recovery/Business Continuity Plan.

“Disaster Recovery” shall mean and refer to Contractor’s obligations described in Paragraph 5.3 (Backup and Disaster Recovery).

“Business Continuity/Disaster Recovery Plan” shall have the meaning specified in Exhibit A (Statement of Work).

“Downtime” shall mean the period of time when the System or any System component is unavailable, including Unscheduled Downtime and Scheduled Downtime.

“Low Deficiency” shall mean a Deficiency of Priority Level 4, as further described in Paragraph 3.2.1 (Problem Correction Priorities).

“Major Deficiency” shall mean a Deficiency of Priority Level 1 or Priority Level 2, as further described in Paragraph 3.2.1 (Problem Correction Priorities).

“Moderate Deficiency” shall mean a Deficiency of Priority Level 3, as further described in Paragraph 3.2.1 (Problem Correction Priorities).

“Off-Business Hours” shall mean all hours that are not Business Hours or Scheduled Downtime.

“Peak Period” shall mean the combined times of 9:00 a.m. to 11:00 a.m. and 2:00 p.m. to 4:00 p.m. Pacific Time (PT) Monday through Friday except for County approved holidays.

“Priority Level” shall mean the applicable Deficiency severity level for correcting Deficiencies, as described in Paragraph 3.2 (Resolution of Deficiencies).

“Response Time” shall mean the time elapsed for all data fields on a page to load such that they are available for use.

“Response Time Baseline” shall mean the County specified baseline for Response Time, as further described in Paragraph 3.2.

“Response Time Deficiency” shall mean the System is not responding within the prescribed Response Time Baseline, as further described in Paragraph 6.3 (Response Time Monitoring).

“Scheduled Downtime” shall mean that the System cannot be accessed due to scheduled maintenance on the System, including but not limited to preventive maintenance, Revisions, scheduled reboots and restarts, as further described in Paragraph 4.2 (Scheduled Downtime).

“Service Credits” shall mean credits or any other form of discount to be applied to the applicable Support Services Fees that may be assessed by County pursuant to Paragraph 7.1 (General).

“Severe Deficiency” shall mean a Deficiency of Priority Level 2, as further described in Paragraph 3.2.1 (Problem Correction Priorities).

“Specified Hardware” and **“Specified Operating Software”** shall mean the minimum requirements for hardware and operating software set forth on Exhibit A.8 (Minimum System Requirements), that shall be Compatible with the Licensed Software, and are required for County to enjoy and exercise fully its rights to the System as a whole.

“System Availability” as defined in Paragraph 6.2 (System Performance Requirements).

“System Availability Deficiency” shall mean the System not meeting any of the System Availability requirements as specified in this Exhibit O.

“System Performance” shall mean the performance of the System with respect to Response Time, System Availability and Disaster Recovery.

“System Performance Deficiency” shall mean System not meeting any of the System Performance Requirements as specified in Paragraph 4.2 (System Performance Requirements).

“System Performance Requirements” shall mean the requirements for System Performance, including Paragraph 6.2 (System Performance Requirements).

“Total Monthly Time” shall mean all minutes in the Days of Operation for a calendar month, excluding Scheduled Downtime.

“Unscheduled Downtime” shall have the meaning specified in Paragraph 7.1 (General).

3. CORRECTION OF DEFICIENCIES

3.1 Identification of Deficiencies

The Deficiencies under this Contract may be identified either as a result of Contractor’s use of its own monitoring tools or discovered by County. Upon discovery of a Deficiency by County, County will report the Deficiency to Contractor’s Help Desk Support for resolution in accordance with this Exhibit O.

The Priority Level of a Deficiency shall be assigned as described in, and according to the Priority Level definition set forth in, Paragraph 3.2.1 (Problem Correction Priorities). Based on Contractor’s proposed resolution and/or workaround(s) for the Deficiency, County may reevaluate and escalate or downgrade the Priority Level of the Deficiency pursuant to Paragraph 3.2.3 (Priority Level Adjustment).

3.2 Resolution of Deficiencies

3.2.1 Problem Correction Priorities

County shall assign the Priority Level to each Deficiency reported by County to Contractor’s Help Desk Support. Contractor shall assign Priority Levels to Deficiencies discovered by its own monitoring tools. Following report of a Deficiency from County, Contractor shall respond back to County within the prescribed “Response Timeframe” specified below and resolve each such Deficiency within the specified “Resolution Goal”. The Response Timeframe and Resolution Goal for correction of Deficiencies shall start tolling when County first notifies Contractor of a Deficiency by telephone or otherwise as specified herein, including Contractor’s Help Desk Support

portal, and shall end when County reasonably determines that the Deficiency has been resolved.

Priority Level	Description of Deficiency	Response Timeframe	Resolution Goal (subject to escalation by COUNTY)
1 - Critical	<p>Widespread System unavailability: or Deficiency disrupts functionality to the extent the System cannot be used.</p> <p>Examples of Critical Deficiencies: Response Time is at or over four (4) times the agreed upon Response Time Baseline or does not function at all, as determined by County. There is no way to circumvent the problem; a significant number of Users are affected. A production business System is inoperable.</p>	One (1) Business Hour	Four (4) hours, beginning when County reports the Deficiency to Contractor or upon discovery of Deficiency by Contractor, whichever occurs first.
2 – Severe	<p>An error that severely degrades the performance of the System or materially restricts business; or restricts the use of one or more features of the System to perform necessary business functions but does not completely restrict usage of the System; or ability to use the System, but an important function is not available, and operations are severely impacted.</p> <p>Examples of Severe Deficiencies: A component of the System is not performing in accordance with the Specifications (e.g., Response Time is at two (2) or three (3) times the agreed upon Response Time Baseline), which is creating significant County business impact, or its core functionality is not available, as determined by County. OR Mandatory reporting within the System is inaccurate, or data is unavailable (unless the inaccuracy is due to inaccurate data provided by the County).</p>	Four (4) Business Hours	Eight (8) hours, beginning when County reports the Deficiency to Contractor or upon discovery of Deficiency by Contractor, whichever occurs first.

Priority Level	Description of Deficiency	Response Timeframe	Resolution Goal (subject to escalation by COUNTY)
3 – Moderate	<p>An error that causes only a minor impact on the use of the System (e.g., report generation issues, issues with any non-Production Environment), but the problem can be easily circumvented; or the problem can cause some functional restrictions but does not have a critical or severe impact on operations.</p> <p>Examples of Moderate Deficiencies: A component of the System is not performing in accordance with the Specifications, which is creating a moderate or minor operational impact, as determined by County.</p>	One (1) Business Day	Seven (7) calendar days beginning when County reports Deficiency to Contractor or upon discovery of Deficiency by Contractor, whichever occurs first.
4 – Low	<p>Cosmetic defects that do not affect the functionality but affect the general look and feel of the System.</p> <p>Examples of Low Deficiencies: This is a low impact problem and is not significant to operations or is related to education (e.g., general “how to” and informational Licensed Software questions, Documentation requests, understanding of reports or general “how to” create reports), as determined by County.</p>	Two (2) Business Days	Earlier of (a) the next Version Release or (b) within twelve (12) months of when County reports Deficiency to Contractor or upon discovery of Deficiency by Contractor, whichever occurs first.

3.2.2 Problem Resolution Process

For any Deficiency reported by County or discovered by Contractor, Contractor shall commence corrective action according to the applicable Response Timeframe. Contractor shall correct all Deficiencies within the Resolution Goals specified above. Contractor shall also immediately commence to develop a workaround or a fix for any Priority Level 1 or Priority Level 2 Deficiency. County and Contractor shall agree on the Deficiency resolution, whether by a permanent solution or a workaround. Contractor shall provide the best level of effort to correct all Deficiencies and, in particular, Deficiencies with Priority Level 1 through Priority

Level 3. In the event that Contractor fails to correct a Deficiency within the prescribed Resolution Goals, Contractor shall provide County with a written or electronic report that includes a detailed explanation of the status of such Deficiency, preliminary actions taken, detailed mitigation plans and an estimated time for completing the correction of such Deficiency. This process will be repeated until the Deficiency is resolved and the resolution is approved by County's Project Manager. The parties will jointly cooperate during this period of time.

3.2.3 Priority Level Adjustment

County may escalate or downgrade a Priority Level of a Deficiency if the Deficiency meets the definition of the Priority Level as escalated or downgraded. Additionally, County's Project Manager may escalate a Priority Level of a Deficiency at any time during which the System is experiencing more than one Deficiency of the same Priority Level. A Deficiency may also be escalated by County if the Deficiency persists or re-occurs, as determined by County's Project Manager. At the time the Deficiency is escalated or downgraded, an appropriate timeline will be applied for resolution of such Deficiency in accordance with Paragraph 3.2.1 (Problem Correction Priorities). Contractor may not downgrade a Priority Level without the consent of County's Project Manager. Contractor may not "close" or "inactivate" a trouble ticket or Deficiency report without the consent of County's Project Manager. Contractor may request a special exception to the above timeline where there are extenuating circumstances, with the decision for extension made at the discretion of County's Project Manager. If a reasonable workaround may be provided by Contractor for a Deficiency, County may elect to downgrade the Priority Level of such Deficiency until an agreed upon date. If a permanent fix is not provided by such agreed upon date, County will be able to escalate the Priority Level back to the original Priority Level or higher, as provided herein.

4. Maintenance Services

As part of Support Services, Contractor shall provide maintenance and Hosting Services of the System including the provision of Revisions (hereinafter "Maintenance Services"), as provided in this Paragraph 4.

4.1 System Maintenance

4.1.1 Hosting Services

Contractor shall operate the Hosting Services on the Hosted Environment owned and maintained by Contractor (and its Hosting Provider, if applicable) on a 24x7x365 basis.

Contractor shall allow access to the Hosting Services over the Internet from the Hosted Environment facilities on a 24x7x365 basis and provide secure and confidential storage of all information transmitted to and from the Hosting Services.

The Hosted Environment shall provide redundancy at all tiers of the hosting environment, redundant clustered firewalls with redundant Internet connections, running industry standard secure inspection, and analysis software.

Contractor shall supply hardware, security protocols, software, and communications support structure to facilitate connection to the Internet in accordance with the requirements set forth herein.

Contractor shall build into the solution's architecture the capability to operate in more than one data center and in different availability zones (AZ's) for high availability, fault tolerance, scalability, and disaster recovery. The selected AZ's shall reside in the continental United States.

Contractor shall review security notifications and alerts relevant to the Hosted Environment (e.g., Contractor notification of bugs, attacks, patches), and apply as appropriate to maintain the highest level of defense.

Contractor shall provide adequate firewall protection in order to secure personal data and other Confidential Information of County and users of the Hosting Services from unauthorized access by third parties.

Hosting Provider

As of the Effective Date, Contractor is providing Hosting Services. In the event that, during the term of the Contract, Contractor desires to transition to a new Hosting Provider, Contractor shall provide County with at least sixty (60) calendar days' prior notice of the transition. Contractor shall reasonably cooperate with County in evaluating the security and performance of the proposed Hosting Provider. County shall have thirty (30) calendar days from receipt of notice of the transition to reasonably object to the proposed new Hosting Provider. In the event of such objection, the parties shall negotiate in good faith regarding alternate Hosting Providers. If the parties are unable to reach agreement within thirty (30) calendar days of receipt by Contractor of the objection, County may elect to terminate this Contract without further obligation.

Contractor shall ensure the Hosting Provider complies with the terms of the Contract, including the requirements of this Exhibit. Contractor shall be jointly and severally liable for any breach by Hosting Provider of the Contract, including the requirements of this Exhibit O.

4.1.2 Revisions

Contractor shall provide Revisions to the Licensed Software in accordance with Subparagraph 9.1.2 (Revisions) of the Contract and this Exhibit O. Revisions shall be provided to keep current with Contractor's hosting technology standards, industry standards, Third Party Product upgrades, enhancements, updates, patches, bug fixes, etc., and as provided to Contractor's general customer base, all in accordance with this Exhibit O and in coordination with County's Project

Manager. By definition, such Revisions shall include, but not be limited to, (a) a bug fix, patch, or redistribution of the Licensed Software that corrects an Error as well as addresses common functional and performance issues, including Deficiency corrections; (b) an aggregation of fixes, updates, or significant new features, functionality or performance improvements, including but not limited to those constituting a new Version; (c) any update to the Licensed Software designed to improve its operations, usefulness, or completeness that is made generally available by Contractor to its other customers; or (d) any of the foregoing provided for the Licensed Software to remain in compliance with applicable Federal, State and local laws, rules and regulations. Revisions do not include Customizations.

Without limiting any other provisions of this Contract, including, without limitation, this Exhibit, Revisions to the Licensed Software shall be provided to County at least twice every year, unless otherwise agreed to by County and Contractor.

Contractor shall notify County of all Revisions to the Licensed Software prior to the anticipated installation date thereof in accordance with Subparagraph 9.1.2 (Revisions) of the Contract. Contractor's provision and installation of such Revisions to the Licensed Software shall be at no additional cost to County beyond any applicable Support Services Fees. Any Revisions necessary to remedy security problems in the Licensed Software (e.g., closing "back doors" or other intrusion-related problems) shall be provided promptly following Contractor's knowledge of such problems.

4.1.3 Hosted Environment Software

As part of Maintenance Services, Contractor shall also provide maintenance of the Hosted Environment software that is part of the Hosted Environment for the System, including but not limited to operating system software, application platform software, database software and other software installed in the Hosted Environment that is not Licensed Software. Contractor shall update, upgrade or replace these Hosted Environment software components during the term of the Contract to comply with the Specifications and the warranties specified in this Contract and to support and be Compatible with the Licensed Software including any Customizations and Enhancements provided by Contractor under the Contract.

Contractor shall provide Revisions to the Hosted Environment software to keep current with Contractor's hosting technology standards, industry standards, Revisions to the Licensed Software and other Customizations and Enhancements, all in coordination with County's Project Manager.

4.1.4 Third Party Products

Maintenance Services additionally include maintaining Compatibility of the Licensed Software with any Third-Party Products that are to be included in the

System as of the Effective Date and may be acquired by County under this Contract as Optional Work. Prior to the installation of any Third-Party Product, or any update thereto, Contractor shall test and ensure such Third-Party Product's Compatibility with the then current version of the Licensed Software. Contractor shall all ensure that the Licensed Software is Compatible with the required or critical updates to Third Party Products, including without limitation, service and compatibility packs and security patches, promptly upon their release.

Notwithstanding the foregoing, any Third-Party Product that may be incorporated by Contractor into the Licensed Software shall be subject to the same Support Services obligations and requirements as the Licensed Software components that are owned by, or are proprietary to, Contractor.

4.1.5 Hosted Environment Hardware

As part of Maintenance Services, Contractor shall provide maintenance of the Hosted Environment hardware components surrounding the Licensed Software, including but not limited to all server equipment and networking components at no additional cost to County beyond the applicable Support Services Fees. Contractor shall repair, upgrade or replace these Hosted Environment hardware components during the term of the Contract to comply with the Specifications and the warranties specified in this Contract and to support, and be Compatible with, the Licensed Software including any Customizations and Enhancements provided by Contractor under the Contract.

4.1.6 County's Environment

As part of Maintenance Services, Contractor shall, during the term of the Contract, maintain the System's Compatibility with County's environment, provided the County is using the Specified Hardware and Specified Operating Software. These Maintenance Services shall include providing, among others, Revisions to the Licensed Software and upgrades to the Hosted Environment hardware. Maintenance Services also include working with County's information technology staff or other third-party service providers to resolve any issues with the County's environment that might be caused by the Licensed Software.

4.2 Scheduled Downtime

Unless agreed to otherwise in advance by County and Contractor, Contractor shall provide all Maintenance Services, including installation of Revisions, during Scheduled Downtime.

For the purpose of this Exhibit O, Scheduled Downtime shall occur between the hours of 10:00 p.m. Pacific Time on Saturdays until 4:00 a.m. Pacific Time on Sundays. Contractor may change the Scheduled Downtime window by notifying County at least three (3) days prior to modifying the Scheduled Downtime, subject to approval by County's Project Manager. Any Downtime outside of the above window of time without such prior notice and County's Project Manager's approval

shall be considered “Unscheduled Downtime” which may entitle County to remedies as specified in this Exhibit O. Notwithstanding the foregoing, Contractor may request System Downtime for the provision of an emergency correction to the System. Such Downtime shall be deemed Scheduled Downtime, provided that it has been approved by County’s Project Manager.

5. SUPPORT SERVICES

5.1 Scope of Support

As a part of Support Services, Contractor’s responsibilities for supporting the operation of the System shall include responding to problems reported and correcting Deficiencies as specified in this Exhibit O. As part of its Support Services, Contractor shall provide operational support for the System during the Support Hours, which shall include without limitation providing a point of contact for all System problems by maintaining a System for customer support to be used County’s technical support (“Helpdesk Support”). Such operational support shall include Support Services to correct any failure of the System and to remedy Deficiencies in accordance with this Exhibit to ensure that the System operates in accordance with the Specifications, warranties and other requirements under the Contract. Requests for Helpdesk Support will be submitted by County’s technical support via telephone and/or Contractor’s web-based trouble ticketing System. In the event that the Contractor’s web-based trouble ticketing System is not available County, County may use email or any other reasonable means to request Helpdesk Support. Helpdesk Support shall respond with a plan for resolving each Deficiency and respond to County’s Project Manager within the applicable required period specified in this Exhibit.

5.2 Helpdesk Support

Contractor’s Helpdesk Support Service Level requirements shall also include but not be limited to those listed below:

County designated technical support staff that provides First Level Support shall have access to Contractor’s Helpdesk Support through the methods outlined in this Exhibit O.

County shall have access to Contractor’s Helpdesk Support through the Web-based trouble ticketing System or telephone. The trouble ticketing System shall provide for County a simple method to submit, track and update issues that require escalation to Contractor’s Helpdesk Support. The authorized County contacts will each receive an account and training on the ticketing System.

Contractor shall provide a telephone number for County staff to call during Business Hours. This telephone number shall be managed by an automated System to quickly connect County staff with the appropriate Helpdesk Support personnel.

Contractor's automated System shall include the functionality of leaving detailed voice mails describing the issues. The voice mails must be responded to within 24 to 48 hours (including weekends and holidays).

Priority Levels for the Deficiencies shall be assigned according to definitions specified in Exhibit O.

Contractor shall respond within the period specified in Exhibit O depending on the Priority Level of the Deficiency.

Contractor's Helpdesk Support shall be made available to County 24 hours per day, Monday through Sunday ("Support Hours").

Contractor's Helpdesk Support shall work with County's Project Manager and County's technical support staff on correcting Deficiencies and keep such County personnel informed regarding the updates and scheduled timeframes to ensure that all maintenance windows are clearly communicated, and the requirements of this Exhibit O are met.

Contractor shall triage and update submitted Deficiencies and requests to have the priority, description, type, version and other elements of each case modified by Helpdesk Support based on the severity and business impact. The cases may be downgraded or upgraded in priority, and Contractor shall work with County to ensure that the case is diagnosed properly. In the event of any issues regarding a case, the parties may invoke the Dispute Resolution Procedure as defined in the Contract.

Deficiency correction, timeframes and Service Credits for failure to timely correct any Deficiencies as specified herein shall be as specified in this Exhibit O.

5.3 Backup and Disaster Recovery

Contractor shall provide back up, Disaster recovery and business continuity Services as set forth in the Disaster Recovery/Business Continuity Plan agreed upon pursuant to Exhibit A (Statement of Work), as updated from time to time in accordance with the terms of the Contract. Additionally, back up, Disaster recovery, and business continuity Services shall include the following, to the extent not in conflict with the agreed-upon Disaster Recovery/Business Continuity Plan:

All copies of County Data, expressly or implied, including without limitation, backups, replicated/redundant data, snapshots, and data used, perhaps temporarily and using non-Contractor facilities, equipment, and/or personnel, during a disaster recovery event, must be subject to all terms and conditions specified in the Contract, including, without limitation, confidentiality, storage, transmission, and destruction, and must still remain in the continental United States.

Backups – Regular

Contractor shall provide for both the regular backup of standard file systems and databases relating to the Hosted Environment, Licensed Software and Hosting Services, and the timely restoral of such data on request by County due to a site failure. Contractor shall:

Perform weekly full backups;

Perform daily incremental backups;

If backups are made to media such as tapes, send backup media to secured, off-site storage facilities with a thirty (30) calendar day rotation of media;

If the backup destination is cloud-based, the retention policy is thirty (30) calendar days,

Retain one backup copy per month for one (1) year.

Fulfill restoral requests as directed by County due to site or any other type failures. Restoral will be initiated within the interval of two (2) to four (4) hours dependent on the urgency of the request, and the agreed upon location of the desired backup media.

The ability to restore to any of the backups in the last 30 days.

If the Hosted Environment of location is expected to be down for more than twenty-four (24) hours, Contractor shall immediately transfer appropriate backup data and re-establish all hosting operations in an appropriately functioning secondary server or location.

Periodically review and validate Contractor's backup procedures, and periodically validate the accuracy and integrity of the backup data. Contractor shall provide a written report of any inaccuracies and inconsistencies in a format approved by County.

Date Replication across data centers

County Data shall be stored on redundant applications and database hardware in Contractor Primary Data Center and replicated to Contractor Secondary Data Center. Data security shall be provided as required by Exhibit M (Information Security and Privacy Requirements). Hosted Environment shall provide redundancy at all tiers of the environment, redundant clustered firewalls with redundant Internet connections, running industry standard secure inspection, and analysis software. There shall be no data loss due to environmental failures or catastrophic disk failures, except for un-replicated/un-committed transactions. Contractor shall utilize replication, shadowing, and snap-shot technologies between physical systems and Hosted Environment. In the event of a significant

Contractor Primary Data Center failure, a failover to the Contractor Secondary Data Center shall be completed. A restoration to the primary environment shall occur at a mutually agreeable time between the Contractor and County.

Disaster Recovery

As part of Hosting Services and Support Services, Contractor shall also be responsible for Disaster Recovery Services and update of its formal Disaster Recovery/Business Continuity. See Exhibit A (Statement of Work) and this Exhibit O (Support Services).

Contractor or County may declare an event a Disaster. Upon occurrence of a Disaster, Contractor shall provide the services outlined in the Disaster Recovery/Business Continuity Plan. Contractor shall be subject to the following Service Level requirements as part of Disaster recovery, which shall be contained in and are incorporated into the Disaster Recovery/Business Continuity Plan to the extent not in conflict with the Disaster Recovery/Business Continuity Plan agreed upon pursuant to Exhibit A (Statement of Work) or as updated pursuant to this Contract:

1. Contractor shall have complete responsibility for restoration of the System.
2. In the event of a Disaster declaration, Contractor shall be required to maintain regular and consistent communication with County about the outage and steps taken to restore the System.
3. Contractor shall be required to make a declaration of a Disaster and invoke the Disaster Recovery/Business Continuity Plan within twelve (12) hours from the disruption of the Hosted Environment for Production Use or precipitating event.
4. Contractor shall restore the System to a point no greater than twenty-four (24) hours prior to the declaration of the Disaster by County or Contractor.
5. County shall be able to logon to the Disaster Recovery site within forty-eight (48) hours of the declaration of the Disaster by County or Contractor.
6. Contractor shall have at a minimum 75% capacity within twenty-four (24) hours of the declaration of the Disaster by County or Contractor.
7. Contractor's failure to make a declaration of a Disaster within twelve (12) hours shall result in the incident deemed Unscheduled Downtime.

6. WARRANTIES

6.1 General Warranties

Contractor represents, warrants, covenants and agrees that throughout the term of this Contract:

Contractor shall comply with the description and representations (including, but not limited to, Deliverable documentation, performance capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, functions and requirements applicable to professional software design meeting industry standards) set forth in this Contract, including Exhibit A (Statement of Work) and this Exhibit O (Support Services).

All System components shall interface and be Compatible with each other; and the System components, when taken together, shall be capable of delivering all of the functionality as set forth in this Contract.

All System components shall be Compatible with the Specified Hardware and Operating Software.

Unless specified otherwise herein, the System shall be free from any and all material Deficiencies.

The Support Services, which includes Maintenance Services and hosting Service Levels shall not degrade during the term of the Contract.

The System shall be fully Compatible with the rest of the System components and any enhancements or upgrades shall be backward compatible with the County's standard browser(s) and operating software version(s) operated on County workstations.

6.2 System Performance Requirements

Contractor represents, warrants, covenants and agrees that: (a) the System shall meet the System Availability requirements as further specified in this Exhibit; (b) the System shall meet the Response Time requirements as further specified in this Exhibit when used in connection with the Specified Hardware and Specified Operating Software; and (c) Contractor and the System shall meet the Disaster Recovery requirements as further specified in this Exhibit (collectively, the "System Performance Requirements"). All System Performance Deficiencies shall be deemed at a minimum Priority Level 2 for the purpose of the correction of Deficiencies and other County remedies to the extent that such System Performance Deficiencies meet the definition of a Priority Level 2 Deficiency.

System Performance Category	System Performance Requirement
System Availability	Ninety-nine-point nine percent (99.9%)
Response Time Baseline	For each page of the System, an average Response Time of three (3) seconds, as measured from the Hosted Environment.

Disaster Recovery	Pursuant to the provisions and requirements of Exhibit O.
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The following criteria shall be applied with regards to System Performance Requirements:

System Availability shall be calculated as follows:

$$\text{System Availability} = (\text{Total Monthly Time} - \text{Unscheduled Downtime}) \div \text{Total Monthly Time}$$

Contractor will not be responsible for performance within the Los Angeles network (LANET) for County's acts or omissions.

6.3 Response Time Monitoring

Contractor shall implement and maintain a method to monitor Response Time from the Hosted Environment. In the event County reports any Response Time Deficiency in any month, Contractor shall measure the Response Time from the Hosted Environment for three (3) periods of Response Time measurement: Peak Period, Business Hours and Off-Business Hours. Response Time measurement shall be calculated using a simple average method for each of the three (3) periods of Response Time measurement as provided below. Contractor shall provide County a written report with respect to the month summarizing the results of Contractor's Response Time monitoring.

7. REMEDIES

7.1 General

Credits shall accrue for Unscheduled Downtime in accordance with the Service Credits set forth in Paragraph 7.2 below, including Contractor's failure to meet the System Availability requirements and/or Response Time requirements (hereinafter "Service Credit(s)"). For purposes of assessing Service Credits and this Exhibit, "Unscheduled Downtime" shall mean the total amount of time during any calendar month, measured in minutes, during which the System has a Major Deficiency that is unresolved by Contractor, excluding Scheduled Downtime.

7.2 Service Credits

Without limiting any other rights and remedies available to County, either pursuant to this Contract, by law or in equity, County shall be entitled to Service Credits calculated based on the length of Unscheduled Downtime as provided below, subject to the Dispute Resolution Procedure.

Service Credits will not be assessed for Scheduled Downtime.

a. **Service Credits for Unscheduled Downtime:**

LENGTH OF CONTINUOUS UNSCHEDULED DOWNTIME	SERVICE CREDITS
3.6 hours or more but less than 6 hours	10% of monthly Support Services Fee
6 hours or more but less than 12 hours	20% of monthly Support Services Fee
12 hours or more but less than 24 hours	40% of monthly Support Services Fee
24 hours or more	100% of monthly Support Services Fee

b. **Service Credits for Resolution Goal Failures:**

FAILURE PERCENTAGES	SERVICE CREDITS
Failure to achieve a Resolution Goal for any Priority Level 1, 2 or 3 in a given calendar month 99% of the time.	2% of monthly Support Services Fee
Failure to achieve a Resolution Goal for any Priority Level 1, 2 or 3 in a given calendar month 95% of the time.	3% of monthly Support Services Fee
Failure to achieve a Resolution Goal for any Priority Level 1, 2 or 3 in a given calendar month 92% of the time.	5% of monthly Support Services Fee

If a Deficiency results in both Unscheduled Downtime and Resolution Goal Failure in accordance with Paragraph 7.2(a) and (b) above, then County will only receive the greater of the two (2) Service Credits, i.e, Service Credits will not be cumulative for the same Deficiency.

Service Credits shall be calculated separately for each applicable incident of a Deficiency and shall be added up to be assessed at the end of each month of Support Services. Service Credits, in any amounts, are not and shall not be construed as penalties and, when assessed, will be deducted from any amounts due to Contractor under the Contract.

7.3 Response Time Deficiencies

A Response Time Deficiency that fits the definition of a Major Deficiency as a Priority Level 1 or Priority Level 2 shall be deemed to cause Unscheduled Downtime and shall entitle County to assess Service Credits as provided in Paragraph 7.2 (Service Credits) above. In addition, the System shall be deemed to be experiencing Unscheduled Downtime after thirty (30) days of any Response Time Deficiency unresolved by Contractor, entitling County to assess Service Credits in accordance with Paragraph 7.2 above. Contractor shall keep County informed of the progress of the Response Time problem with the objective of providing a solution as quickly as possible.

8. WITHHOLDING OF SERVICES

Contractor warrants that during the term of the Contract it will not withhold Services provided hereunder, for any reason, including but not limited to a dispute between the parties arising under this Contract.

BACKGROUND INVESTIGATION CRITERIA

This Exhibit P-1 is attached to and forms a part of that certain Contract for Fraud Detection Analytics and Audit Management System and Related Services, dated as of the Effective Date (together with all exhibits, Attachments, and schedules thereto, all as amended from time to time, the "Contract"), between the County of Los Angeles ("County") and 4aiSoft, LLC ("Contractor"). Capitalized terms used herein without definition have the meanings given to such terms in the Contract.

Contractor must deliver a written certification in the form of Exhibit P-2 (Background Investigation Certification) prior to staff beginning work under the Contract and no less frequently than every three (3) years thereafter.

Background investigations must be conducted by Live Scan fingerprinting. The background investigations must provide County notification by use of County of Los Angeles ORI **A1714** (Code assigned by DOJ), if a staff member who has undergone a background investigation receives a subsequent criminal conviction.

The suitability of Contractor staff working under the Contract having been convicted of criminal acts and/or who have successfully completed probation or parole must be evaluated by Contractor for compliance with this Exhibit P-1 and Contractor, acting in consideration of the type of work the staff will be performing under the Contract and acting accordance with standards that are consistent with the Contract and market practices for its industry, must determine that such staff are suitable for performing work under the Contract. Staff shall be required to truthfully and fully disclose criminal conviction(s) to Contractor, unless such conviction(s) have been disclosed via the background investigation completed by Contractor's third-party vendor. If staff fail to disclose a criminal conviction, Contractor must be permitted to remove such staff from performing work under the Contract regardless of work performance.

Due to the fact that legal terms by which criminal acts may be described differ among jurisdictions, the following is NOT a complete list of criminal convictions that may be considered in evaluating suitability to work on the Contract.

I. ACCEPTABLE TO WORK ON CONTRACT

- Disturbing the Peace
- Drunk Driving (Acceptable with a valid driver license)
- Gambling
- Petty Theft as a Juvenile
- Possession of Marijuana
- Reckless Driving (Acceptable with a valid driver license)
- Trespassing

II. ACCEPTABLE TO WORK ON CONTRACT AFTER STIPULATED TIME (INCLUDING SIMILAR CONVICTIONS AND “ATTEMPT”, “ACCESSORY”, AND “CONSPIRACY” TO COMMIT ANY OF THE CRIMES LISTED BELOW)

•Assault and Battery	One Year
•Malicious Mischief	One Year
•Prostitution	One Year
•Petty Theft	Five Years
•Receiving Stolen Property	Five Years
•Shoplifting	Five Years
•Manslaughter	Five Years
•Possession of Narcotics and/or Dangerous Drugs	Five Years

III. DETERMINATION AFTER INVESTIGATION

- Bad Checks
- Indecent Exposure
- Lewd Conduct
- Possession and/or Sales of Dangerous Weapons
- Threats of Violence

IV. NOT ACCEPTABLE TO WORK ON CONTRACT (INCLUDING SIMILAR CONVICTIONS AND “ATTEMPT”, “ACCESSORY”, AND “CONSPIRACY” TO COMMIT ANY OF THE CRIMES LISTED BELOW.)

- Blackmail
- Bribery
- Burglary
- Crimes Against Children and Elders
- Embezzlement, Including Theft of Public Funds
- Extortion
- Falsification of Financial Statements and/or Public Records
- Forgery
- Grand Theft
- Murder
- Rape, including Sexual Battery
- Robbery
- Sale of narcotics and/or dangerous drugs (Includes Intent to Sell)
- Criminal fraud

BACKGROUND INVESTIGATION CERTIFICATION

CONTRACT: CONTRACT BY AND BETWEEN COUNTY OF LOS ANGELES
AND 4AISOFT, LLC FOR FRAUD DETECTION ANALYTICS AND AUDIT
MANAGEMENT SYSTEM AND RELATED SERVICES

CONTRACTOR/EMPLOYER NAME: 4AISOFT, LLC

COUNTY CONTRACT NO.: AO-22-407

This Exhibit P-2 is attached to and forms a part of that certain Contract for Fraud Detection Analytics and Audit Management System and Related Services, dated as of the Effective Date (together with all exhibits, Attachments, and schedules thereto, all as amended from time to time, the "Contract"), between the County of Los Angeles ("County") and 4aiSoft, LLC ("Contractor"). Capitalized terms used herein without definition have the meanings given to such terms in the Agreement.

The undersigned, being an authorized officer of Contractor, certifies to County the following:

All background investigations for all staff performing work under the Contract as of the date of this certification and listed on Attachment I hereto were conducted by Live Scan fingerprinting method. County will receive notification by use of County of Los Angeles ORI A1714 (Code assigned by DOJ), if a staff member who has undergone a background investigation receives a subsequent criminal conviction.

County has evaluated the results of the background investigations of all staff performing work under the Contract for compliance with the below-listed criteria, and Contractor, acting in consideration of the type of work the staff will be performing under the Contract and acting accordance with standards that are consistent with the Contract and market practices for its industry, has determined that all such staff are suitable for performing work under the Contract. Staff are required to truthfully and fully disclose criminal conviction(s) to Contractor. If staff fail to disclose a criminal conviction, Contractor is permitted to remove such staff from performing work under the Contract regardless of work performance.

Due to the fact that legal terms by which criminal acts may be described differ among jurisdictions, the following is NOT a complete list of criminal convictions that may be considered in evaluating suitability to work on the Contract.

I. ACCEPTABLE TO WORK ON AGREEMENT

- Disturbing the Peace
- Drunk Driving (Acceptable with a valid driver license)
- Gambling
- Petty Theft as a Juvenile
- Possession of Marijuana
- Reckless Driving (Acceptable with a valid driver license)
- Trespassing

II. ACCEPTABLE TO WORK ON AGREEMENT AFTER STIPULATED TIME (INCLUDING SIMILAR CONVICTIONS AND "ATTEMPT", "ACCESSORY", AND "CONSPIRACY" TO COMMIT ANY OF THE CRIMES LISTED BELOW)

•Assault and Battery	One Year
•Malicious Mischief	One Year
•Prostitution	One Year
•Petty Theft	Five Years
•Receiving Stolen Property	Five Years
•Shoplifting	Five Years
•Manslaughter	Five Years
•Possession of Narcotics and/or Dangerous Drugs	Five Years

III. DETERMINATION AFTER INVESTIGATION

- Bad Checks
- Indecent Exposure
- Lewd Conduct
- Possession and/or Sales of Dangerous Weapons
- Threats of Violence

IV. NOT ACCEPTABLE TO WORK ON AGREEMENT (INCLUDING SIMILAR CONVICTIONS AND "ATTEMPT", "ACCESSORY", AND "CONSPIRACY" TO COMMIT ANY OF THE CRIMES LISTED BELOW.)

- Blackmail
- Bribery
- Burglary
- Crimes Against Children and Elders
- Embezzlement, Including Theft of Public Funds
- Extortion

- Falsification of Financial Statements and/or Public Records
- Forgery
- Grand Theft
- Murder
- Rape, including Sexual Battery
- Robbery
- Sale of narcotics and/or dangerous drugs (Includes Intent to Sell)
- Criminal fraud

Under penalty of perjury, I certify the foregoing to be true and correct as of the date set forth below.



Signature & Title

____ June 3rd 2022 ____
Date

Witnessed by:

Signature & Title

Date

SOLE SOURCE CHECKLIST

Department Name: Chief Executive Office



New Sole Source Contract



Sole Source Amendment to Existing Contract

Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
<input type="checkbox"/>	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
<input type="checkbox"/>	➤ Compliance with applicable statutory and/or regulatory provisions.
<input type="checkbox"/>	➤ Compliance with State and/or federal programmatic requirements.
<input type="checkbox"/>	➤ Services provided by other public or County-related entities.
<input type="checkbox"/>	➤ Services are needed to address an emergent or related time-sensitive need.
<input type="checkbox"/>	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
<input type="checkbox"/>	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
<input type="checkbox"/>	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
<input checked="" type="checkbox"/>	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
<input type="checkbox"/>	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
<input type="checkbox"/>	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Steven Robles

Digitally signed by Steven Robles
Date: 2022.06.07 14:05:21 -07'00'

Chief Executive Office

_____ Date



DRAFT

EXHIBIT III

CIO ANALYSIS

Peter Loo
ACTING CHIEF INFORMATION OFFICER

BOARD AGENDA DATE:

7/12/2022

SUBJECT:

APPROVAL TO EXECUTE SOLE SOURCE CONTRACT FOR FRAUD DETECTION ANALYTICS, AUDIT MANAGEMENT SYSTEM AND RELATED SERVICES WITH 4aiSOFT

CONTRACT TYPE:

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

SUMMARY:

Description:

This Board Letter from the Chief Executive Officer requests delegated authority to:

- Execute a contract with 4aiSoft to provide Fraud Detection Analytics, Audit Management System and Related Services (FDAAMS) through June 30, 2025;
- Execute the six-month extension through December 31, 2025;
- Execute change orders to the contract, as needed;
- Approve and execute contract amendments.

This request will allow Chief Executive Office (CEO) Risk Management to develop a single FDAAMS capable of managing, administering, and detecting fraud through analytics to reduce exposure to the County. Under this contract, CEO Risk Management will utilize 4aiSoft's expertise to further develop the fraud, waste and abuse detection system to review all payment transaction data, coding and other elements to detect anomalies and relationships that will focus on issues that may be increasing costs. CEO Risk Management will be able to audit elements of the \$400 million in transactions utilizing artificial intelligence and anomaly detection algorithms.

In 2017, CEO Risk Management developed and launched the first generation of fraud detection algorithms by utilizing data housed in the Workers' Comp management system. However, the data was limited due to the disparate systems, the aging legacy claims management systems and the inability to consolidate data into a comprehensive risk management information system. Once the comprehensive Ventiv Risk Management Information System (RMIS) was implemented, CEO Risk Management partnered with 4aiSoft to develop an advanced fraud, waste and abuse detection system. 4aiSoft has successfully completed the initial three phases of this project, concluding the third phase in September 2021.

APPROVAL OF CONTRACT WITH 4aiSOFT FOR FRAUD DETECTION ANALYTICS, AUDIT
MANAGEMENT SYSTEM AND RELATED SERVICES

CEO Risk Management and CEO Information Technology Service, in conjunction with County Counsel, is developing an Request for Proposal to be released in Fiscal Year (FY) 2023-24, which will supersede the sole source contract. The implementation of this FDAAMS will be on a software-as-a-service fully managed and secured platform, and allow CEO Risk Management to assess the services and gain sufficient knowledge and expertise to develop the Statement of Work for the future solicitation. The Contractor's analytics system will utilize data from the RMIS data warehouse.

Contract Amount: \$5,108,200

FINANCIAL ANALYSIS:

Contract costs:

Initial three-years term ¹	\$	2,430,560
System subscription fees ²	\$	1,800,000
Pool Dollars ³	\$	634,584
Holdbacks ⁴	\$	243,056

Total costs: \$ 5,108,200

Notes:

¹ Maximum Contract Sum for initial three-years term for implementation, performance verification and operational costs.

² Subscription fees, inclusive of six-month optional term (license, support, hosting and maintenance).

³ Approximately 15% in Pool Dollars.

⁴ Holdbacks payable upon final system acceptance.

APPROVAL OF CONTRACT WITH 4aiSOFT FOR FRAUD DETECTION ANALYTICS, AUDIT
MANAGEMENT SYSTEM AND RELATED SERVICES

RISKS:

1. As with any major technology implementation, there risks in the areas of quality, cost and schedule. CEO has mitigated the quality risks by negotiating a well-defined Contract that clearly identifies the Contractor's responsibilities and utilizes a Quality Assurance Plan to monitor the Contractor's performance. Also, the contract provides detailed technical requirements, minimum system requirements, system interfaces and system performance requirements – including 99.9% system availability, response time requirements and services credits if performance requirements are not met. Additional key provisions in the Contract include: Cyber Liability Insurance, Liquidated Damages, Licensed Software and Intellectual Property, Ownership of County Data, Information Security and Privacy Requirements and destruction of County data in accordance with the National Institute of Standards and Technology guidelines. The Contract also clearly defines the roles and responsibilities for the County Project Director, County Project Manager, County Project Monitor, Contractor Project Director and Contractor Project Manager. The CEO Risk Management team will also provide support to the Contractor. The Statement of Work identifies 43 individual Deliverables and the acceptance criteria for those Deliverables.

The key Deliverable areas include:

- Project Control Document (work breakdown structure, project schedule, Deliverables/tasks/subtasks, proposed milestones, identification of key staff, quality assurance methodology and practices, approach to project communications, risk management plan, configuration management and change management).
- Project Administration (requirements gathering, requirements validation and analysis, general design, technical infrastructure design and planning – including system security planning, functional design, data migration, testing, implementation planning/preparation, implementation, performance validation, ongoing training support, performance requirements summary, Contract discrepancy report and support services – including backup and recovery).

The cost risk has been mitigated by negotiating a Maximum Contract Sum, developing a detailed summary of costs and adding a provision for 10% holdbacks for each Deliverable payment. The 10% holdback for each Deliverable will be paid upon final system acceptance. The schedule risk will be mitigated by developing and following the project schedule that will be developed as part of the Project Control Document.

2. Because of the fully managed, software-as-a-service nature of this system, it will be critical that CEO Risk Management utilizes strong vendor management practices, and works closely with County Counsel to effectively manage the contract.
3. No contract risks have been identified. County Counsel participated in the negotiation and approved the contract as to form. Per County Counsel, the Contractor did not take any exceptions to the standard County contract terms.
4. The Chief Information Security Officer (CISO) has reviewed the contract and did not identify any information security risks. Also, the CISO confirmed the contract contains the latest approved Information Security language.

APPROVAL OF CONTRACT WITH 4aiSOFT FOR FRAUD DETECTION ANALYTICS, AUDIT
MANAGEMENT SYSTEM AND RELATED SERVICES

PREPARED BY:

HENRY BALTA, DEPUTY CHIEF INFORMATION OFFICER

June 3, 2022

DATE

APPROVED:

PETER LOO, ACTING CHIEF INFORMATION OFFICER

DATE

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	6/22/2022		
BOARD MEETING DATE	7/12/2022		
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th		
DEPARTMENT(S)	CHIEF EXECUTIVE OFFICE		
SUBJECT	APPROVAL TO AMEND THE LOS ANGELES COUNTY CODE ON THE PURCHASE OF PUBLIC OFFICIALS BONDS OR INSURANCE		
PROGRAM	N/A		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
DEADLINES/ TIME CONSTRAINTS	N/A		
COST & FUNDING	Total cost: N/A	Funding source: N/A	
	TERMS (if applicable):		
	Explanation:		
PURPOSE OF REQUEST	This recommendation by the Chief Executive Officer and County Counsel seeks the Board's authorization to amend the Los Angeles County Code, Section 2.04.040, to bring it into alignment with State of California Government Code, Section 24156. This would provide the County with the option to purchase either bonds or insurance for required County officers.		
BACKGROUND (include internal/external issues that may exist including any related motions)	The Los Angeles County Code, Section 2.04.040, currently requires the County to procure bonds for defined Public Officials to comply with State of California Government Code, Section 24156. However, the County is self-insured and procures insurance that will comply with Government Code, Section 24156, amongst other related coverages. This authorization and change to the Los Angeles County Code, Section 2.04.040, will allow the Chief Executive Officer, or her designee, to review the insurance market and decide the best practice to comply with Government Code, Section 24156, while maximizing risk management for the County of Los Angeles.		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:		
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Name: Steven Robles, Assistant Chief Executive Office/County Risk Manager Phone: (213) 351-5346 Email: srobles@ceo.lacounty.gov		



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Chief Executive Officer

DRAFT

July 12, 2022

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

Dear Supervisors:

**APPROVAL TO AMEND THE LOS ANGELES COUNTY CODE
ON THE PURCHASE OF PUBLIC OFFICIALS BONDS OR INSURANCE
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

This recommendation by the Chief Executive Officer (CEO) and County Counsel seeks the Board of Supervisors' (Board) authorization to amend the Los Angeles County Code (County Code), Section 2.04.040, to align with State of California Government Code (Government Code), Section 24156. The alignment authorizes the CEO, or her designee, to purchase public officials bonds or insurance on behalf of defined employees and officers of the County of Los Angeles (County).

IT IS RECOMMENDED THAT THE BOARD:

Approve the CEO's recommended revisions to the County Code, Section 2.04.040, to read:

Before any county officer, subordinate officer or deputy enters on the duties of their office, they must take and subscribe the oath of office set forth in Section 3 of Article XX of the Constitution of this state, in the office of the clerk of the board and, when required by law or by the board, except as otherwise provided in Section 2.04.050, must file with the clerk a bond or maintain insurance including self-insurance for the faithful performance of the duties of their office in such penal sum and in such form as may be fixed by the board, and must renew such bond or insurance either by filing a new bond or procuring insurance including self-insurance or an additional bond or insurance when and as directed by the board.

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

PURPOSE/JUSTIFICATION OF RECOMMENDATION ACTION

The purpose of this action is to bring the current County Code, Section 2.04.040, into alignment with the Government Code, Section 24156. Per County Code, Section 2.04.040, Oath of Office and Performance Bond, "Before any county officer, subordinate officer or deputy enters on the duties of his office, he shall take and subscribe the oath of office set forth in Section 3 of Article XX of the Constitution of this state, in the office of the clerk of the board and, when required by law or by the board, except as otherwise provided in Section 2.04.050, shall file with the clerk a bond for the faithful performance of the duties of his office in such penal sum and in such form as may be fixed by the board, and shall renew such bond either by filing a new bond or an additional bond when and as directed by the board."

Per Government Code, Section 24156, "The board of supervisors of any county may, by resolution, adopt a program of self-insurance in lieu of bonds for any officer or employee employed by such county, or for the officers or employees of any district, the governing board of which is the board of supervisors of the county adopting the resolution, or for any officer or attaché of any court supported in whole or in part by the adopting county. After the resolution is adopted, any or all requirements of law with respect to faithful performance or revolving fund bonds shall be inapplicable to such county, district or court or any officer or employee thereof; provided, however, that such a county shall provide for self-insurance, the amount of which shall be determined pursuant to the provisions of Sections 1480 , 1481 , 24150 and 24151."

Amending the County Code to align with the Government Code will provide the County with the flexibility to determine how to best provide faithful performance of duty coverage for its employees and public officials. Additionally, this alignment will streamline the administrative process of collecting personal information and managing multiple bonds for defined public officials. Lastly, the alignment will allow the County to utilize insurance to protect the County and eliminate the duplicative procurement of bonds and insurance for the purposes of responding to Government Code requirements.

Implementation of Strategic Plan Goals

The Board's adoption of these recommended County Code revisions supports the County's Strategic Plan Goal I – Service Excellence; and Plan Goal III – Organizational Effectiveness.

FISCAL IMPACT/FINANCING

The herein recommended County Code revisions will not increase County expense.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recommended County Code revisions have been approved by County Counsel. The CEO recommends a new code, Section 1 and Section 2, and amending an additional 25 sections of the current County Code. Please see enclosed.

IMPACT ON CURRENT SERVICES

The recommended County Code revisions assure that the CEO possesses appropriate operating authority.

CONCLUSION

The Board's approval of the County Code revisions included in the enclosure provides the CEO the necessary authority to improve operational effectiveness by incorporating insurance best practices to manage the requirements of Government Code 24156.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:STR
RA:sg

Enclosure

c: Executive Officer, Board of Supervisors
County Counsel


RUSH YES ☐ NO ☐

Reason: Due on 5/16/22

Division:

Government Services

Attorney:

Matthew Dill

ORDINANCE

Title 2, Chapter 2.04 – Officers and Deputies

SUBJECT

CH204MDCC

BOS Template File Name

APPROVED:

INITIAL

DATE

COUNTY COUNSEL
ATTORNEYMatthew Dill4/19/22; 4/22/22ASSISTANT
COUNTY COUNSELPete Bollinger4.22.2022SENIOR ASSISTANT
COUNTY COUNSELMC5/3/22

Unless otherwise determined, Ordinance Titles 21 – 22 and 26 – 32 are signed off by the Senior Assistant

CHIEF DEPUTY
COUNTY COUNSEL[Signature]5/5/22

Please initial and date above before submitting for signatures.

This Routing Sheet is to be attached to the file copy as a permanent record.

Please PDF entire document including attachments and the routing slip and rename accordingly. Email PDF document to Distribution-Non-Litigation.

Proofreaders' Initials/date:

LR 4/22/22
LR 5/3/22

SCR 4/26/22

LP - 4/19/22
LP - 4/22/22



COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

DAWYN R. HARRISON
Acting County Counsel

TELEPHONE
(213) 974-1832
FACSIMILE
(213) 617-7182
TDD
(213) 633-0901
E-MAIL
mdill@counsel.lacounty.gov

May 6, 2022

Fesia Davenport
Chief Executive Officer
721 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

**Re: Ordinance Amending Title 2 – Administration of the Los Angeles
County Code**

Dear Ms. Davenport:

Enclosed please find the analysis and ordinance amending Title 2 – Administration of the Los Angeles County Code, relating to insurance including self-insurance in lieu of bonds for county officers and subordinate officers or deputies.

The analysis and ordinance may be presented to the Board of Supervisors for consideration.

Very truly yours,

DAWYN R. HARRISON
Acting County Counsel

By 
MATTHEW DILL
Deputy County Counsel
Government Services Division

APPROVED AND RELEASED:



JUDY W. WHITEHURST
Acting Chief Deputy

MD:lp

Enclosures
HOA.103659800.1

ANALYSIS

This ordinance amends Title 2 - Administration of the Los Angeles County Code to allow insurance including self-insurance in lieu of bonds for county officers and subordinate officers or deputies.

DAWYN R. HARRISON
Acting County Counsel

A handwritten signature in blue ink that reads "Matthew Dill".

By
MATTHEW DILL
Deputy County Counsel
Government Services Division

MD:lp

Requested: 03/17/22
Revised: 04/22/22

ORDINANCE NO. _____

An ordinance amending Title 2 – Administration of the Los Angeles County Code, relating to insurance including self-insurance in lieu of bonds for county officers and subordinate officers or deputies.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 2.04.040 is hereby amended to read as follows:

2.04.040 Oath of office and performance bond or insurance.

Before any county officer, subordinate officer or deputy enters on the duties of their~~his~~ office, ~~they~~~~he~~ shall must take and subscribe the oath of office set forth in Section 3 of Article XX of the Constitution of this state, in the office of the clerk of the board and, when required by law or by the board, except as otherwise provided in Section 2.04.050, ~~shall must~~ file with the clerk a bond or maintain insurance including self-insurance for the faithful performance of the duties of their~~his~~ office in such penal sum and in such form as may be fixed by the board, and ~~shall must~~ renew such bond or insurance either by filing a new bond or procuring insurance including self-insurance or an additional bond or insurance when and as directed by the board.

SECTION 2. Section 2.04.050 is hereby amended to read as follows:

2.04.050 Savings and loan certificate in lieu of bond or insurance.

When required by law or by the board to file with its clerk a bond or maintain insurance including self-insurance for the faithful performance of their~~his~~ duties, a county officer, subordinate officer or deputy in lieu thereof may deposit with the clerk,

and assign to the county, savings and loan certificates or shares, or both, in the same amount as required on such bond or insurance including self-insurance, subject to all of the provisions of Chapter 4.36 of this code.

SECTION 3. Section 2.04.060 is hereby amended to read as follows:

2.04.060 Bond and insurance charges paid by county—Limitations.

The premium or charge for bonds or insurance given by surety companies or insurers for county-~~or township~~ officials ~~shall~~must be paid by the county; provided, however, that no premium or charge ~~shall~~for bonds exceeds one-half of one percent per year on the amount of any such bond, but a minimum premium or charge of twenty-five dollars per year may be imposed on any such bond.

[CH204MDCC]

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES ON THE ADOPTION OF SELF-
INSURANCE IN LIEU OF BONDS**

WHEREAS, California Government Code, Title 3 – Government of Counties, Division 2 – Officers, Part 1 – Officers Generally, Chapter 4 – Bonds, Sections 24150 – 24156, requires official bonds or self-insurance for certain County officers prior to discharging the duties of their office; and

WHEREAS, California Government Code Section 24156 allows the Board of Supervisors to adopt by resolution a program of self-insurance in lieu of bonds for any officer or employee employed by the County, for the officers or employees of any district governed by the Board of Supervisors, and for any officer or attaché of any court supported in whole or in part by the County; and

WHEREAS, California Government Code Section 24156 provides that after this resolution is adopted, any or all requirements of law with respect to faithful performance or revolving fund bonds shall be inapplicable to such County, district or court or any officer or employee thereof; provided that the County shall provide for self-insurance, the amount of which shall be determined pursuant to the provisions of Government Code Sections 1480, 1481, 24150, and 24151.

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles:

1. Adopts a program of self-insurance in lieu of bonds for any officer or employee employed by the County and for the officers or employees of any district governed by the Board of Supervisors.
2. The Chief Executive Officer shall recommend that the Board of Supervisors approve the purchase of bonds or insurance from commercial sources covering risks included in official bonds when the Chief Executive Officer deems it prudent to supplement the self-insurance program and protect the assets of the County.

[REMAINDER OF PAGE LEFT BLANK]

The foregoing resolution was adopted on the ____ day of _____, 2022, by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

CELIA ZAVALA
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
Acting County Counsel

By 
MATTHEW DILL
Deputy County Counsel

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	6/22/2022		
BOARD MEETING DATE	7/12/2022		
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th		
DEPARTMENT(S)	CHIEF EXECUTIVE OFFICE		
SUBJECT	REQUEST APPROVAL TO EXECUTE CONTRACT AO-22-409 FOR MEDICAL MALPRACTICE, HOSPITAL CLAIMS ADMINISTRATION AND LEGAL DEFENSE MANAGEMENT SERVICES WITH SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.		
PROGRAM	This program provides medical malpractice, hospital liability claims administration and legal defense management services.		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:		
DEADLINES/ TIME CONSTRAINTS	N/A		
COST & FUNDING	Total cost: \$17,033,882	Funding source: Insurance Operating Budget	
	TERMS (if applicable): Initial term: January 1, 2023 through December 31, 2027. Optional term: January 1, 2028 through June 30, 2031.		
	Explanation: N/A		
PURPOSE OF REQUEST	The purpose of this request is to continue the provision of medical malpractice, hospital liability claims administration and legal defense management services that will provide medical-related claims management for the departments of County Counsel, Fire, Health Services, Mental Health, Medical Examiner-Coroner, and Sheriff.		
BACKGROUND (include internal/external issues that may exist including any related motions)	There are no internal or external issues that may exist relative to these set of services.		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:		
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Name: Steven T Robles, Assistant Chief Executive Office/County Risk Manager Phone: (213) 351-5346 Email: srobles@ceo.lacounty.gov		



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Chief Executive Officer

DRAFT

July 12, 2022

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

Dear Supervisors:

**AUTHORIZATION TO ENTER INTO CONTRACT AO-22-409 WITH SEDGWICK
CLAIMS MANAGEMENT SERVICES, INC., FOR MEDICAL MALPRACTICE,
HOSPITAL LIABILITY CLAIMS ADMINISTRATION AND LEGAL DEFENSE
MANAGEMENT SERVICES
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

Approval of the recommended action will provide authorization to the Chief Executive Office (CEO) to award and execute a contract with Sedgwick Claims Management Services, Inc. (Sedgwick) to provide medical malpractice, hospital liability claims administration and legal defense management (MedMal) services for an initial term of five years, with three, one-year contract extensions and a six-month option in an amount up to \$17,033,882.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chief Executive Officer, or her designee, to execute contract AO-22-409, substantially similar to Exhibit I enclosed, with third-party administrator (TPA) Sedgwick, to provide MedMal services, for an initial term of five years, January 1, 2023 through December 31, 2027, for a total contract sum of \$9,577,199.
2. Delegate authority to the Chief Executive Officer, or her designee, to exercise three, one-year contract extensions through December 31, 2030, effective upon amendment execution at the beginning of the applicable contract term, and exercise a six-month optional extension, if needed, subject to review and approval as to form by County Counsel, for a contract sum of \$7,456,683. The maximum contract sum if all option years are implemented is \$17,033,882.

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

3. Delegate authority to the Chief Executive Officer, or her designee, to approve and execute contract amendments and change notices pursuant to the contract provisions; and/or provide an increase or decrease in funding up to 10 percent above each term's annual maximum contract sum, with respect to changes and/or modifications to the program requirements, and to ensure compliance with federal, State, or County regulations, subject to review and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

The County of Los Angeles' (County) self-insured medical malpractice and hospital program has contracted a TPA to provide claims administration and legal defense management services since 1975. Through this partnership, the County continues to provide efficient and effective administration of approximately 300 new claims and 100 lawsuits on an annual basis. The CEO Risk Management Branch (CEO Risk Management) authorizes high value payment transactions and acts as liaisons between County departments, defense counsel, and the TPA. County Counsel staff and contracted defense attorneys provide legal support, while CEO Risk Management provides assistance to TPA staff, County Counsel, and County departments.

Services are currently being provide through a contract that will expire on December 31, 2022. Approval of the recommended action with ensure a continuation of services.

Recommendations

Approval of recommendation one will allow the CEO to enter a new contract with Sedgwick for the continuation of MedMal services. The proposed contract will provide medical-related claims management for the departments of County Counsel, Fire, Health Services, Mental Health, Medical Examiner-Coroner, and Sheriff (Exhibit II, Open Medical Malpractice Claims and Lawsuits by Department).

Recommendations two and three will allow the CEO to execute future amendments with Sedgwick, to: i) extend the term up to three, one-year extensions and, if needed, a six-month optional extension; ii) allow for an increase in funding with respect to service delivery and address any modifications in regulations; and iii) allow the Chief Executive Officer's designee to execute change notices for non-material modifications to the contract, which provide maximum flexibility in managing the resultant contract.

These services will address litigation management and claims administration relative to medical malpractice in the County facilities that provide medical services to include, but not be limited to, the following.

- Setting claims, reserves, and managing costs associated with medical malpractice claims and litigation expenses.

- Reduce and control attorney fees, expert costs, and other litigation expenses with the goal of achieving the most favorable litigation results.
- Determine the existence of all medical liens, subrogation potential, and payment of invoices as authorized by the County.
- Assist the County in the adjustments and litigation of cases, and in the proper referral of suspected fraudulent cases to law enforcement authorities.
- Assist the County with memorializing and reporting facts, evidence, findings, conclusions, and theories, within discretion, as part of the contractor's investigation on any claim.

Implementation of Strategic Plan Goals

The recommended contract supports the County's Strategic Plan Strategy III.3 (Operational Effectiveness, Fiscal Responsibility, and Accountability) by maximizing the effectiveness of the County's processes and operations and effectively managing County resources to provide efficient third-party administrator medical malpractice, hospital liability claims and legal defense management services.

FISCAL IMPACT/FINANCING

The recommended contract is for a five-year initial term, and three, one-year extension terms, with a six-month option, for a total contract term of eight-years and six months. There will be no cost-of-living adjustments for the term of the contract. The term of the contract includes Fiscal Years (FY) 2022-23 through 2026-27; and the option years through FY 2030-31. The costs for each contract year are as follows:

Initial Terms

- Contract Year 1 – January 1, 2023 through December 31, 2023 = \$1,850,000
- Contract Year 2 – January 1, 2024 through December 31, 2024 = \$1,896,243
- Contract Year 3 – January 1, 2025 through December 31, 2025 = \$1,943,652
- Contract Year 4 – January 1, 2026 through December 31, 2026 = \$1,943,652
- Contract Year 5 – January 1, 2027 through December 31, 2027 = \$1,943,652
Initial Term Total = \$9,577,199

Optional Extension Terms

- Contract Year 6 – January 1, 2028 through December 31, 2028 = \$2,093,100
- Contract Year 7 – January 1, 2029 through December 31, 2029 = \$2,145,433
- Contract Year 8 – January 1, 2030 through December 31, 2030 = \$2,145,433
 - Contract Year 9 – January 1, 2031 through June 30, 2031 = \$1,072,717
Optional Terms Total = \$7,456,683

The maximum contract sum if all option years are implemented is \$17,033,882. The initial term contract sum is \$9,577,199, funded by the CEO's Insurance Operating Budget, and budgeted for FY 2023-24. The CEO's Insurance Operating Budget is funded by County's departments that utilize these services. CEO will continue to allocate funding for these services in future FYs.

FACTS AND PROVISION/LEGAL REQUIREMENTS

The County has express statutory authority under Government Code section 31000.8 to enter into TPA contracts for workers' compensation and public liability and employee health and welfare benefit claims against the County. Pursuant to this authority, Proposition A does not apply and, therefore, not subject to the Living Wage Program (County Code Chapter 2.201). It has been determined that the services under this contract do not impact Board Policy 5.030, "Low-Cost Labor Resources Program" because of the specialized nature of the work.

The recommended contract includes the County's terms and conditions in compliance with the Board's ordinances, policies, and programs, and has been approved as to form by County Counsel.

CONTRACTING PROCESS

The CEO's Contracts and Purchasing Division (CEO Contracts Unit) adhered to the County contracting procedures regarding the Request for Proposals (RFP) solicitation process and, from these efforts, the contract contains all required Board-mandated provisions.

On February 7, 2022, CEO released the RFP for MedMal services. The RFP was posted on the Internal Services Department (ISD) Contract Administration and Management Information System, County's "Doing Business with Us" website (Exhibit III) and on the CEO website. A virtual mandatory proposer's conference was held on February 22, 2022, and 5 vendors attended. Three of five firms (George Hills Company, Inc., Intercare Insurance Holdings, Inc., Sedgwick) submitted proposals on March 14, 2022.

RFP EVALUATION REVIEW PROCESS

As specified in the RFP document, the Evaluation Review Process consisted of the following components:

Phase One – Pass/Fail Qualifying Review

This portion of the evaluation review process was reviewed on a "Pass" or "Fail" basis, as stipulated in the Proposer's Minimum Requirements. All proposals were assigned a pass and advanced to the Business Proposal and Cost Proposal evaluation review process.

Phase Two – Business Proposal Evaluation – 7,500 Points

Proposer's List of References (1,000 Points)

This portion of the evaluation, References, are 1,000 points. The RFP required five references to be provided; a total of five references were conducted in the following priority:

- Public Agencies identified on Proposer's Exhibit 3 (References), in order of similar size and scope.
- Private Firms, identified on Proposer's Exhibit 3 (References), in order of similar size and scope.

A maximum of 200 points could be received for each reference. Proposer's final score was derived by adding references together.

Proposer's Background and Experience (1,500 Points) | Approach to Service Provision (2,500 Points) | Quality Control Plan (2,500 Points)

This portion of the evaluation was reviewed and scored by high-level County staff with education, training, and work experience in the subject matter; each from departments that utilize the services (hereafter "external evaluators"). Proposals were evaluated by four external evaluators from the following departments: CEO, Health Services, and Public Social Services. Each external evaluator was screened for any potential conflict of interest, and was provided an overview of the RFP process, roles and responsibilities, evaluation scoring instructions/worksheet, and the evaluation methodology prior to reviewing and scoring the proposals. Proposer scores under this portion of the evaluation were developed using the Informed Averaging Methodology, pursuant to Board Policy 5.054. External evaluators scored proposals individually, in accordance with the County Contracting Guidelines and the Evaluation Methodology for Proposals Implementation Guidelines.

Phase Three – Cost Proposal – 2,500 Points

The maximum number of possible points were awarded to the lowest cost proposal, and all other proposals were compared to the lowest cost and points awarded accordingly.

The CEO Contracts Unit followed all provisions in accordance with Board policy 5.055, Services Contract Solicitation Protest Implementation Guidelines. Debriefings were requested April 22 and 28, 2022, and two non-selected proposers were given the opportunity to complete the Proposed Contractor Selection Review (PCSR) process which responses were due on May 13, 2022. County received no PCSR transmittal and assertions by 12:00 p.m., PDT, on May 13, 2022. In accordance with Board Policy 5.055, Services Contract Solicitation Protest, this concluded the protest process.

A summary of the Community Business Enterprise Program information for the recommended contractor is provided in Exhibit IV. The recommended contractor was selected upon final analysis and consideration without regard to race, creed, gender, or color.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will enable the CEO to meet its revised strategic priorities and increase efficiency and security with its administration of medical malpractice liability claims and litigation. Implementation of this contract will not have any adverse impact on services being provided currently by County employees. The contract will provide the County the versatility to respond and adapt to evolving risk and monitor and increase performance within CEO Risk Management.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:STR
KSJ:JC:AL:sg

Enclosures

c: Executive Officer, Board of Supervisors
Auditor-Controller
County Counsel



CONTRACT BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

FOR

**MEDICAL MALPRACTICE, HOSPITAL LIABILITY CLAIMS
ADMINISTRATION AND LEGAL DEFENSE MANAGEMENT
SERVICES**

**CONTRACT NUMBER:
AO-22-409**

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**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.
FOR
MEDICAL MALPRACTICE, HOSPITAL LIABILITY CLAIMS
ADMINISTRATION AND LEGAL DEFENSE MANAGEMENT SERVICES**

This Contract is entered into by and between the County of Los Angeles (hereinafter "County") and Sedgwick Claims Management Services (hereinafter referred to as "Contractor" or "Consultant").

RECITALS

WHEREAS, the County desires to contract for medical malpractice, hospital liability claims administration and legal defense management services when certain requirements are met; and

WHEREAS, the County may contract with private businesses for medical malpractice, hospital liability claims administration and legal defense management services, when certain requirements are met; and

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

WHEREAS, such Contract is authorized pursuant to California Government Code Section 31000.8 and subject to the provisions of the Los Angeles County Charter; and

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

1.0 APPLICABLE DOCUMENTS

- 1.1 Exhibits A, B, C, D, E, F, G, I, J, K, L, M and N 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 shall be resolved by giving precedence first to the terms and conditions of the Contract and then to the Exhibits according to the following priority.

Standard Exhibits:

- A Statement of Work
 - A-1 Contract Discrepancy Report
 - A-2 Performance Requirements Summary Chart
 - A-3 Claims and Caseload Data
 - A-4 County of Los Angeles Case Reserve Policy
 - A-5 County of Los Angeles Accelerated Claims Program
 - A-6 County's Risk Management Information System
 - A-7 County's Legal Billing Requirements
- B Pricing Schedule
- C Intentionally Omitted
- D Intentionally Omitted
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- F Contractor's Administration
- G Forms Required at the Time of Contract Execution
 - G-1 Contractor Acknowledgement and Confidentiality Agreement
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- H Jury Service Ordinance
- I Safely Surrendered Baby Law

- J Business Associate Agreement under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- K Compliance with Fair Chance Employment Hiring Practices Certification
- L Information Security and Privacy Requirements
- M COVID-19 Vaccinations of County Contractor Personnel
- N-1 Background Investigation Criteria
- N-2 Background Investigation Certification

2.0 DEFINITIONS

2.1 Standard Definitions:

Definitions are provided in Exhibit A (Statement of Work and Attachments) and are for convenience and reference only and are not intended to define the scope of any provision thereof.

- 2.1.1 **Statement of Work:** The directions, provisions, and requirements provided herein and special provisions pertaining to the method, frequency, manner, and place of performing the contract services.
- 2.1.2 **Subcontract:** An agreement by the contractor to employ a subcontractor to provide services to fulfill this contract.
- 2.1.3 **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 contractor in furtherance of contractor's performance of this contract, at any tier, under oral or written agreement.
- 2.1.4 **County Project Director:** Person designated by County with authority for County on contractual or administrative matters relating to this contract that cannot be resolved by the County's Project Manager.
- 2.1.5 **Contractor Project Manager:** The person designated by the Contractor to administer the Contract operations under this Contract
- 2.1.6 **Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.

3.0 WORK

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

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be for five (5) years commencing on the Effective Date, following approval by County's Chief Executive Officer or designee as authorized by the Board of Supervisors and expiring December 30, 2027 ("Term"), unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 County shall have the sole option to extend this Contract term for up to three (3) additional one-year periods commencing on January 1, 2028 through December 30, 2030, and a six-month extension through June 30, 2031 (Option), for a maximum total Contract term of eight years and six months. Each such extension option may be exercised at the sole discretion of the CEO or his/her designee as authorized by the Board of Supervisors.
- 4.3 County maintains a database that track/monitor contractor performance history. Information entered into the database may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.
- 4.4 Contractor shall notify the CEO when this Contract is within six (6) months of the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the CEO at the address herein provided in Exhibit E (County's Administration).

5.0 CONTRACT SUM

5.1 Maximum Contract Sum

- 5.1.1 Contractor shall be paid on a fee basis, as set forth in Exhibit B (Pricing Schedule). Payment for assumption and administration of all take-over claims shall be included in this fee. The County will not make, and Contractor is not entitled to any additional payment for the assumption or administration of any take-over claim.

5.1.2 The Maximum Contract Sum of this Contract shall be Nine Million, Five Hundred Seventy-Seven Thousand, One Hundred Ninety-Nine Dollars (\$9,577,199) for the Term of this Contract, any costs incurred to complete this project in excess of the Maximum Contract Sum will be borne by Contractor. If County does not Accept work under and in accordance with this Contract, no payment shall be due to Contractor for such work.

5.2 Written Approval for Reimbursement

Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any person or entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall not occur except with the County's express prior written approval.

5.3 Notification of 75% of Maximum Contract Sum

Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the maximum contract sum under this Contract. Upon occurrence of this event, Contractor shall send written notification to the Chief Executive Office at the address herein provided in Exhibit E (County's Administration).

5.4 No Payment for Services Provided Following Expiration- Termination of Contract

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

5.5 Invoices and Payments

5.5.1 Contractor shall invoice the County only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A (Statement of Work and Attachments) and elsewhere hereunder. Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the County under the terms of this Contract.

The Contractor's payments shall be as provided in Exhibit B (Pricing Schedule) and Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If the County does not approve work in writing no payment shall be due to the Contractor for that work.

5.5.2 Contractor's invoices shall be priced in accordance with Exhibit B (Pricing Schedule).

5.5.3 Contractor's invoices shall contain the information set forth in Exhibit A (Statement of Work and Attachments) describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

5.5.4 Contractor shall submit the monthly invoices to the County Contract Administrator by the 15th calendar day of the month following the month of service.

5.5.5 All invoices under this Contract shall be submitted via email to the following address:

County of Los Angeles, Chief Executive Office
Risk Management Branch, Claim Administration Division
Attention: County Contract Administrator, Alex Rossi
Email: arossi@ceo.lacounty.gov

5.5.6 County Approval of Invoices

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

5.5.7 Adjustment to Invoices

5.5.7.1 The County may reduce monthly invoice for assessments of adjustments to payment for which the County has notified the Contractor pursuant to Subparagraph 16.1, Exhibit A (Statement of Work).

5.5.7.2 The total fees paid will be reduced for overpayments, fines, penalties, and other costs incurred due to Contractor's failure to comply with any term or condition of this Contract as set forth in Subparagraph 16.1 (Adjustments to Payments to Contractor) of the Statement of Work.

5.6 Default Method of Payment: Direct Deposit or Electronic Funds Transfer

- 5.6.1 County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/ contract with the County shall be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).
- 5.6.2 Contractor shall submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.
- 5.6.3 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.
- 5.6.4 At any time during the duration of the agreement/contract, a Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business, or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), shall decide whether to approve exemption requests.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

6.1 County Administration

A listing of all County Administration referenced in the following subparagraphs are designated in Exhibit E (County's Administration). The County will notify the Contractor in writing of any change in the names or addresses shown.

6.2 County's Contract Project Director

6.2.1 The role of the County's Project Director may include:

- 6.2.1 Coordinating with Contractor and ensuring Contractor's performance of the Contract; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby; and
- 6.2.2 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, shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

6.3 County's Contract Project Manager

6.3.1 The role of the County's Project Manager is authorized to include:

6.3.1.1 Meeting with Contractor's Project Manager on a regular basis; and

6.3.1.2 Inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of Contractor; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

6.3.1.3 The County'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 County in any respect whatsoever.

6.4 County's Contract Project Monitor

The role of the County's Project Monitor is to oversee the day-to-day administration of this Contract; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby. The Project Monitor reports to the County's Project Manager.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor Administration

A listing of all of Contractor's Administration referenced in the following paragraphs is designated in Exhibit F (Contractor's Administration). Contractor will notify the County in writing of any change in the names or addresses shown.

7.2 Approval of Contractor's Staff

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

7.3 Contractor's Staff Identification

- 7.3.1 Contract shall provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge. Specifications may change at the discretion of County and Contractor will be provided new specifications as required. The format and content of the badge is subject to County's approval prior to the Contractor implementing the use of the badge. Contractor's staff, while on duty or when entering a County facility or its grounds, shall prominently display the photo identification badge on the upper part of the body.
- 7.3.2 Contractor shall notify the County within one business day when staff is terminated from working under this Contract. Contractor shall retrieve and immediately destroy the staff's photo identification badge at the time of removal from the County Contract.
- 7.3.3 If County requests the removal of Contractor's staff, Contractor shall retrieve and immediately destroy the Contractor's staff photo identification badge at the time of removal from working on the Contract.

7.4 Background and Security Investigations

- 7.4.1 Each of Contractor's staff performing services under this Contract, who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. 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 shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor, regardless of whether the member of Contractor's staff passes or fails the background investigation.

County will receive notification of results of utilizing the County of Los Angeles ORI **A1714** (Code assigned by DOJ). If a member of Contractor's staff does not pass the background investigation, or if a staff member who has undergone a background investigation receives a subsequent criminal conviction County may request that the member of Contractor's staff be removed immediately from performing services under the Contract. Contractor shall comply with County's request at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation.

- 7.4.2 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.
- 7.4.3 Disqualification of any member of Contractor's staff pursuant to this Paragraph 7.4 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.5 Confidentiality

- 7.5.1 Contractor shall 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, County policies concerning information technology security and the protection of confidential records and information.
- 7.5.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.6, as determined by County in its sole judgment. Any legal defense pursuant to contractor's indemnification obligations under this Paragraph 7.6 shall be conducted by contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.
- 7.5.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract, and sign and adhere to the provisions of the "Contractor Acknowledgment and Confidentiality Agreement," Exhibit G1.

- 7.5.4 Contractor shall have its employees sign and adhere to the provisions of the "Contractor Employee Acknowledgment and Confidentiality Agreement", Exhibit G-2, and any non-employees shall sign and adhere to the provisions of the "Contractor Non-Employee Acknowledgment and Confidentiality Agreement", Exhibit G-3.

7.6 Contractor Project Office Location

Contractor shall have a Project Office that supports all contract activities, including contract administration. Contractor shall be fully responsible for maintaining the Project Office throughout the term of the Contract. County requires Contractor to have an administration office located within 75 miles of the County of Los Angeles Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012, unless otherwise approved by County Project Director. It is preferred the Project Office be located within the County or an adjacent county.

8.0 STANDARD TERMS AND CONDITIONS

8.1 Amendments

- 8.1.1 For any change which affects the scope of work, term, contract sum, payments, or any term or condition included under this Contract, an amendment to the Contract shall be prepared and executed by the contractor and by the CEO or his/her designee.
- 8.1.2 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Contract shall be prepared and executed by the contractor and by the CEO or her designee
- 8.1.3 The CEO or his/her designee, may at her sole discretion, authorize extensions of time as defined in Paragraph 4 - Term of Contract. The contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract shall be prepared and executed by the contractor and by the CEO or designee.

8.2 Assignment and Delegation/Mergers or Acquisitions

- 8.2.1 Contractor shall notify the County of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the contractor is restricted from legally notifying the County of pending acquisitions/mergers, then it should notify the County of the actual

acquisitions/mergers as soon as the law allows and provide to the County the legal framework that restricted it from notifying the County prior to the actual acquisitions/mergers.

- 8.2.2 Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written Amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which the contractor may have against the County.
- 8.2.3 Any assumption, assignment, delegation, or takeover of any of the contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than the contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against contractor as it could pursue in the event of default by contractor.

8.3 Authorization Warranty

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

8.4 Budget Reductions

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the contractor under this Contract shall also be reduced correspondingly. The County's notice to the contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the contractor shall continue to provide all of the services set forth in this Contract.

8.5 Complaints

8.5.1 Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.5.2 Complaint Procedures

8.5.2.1 Within ten (10) business days after the Contract effective date, the contractor shall provide the County with the contractor's policy for receiving, investigating and responding to user complaints.

8.5.2.2 County will review the contractor's policy and provide the contractor with approval of said plan or with requested changes.

8.5.2.3 If the County requests changes in the Contractor's policy, the contractor shall make such changes and resubmit the plan within five (5) business days for County approval.

8.5.2.4 If, at any time, the contractor wishes to change the contractor's policy, the contractor shall submit proposed changes to the County for approval before implementation.

8.5.2.5 Contractor shall preliminarily investigate all complaints and notify the County's Project Manager of the status of the investigation within five (5) business days of receiving the complaint.

8.5.2.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

8.5.2.7 Copies of all written responses shall be emailed to the County's Project Manager within three (3) business day of mailing to the complainant.

8.6 Compliance with Applicable Law

8.6.1 In the performance of this Contract, contractor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

8.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses,

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

8.7 Compliance with Civil Rights Laws

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

- 8.7.1 Contractor has a written policy statement prohibiting discrimination in all phases of employment.
- 8.7.2 Contractor periodically conducts a self-analysis or utilization analysis of its work force.
- 8.7.3 Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- 8.7.4 Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.

8.8 Compliance with the County's Jury Service Program

8.8.1 Jury Service Program:

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in [Sections 2.203.010 through 2.203.090 of the Los Angeles County Code](#).

8.8.2 Written Employee Jury Service Policy.

8.8.2.1 Unless the contractor has demonstrated to the County's satisfaction either that the contractor is not a "contractor" as defined under the [Jury Service Program \(Section 2.203.020 of the County Code\)](#) or that the contractor qualifies for an exception to the [Jury Service Program \(Section 2.203.070 of the County Code\)](#), the contractor shall have and adhere to a written policy that provides that its Employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the Employee's regular pay the fees received for jury service.

8.8.2.2 For purposes of this paragraph, "contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of fifty thousand dollars (\$50,000) or more in any twelve (12) month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If the contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this paragraph. The provisions of this

paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

8.8.2.3 If the contractor is not required to comply with the Jury Service Program when the Contract commences, the contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the contractor shall immediately notify the County if the contractor at any time either comes within the Jury Service Program's definition of "contractor" or if the contractor no longer qualifies for an exception to the Jury Service Program. In either event, the contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the contractor demonstrate, to the County's satisfaction that the contractor either continues to remain outside of the Jury Service Program's definition of "contractor" and/or that the contractor continues to qualify for an exception to the Program.

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

8.9 Conflict of Interest

8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall 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 shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.9.2 Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The contractor warrants that it is not now

aware of any facts that create a conflict of interest. If the contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph shall be a material breach of this Contract.

8.10 Consideration of Hiring County Employees Targeted for Layoffs or are on a County Re-Employment List

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

8.11 Consideration of Hiring GAIN-GROW Participants

8.11.1 Should Contractor require additional or replacement personnel after the effective date of this Contract, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the contractor will interview qualified candidates. County will refer GAIN-GROW participants by job category to the contractor. Contractors shall report all job openings with job requirements to: GAINGROW@DPSS.LACOUNTY.GOV and BSERVICES@WDACS.LACOUNTY.GOV and DPSS will refer qualified GAIN/GROW job candidates.

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

8.12 Contractor Responsibility and Debarment

8.12.1 Responsible Contractor

A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and

experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.

8.12.2 Chapter 2.202 of the County Code

Contractor is hereby notified that, in accordance with [Chapter 2.202 of the County Code](#), if the County acquires information concerning the performance of the contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (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 County.

8.12.3 Non-responsible contractor

County may debar a contractor if the Board of Supervisors finds, in its discretion, that the contractor has done any of the following: 1) violated a term of a contract with the County or a nonprofit corporation created by the County, 2) committed an act or omission which negatively reflects on the contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, 3) committed an act or offense which indicates a lack of business integrity or business honesty, or 4) made or submitted a false claim against the County or any other public entity.

8.12.4 Contractor Hearing Board

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

8.12.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the contractor

should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

- 8.12.4.3 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 8.12.4.4 If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: 1) elimination of the grounds for which the debarment was imposed; 2) a bona fide change in ownership or management; 3) material evidence discovered after debarment was imposed; or 4) any other reason that is in the best interests of the County.
- 8.12.4.5 The Contractor Hearing Board will consider a request for review of a debarment determination only where 1) the Contractor has been debarred for a period longer than five (5) years; 2) the debarment has been in effect for at least five (5) years; and 3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

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

8.12.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of County Contractors.

8.13 Contractor's Acknowledgement of County's Commitment to Safely Surrendered Baby Law

Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is the County's policy to encourage all County contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster, in Exhibit I, in a prominent position at the Contractor's place of business. Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at www.babysafela.org.

8.14 Contractor's Warranty of Adherence to County's Child Support Compliance Program

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

8.14.2 As required by the [County's Child Support Compliance Program \(County Code Chapter 2.200\)](#) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall 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 shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and

Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.15 County's Quality Assurance Plan

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

8.16 Damage to County Facilities, Buildings or Grounds

- 8.16.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the contractor or employees or agents of the contractor. Such repairs shall be made immediately after the contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.
- 8.16.2 If the Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand.

8.17 Employment Eligibility Verification

- 8.17.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

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

8.18 Counterparts and Electronic Signatures and Representations

- 8.18.1 This Contract may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Contract. The facsimile, email or electronic signature of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.
- 8.18.2 The County and the Contractor hereby agree to regard electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Paragraph 8.1 (Amendments) and received via communications facilities (facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Amendments to this Contract.

8.19 Fair Labor Standards

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

8.20 Force Majeure

- 8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the

control and without any fault or negligence of such party (such events are referred to in this paragraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a subcontractor of contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both contractor and such subcontractor, and without any fault or negligence of either of them. In such case, contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit contractor to meet the required performance schedule. As used in this subparagraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

8.20.3 In the event contractor's failure to perform arises out of a force majeure event, contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 Governing Law, Jurisdiction, and Venue

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

8.22 Independent Contractor Status

8.22.1 This Contract is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the contractor.

8.22.3 Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers'

Compensation liability, solely employees of the Contractor and not employees of the County. The contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 Contractor shall adhere to the provisions stated in Paragraph 7.6 (Confidentiality).

8.23 Indemnification

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

8.24 General Provisions for all Insurance Coverage

8.24.1 Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Paragraphs 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.2 Evidence of Coverage and Notice to County

8.24.2.1 Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.

8.24.2.2 Renewal Certificates shall be provided to County not less than ten (10) days prior to contractor's policy

expiration dates. The County reserves the right to obtain complete, certified copies of any required contractor and/or sub-contractor insurance policies at any time.

8.24.2.3 Certificates shall 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 shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand dollars (\$50,000), and list any County required endorsement forms.

8.24.2.4 Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

8.24.2.5 Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles - Chief Executive Office
Risk Management Branch, Claims Administration
Insurance Endorsement: Medical Malpractice, Hospital
Liability Claims Administration and Legal Defense
Management Services, Contract No: AO-22-409 for the
County of Los Angeles
Attention: Contracts and Purchasing Division
Email: ContractInsurance@ceo.lacounty.gov

8.24.2.6 Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to contractor. Contractor also shall promptly notify County of any third-party claim or suit filed against contractor or any of its subcontractors which arises from

or relates to this Contract and could result in the filing of a claim or lawsuit against contractor and/or County.

8.24.3 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, employees and volunteers (collectively County and its Agents) shall be provided additional insured status under contractor's General Liability policy with respect to liability arising out of contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.4 Cancellation of or Changes in Insurance

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

8.24.5 Failure to Maintain Insurance

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

8.24.6 Insurer Financial Ratings

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

8.24.7 Contractor's Insurance Shall Be Primary

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

8.24.8 Waivers of Subrogation

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

8.24.9 Subcontractor Insurance Coverage Requirements

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

8.24.10 Deductibles and Self-Insured Retentions (SIRs)

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

8.24.11 Claims Made Coverage

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

8.24.12 Application of Excess Liability Coverage

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

8.24.13 Separation of Insureds

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

8.24.14 Alternative Risk Financing Programs

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

8.24.15 County Review and Approval of Insurance Requirements

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

8.25 Insurance Coverage

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

General Aggregate: \$2 million

Products/Completed Operations Aggregate: \$1 million

Personal and Advertising Injury: \$1 million

Each Occurrence:

\$1 million

8.25.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 **Workers Compensation and Employers' Liability** insurance or qualified self- insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 **Unique Insurance Coverage**

8.25.4.2 **Professional Liability-Errors and Omissions**

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$2 million per claim and \$4 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

8.25.4.3 **Crime Coverage**

A Fidelity Bond or Crime Insurance policy with limits of not less than \$5 million per occurrence. Such coverage shall protect against all loss of money, securities, or other valuable property entrusted by County to contractor, and apply to all of contractor's directors, officers, agents and employees who regularly handle

or have responsibility for such money, securities or property. The County and its Agents shall be named as an Additional Insured and Loss Payee as its interests may appear. This insurance shall include third party fidelity coverage, include coverage for loss due to theft, mysterious disappearance, and computer fraud/theft, and shall not contain a requirement for an arrest and/or conviction.

8.25.4.4 Technology Errors & Omissions Insurance

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.

8.25.4.5 Cyber Liability Insurance

Contractor shall secure and maintain cyber liability insurance coverage with limits of \$5 million per occurrence and in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding, defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and Data/Information loss and

business interruption; any other liability or risk that arises out of the Contract. Contractor shall add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, shall not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

8.26 Liquidated Damages

- 8.26.1 If, in the judgment of the Department Head, or his/her designee, the contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Department Head, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the contractor from the County, will be forwarded to the contractor by the Department Head, or his/her designee, in a written notice describing the reasons for said action.
- 8.26.2 If the Department Head, or his/her designee, determines that there are deficiencies in the performance of this Contract that the Department Head, or his/her designee, deems are correctable by the contractor over a certain time span, the Department Head, or his/her designee, will provide a written notice to the contractor to correct the deficiency within specified time frames. Should the contractor fail to correct deficiencies within said time frame, the Department Head, or his/her designee, may: (a) Deduct from the contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred Dollars (\$100) per day per infraction, or as specified in Attachment 2 (Performance Requirements Summary (PRS)) Chart of Exhibit A(Statement of Work and Attachments) hereunder, and that the contractor shall be liable to the County for liquidated damages in said amount. Said amount shall be deducted from the County's

payment to the contractor; and/or (c) Upon giving five (5) days notice to the contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the contractor from the County, as determined by the County.

8.26.3 The action noted in Paragraph 8.26.2 shall not be construed as a penalty, but as adjustment of payment to the contractor to recover the County cost due to the failure of the contractor to complete or comply with the provisions of this Contract.

8.26.4 This Paragraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in the PRS or Paragraph 8.26.2, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.27 Most Favored Public Entity

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

8.28 Nondiscrimination and Affirmative Action

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

8.28.2 Contractor certified to the County each of the following:

8.28.2.1 Contractor has a written policy statement prohibiting discrimination in all phases of employment.

8.28.2.2 Contractor periodically conducts a self-analysis or utilization analysis of its work force.

8.28.2.3 That Contractor has a system for determining if its employment practices are discriminatory against protected groups.

- 8.28.2.4 Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. 8.28.3 Contractor shall 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 shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 8.28.4 Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 8.28.5 Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.28.6 Contractor shall allow County representatives access to the contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) when so requested by the County.
- 8.28.7 If the County finds that any provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the contractor has violated Federal or State anti-discrimination laws or regulations

shall constitute a finding by the County that the contractor has violated the anti-discrimination provisions of this Contract.

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

8.29 Non-Exclusivity

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

8.30 Notice of Delays

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

8.31 Notice of Disputes

Contractor shall bring to the attention of the County's Project Manager and/or County's Project Director any dispute between the County and the contractor regarding the performance of services as stated in this Contract. If the County's Project Manager or County's Project Director is not able to resolve the dispute, the CEO or her designee shall resolve it.

8.32 Notice to Employees Regarding the Federal Earned Income Credit

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

8.33 Notice to Employees Regarding the Safely Surrendered Baby Law

Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is

set forth in Exhibit I, Safely Surrendered Baby Law of this Contract. Additional information is available at www.babysafela.org.

8.34 Notices

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

8.35 Prohibition Against Inducement or Persuasion

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

8.36 Public Records Act

8.36.1 Any documents submitted by the contractor; all information obtained in connection with the County's right to audit and inspect the contractor's documents, books, and accounting records pursuant to Paragraph 8.38 (Record Retention and Inspection-Audit Settlement) of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the contractor agrees to defend and indemnify the County from all costs and expenses,

including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.37 Publicity

8.37.1 Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the contractor from publishing its role under this Contract within the following conditions:

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

8.37.1.2 During the term of this Contract, the contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Project Director. The County shall not unreasonably withhold written consent.

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

8.38 Record Retention and Inspection-Audit Settlement

8.38.1 Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the contractor at a location in Los Angeles County,

provided that if any such material is located outside Los Angeles County, then, at the County's option, the contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

- 8.38.2 In the event that an audit of the contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the contractor or otherwise, then the contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 8.38.3 Failure on the part of the contractor to comply with any of the provisions of this subparagraph 8.38 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.
- 8.38.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the contractor, then the difference shall be either: a) repaid by the contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the contractor, then the difference shall be paid to the contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.39 Recycled Bond Paper

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

8.40 Subcontracting

- 8.40.1 The requirements of this Contract may not be subcontracted by the contractor **without the advance approval of the County**. Any

attempt by the contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

8.40.2 If the contractor desires to subcontract, the contractor shall provide the following information promptly at the County's request:

8.40.2.1 A description of the work to be performed by the subcontractor;

8.40.2.2 A draft copy of the proposed subcontract; and

8.40.2.3 Other pertinent information and/or certifications requested by the County.

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

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

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

8.40.6 County's Project Director is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, contractor shall forward a fully executed subcontract to the County for their files.

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

8.40.8 Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. Before any subcontractor employee may perform any work hereunder, contractor shall ensure delivery of all such documents to:

County of Los Angeles - Chief Executive Office
Risk Management Branch, Claims Administration
Insurance Endorsement: Medical Malpractice, Hospital
Liability Claims Administration and Legal Defense
Management Services, Contract No: AO-22-409 for the
County of Los Angeles
Attention: Contracts and Purchasing Division
Email: ContractInsurance@ceo.lacounty.gov

8.41 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program

Failure of the contractor to maintain compliance with the requirements set forth in Paragraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the County may terminate this Contract pursuant to Paragraph 8.43 (Termination for Default) and pursue debarment of the contractor, pursuant to County Code Chapter 2.202.

8.42 Termination for Convenience

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

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

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

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

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

8.43 Termination for Default

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

8.43.1.1 Contractor has materially breached this Contract; or

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

8.43.1.3 Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.43.2 In the event that the County terminates this Contract in whole or in part as provided in Paragraph 8.43.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this paragraph.

8.43.3 Except with respect to defaults of any subcontractor, the contractor shall not be liable for any such excess costs of the type identified in Paragraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the contractor and subcontractor, and without the fault or negligence of either of them, the contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other

sources in sufficient time to permit the contractor to meet the required performance schedule. As used in this paragraph, the term "subcontractor(s)" means subcontractor(s) at any tier.

- 8.43.4 If, after the County has given notice of termination under the provisions of Paragraph 8.43 (Termination for Default) it is determined by the County that the contractor was not in default under the provisions of Paragraph 8.43 (Termination for Default) or that the default was excusable under the provisions of subparagraph 8.43.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 8.42 (Termination for Convenience).
- 8.43.5 The rights and remedies of the County provided in this Paragraph 8.43 (Termination for Default) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 Termination for Improper Consideration

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

8.45 Termination for Insolvency

- 8.45.1 County may terminate this Contract forthwith in the event of the occurrence of any of the following:
 - 8.45.1.1 Insolvency of the contractor. The contractor shall be

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

8.45.1.2 The filing of a voluntary or involuntary petition regarding the contractor under the Federal Bankruptcy Code;

8.45.1.3 The appointment of a Receiver or Trustee for the contractor; or

8.45.1.4 The execution by the contractor of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of the County provided in this Paragraph 8.45 (Termination for Insolvency) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 Termination for Non-Adherence of County Lobbyist Ordinance

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

8.47 Termination for Non-Appropriation of Funds

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

8.48 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 shall not be affected thereby.

8.49 Waiver

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this paragraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 Warranty Against Contingent Fees

8.50.1 Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business.

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

8.51 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

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

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

8.52 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program

Failure of contractor to maintain compliance with the requirements set forth in Paragraph 8.51 "Warranty of Compliance with County's Defaulted Property Tax Reduction Program" shall constitute default under this

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

8.53 Time Off for Voting

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

8.54 Compliance with County's Zero Tolerance Policy on Human Trafficking

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

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

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

8.55 Compliance with Fair Chance Employment Practices

Contractor shall comply with fair chance employment hiring practices set forth in [California Government Code Section 12952](#), Employment Discrimination: Conviction History. Contractor's violation of this paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract.

8.56 Compliance with the County Policy of Equity

Contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously,

as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the contractor to termination of contractual agreements as well as civil liability.

8.57 Prohibition from Participation in Future Solicitation(s)

A Proposer, or a Contractor or its subsidiary or Subcontractor ("Proposer/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has provided advice or consultation for the solicitation. A Proposer/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has developed or prepared any of the solicitation materials on behalf of the County. A violation of this provision shall result in the disqualification of the Contractor/Proposer from participation in the County solicitation or the termination or cancellation of any resultant County contract. This provision shall survive the expiration, or other termination of this Agreement.

8.58 Injury and Illness Prevention Program

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

8.59 COVID-19 Vaccinations of County Contractor Personnel

8.59.1 At Contractor's sole cost, Contractor shall comply with Chapter 2.212 (COVID-19 Vaccinations of County Contractor Personnel) of County Code Title 2 - Administration, Division 4. All employees of Contractor and persons working on its behalf, including but not limited to, Subcontractors of any tier (collectively, "Contractor Personnel"), must be fully vaccinated against the novel coronavirus 2019 ("COVID-19") prior to (1) interacting in person with County employees, interns, volunteers, and commissioners ("County workforce members"), (2) working on County owned or controlled property while performing services under this Contract, and/or (3)

coming into contact with the public while performing services under this Contract (collectively, "In-Person Services").

- 8.59.2 Contractor Personnel are considered "fully vaccinated" against COVID-19 two (2) weeks or more after they have received (1) the second dose in a 2-dose COVID-19 vaccine series (e.g. Pfizer-BioNTech or Moderna), (2) a single-dose COVID-19 vaccine (e.g. Johnson and Johnson [J&J]/Janssen), or (3) the final dose of any COVID-19 vaccine authorized by the World Health Organization ("WHO").
- 8.59.3 Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated by confirming Contractor Personnel is vaccinated through any of the following documentation: (1) official COVID-19 Vaccination Record Card (issued by the Department of Health and Human Services, CDC or WHO Yellow Card), which includes the name of the person vaccinated, type of vaccine provided, and date of the last dose administered ("Vaccination Record Card"); (2) copy (including a photographic copy) of a Vaccination Record Card; (3) Documentation of vaccination from a licensed medical provider; (4) a digital record that includes a quick response ("QR") code that when scanned by a SMART HealthCard reader displays to the reader client name, date of birth, vaccine dates, and vaccine type, and the QR code confirms the vaccine record as an official record of the State of California; or (5) documentation of vaccination from Contractors who follow the CDPH vaccination records guidelines and standards. Contractor shall also provide written notice to County before the start of work under this Contract that its Contractor Personnel are in compliance with the requirements of this section. Contractor shall retain such proof of vaccination for the document retention period set forth in this Contract and must provide such records to the County for audit purposes, when required by County.
- 8.59.4 Contractor shall evaluate any medical or sincerely held religious exemption request of its Contractor Personnel, as required by law. If Contractor has determined that Contractor Personnel is exempt pursuant to a medical or sincerely held religious reason, the Contractor must also maintain records of the Contractor Personnel's testing results. The Contractor must provide such records to the County for audit purposes, when required by County. The unvaccinated exempt Contractor Personnel must meet the following requirements prior to (1) interacting in person with County workforce members, (2) working on County owned or controlled property while performing services under this Contract, and/or (3)

coming into contact with the public while performing services under this Contract:

8.59.4.1 Test for COVID-19 with either a polymerase chain reaction (PCR) or antigen test has an Emergency Use Authorization (EUA) by the FDA or is operating per the Laboratory Developed Test requirements by the U.S. Centers for Medicare and Medicaid Services. Testing must occur at least weekly, or more frequently as required by County or other applicable law, regulation or order.

8.59.4.2 Wear a mask that is consistent with CDC recommendations at all times while on County controlled or owned property, and while engaging with members of the public and County workforce members.

8.59.4.3 Engage in proper physical distancing, as determined by the applicable County department that the Contract is with.

8.59.5 In addition to complying with the requirements of this section, Contractor shall also comply with all other applicable local, departmental, State, and federal laws, regulations and requirements for COVID-19.” A completed Exhibit M (COVID-19 Vaccination Certification of Compliance) is a required part of any agreement with the County.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 Health Insurance Portability and Accountability Act of 1996 (HIPAA)

County is subject to the Administrative Simplification requirements and prohibitions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the “HIPAA Rules”). Under this Agreement, the Contractor provides services to the County and the Contractor creates, has access to, receives, maintains, or transmits Protected Health Information as defined in Exhibit I (Safely Surrendered Baby Law) in order to provide those services. The County and the Contractor therefore agree to the terms of Exhibit J (Business Associate Under Health Insurance Portability and Accountability Act of 1996 (“HIPAA”))

9.2 Data Destruction

9.2.1 Contractor(s) and Vendor(s) that have maintained, processed, or stored the County of Los Angeles’ (“County”) data and/or information, implied or expressed, have the sole responsibility to

certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled *Guidelines for Media Sanitization*. Available at:

<http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88 Rev.%201>

- 9.2.2 The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within ten (10) business days, a signed document from Contractor(s) and Vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.
- 9.2.3 Vendor shall certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology (NIST) Special Publication SP-800-88, *Guidelines for Media Sanitization*. Vendor shall provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices that validates that any and all County data was destroyed and is unusable, unreadable, and/or undecipherable.

10.0 SURVIVAL CLAUSE

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

Paragraph 1.0	(Applicable Documents)
Paragraph 2.0	(Definitions)
Paragraph 3.2	
Paragraph 5.4	(No Payment for Services Provided Following Expiration/ Termination of Contract)
Paragraph 7.5	(Confidentiality)
Paragraph 8.2	(Assignment and Delegation/Mergers or Acquisitions)
Paragraph 8.6.2	
Paragraph 8.16	(Damage to County Facilities, Buildings or Grounds)
Paragraph 8.17.2	
Paragraph 8.19	(Fair Labor Standards)
Paragraph 8.21	(Governing Law, Jurisdiction, and Venue)
Paragraph 8.22	(Independent Contactor Status)

Paragraph 8.23	(Indemnification)
Paragraph 8.24	(General Provisions for all Insurance Coverage)
Paragraph 8.25	(Insurance Coverage)
Paragraph 8.34	(Notices)
Paragraph 8.38	(Record Retention and Inspection-Audit Settlement)
Paragraph 8.40.3	
Paragraph 8.42	(Termination for Convenience)
Paragraph 8.43	(Termination for Default)
Paragraph 8.48	(Validity)
Paragraph 8.49	(Wavier)
Paragraph 9.1	(Health Insurance Portability and Accountability Act of 1996))
Paragraph 9.2	(Data Destruction)
Paragraph 10.0	(Survival Clause)

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

COUNTY OF LOS ANGELES

SEDGWICK CLAIMS MANAGEMENT
SERVICES, INC.

By _____
FESIA A. DAVENPORT
Chief Executive Officer

By _____
MICHAEL SHOOK
Senior Vice President Managing Counsel

APPROVED AS TO FORM:

DAWYN R. HARRISON
Acting County Counsel

By *Jason C Carnevale*
JASON CARNEVALE
Deputy County Counsel

**STATEMENT OF WORK
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STATEMENT OF WORK

1.0 SCOPE OF WORK

- 1.1 Contractor shall provide incident and claim administration, as well as litigation management support services for the County of Los Angeles (County). Incident, claim administration, and litigation management support services shall include medical malpractice, hospital liability, and limited general liability matters.
- 1.2 In the event of changes to legislations and statutes that may drastically impact caseloads, County and Contractor will renegotiate workload and price schedule as appropriate.
- 1.3 Contractor shall provide these services in accordance with the standards set forth below:
 - 1.3.1 Established County Counsel litigation management processes and protocols;
 - 1.3.2 Chief Executive Office (CEO) standards, as set forth by the Contract;
 - 1.3.3 Specific standards and requirements specified in the Contract;
 - 1.3.4 To the extent a specific standard or requirement is not set forth in this Contract, those standards and requirements set forth in the California statutes, codes, regulations, or other governing statutes and regulations, including any amendments to these statutes and regulations during the term of the Contract; and
 - 1.3.5 To the extent a specific standard or requirement is not set forth in this Contract or the governing statutes and regulations, the specific standard or requirement set forth in the Change Notice executed by the County Contract Administrator (CCA) and Contractor.

2.0 ADDITION/DELETION OF FACILITIES, SPECIFIC TASKS AND/OR WORK HOURS

- 2.1** County will have the right to change work procedures and add or delete specific tasks when it is in the best interest of the County to do so.

3.0 DEFINITIONS

- 3.1 Ad Hoc Report(s):** As used herein, "Ad-Hoc Report(s)" shall mean those report(s) generated at the request of the CCA, County Counsel, or Departmental Liaison on a one-time, informal, and improvised basis. These reports generally arise in response to inquiries from the Board of Supervisors (Board) or events of such significance that information is needed on an expedited basis.
- 3.2 Allegation:** As used herein, "Allegation" shall mean an assertion, claim, declaration, or statement of a party to an incident(s) that merits investigation, administration, and/or management by Contractor, as determined by Contractor or County.
- 3.3 Allocated Expenses:** As used herein, "Allocated Expenses" shall mean all expenses, including Contract Law Firm fees, and excluding Contractor services fees incurred in connection with the investigation, adjustment, settlement negotiations, or defense of claims or lawsuits.
- 3.4 Board of Supervisors:** As used herein, "Board of Supervisors" or "Board" shall mean the Board of Supervisors of the County of Los Angeles.
- 3.5 Case** As used herein, "Case" shall mean each document submitted by a third-party(ies) in accordance with statutory requirements and/or a legal action filed in a civil court by a third party(ies) in accordance with statutory requirements which alleges personal injury, real or personal property damage, or other losses sustained due to acts or omissions of the County, its employees, officers, or agents.
- 3.6 Case Budget:** As used herein, "Case Budget" shall mean the projected fees and costs for each phase in the defense of a lawsuit, including staffing levels, hourly rates, and estimated hours and fees for partners, associates, and paralegals, as well as expenses and costs such as deposition costs and expert fees.
- 3.7 Case Evaluation Plan:** As used herein, "Case Evaluation Plan" shall mean a detailed recommendation of case strategy, including motions to be filed, discovery, legal research, and experts required to defend an action.
- 3.8 CEO Risk Management Branch:** As used herein, "CEO Risk Management Branch" shall mean the organizational unit of the County's

Chief Executive Office that participates in the County's self-insured Medical Malpractice and Hospital Liability Claims Administration Program.

- 3.9 Chief Executive Office (Department):** As used herein, "Chief Executive Office" or "CEO" shall mean the Chief Executive Office of the County of Los Angeles.
- 3.10 Chief Executive Officer:** As used herein, "Chief Executive Officer" shall mean the Chief Executive Officer of the County of Los Angeles.
- 3.11 Claim:** As used herein, "Claim" shall mean each document submitted by a third-party(ies) in accordance with statutory requirements that alleges personal injury, bodily injury, property damage, or other losses sustained due to the acts or omissions of the County, its employees, officers, or agents.
- 3.12 Claims Manager:** As used herein, "Claims Manager" shall mean the individual designated by the Contractor to administer Contract day-to-day operations.
- 3.13 Claims Specialist:** As used herein, "Claims Specialist" shall mean an employee of Contractor who manages Files arising from incidents, claims, and lawsuits, and manages the legal defense of lawsuits.
- 3.14 Commercial Annuity:** As used herein, "Commercial Annuity" shall mean a contract purchased from an insurance company that provides deferred payments to a recipient.
- 3.15 Companion Case File(s):** As used herein, "Companion Case File(s)" shall mean a File for a separate County Department/facility which arises from the same incident, series of incidents, claim, or lawsuit as another File.
- 3.16 Concurrence:** As used herein, "Concurrence" shall mean an agreement with a particular course of action or settlement.
- 3.17 Contract:** As used herein, "Contract" shall mean the agreement executed between the County and Contractor. It sets forth the terms and conditions for the issuance and performance of this Statement of Work.
- 3.18 Contract Law Firm:** As used herein, "Contract Law Firm" shall mean law firms that have contracted with the County to provide legal representation services.
- 3.19 Contract Law Firm Fees:** As used herein, "Contract Law Firm Fees" shall mean fees charged by Contract Law Firms for legal services provided on County-assigned claims and lawsuits.

- 3.20 Contract Start Date:** As used herein, “Contract Start Date” shall mean the date that Contractor begins work under this Contract.
- 3.21 Contractor:** As used herein, “Contractor” shall mean the sole proprietor, partnership, or corporation, that has entered into a Contract with the County to perform or execute the work covered by the Statement of Work.
- 3.22 Corrective Action Plan:** As used herein, “Corrective Action Plan” shall mean the County Department’s response to an incident, claim, or lawsuit that addresses the root cause of the occurrence of the event, and implements solutions designed to prevent reoccurrence of a same or similar event.
- 3.23 County Contract Administrator (CCA):** As used herein, “County Contract Administrator” and “CCA” shall refer to the Assistant Chief Executive Officer in charge of the Chief Executive Office’s Risk Management Branch, or his designee. The CCA administers the procedural aspects of the Contract and participates in the County’s self-insured Medical Malpractice and Hospital Liability Claims Administration Program.
- 3.24 County Contract Monitor(s):** As used herein, “County Contract Monitor(s)” shall mean person(s) with responsibility to oversee the day-to-day activities of this Contract, and for the inspections of any and all tasks, deliverables, goods, services, and other work provided by Contractor.
- 3.25 County Counsel:** As used herein, “County Counsel” shall mean the officer, or his/her designee, appointed by the Board of Supervisors as mandated and authorized by the County Charter and State statutes who provide advice and legal representation to the Board, County Departments, special districts, and other public agencies.
- 3.26 County Counsel Supervising Attorney:** As used herein, “County Counsel Supervising Attorney” shall refer to the County Counsel attorney overseeing a specific litigated case or claim.
- 3.27 County’s Financial System:** As used herein, the “County’s Financial System” shall mean the County’s Auditor-Controller’s eCAPS Accounting and Purchasing System for disbursing warrants to pay for authorized indemnity, legal defense fees, and Allocated Expenses associated with cases assigned to Contractor.
- 3.28 County Project Manager:** As used herein, the “County Project Manager” shall mean the person designated by the CCA to manage the operations under this Contract.
- 3.29 County Risk Manager:** As used herein, “County Risk Manager” shall mean the Assistant Chief Executive Officer in charge of the Chief Executive Office Risk Management Branch, or authorized designee.

- 3.30 County Risk Management:** As used herein, “County Risk Management” shall mean the County’s Chief Executive Office Risk Management Branch.
- 3.31 Damage(s):** As used herein, “Damage(s)” shall mean claimed compensation or indemnity resulting from the loss of, detriment or injury to, a person, property, or rights.
- 3.32 Day(s):** As used herein, “Days” shall mean calendar days unless otherwise specified.
- 3.33 Early Investigation:** As used herein, “Early Investigation” shall mean Contractor-initiated activity resulting from the decision to set up a File, or the immediate recognition of extraordinary case circumstances. Such activities shall include, but not be limited to, immediate contact with those employees, witnesses, and other individuals having any involvement in, or knowledge about, an incident.
- 3.34 Factor for Settlement:** As used herein, “Factor for Settlement” shall mean the specific act or omission, breach of a duty of care, or statutory violation committed by County, its officers, employees, or agents, within the course and scope of their employment, and is alleged to be a cause of claimant’s/plaintiff’s injuries.
- 3.35 File:** As used herein, “File” shall mean a repository established by the Contractor containing documents related to the investigation, administration, management, and audit of incidents, claims, subrogation activities, and lawsuits.
- 3.36 Electronic File:** As used herein, “Electronic File” shall mean a file on the County’s risk management database related to the investigation, administration, management, and audit of incidents, claims, subrogation activities, and lawsuits.
- 3.37 Hardcopy File:** As used herein, “Hardcopy File” shall mean a paper copy of documents related to the investigation, administration, management, and audit of incidents, claims, and lawsuits.
- 3.38 File Receipt Date:** As used herein, “File Receipt Date” shall mean the date Contractor receives a claim, lawsuit, or an incident report alleging or asserting County liability with sufficient merit to open a claim file.
- 3.39 Indemnification/Hold Harmless Agreement:** As used herein, “Indemnification/Hold Harmless Agreement” shall mean a contractual agreement between County and vendors, subcontractors, or other third parties that specifically addresses allocation of responsibility for losses or damages that may occur under the Contract, including which party shall bear the obligation of defending against any third-party legal action.

- 3.40 Incident:** As used herein, “Incident” shall mean an occurrence in which a third party(ies) alleges, or may have sustained personal injury, bodily injury, property damage, or other losses arising from or connected with the acts or omissions of the County, its employees, officers, or agents, or any dangerous condition of County property as defined in Government Code Section 830, et seq.
- 3.41 Incident Report/Event Notification:** As used herein, “Incident Report/Event Notification” shall mean a written, electronic, or telephonic report from County to the Contractor regarding an incident.
- 3.42 Investigation:** As used herein, “Investigation” shall mean the process of determining the facts, evaluating liability, assessing damages, and obtaining and preserving evidence.
- 3.43 Lawsuit or Litigated Case:** As used herein, “Lawsuit” or “Litigated Case” shall mean a legal action filed in a civil court by a third party(s) in accordance with statutory requirements alleging personal injury, bodily injury, property damage, or other losses sustained due to the acts or omissions of the County, its employees, officers, or agents.
- 3.44 Litigation Cost Manager (LCM):** As used herein, “Litigation Cost Manager” and “LCM” shall mean an attorney in the Office of the County Counsel who develops and assists in the implementation of strategies designed to reduce and control attorney fees, expert costs, and other litigation expenses with the goal of achieving the most favorable litigation results at the most affordable cost.
- 3.45 Litigation Management:** As used herein, “Litigation Management” shall mean the process of investigating, evaluating, managing, monitoring, resolving, and reporting on all litigated cases, as well as supervising the County’s Contract Law Firms.
- 3.46 Quality Assurance Evaluator (QAE):** As used herein, “Quality Assurance Evaluator” and “QAE” shall mean the CCA or designee responsible for monitoring the Contractor’s performance and advising and training the Contractor’s staff on the County’s systems and procedures.
- 3.47 Quality Assurance Monitoring Plan (QAMP):** As used herein, “Quality Assurance Monitoring Plan” and “QAMP” shall mean the methods used by the County to evaluate the Contractor’s performance.
- 3.48 Quality Control Plan:** As used herein, “Quality Control Plan” shall mean the methods and procedures used by the Contractor to assure that the quality of the services provided meets Contract requirements in areas that include timeliness, accuracy, completeness, consistency, and conformity.

- 3.49 Random Sample:** As used herein, “Random Sample” shall mean the sampling method in which each service output has an equal chance of being selected.
- 3.50 Reserve:** As used herein, “Reserve” shall mean the realistic estimate of the final amount that will be paid on a claim or lawsuit.
- 3.51 Risk Management Information System (RMIS):** As used herein, “Risk Management Information System” and “RMIS” shall mean the County’s current risk management and claims administration management information system with ad hoc reporting capabilities. The specifications of the current Risk Management Information System are provided in the Technical Exhibits to the Statement of Work, Appendix C, Exhibit 5.
- 3.52 Roundtable Meetings:** As used herein, “Roundtable Meetings” shall mean meetings that are chaired by County Counsel to discuss issues related to specific litigated cases. Such meetings shall include participation by the Contractor, Contract Law Firm members, County department/facility representatives, and CEO Risk Management staff.
- 3.53 Severe Injury:** As used herein, “Severe Injury” shall mean injury sustained by a third party that could result in significant indemnity and legal costs to County. Such injury may include, but is not limited to, brain damage, spinal cord injury, total or partial loss of a limb, loss or impairment of sensory or reproductive organs, burns, substantial disfigurement, and death.
- 3.54 Structured Settlement:** As used herein, “Structured Settlement” shall mean any Settlement in which a portion of the payment or the entire payment to a plaintiff is deferred to the future.
- 3.55 Tail Claim:** As used herein, “Tail Claim” shall mean an open claim or a legitimate and properly closed claim that subsequently must be re-opened for a period of time for adjusting services. Costs of assuming tail claims are included in the Fixed Rates.
- 3.56 Timeline:** As used herein, “Timeline” shall mean a comprehensive and succinct written chronology that sets forth the facts of the case as they occur. Timelines are initiated by Contractor using Casemap or other comparable software approved by the County. Additionally, these timelines are updated by Contract Law Firm members.
- 3.57 User Complaint Report:** As used herein, “User Complaint Report” shall mean the report submitted by an individual or group that specifies discrepancies or problems with Contractor’s performance. Contractor may be required to respond to such report.

4.0 SPECIFIC WORK REQUIREMENTS: PRE-LITIGATION MANAGEMENT SERVICES

4.1 Incident Reporting

Upon receipt of any oral or written incident report, Contractor shall take all appropriate actions to protect the County's interest. Contractor will provide administration services for all new incidents, in accordance with County Claims Administration Policies, as stated herein and as provided by the CCA and County Counsel. In addition, Contractor will incorporate these administration services into Contractor's Procedure Manual.

4.2 Administration of Incident/Event Notification

4.2.1 Individual County personnel, departments, or facilities may report the happening of an incident or event, which in the considered opinion of Contractor, is of sufficient importance to warrant an early investigation because of possible or potential future liability to the County.

4.2.2 If, in the opinion of Contractor, the nature of the incident/event or the severity of injury is such that it is reasonable to assume a claim and/or lawsuit might be filed against the County, or the incident/event raises issues of risk management, or liability which Contractor believes of sufficient importance to the County, Contractor shall open a File for purposes of administering, managing, and auditing all matters pertinent and relevant to that incident/event. Within one (1) business day of opening of the Incident File, Contractor shall commence a prompt and thorough investigation within the parameters outlined below:

4.2.2.1 Contractor shall prepare *Case Management Reports* (CMR) after opening of an Incident File, as more fully described in Subparagraph 7.1.1 of this Statement of Work.

4.2.2.2 If Contractor determines that the event does not warrant the opening of an Incident File, Contractor shall maintain the incidents and a list of the incidents as set forth in this Subparagraph 4.2.

4.2.2.3 Not all County staff will have access to RMIS. Therefore, Contractor must be able to receive incident reports also by phone, fax, and mail, and to purge Incident Reports to comply with legal retention requirements.

4.2.2.4 Contractor shall input all pertinent data into RMIS.

- 4.2.2.5 Contractor shall be required to ensure that the incident information entered in RMIS is consistently current and accurate.
- 4.2.2.6 Contractor shall determine if the incident/event should be referred for immediate field investigation and handled as an accelerated claim based on guidelines contained in Accelerated Claims Settlement Program, Appendix C (Technical Exhibits), Exhibit 4.

4.3 Claims Administration

- 4.3.1 The filing of a claim, with few exceptions, is a condition precedent to the filing of a lawsuit against the County. Unless otherwise stated, all references to a “claim” shall mean the legal document otherwise known as a governmental tort claim.
- 4.3.2 Contractor shall, within one (1) business day of receipt of a claim, open a Claim File, if one has not been previously opened, for purposes of administering, managing, and auditing all matters pertinent and relevant to the incident/event forming the basis of the claim. In addition, if an investigation has not been previously initiated, Contractor will conduct an investigation within the parameters outlined below.
 - 4.3.2.1 Contractor’s investigation shall be prompt, thorough, and consistent with the severity of the injury, potential value of the loss, and the available defenses. The County Contract Administrator (CCA), County Counsel, and Department Liaison should be advised of the result of the investigation and the Contractor’s recommendation for the action to be taken.
 - 4.3.2.2 Contractor shall request and review department/facility’s internal investigation reports and other relevant documents, including, but not limited to, facility medical records and policies and procedures. In the event Contractor is unsuccessful in securing facility medical records or other necessary documents within fifteen (15) days of initial request through the facility’s usual process, Contractor shall notify the Department’s Liaison and send a copy of the notification to the CCA and County Counsel.
 - 4.3.2.3 Where applicable, Contractor shall request and obtain a review by Contractor’s medical/legal consultant to analyze the medical procedures utilized, the medical services provided, and the medical outcome to identify and assess all possible legal theories of liability.

- 4.3.3 Contractor shall conduct other investigation activities including, but not limited to, obtaining witness statements, conducting an on-scene inspection, securing equipment, taking video and photographs, identifying relevant department/facility policies and procedures, and, where applicable, securing police reports as deemed relevant to the matter based on facts and exposure.
- 4.3.4 Contractor's investigation shall include the identification and evaluation of potential hold harmless, defense, and indemnification agreements, including policies of insurance executed by and between the County and third parties, or to the benefit of the County. Contractor shall contact the appropriate Department and Department Facility staff and obtain and review relevant agreements, as well as other related information, including, but not limited to, medical records, payroll records, and employment records.
- 4.3.5 Contractor shall assess the appropriateness and reasonableness of the claimed damages, including an evaluation of the physical injuries, medical treatment, both past and future, and claims for lost earnings.
- 4.3.6 Contractor shall determine the existence of all Medi-Cal and other medical liens paid, or pending, on behalf of the injured party, and will determine the existence and amount of all medical bills. County will query Medicare liens.
- 4.3.7 Contractor shall investigate, where necessary and appropriate, questionable claims to assist in the adjustment and litigation of cases and in the proper referral of suspected fraudulent cases to law enforcement authorities.
- 4.3.8 Contractor shall develop, within its discretion, policies and procedures for memorializing and reporting all facts, evidence, findings, conclusions, and theories developed by Contractor as part of Contractor's investigations on any Claim File.
- 4.3.9 Contractor's investigation should be completed within six (6) months of the opening of the Claim File, and the County Department Liaison and the Department Facility Liaison where the incident/event occurred, as well as County Counsel, will be advised of Contractor's finding, recommendations, and the actions to be taken.
- 4.3.10 The ultimate resolution of the underlying claim, in most cases, anticipates that the Department completes a Corrective Action Plan. Although the Corrective Action Plan is to be completed and performed by the Departments, the Contractor's services provided through claims administration should support the Department's effort.

4.4 Response to Claims

In addition to Contractor's investigation of the facts upon which the claim is based, Contractor shall, on County's behalf, take the following action where appropriate:

- 4.4.1 For each claim not submitted in accordance with the legal statutory filing requirements of Government Code §§910 and 910.2, Contractor shall, on County's behalf, notify the claimant or third-party(ies), in accordance with the requirements of §910.8, of the specific insufficiency. Contractor shall deny, in accordance with the provisions of §§913 and 915.4, all claims in which claimant or third party(ies) has failed to remedy the noted insufficiencies.
- 4.4.2 Deny, in accordance with the provision of §911.3, as untimely, all claims that have not been filed within the time required by Statute.
- 4.4.3 Deny, in accordance with the provision of §911.4, as untimely, all claims that have not been filed within the time required by Statute. Contractor may, at its discretion, limit the investigation to that necessary to confirm the affirmative defense.
- 4.4.4 Deny, in accordance with the provisions of §§913 and 915.4, all claims on or before the date a denial is required or permitted by law, if in the exercise of reasonable prudent judgment and after a review of all pertinent information, there is no basis of liability against the County or its employees.
- 4.4.5 Reject in accordance with the provisions of §§911.8, 911.8, and 915.4, all Applications for Leave to Present Late Claims. Where, in the opinion of Contractor, an Application meets the requirement for acceptance under Government Code §§911.4 and 911.6, Contractor shall advise and obtain County Counsel's written approval to accept a late claim.
- 4.4.6 Forward Petitions for Relief from the requirements of Government Code §§911.4 and 911.6 to a member of the Legal Defense Panel, as directed by County. Contractor will assist defense counsel in opposing the petitions filed.
- 4.4.7 In order to reduce legal defense costs, where, in the exercise of reasonably prudent judgment, and after a review of all pertinent information, Contractor concludes that a sufficient basis of liability exists against the County or its employees, Contractor will negotiate a settlement of the claim, within the parameters outlined below in Subparagraph 4.6.1 (Process and TPA Authority).

4.5 Reserves

Contractor shall establish, update, and maintain reserves for claims and lawsuits:

4.5.1 Set initial indemnity reserves within ten (10) calendar days of the date the Claim is received by the Contractor.

4.5.1.1 Indemnity Reserves: An estimate of the amount that a judge or reasonable jury would award the plaintiff if the matter proceeded to trial, plus attorney fees, if recoverable by plaintiff.

4.5.1.2 Expense Reserve: An estimate of attorney fees and costs (such as expert fees, deposition changes, and travel expenses) to be expended during the life of the case through trial.

4.5.2 Review and update reserves on pending Claims and Lawsuits until the matter is resolved. Reserves should be updated based on developments, as warranted, and reviewed for necessary adjustments no less than every ninety (90) days.

4.5.3 Provide the basis and supporting data upon which the Contractor has determined reserve amounts, upon request by County.

4.5.4 The Contractor shall ensure that the reserves in the County's Risk Management Information System accurately reflect the reserves as established in the most recent Case Budget and Amended Case Budget.

4.5.5 Contractor's Case File reserve policy will comply with the provisions of Appendix C (Technical Exhibits), Exhibit 2 (County of Los Angeles Case Reserve Policy), and the Liability Severity Index. County Counsel approves reserves on litigated files.

4.6 Use of Contract Law Firm

4.6.1 If Contractor believes that the use of a Contract Law Firm is required in the handling of a claim, Contractor shall communicate this recommendation to County Counsel. County Counsel will authorize Contractor to retain and assign the Contract Law Firm.

4.6.2 Invoices submitted by such Contract Law Firm will be reviewed and approved pursuant to County Counsel billing requirements.

4.7 Settlements

4.7.1 Process and TPA Authority

The County may not be bound to a settlement except as provided by the County's Board of Supervisors, pursuant to certain statutory restrictions. County Counsel shall have final authority, with CCA's concurrence, prior to submission of a settlement to the County's Claims Board and Board of Supervisors, on all settlement matters, including the amount of settlement, all terms and conditions within the settlement, and regardless of Department or facility concurrence, the basis for and/or the expression of the factor of settlement. Contractor shall insure that when appropriate, plaintiff(s) are provided with a fair offer of settlement prior to trial.

4.7.2 Settlements within Contractor's Authority

4.7.2.1 Contractor will be delegated and have the authority to settle any claim or lawsuit in an amount not to exceed \$20,000 per incident. The County reserves the right to increase or decrease the settlement authority limits in the negotiated contract at any time.

4.7.2.2 Contractor shall advise the County on a monthly basis, or as requested, of all settlements made by Contractor under this authority.

4.7.2.3 Contractor shall also provide to the CCA, County Counsel, Department Liaison, and Department Facility Liaison, in support of each settlement made by Contractor under this authority, the following applicable information:

4.7.2.3.1 A statement of the facts and the legal and medical theories of liability, including each reason/factor upon which the settlement was based.

4.7.2.3.2 A statement that the facts and the legal and medical theories of liability upon which the settlement is based are accurate and appropriate.

4.7.2.3.3 A statement that Contractor discussed the settlement with the Department Liaison and/or involved Department Facility Liaison and obtained the Department Liaison's and/or involved Department Facility Liaison's

concurrence in the reason/factors for settlement.

4.7.2.3.4 Contractor may, where in the judgment of the Contractor's Contract Manager it is in the best interest of the County, settle any matter up to \$3,000.00 utilizing "Economic" as a Factor for Settlement without otherwise seeking concurrence.

4.7.2.3.5 Where applicable, Legal Defense Panel Member's evaluation [Trial Counsel Report (TCR)] of the facts and the legal and medical theories of liability, including each reason/factor upon which settlement was based.

4.7.2.3.6 Contractor's medical/legal consultant's evaluations of the medical theories of liability, including the consultant's review of each reason/factor upon which settlement is recommended. This requirement does not apply to "Economic" settlements.

4.7.3 Recommended Settlements Exceeding Contractor's Authority

Contractor shall have authority to negotiate and thereafter recommend but may not bind the County to a proposed settlement in excess of Contractor's maximum authority of \$20,000 per Incident. Contractor's authority to negotiate and recommend a proposed settlement in excess of Contractor's maximum authority of \$20,000 per Incident will be subject to the following:

4.7.3.1 Prior to entering into any settlement discussions in excess of Contractor's maximum authority of \$20,000 per Incident, Contractor will notify the CCA, County Counsel, Department Liaison, Risk Management Inspector General, and the Department Facility Liaison, of Contractor's intent to negotiate a proposed settlement, and the factor upon which the liability of the County is based.

4.7.3.2 Within one (1) business day after negotiating a proposed settlement, or as soon as practical, Contractor will send a "Notification of Settlement" to the CCA, County Counsel, Department Liaison, and Department Facility Liaison by fax or email.

4.7.3.3 The "Notification of Settlement" will contain the terms and conditions of the proposed settlement, a statement of the

reasons/factors upon which the proposed settlement is based, a statement that the facts and the legal and medical theories of liability upon which the settlement is based are accurate and appropriate, a statement that Contractor has discussed the facts and medical theories of liability with the Department Liaison and Department Facility Liaison, and a statement that Contractor has obtained the Department Liaison's, and/or Department Facility Liaison's concurrence in the reasons/factors for settlement.

- 4.7.3.4 When there are multiple County departments involved in the same settlement, Contractor will evaluate the case and provide, to the CCA, County Counsel, and involved County Department Liaisons, recommendations as to each department's respective share of liability. However, the final apportionment will be made by County Counsel. When necessary to resolve a conflict between departments, the Chief Executive Officer, or designee, will make a final determination as to apportionment of liability.
- 4.7.3.5 Contractor shall forward a formal "Settlement Authority Letter" to the CCA, County Counsel, Department Liaison, and the involved Department Facility Liaison within fifteen (15) business days of the date the terms of the proposed settlement were accepted by plaintiff/claimant.
- 4.7.3.6 In addition to the "Settlement Authority Letter," Contractor shall also provide, in support of Contractor's request for a proposed settlement, the following applicable documents:
 - 4.7.3.6.1 Defense Panel Member's TCR of the facts and the legal and medical theories of liability, including each reason/factor upon which settlement is recommended;
 - 4.7.3.6.2 Defense Panel Member's current Persons Named or Alleged report, if the settlement is of a medical professional liability matter;
 - 4.7.3.6.3 Contractor's medical/legal consultant's evaluations of the medical theories of liability, including the consultant's concurrence in each reason/factor upon which settlement is recommended, where applicable;
 - 4.7.3.6.4 A statement that the facts and the legal and medical theories of liability upon which the

settlement is based are accurate and appropriate; or

4.7.3.6.5 Other documents County may request as necessary to evaluate Contractor's recommendation for settlement.

4.7.3.7 All proposed settlements above Contractor's maximum authority, up to and including \$100,000, will be subject to approval by the CCA and County Counsel. When the proposed settlement is for an amount over \$100,000, the settlement will be subject to approval by County Counsel, with the concurrence of the CCA and approval by the County's Claims Board and Board of Supervisors.

4.7.3.8 The County may approve or deny the proposed settlement, approve the proposed settlement in a sumor manner other than requested, or instruct that the case proceed to trial.

4.7.3.9 The County may direct Contractor, or the Legal Defense Panel Member to whom the File is assigned, to accomplish additional tasks and re-submit a revised settlement proposal.

4.7.4 **Liens and Encumbrances**

Contractor shall be responsible for verifying and reporting to the County the existence of all liens and encumbrances against a settlement or proposed settlement of a litigated matter, and asserting all appropriate defenses to any such liens and encumbrances, and will be responsible for protecting the County's interests by ensuring that all such liens and encumbrances are satisfied, or will be satisfied, either by plaintiff/claimant, outside third parties, compromise and release by the lien holder, or by the stated terms and conditions of the settlement or proposed settlement.

4.7.5 **Structured Settlements**

Contractor shall ensure that all structured settlements contain a fixed dollar amount. Under the general supervision of the CEO Risk Management Branch and County Counsel, the Contractor will purchase annuity policies for the payment of structured settlements. The annuity premium will be considered a settlement cost to be paid from the County's Financial System. Structured settlement shall be subject to County approval. Contractor shall:

4.7.5.1 Arrange and purchase annuity policies for payment of structured settlements. The annuity premium will be considered a settlement cost.

4.7.5.2 Monitor, handle payments, and report semi-annually on approximately thirty-two (32) County self-funded annuities written in the early 1980s. Contractor may retain investigators from time to time to ascertain that the beneficiaries of these self-funded or Executive Life annuities remain alive. Such costs will be allocated to the respective files.

4.7.6 Future Medical Care

Whenever the terms and conditions of a proposed settlement involving DHS include the provision of free future medical care to claimant/plaintiff, such free future medical care will be limited to care and treatment necessary to, and arising from, the specific injuries upon which the claim/lawsuit is based. In addition, such free future medical care will be limited to care and treatment at a County of Los Angeles-owned-and-operated medical facility. Such agreements are rare and are generally limited to acute care.

4.7.7 Closing Report

Contractor shall scan and attach all documents and photographs in its possession to the appropriate Claim File in the County's Risk Management Information System, and Contractor shall also prepare a closing report which summarizes all information in the Claim File.

5.0 SPECIFIC WORK REQUIREMENTS: LITIGATION MANAGEMENT SERVICES

5.1 Designated Legal Defense Panel Members, under the general supervision of County Counsel, provide legal services for all County liability claims and lawsuits within the Medical Malpractice and Hospital Liability Claims Administration, and Legal Defense Management Services program. County Counsel is responsible for administering these agreements.

5.2 Contractor shall manage and monitor all litigation and report on the performance of the County's defense attorneys on all open Claim Files. Contractor shall have day-to-day responsibility for supervising Legal Defense Panel Member(s) in accordance with County Counsel guidelines. As directed by County Counsel, and within the County's contract requirements, Contractor's litigation management responsibilities include the following:

5.2.1 Contractor shall work with County Counsel to assign lawsuits in a timely manner to a Legal Defense Panel Member, in accordance with

the Liability Severity Index and based on the Contractor's assessment of the facts of the individual case and the particular expertise and availability of defense counsel. These assignments will be distributed to the Defense Panel as equally as possible. Contractor shall notify County Counsel of the recommended assignment within five (5) business days. County Counsel retains the right to assign or reassign the case to any Defense Panel Member or any other law firm of County's choice, at any time.

5.2.1.1 Upon County Counsel's request, Contractor shall assist County Counsel in evaluating the qualifications and performance of attorneys and firms currently on the Panel.

5.2.2 Contractor shall make every effort to identify the proper parties of the lawsuit, whether or not the parties have been named and/or served. In consultation with Defense Panel Member(s) and County Counsel, where necessary, Contractor shall determine the extent to which County is required to provide a defense and to indemnify any named party pursuant to a hold harmless agreement. Contractor shall be under a continuing obligation to review or initiate an investigation to determine the existence of any hold harmless agreements applicable to any party.

5.2.2.1 Where County obligation to indemnify or defend a party or parties is questionable or uncertain, Contractor shall obtain County Counsel's advice to determine if:

5.2.2.1.1 A Reservation of Rights letter is warranted;

5.2.2.1.2 An acknowledgment to indemnify and defend the other party is warranted; or

5.2.2.1.3 A denial of indemnification and legal defense is warranted.

5.3 Contractor shall determine the extent to which County is owed a defense and indemnification by a third party and/or other party defendant, and, if so, Contractor shall make demand and tender the defense of the lawsuit to that third party and/or other party defendant.

5.4 Contractor, in consultation with Defense Panel Member(s), shall determine if a cross-complaint should be filed against possible third-party defendants, whether or not yet named in the lawsuit, and make a recommendation to County Counsel.

5.4.1 No cross-complaint shall be filed without prior written authorization from County Counsel.

- 5.5** Contractor shall, upon assignment of a lawsuit to Defense Panel Member(s), provide all Claim File information, documents, and other assistance to Defense Panel Member necessary for the defense of litigated Claim Files. This includes, where applicable, Contractor's medical/legal consultant's reports and evaluations.
- 5.6** After service of a Summons and Complaint and assignment of a Case File to Defense Panel Member, Contractor shall insure that copies of any and all future reports/evaluations prepared by Contractor's medical/legal consultants are forwarded to the CCA, County Counsel, and Department Liaisons.
- 5.7** Contractor shall forward all medical reports and correspondence from claimant or claimant's attorney to County's defense.
- 5.8** Contractor shall respond to defense attorney's correspondence within two (2) weeks, or sooner, if the correspondence is urgent in nature, e.g., necessitated by an upcoming court appearance date.
- 5.9** **Roundtable Meetings**

Roundtable Meetings are conducted in accordance with the Liability Severity Index.

- 5.9.1 Each Roundtable Meeting shall include the CCA, County Counsel, Department Liaison, assigned Defense Panel Member(s), involved Contractor staff, and, where applicable, Contractor's medical/legal consultant(s). The County will provide a list of all designated County personnel and staff, as determined by County Counsel and/or recommended by Contractor, who might contribute to this informationexchange process.
- 5.9.2 Contractor's staff attending these Roundtable Meetings will be asked to present a medical/legal analysis of the event and will participate as part of the team to find the best resolution of the Claim File for the County.
- 5.9.3 Prior to Roundtable Meetings, Contractor shall:
- 5.9.3.1 Request that Defense Counsel prepare a TCR and Persons Named or Alleged report be prepared setting forth the facts and the legal and medical theories of liability, and submitted to CEO Risk Management, County Counsel, and the involved Department Risk Liaison, and Contractor at least ten (10) days prior to Roundtable Meeting.
 - 5.9.3.2 Prepare a Litigation Management Update (See Mandatory Reports, Section 7.0) setting forth the current status of the

case.

5.9.3.3 For DHS only, Contractor shall be required to send written notices ("Invitee Letters") of the Roundtable Meeting to licensees who are "named or alleged" in the claim or lawsuit. Contractor shall use last known address information for those attendees who are no longer employees. Such notices shall be sent out no later than five (5) weeks before the date of the scheduled Roundtable Meeting, if practical.

5.10 On each Case File, Contractor shall be responsible to prepare, obtain, review, and provide to County, each Report described below in Paragraph 7.0 (Mandatory Reports), as well as those other reports described elsewhere.

5.11 Contractor shall attend, participate in, and monitor all trials and other court appearances generally attended by adjusters (Mandatory Settlement Conferences). The extent of trial monitoring will be case-by-case and will be discussed by Contractor with County Counsel.

5.12 Court Appearance by County Counsel

In those instances where County Counsel is ordered to appear in Court, Contractor shall be required to do the following:

5.12.1 Contractor shall notify County Counsel of the date of the appearance within seventy-two (72) hours of Contractor being aware of the court order, and Contractor will brief County Counsel on the facts and circumstances of the matter for the purpose of identifying and anticipating the problems and issues to be addressed at the scheduled court appearance.

5.12.2 Contractor shall be present in court on the date ordered, unless otherwise excused by County Counsel.

5.12.3 Contractor shall confer with Defense Panel Member regarding the court ordered appearance and ensure that the lawyer that is assigned to try the case will also be present, unless otherwise excused by County Counsel.

5.13 Legal Fees and Allocated Expenses

Under the general supervision and instruction of County Counsel, Contractor has the specific responsibility for monitoring, auditing, and approving Legal Defense Fees and Allocated Expenses.

5.13.1 Contractor shall ensure that members of the Defense Panel will

submit bills in the manner set forth in their contract with the County, in accordance with County Counsel Billing Guidelines, Appendix C (Technical Exhibits), Exhibit 7 and consistent with the processes of "E-Billing." The bills will be submitted via the existing County billing system.

5.14 Settlement Negotiations

Unless otherwise instructed by County Counsel, with concurrence with the CCA, or designee, Contractor shall supervise, conduct, monitor, and/or participate in settlement negotiations, or participate in settlement negotiations with the Defense Panel Member(s).

5.14.1 Within five (5) days of receipt, Contractor shall advise County Counsel of all oral or written demands to settle in excess of \$100,000.

5.15 Writs and Appeals

Any appeal or petition for other review requires the approval of County Counsel. Contractor shall submit, in writing, all requests to appeal or petition for other review on any litigated matter. Contractor shall clearly state reason(s) supporting the recommended action. County Counsel will advise Contractor whether the Writ should be filed, and by which member of the Legal Defense Panel.

6.0 SPECIFIC WORK REQUIREMENTS: INDEMNIFICATION/HOLD HARMLESS AGREEMENTS

Contractor shall identify and evaluate indemnification/hold harmless agreements which may provide indemnification for the County by other parties.

6.1 Contractor shall investigate the existence of any related indemnification/hold harmless agreements which might provide the County with indemnification rights regarding an incident, claim, or lawsuit.

6.2 As soon as practicable, but in no event more than ten (10) days of determining that the agreement is enforceable, the Contractor shall tender the defense and indemnification of the County to the appropriate indemnitor(s) with written notification to the CCA. The Contractor shall make reasonable efforts to obtain a timely response to the tender.

6.3 If the Contractor tenders the matter during the incident or claim phase and the indemnitor(s) refuses or fails to respond to the Contractor's demand for indemnification within thirty (30) calendar days of the request, Contractor shall notify the CCA and County Counsel.

6.4 During the pendency of a lawsuit, the Contractor shall notify the CCA and County Counsel Supervising Attorney prior to tendering the defense or demanding the indemnification of the County and shall obtain the concurrence of both parties before making such a demand. If the indemnitor refuses to accept the tender or fails to respond within thirty (30) calendar days of the Contractor's initial written demand, Contractor shall notify the County Counsel Supervising Attorney and the assigned Contract Law Firm within two (2) business days of the third party's refusal or the expiration of the response period.

6.5 If the indemnitor rejects or fails to timely respond to an indemnification demand in either the claim or litigation phase, the Contractor's notice to the CCA and County Counsel shall include:

6.5.1 A letter detailing the steps the Contractor took to tender the matter to the third-party;

6.5.2 Copies of all tender letters; and

6.5.3 Contractor's recommended course of action.

6.6 Reimbursement

Contractor shall take all necessary actions, including timely notification, to assist the County in recovering reimbursement for County liability through third-party subrogation, reinsurance, apportionment, and/or contributions on cases involving shared liability.

6.6.1 Contractor shall monitor all incidents, claims, and lawsuits for potential subrogation recoveries; prepare correspondence to effect collection or, at the request of the County, refer subrogation claims information to the CCA and County Counsel for subrogation recovery assignment. Contractor shall provide necessary information and assistance to legal counsel assigned to the subrogation claim.

7.0 MANDATORY REPORTS

7.1 Contractor shall be responsible for preparing and submitting to designated County personnel, the following mandatory reports:

7.1.1 Case Management Report (CMR)

7.1.1.1 CMR shall be prepared by Contractor on every open File, whether opened in response to an incident or a claim. Litigation Management Updates will count as CMR's.

- 7.1.1.2 CMR's will not be sent on litigated matters. Contractor shall monitor reports from Defense Counsel on litigated matters.
- 7.1.1.3 The CMR will serve as a summary of all significant case activity and developments, and will include, but not be limited to, the following information: name of injured party or claimant; date of incident; a brief and accurate summary of the facts; nature of injury; amount of damages claimed; current status of the investigation; case number, where applicable; and amount of settlement demand, where applicable.
- 7.1.1.4 The data grid of the CMR or Litigation Management Update may be drawn from RMIS or bea Profile.
- 7.1.1.5 Contractor shall submit a brief initial CMR to the CCA, County Counsel, and Department Liaison approximately thirty (30) days after opening of a Claim File. An updated CMR covering interim developments shall be provided every ninety (90) days thereafter on all open Incident and Claim Files. A comprehensive CMR shall be submitted at completion of investigation or six (6) months, whichever is earlier.

7.1.2 Litigation Management Update

- 7.1.2.1 This is the primary method of communication with County Counsel. Litigation Management Update's generally occur after the onset of litigation. These reports are event-driven, episodic, formatted, and represent a snapshot in time with an assessment and, usually, a recommendation for that interval.
- 7.1.2.2 Contractor will provide an LMU to County Counsel for each Claim File scheduled for mediation/arbitration upon of Contractor's knowledge that a Claim File is scheduled to be mediated/arbitrated.

7.1.3 Ad Hoc Reports

Contractor may be required to provide other reports on an adhoc basis. Ad hoc reports are those reports generated at the request of the County on an informal and improvised basis. The Contractor will be required to provide such reports on an expedited basis at the request of the CCA or the Litigation Cost Manager, or his/her designee. The Litigation Cost Manager, or his/her designee, will

notify the CEO Risk Management Branch staff when County Counsel requires/requests such reports.

7.1.4 Business and Professions Code Section 801

Contractor shall prepare and submit reports as required by State Business and Professions Code 801.1 et. Seq., including, but not limited to, the State of California Healing Arts Board, Board of Registered Nursing, and Hearing Aid Dispensers Examining Committee. The County will provide factual information.

7.2 Monitoring of Legal Defense Panel Reports

For each Case File assigned to Legal Defense Panel Members, Contractor shall obtain and evaluate the following reports that are prepared by the Legal Defense Panel members, in a format as required by County Counsel.

7.2.1 Case Evaluation and Plan (CEP) and Budget

As set forth in the Liability Severity Index, and following the processes of “E-Billing,” for each Case File that has been assigned to a legal Defense Panel Member, the Legal Defense Panel Member is required to submit to County Counsel a “Case Evaluation and Plan” (CEP) and budget. The CEP is a confidential and independent evaluation of the Allegation File and serves as a basis for controlling litigation costs and documenting the County’s legal position, strategy, and status. It is based on the Legal Defense Panel Member’s evaluation of the pleadings, discovery, reports, other documents; examination of physical evidence (if any); and review of any other matters as deemed appropriate and necessary.

7.2.2 Trial Counsel Report (TCR)

The purpose of this report is to provide a complete, concise analysis of the case as it currently exists. Each TCR must include a current Named and Alleged Report. The report is due within ninety (90) days after Legal Defense Panel assignment of a new case. The report shall include priority code, case name, File number, court case number, involved County Department, assigned adjuster, date of incident, opposing counsel, assigned judge, pending court or mediation dates, and an overview of the case.

7.2.3 Case Status Reports and Status Update Reports (CSR)

Case Status Reports and Updates will be prepared by Defense Counsel and submitted in accordance with the Liability Severity Index.

7.2.4 Trial Calendar Report

On the 15th day of every month, the Contractor shall submit a report which lists all lawsuits scheduled (pending) for trial in the following month. The report shall indicate the case name, County database number, priority level, trial date, judge/court, type of action, legal fees and costs expended to date, County Department, the Contract Law Firm, and the plaintiff attorney. In a separate section, the report shall also list the disposition of all cases set for trial in the preceding month. This report will contain the same information as is in the "pending" trial report, together with additional information related to the disposition of the case set for trial, such as the trial result, settlement amount, reason for dismissal, or that the case was continued.

7.2.5 Trial Status Report

The Contractor may be asked to attend each day of trial and provide a report to the CCA and County Counsel at the conclusion of each day regarding trial developments. The report shall summarize each day's developments and will be submitted as soon as reasonable at the end of the court day. The daily report should include significant rulings, an assessment of the effectiveness of the Contract Law Firm, a description of any settlement demands or discussions, and any recommendations regarding settlement. The Contractor shall immediately notify the CCA and County Counsel if any verdict or decision is rendered in the case.

7.3 Contractor's Reports

Reports programmed into County's RMIS will be generated and provided by email to RMIS system users by County's RMIS service provider. Contractor shall provide other periodic reports required by the CCA and the Chief Executive Officer, or designee, to enable analysis and monitoring of incidents, claims, frequency, severity, funding/departments, cause, fiscal status, law firm activity, location, claim activity trends, lawsuits settlements, allocated costs, reserve aging, litigation defense activity, legal fees and costs, and disposition of lawsuits. Reports that Contractor will provide are specified in this Paragraph 7.0.

8.0 FINANCIAL AND RELATED ADMINISTRATIVE SERVICES MANAGEMENT

Contractor shall provide a full range of financial and related administrative services. This includes, but is not limited to, the following:

8.1 Expense Payments on Non-Litigation Files

Contractor shall be responsible for reviewing and approving all expense invoices for all files not assigned to Defense Counsel. These expense payments are generally, but not always, related to the copying of medical records, other records, or translation services. Once approved, these payments will be entered into RMIS for processing and payment by the County's eCAPS payment processing system. Contractor will attach a copy of the invoice(s) to the payment in RMIS. CEO will have final approval authority for such payments.

8.2 Indemnity Payments

8.2.1 Contractor shall be responsible for initiating all Indemnity payments. Indemnity payments will be entered into RMIS for processing and payment by the County's eCAPS payment processing system. Contractor will attach copies of all required supporting documentation to the payment in RMIS. CEO will have final approval authority for such payments.

8.2.2 Indemnity payment supporting documentation will include a signed release and concurrence. Some payments will require additional supporting documentation such as: Approved Minors' Comp, copy of annuity broker letter for annuity premium requests, copy of Medi-Cal net lien notice, and copy of Medicare net lien notice.

8.3 Expense Payments on Litigated Files

8.3.1 Defense counsel is responsible for entering their invoices for time and expense into the County's e-billing system. Contractor shall review the billing invoices for accuracy, appropriateness of work, expense charges, and reasonableness. If for any reason Contractor determines that the billing invoice is unacceptable, the invoice shall be returned to the Contract Law Firm for modification and resubmission.

8.3.2 Upon completion of the above, Contractor shall approve all legal invoices in the County's e-billing system within thirty (30) days. Contractor will document invoice approval in notes, including invoice number(s) in RMIS.

8.3.2 CEO will have final approval authority for such payments. For payments not approved by CEO, Contractor will research CEO concerns and report back to CEO. Payment may then be finalized by CEO or payment may be rejected back to Contractor for further research or for rejecting back to Defense Counsel for revision and/or correction.

8.3.3 Contractor will enter W-9 information into RMIS and attach a copy of the W-9 to RMIS. This will enable CEO Fiscal staff to activate vendors in RMIS.

8.4 Fraud

Contractor shall immediately report to the CCA any alleged, suspected, or known incident involving any fraud. Contractor shall be liable for any loss to the County resulting from the Contractor's failing to report such an incident within forty-eight (48) hours upon discovery of such incident.

9.0 QUALITY CONTROL

Contractor shall establish, maintain, and utilize a Quality Control Plan to ensure that the requirements of this contract are met. The Plan shall be provided to and approved by the CCA, or designee, no later than ten (10) business days before services under the Contract are rendered. The Plan shall be effective on the date of implementation and be updated and re-submitted to the CCA for approval as changes occur. The Plan shall include, but not be limited to:

- 9.1 Method for ensuring financial transactions, services, deliverables, and requirements defined in the Contract are provided at or above the level of quality agreed upon by the County and the Contractor.
- 9.2 Method for identifying and preventing deficiencies in the quality of service provided under the Contract before the level of performance becomes unacceptable.
- 9.3 A record of all inspections conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, shall be provided to the County upon request.

10.0 QUALITY ASSURANCE PLAN

The Chief Executive Officer, or designee, will evaluate Contractor's performance under the Contract to ensure contract compliance and achievement of performance standards. Such evaluation will include assessing Contractor's compliance with all contract terms.

As part of the County's quality assurance for the Contract, the County currently uses an outside claim auditing service to review the Contractor's services. Currently, these audits occur annually and involve a detailed review of approximately fifty (50) Files. This, however, is subject to change at the County's discretion.

10.1 Scheduled Meetings

Contractor is required to attend all scheduled meetings. Such meetings shall be used to review Contractor's performance and County's monitoring functions, and to discuss methods and procedures to maintain or improve effectiveness of services. Failure to attend will cause an assessment of fifty dollars (\$50).

10.2 Contract Discrepancy Report (Technical Exhibits to the Statement of Work, Exhibit 2)

Verbal notification of a Contract discrepancy will be made to the CCA as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor.

The CCA will determine whether a formal Contract Discrepancy Report will be issued. In no event should the County's failure to give notice of a contract discrepancy be interpreted to mean that the County waives its right to the Contractor's full compliance with any and all terms and conditions of this contract. The Contractor Claims Manager, or designee, shall resolve the contract discrepancy within a time period agreed upon by the CCA and the Contractor. Written notification of the contract discrepancy will either be hand delivered or sent by certified mail to the Claims Manager who will sign for receipt.

Upon receipt of the written notice of contract discrepancy, the Contractor is required to respond via telephone and in writing to the CCA within five (5) business days. The Contractor shall respond to the CCA, or designee, by either acknowledging the reported discrepancies or presenting contrary evidence. A plan to correct all of the deficiencies identified in the written notice shall be submitted to the CCA, or designee, within ten (10) business days of receipt of the notification by the Contractor. If the Contractor

disputes the contract discrepancy, the CCA will evaluate the Contractor's explanation and determine what further action, if any, should be taken. Failure on the part of the Contractor to perform at the level required by this contract shall constitute a material breach of this contract and subject the contract to being terminated or fees for this contract being reduced.

10.3 Fraud Investigation

The CCA, or designee, will evaluate the internal controls established by Contractor to protect against fraudulent activity, incorrect or improper claims processing, inappropriate settlement and/or disbursement, and any other illegal activity related to the services provided under the Contract.

10.4 County Observations

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

10.5 Department Liaisons

One or more persons will be designated by each County Department to work with the CCA, Quality Assurance Evaluator, and Contractor. There are approximately thirty (30) Departmental Liaisons who will be responsible for:

- 10.5.1 Ensuring required Department documents are provided to Contractor.
- 10.5.2 Discussing allegations, incidents, and lawsuits with Contractor as needed, including attending Roundtable Meetings.
- 10.5.3 Providing concurrence of the factors of settlement for settlements for their Department.
- 10.5.4 Providing input to the CCA on Contractor's performance.

10.6 Department Facility Liaisons

10.6.1 DHS has the following twelve (12) separate and distinct health care facilities:

- 10.6.1.1 LAC+USC Medical Center
1200 North State Street, Los Angeles, CA 90033.
- 10.6.1.2 Harbor/UCLA Medical Center
1000 West Carson Street, Torrance, CA 90509.
- 10.6.1.3 Olive View/UCLA Medical Center
14445 Olive View Drive, Sylmar, CA 91342.
- 10.6.1.4 King/Drew Medical Center
12021 South Wilmington, Los Angeles, CA 90059.
- 10.6.1.5 High Desert Health System
44900 North 69th Street, Lancaster, CA 93538.
- 10.6.1.6 Rancho Los Amigos National Rehabilitation Center
7601 East Imperial Highway, Downey, CA 90242.

10.6.1.7 Hubert H. Humphrey Comprehensive Health Center
5850 South Main Street, Los Angeles, CA 90003.

10.6.1.8 H. Claude Hudson Comprehensive Health Center
2829 South Grand Avenue, Los Angeles, CA 90007.

10.6.1.9 Edward R. Royall Comprehensive Health Center
254 South Fetterly Avenue, Los Angeles, CA 90022.

10.6.1.10 Long Beach Comprehensive Health Center
1333 Chestnut Avenue, Long Beach, CA 90813.

El Monte Comprehensive Health Center
10953 Ramona Boulevard, El Monte, CA 91731.

Mid Valley Comprehensive Health Center
7515 Van Nuys Boulevard, Van Nuys, CA 91405.

10.6.2 One or more persons will be designated as a Department Facility Liaison by each of the above facilities to work with CCA, QAE, and Contractor. The Department Facility Liaison will be responsible for:

1. Ensuring required Department documents are provided to Contractor;
2. Discussing allegations, incidents, and lawsuits with Contractor, as needed, including attending Roundtable Meetings;
3. Providing concurrence of the factors of settlement for their facility settlements; and
4. Providing input to the CCA on Contractor's performance.

10.6.3 The DHS Department Liaison will have final authority for all matters pertaining to DHS' facilities. Any problems or conflicts arising between the Contractor and the Department Facility should be referred to the DHS Department Liaison.

11.0 INFORMATION MANAGEMENT

11.1 Contractor shall use the County's Risk Management Information System (RMIS) for services required under this Contract. The Contractor shall secure, prior to the effective date of this Contract and maintain during the course of the Contract, required hardware and software that is compatible with the County's RMIS. In the event that County implements a new RMIS during the term of the Contract, Contractor shall be required to make any

modifications and necessary system changes to be able to interface with County's system at no additional cost to County. See Appendix C (Technical Exhibits), Exhibit 5 (County's Risk Management Information System, which describes the current system requirements for proper functional and secure access to RMIS.

- 11.2** The majority of the needed information will be available through the use of the County's RMIS. The County's RMIS functions include, but are not limited to, claims, e-billing, and vendor management necessary for transmitting/interfaces payment information, payment and payment approvals, and ad hoc reports.

11.2.1 System Data Maintenance

Contractor shall, on a daily basis, accurately input, update, and maintain all data fields on the County's RMIS for all matters administered by Contractor.

11.2.2 County System Training

County will provide necessary system instructional material and security information and will provide initial system training to Contractor's staff. County will provide follow-up training to Contractor's key information system staff. These key information staff shall provide training, as needed, to Contractor's staff on the use of the system.

12.0 EDUCATION PROGRAMS

12.1 Education for County Staff

Contractor shall initiate and maintain ongoing educational programs, furnish seminars, and training sessions for the benefit of County personnel concerning incidents, claims, lawsuits, and risk control issues, participate in County Risk Control Committees when requested by the CCA, and submit risk management information to the CCA and Department Liaison to enable implementation of practical and effective programs to reduce County's future liability costs.

12.2 Continuing Education for TPA Staff

Contractor shall provide ongoing claims administration training to its staff to ensure they are knowledgeable about the latest developments in liability risk management and claims administration practices.

In-service education shall be an established program for Contractor, with emphasis placed upon incident evaluation, new employee orientation,

employment-related liability, establishment and adjustment of reserves, claims investigation, and other significant related issues.

13.0 CONTRACTOR'S RESPONSIBILITIES

Contractor shall provide all staff, facilities, materials, in-house information systems, and equipment necessary to provide required services, except as specified in this Statement of Work and elsewhere in the Contract.

13.1 Personnel

Contractor shall assign a sufficient number of employees to perform the required work. At least one employee on site shall be authorized to act for Contractor in every detail and must speak and understand English.

13.1.1 Claims Manager

- 13.1.1.1 Contractor shall provide a full-time Claims Manager or a designated alternate. County must have access to the Claims Manager during all hours, 365 days per year. Contractor shall provide a telephone number where the Claims Manager may be reached on a twenty-four-(24)-hour-per-day basis.
- 13.1.1.2 Claims Manager shall be exclusively dedicated to the daily administration and supervision of Contractor's activities under this Contract.
- 13.1.1.3 Claims Manager or designated alternate shall have full authority to act for Contractor on all matters relating to the daily operation of the Contract. Claims Manager, or alternate, shall be able to effectively communicate in English, both orally and in writing.
- 13.1.1.4 Claims Manager shall have a minimum of five (5) years of medical malpractice and liability claims work experience, as well as public entity claims workexperience within the last five (5) years.

13.1.2 Information System Manager

- 13.1.2.1 Information System Manager shall ensure that Contractor's staff is trained in the use of the County's information system.
- 13.1.2.2 Information System Manager shall ensure that Contractor's staff is trained to process and provide ad hoc report requests from the CCA, County Counsel, and

Department Liaisons.

- 13.1.2.3 Information System Manager shall ensure that Contractor's staff is trained to run regular reports and distribute them timely to County Departments or personnel, as directed by the CCA.

13.1.3 Contractor Claims Staff

Contractor shall provide claims staff dedicated solely to administer and manage incidents, claims, and lawsuits filed against County. To avoid any potential conflict of interest, these staff shall not administer or manage any incidents, claims, or lawsuits on behalf of any client other than the County. Failure to comply with this requirement shall constitute a material breach of the Contract upon which County may immediately terminate or suspend the Contract.

Contractor's staff shall include Supervising Claims Specialists, Claims Specialists, Support Staff, and Medical/Legal Consultant(s) who meet the minimum requirements listed below.

13.1.3.1 Supervising Claims Specialist

1. Have a minimum of five (5) years medical malpractice/hospital liability claims experience within the last five (5) years.
2. Review and approve all file reserves and settlements.
3. Oversee the claim administration and Contract Law Firm management efforts of claims staff.

13.1.3.2 Claims Specialist

1. Have a minimum of three (3) years medical malpractice/hospital liability claims work experience within the last five (5) years.
2. Administer incidents and claims and manage lawsuits to handle.
3. Attend settlement conferences and meetings as directed by the Supervising Claims Specialist.

13.1.3.3 Support Staff

1. Contractor shall provide qualified and experienced clerical and other support staff to provide the following services:

- a. Daily pick-up and deliveries between CEO Risk Management Branch, County Counsel, DHS Facilities, and Contractor.
- b. Match and distribute mail to appropriate claims personnel within one (1) business day of receipt by Contractor.
- c. Process and mail correspondence, forms, and legal notices within forty-eight (48) hours of assignment or receipt.
- d. Enter incident reports not already entered into RMIS and other risk management information system within one (1) business day after receipt by Contractor.

13.1.3.4 Medical/Legal Consultant(s)

1. Medical/Legal Consultant(s) shall have a minimum of five (5) years medical malpractice/hospital liability claims consultation experience within the last (5) years.
2. Medical/Legal Consultant(s) will perform medical/legal reviews to assess the medical procedures utilized, the medical services provided, and the medical outcome to assist Contractor in the timely identification and assessment of potential County liability. Such Medical/Legal Consultant(s) may be an independent contractor.

13.1.4 Contractor Employee Acceptability

County shall have the right to approve Contractor's recommendations for professional staff positions. The Contractor shall remove, at the CCA's request, any employee or subcontractor providing services to the County under the Contract. The Contractor shall not subcontract with any personnel for performance of services hereunder unless the provisions in Subparagraph 8.40 of the Contract are met.

13.2 Contractor Furnished Items

13.2.1 Materials and Equipment

Contractor shall purchase all materials and equipment needed to provide the services required under this Contract. Contractor shall

use materials and equipment that are safe for the environment and safe for use by its employees.

13.2.2 Workspace

Contractor shall provide training programs for all new employees and continuing in-service training for all employees. Periodic mandatory training may be provided by County Counsel

13.2.3 Training

13.2.3.1 Contractor shall provide adequate workspace, including access to all County-related files and other information, email, and telephone services, and free parking for one County monitor, as necessary for required program auditing or monitoring.

13.2.3.2 All employees shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All employees must wear safety and protective gear according to OSHA standards.

13.2.4 Administration Claims Procedures Manual

Within ninety (90) days of the contract being awarded, the Contractor shall develop and maintain a Claims Procedures Manual that the Contractor will use to guide its administration of incidents, claims, and litigation activities under the Contract.

13.2.4.1 The Contractor's Claims Procedures Manual should cover all areas of responsibility. The Contractor should also include, for each responsibility and/or task, a description of the subject and the procedure(s) to be followed, which should incorporate, at a minimum, the activities, communication, and reporting obligations related to the topic.

13.2.4.2 Contractor's Claims Procedures Manual shall be provided to the CCA and County Counsel and be utilized by Contractor's claims staff handling County claims.

The Contractor shall periodically review the procedures with the CCA to ensure the services provided are in compliance with the Contract and meet or exceed sound incident and claim administration and lawsuit management. The Contractor will implement improvements as needed to increase productivity and to enhance the quality of the services provided.

13.3 Administrative Responsibilities

13.3.1 Physical Security

Contractor shall be responsible for safeguarding all County property provided for the Contractor's use. At the close of each workday, the cases, files, supplies, equipment, and computer access shall be secured.

13.3.2 Employee Records

Contractor shall keep current and accurate records of all its employees providing services under the Contract. Such records shall include a "Contractor Employee Acknowledgment and Confidentiality Agreement" (see Exhibit G2, Exhibits to the Contract), date of employment, current address, phone number, current salary, and required licensing background pertinent to the provision of the Contract. Any non-employee records shall include a "Contractor Non-Employee Acknowledgment and Confidentiality Agreement" (see Exhibit G3, Exhibits to the Contract)

13.3.3 Record Retention

All files will be retained for a minimum of five (5) years beyond the date they are closed. No Files may be destroyed without the CCA's approval and the Contractor shall be responsible for storage of all retained files during the term of the Contract, at Contractor's cost.

13.3.4 Other County Contractors and Vendors

The County has relationships with a number of private agencies and businesses to provide services related to the management of claims, such as structured settlement brokers and legal defense firms. Contractor shall use only those companies approved for use by the County and shall utilize a rotational system for making these assignments, unless otherwise instructed by the CCA or County Counsel.

13.3.5 Email

Contractor shall maintain the capacity to send and receive email for, at a minimum, each administrator, supervisor and claims staff member. Contractor shall comply with the CCA specified email protocol dealing with content and confidentiality when using email for County information.

13.3.6 Delivery to CCA, County Counsel, and DHS Liaison

Pickup and delivery of mail between the CCA, County Counsel, DHS Liaison, and Contractor, as needed. Contractor may use delivery services or U.S. mail as deemed appropriate.

13.4 Business Continuity Plan

Within six (6) months of the Contract being awarded, the Contractor shall provide a written Business Continuity Plan that describes a structured and integrated process that ensures the uninterrupted provision of services following an event which could interrupt Contractor's operations.

The Plan shall include, but not be limited to, the following information:

- Description of critical services and business processes.
- Contractor policies and procedures to assure continued business following an event.
- Name, address, telephone number, facsimile number, and contact and other information for alternative business processes and locations following an event.

Contractor shall provide CCA with annual Business Continuity Plan updates to ensure continuity of operations.

14.0 HOURS/DAY OF WORK

Contractor shall maintain an office with a telephone in the company's name where Contractor conducts business. Contractor shall provide the services required by this Contract Monday through Friday between the hours of 8:00 a.m. through 5:00 p.m., except for County-recognized holidays. County will provide Contractor a list of County-recognized holidays. The office shall be staffed during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, by at least one employee who can respond to inquiries and complaints which may be received about the Contractor's performance of the Contract.

14.1 Emergency Notifications

Contractor shall have one (1) claims staff that is accessible twenty-four (24) hours a day, to the CCA and/or other County staff, for emergency consultation and immediate reporting of severe injury incidents. The Contract Manager or the Claims Manager shall be immediately available to the designated claims staff for consultation.

15.0 COUNTY RESPONSIBILITIES

15.1 County Counsel Liaison

County Counsel retains final authority on all legal matters. In addition, the County Counsel Liaison shall have responsibility for the overall management of legal defense services, which shall include, but not be limited to, the addition or deletion of Legal Defense Panel members, the assignment of litigation to the defense panel, review and approval of litigation strategy, Legal Defense Panel firms' billings, and advice on legal issues, as may be requested by Contractor.

The CCA will seek input from County Counsel Liaison on Contractor's performance.

15.2 Quality Assurance Evaluator (QAE)

The County will designate one (1) or more persons who will act as a Quality Assurance Evaluator(s) for the County on all services, requirements, and deliverables pertinent to the Contract, and monitor the Contractor's performance using procedures that may be necessary to ascertain that the Contractor is in compliance with the Contract. The County will inform the Contractor of the name, address, and telephone number of the QAE, in writing, at the time the Contract is awarded, and at any time thereafter a change of QAE is made.

The QAE and the CCA may be the same person. The QAE is not authorized to make any changes in the terms and conditions of the Contract or to obligate the County in any way whatsoever.

16.0 PAYMENTS AND ADJUSTMENT TO PAYMENTS

16.1 Adjustments to Payments to Contractor

Contractor shall reimburse the County for any overpayment, fine, penalty, or other cost incurred due to the Contractor's failure to comply with State of California statutes, codes, regulations, or any term or condition of the Contract.

16.1.1 Such failure includes, but is not limited to, the following:

- 16.1.1.1 Late payment or nonpayment of any benefit to any applicant or medical provider resulting in penalty or attorney fees.
- 16.1.1.2 Overpayment of any benefit owed to any applicant, any lien claimant, or other party in a case due to Contractor's failure to comply with the performance standard set forth

in the Statement of Work.

16.1.1.3 Excessive payment of any benefit to any applicant, lien claimant, or other party in a case due to Contractor's failure to comply with the performance standard set forth in the Statement of Work.

16.1.1.4 Fines and/or administrative penalties assessed against the County due to the Contractor's failure to comply with the performance standard set forth in the Statement of Work.

16.1.2 Notice of Assessment of Adjustments to Payments

County shall give notice to the Contractor of any assessment of adjustments to payments pursuant to this Subparagraph 16.1. The Contractor shall have sixty (60) calendar days to respond in writing to the notice. If the Contractor does not respond to the notice within sixty (60) days, the Contractor shall lose its right to dispute the assessment. The response shall include, but not be limited to, the following:

16.1.2.1 Evidence that a penalty was not incurred, or an overpayment or excessive cost was not made.

16.1.2.2 Evidence that the Contractor's act(s) and/or omission(s) did not cause the penalty, overpayment, or excess cost.

16.1.2.3 Evidence that the Contractor obtained prior written approval from an authorized County official.

16.1.3 Second Level Dispute Resolution Process

If, after receipt of Contractor's response to County's notice of assessment of adjustment to payments the County and Contractor are in disagreement, a second-level dispute resolution process will be conducted. The CCA, or his/her appointed designee, and an appropriate Contractor designee shall review the evidence and resolve the dispute. The second-level dispute resolution process shall be completed within sixty (60) calendar days.

At the end of the second-level dispute resolution process, County shall be entitled to reduce Contractor's monthly invoices for assessments of adjustments to payments.

16.2 County Audits of Third-Party Administrator (TPA) Financials and Performance

Contractor's staff shall fully cooperate with all County audits. Financial, performance and related audits may be performed by the CCA, or designee, and may be conducted by outside auditing services at County's sole discretion. Such audits shall be scheduled at a frequency determined by County.

16.3 Fee Reduction for Failure to Develop and Implement Procedures Manual and Business Continuity Plan

If the Claims Administration Procedures Manual, Business Continuity Plan, and the Quality Control Plan are not developed and actively implemented and integrated into the County claims unit within the specified number of days from Contract inception date, payments shall be reduced to Base Fee, less five percent (5%), until these requirements are met.

16.4 Adjustment to Payments Following Audit

If, at any time during the term of this Contract or five (5) years after the expiration or termination of the Contract, authorized representatives of the County conduct an audit of Contractor regarding the services provided to County hereunder and if as a result of such audit it is determined that County's dollar liability for such services is less than payments made by County to Contractor, then Contractor agrees the difference, at the CCA's option, shall be either: 1) repaid forthwith by Contractor to County by cash payment, or 2) credited against any future payments hereunder to Contractor.

If as a result of such audit it is determined that County's dollar liability for services provided hereunder is more than payments made by County to Contractor, then the difference shall be paid to Contractor by County, provided that in no event shall County's maximum obligation exceed the amount appropriated by Board.

17.0 GREEN INITIATIVES

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

17.2 Contractor shall notify CCA of Contractor's new green initiatives prior to the Contract commencement.

18.0 PERFORMANCE REQUIREMENTS SUMMARY

A Performance Requirements Summary (PRS) chart, Exhibit 6 of Appendix C (Technical Exhibits) to the Statement of Work, listing required services that will be

monitored by the County during the term of this Contract is an important monitoring tool for the County. The chart should:

- reference section of the contract;
- list required services;
- indicate method of monitoring; and
- indicate the deductions/fees to be assessed for each service that is not satisfactory.

All listings of services used in the Performance Requirements Summary (PRS) are intended to be completely consistent with the Contract and the Statement of Work, and are not meant in any case to create, extend, revise, or expand any obligation of Contractor beyond that defined in the Contract and the Statement of Work. In any case of apparent inconsistency between services, as stated in the Contract, the Statement of Work, and this PRS, the meaning apparent in the Contract and the Statement of Work will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Contract and the Statement of Work, that apparent service will be null and void.

DATES: **Prepared:** _____

Returned by Contractor: _____

Action Completed: _____

Date

Date

Date

Contractor Representative's Signature and Date _____

PERFORMANCE REQUIREMENTS SUMMARY CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Contract, Paragraph 4.0, Term of Contract, Subparagraph 4.3	Contractor shall notify CCA when this Contract is within six (6) months of the expiration of the term.	Inspection & Observation	\$50 per occurrence per day Contractor lapsed notification
Contract, Paragraph 5.0, Contract Sum, Subparagraph 5.3, Notification of 75% of Total Contract Sum	Contractor shall notify County when it has incurred seventy-five percent (75%) of the total contract sum under this Contract.	Inspection & Observation	\$50 per occurrence per day Contractor lapsed notification
Contract, Paragraph 5.0, Contract Sum, Subparagraph 5.5, Invoice and Payments Subparagraph 5.5.4	Contractor shall submit the monthly invoices to the County by the 15 th calendar day of the month following the month of service.	Inspection & Observation	\$50 per occurrence per day Contractor lapsed submission
Contract, Paragraph 7.1, Administration of Contract	Contractor shall notify County in writing of any change in the name or address of the Contractor's Claims Manager	Inspection & Observation	\$50 per occurrence per day Contractor lapsed notification
Contract, Paragraph 7.0, Administration of Contract – Contractor, Subparagraph 7.3, Contractor's Staff Identification Subparagraph 7.3.2	Contractor shall notify County within one (1) business day when staff is terminated from working under this Contract. Contractor shall retrieve and return an employee's County ID badge to the County on the next business day after the employee has terminated employment with the Contractor.	Inspection & Observation	\$50 per occurrence per day Contractor lapsed notification

Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.5, Complaints Subparagraph 8.5.2.1	Contractor shall provide the County with the Contractor's policy for receiving, investigating and responding to user complaints within ten (10) business days after the Contract effective date	Inspection & Observation	\$50 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.5, Complaints Subparagraph 8.5.2.3	Contractor shall make changes as requested by County to the compliant policy and resubmit within five (5) business days for County approval.	Inspection & Observation	\$50 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.5, Complaints Subparagraph 8.5.2.5	Contractor shall preliminarily investigate all complaints and notify the County's Contract Manager of the status of the investigation within five (5) business days of receiving the complaint.	Inspection & Observation	\$50 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.5, Complaints Subparagraph 8.5.2.7	Contractor shall send copies of all written responses to the County's Project Manager within three (3) business days of mailing to the complainant.	Inspection & Observation	\$25 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.24, General Provisions for all Insurance Coverage Subparagraphs 8.24.2.1 and 8.24.2.2	Contractor shall provide certificate(s) of insurance coverage (Certificates) satisfactorily to County, and a copy of an Additional Insured endorsement confirming County and its Agents. Renewal Certificates shall be provided to County not less than ten (10) days prior to Contractor's policy expiration date.	Inspection & Observation	\$50 per occurrence of failed compliance

Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.24, General Provisions for all Insurance Coverage Subparagraph 8.24.4, Cancellation of or Change in Insurance	Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance at least ten (10) days in advance of cancellation for non-payment or premium and thirty (30) days in advance for any other cancellation or policy change.	Inspection & Observation	\$50 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.24, General Provisions for all Insurance Coverage Subparagraph 8.24.11, Claims Made Coverage	Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.	Inspection & Observation	\$50 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.34, Notices	Contractor shall notify County by giving ten (10) days prior written notice of any changes to the Exhibit F – Contractor's Administration.	Inspection & Observation	\$25 per occurrence of failed compliance
Contract, Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.38, Record Retention and Inspection/Audit Settlement	Contractor shall maintain all records as specified	Inspection & Observation	\$25 per occurrence of failed compliance
Contract: Subparagraph - 8.40.1. Subcontracting	Contractor shall obtain County's written approval prior to subcontracting any work	Inspection & Observation	\$50 per occurrence; possible termination for default of contract
SOW: Paragraph - 9.0. Quality Control	Contractor shall provide to CCA a comprehensive Quality Control Plan (10) business days prior to effective date of Contract	Inspection & Observation	\$25 per day late
SOW: Paragraph - 10.1. Scheduled Meetings	Contractor's representative to attend scheduled meetings as directed by CCA	Attendance	\$50 per missing meeting

SOW: Paragraph - 13.2.4. Administration Claims Procedure Manual	Contractor shall provide a Claims Procedure Manual to staff and CCA within ninety (90) days of Contract award	Inspection and Observation	\$25 per day late
SOW: Paragraph - 13.3.1. Physical Security	Contractor shall ensure security of all County property, claims and files, computer access, etc.	Observation	\$50 per occurrence
SOW: Paragraph - 13.4. Business Continuity Plan	Contractor shall provide a written Business Continuity Plan to staff and CCA within one hundred eighty (180) days of Contract award	Inspection & Observation	\$25 per day late
SOW: Paragraph - 13.4. Business Continuity Plan	Contractor shall ensure continuity of operations to CCA and update Business Continuity Plan annually	Inspection and Observation	\$50 per occurrence

CLAIMS AND CASELOAD DATA
Loss Experience from 7/1/16 to 6/30/21

	FISCAL YEAR (July 1 thru June 30)					5 Year Total	Annual Average
	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021		
Medical Malpractice							
Cases ¹	115	114	100	90	81	500	100
General Liability							
Cases ¹	57	50	44	58	96	305	61
Subtotal	172	164	144	148	177		
FISCAL YEAR TOTALS	<u>172</u>	<u>164</u>	<u>144</u>	<u>148</u>	<u>177</u>		

¹Cases = Claims and lawsuits deemed appropriate for investigation that are received during the fiscal year.

COUNTY OF LOS ANGELES CASE RESERVE POLICY

- I. **POLICY OBJECTIVE:** To establish and maintain accurate reserves to provide a foundation for budget preparation and estimates of future funding requirements.
- II. **POLICY SCOPE:** Reserves for indemnity and expense payments must be established for each Case File. Reserves shall be set by County Risk Management, County's third party administrators (TPA), or attorneys (County Counsel or contract legal defense firms), at the earliest opportunity, and updated periodically on evaluation of case developments.
- III. **POLICY ADMINISTRATOR:** The County Contract Administrator shall monitor compliance with the requirements of this policy on a periodic basis, and update this policy as needed.
- IV. **POLICY PROCEDURES:**
 - A. The TPA/Attorney is responsible for ensuring reserves accurately reflect the ultimate loss exposure for each claim.
 - B. The TPA/Attorney shall establish and maintain an indemnity and expense reserve on each Case File assigned to or handled by TPA/Attorney.
 - C. Initial reserves shall be set within ten (10) days from the date a Case File is set up. Thereafter, reserves shall be reviewed and evaluated against case developments as warranted, but at least every ninety (90) days by the TPA, until the file is closed.
 - D. An initial reserve shall be set based upon TPA/Attorney's professional judgment considering all information available at the time a file is opened. Indemnity reserves set on files established by verified claims or lawsuits should reflect the claim's ultimate cost. Indemnity reserves for files set up based on an incident report should reflect a minimum exposure level and should be immediately reviewed and revised, if necessary, when a verified claim or lawsuit is filed.
 - E. Although the goal is to set reserves which will be adequate for the life of the Case File, reserves are subject to changes because of continuing case developments. The TPA/Attorney should monitor claims activity to determine if adjustments (increases or decreases) in reserves are necessary.
 - F. All initial reserves or modifications to existing reserves must be entered into Contractor's case management information system and documented in the Case File. Notations that changes in reserves are unnecessary must be noted in the Case File.

COUNTY OF LOS ANGELES ACCELERATED CLAIMS SETTLEMENT PROGRAM

- V. **POLICY OBJECTIVE:** To establish and maintain accurate reserves to provide a foundation for budget preparation and estimates of future funding requirements.
- VI. **POLICY SCOPE:** Reserves for indemnity and expense payments must be established for each Case File. Reserves shall be set by County Risk Management, County's third party administrators (TPA), or attorneys (County Counsel or contract legal defense firms), at the earliest opportunity, and updated periodically on evaluation of case developments.
- VII. **POLICY ADMINISTRATOR:** The County Contract Administrator shall monitor compliance with the requirements of this policy on a periodic basis, and update this policy as needed.
- VIII. **POLICY PROCEDURES:**
- G. The TPA/Attorney is responsible for ensuring reserves accurately reflect the ultimate loss exposure for each claim.
 - H. The TPA/Attorney shall establish and maintain an indemnity and expense reserve on each Case File assigned to or handled by TPA/Attorney.
 - I. Initial reserves shall be set within ten (10) days from the date a Case File is set up. Thereafter, reserves shall be reviewed and evaluated against case developments as warranted, but at least every ninety (90) days by the TPA, until the file is closed.
 - J. An initial reserve shall be set based upon TPA/Attorney's professional judgment considering all information available at the time a file is opened. Indemnity reserves set on files established by verified claims or lawsuits should reflect the claim's ultimate cost. Indemnity reserves for files set up based on an incident report should reflect a minimum exposure level and should be immediately reviewed and revised, if necessary, when a verified claim or lawsuit is filed.
 - K. Although the goal is to set reserves which will be adequate for the life of the Case File, reserves are subject to changes because of continuing case developments. The TPA/Attorney should monitor claims activity to determine if adjustments (increases or decreases) in reserves are necessary.
 - L. All initial reserves or modifications to existing reserves must be entered into Contractor's case management information system and documented in the Case File. Notations that changes in reserves are unnecessary must be noted in the Case File.

Duties of County Counsel:

- Provide ongoing legal advice.
- Review TPA recommendations and provide immediate approval/disapproval to resolve claims over \$20,000.

Duties of the County Department:

- Maintain and provide a listing, including the address and telephone number of The designated Department Staff Liaison(s).
- Report all medical incidents to TPA promptly in accordance with the County's Incident Reporting Guidelines.
- Completed Incident reports should be sent to the TPA via e-mail.
- Perform immediate field investigation if requested by TPA and forward findings to TPA with recommendation that expedient resolution is warranted.
- Follow-up or provide additional information if necessary.

Duties of TPA:

Review all County Incident Reports of Medical Mal-Practice within twenty-four (24) hours of receipt, to determine if early resolution is warranted.

Contact Department liaison if additional information is required to evaluate the resolution.

Contact claimants within twenty-four (24) hours to secure tentative settlement agreement. Assist claimant in completing and submitting required claim forms.

Obtain concurrence from County Department on the terms of resolution if different from Department's recommendation.

Issue settlement payment within five (5) working days of obtaining signed release.

Issue closing report and close file within fourteen (14) days after payment of settlement.

Maintain statistical information and provide progress reports to CCA.

PROGRAM REVIEW: TPA may be asked to provide monthly status reports of program to County Departments for monitoring and evaluation of program. TPA may be asked to conduct six (6) month review with County Department management to discuss program results.

COUNTY'S RISK MANAGEMENT INFORMATION SYSTEM

1. RMIS SYSTEM OVERVIEW:

The Risk Management Information System (RMIS) is a comprehensive hosted solution for managing financial risk for the County of Los Angeles. The purpose of RMIS is not only to track the life of a claim, but to effectively track and manage litigation and the costs that occur from litigation including other legal matters. One major goal of RMIS has been to provide an enterprise solution for managing third party liability for the County of Los Angeles.

RMIS is designed to cohesively track all data on a claim from many different perspectives. Each claim is assigned to a particular User Group depending on the type of claim and circumstances surrounding the claim.

Each claim submitted to the County is entered directly into RMIS and processed by the respective User Groups. Users may securely access RMIS only with permission from the County.

RMIS simplifies the County's extremely complex and cumbersome process by providing a comprehensive system allowing for information management and exchange.

2. RMIS OBJECTIVES:

- To provide claims administration information to the County's Chief Executive Office(CEO), County departments and County Counsel in an efficient, secure, and accurate manner
- To provide real-time access to claims administration information from third party claimsadministrators and County Counsel
- To provide an ad-hoc reporting environment to users who require complex risk management analysis
- To provide meaningful, standard reports to users (including statistical and financialreports) on a monthly basis
- To implement technologically advanced methods consistent with the Chief InformationOffice (CIO) recommendations for standardization of County information systems
- To provide ease of use from the standpoint of claims administration
- To provide a high level of system security
- To provide the ability to interface with other systems

3. **COUNTY OF LOS ANGELES RMIS ARCHITECTURE:**

The County of Los Angeles (County) has contracted with a RMIS vendor to provide a secure hosted solution to protect County Data and prevent security breaches. User access to RMIS will be done using a properly configured and secure PC workstation and the designated web browser.

The Third-Party Administrator (TPA) users will securely access RMIS by having their organization's source IP Address Range whitelisted.

RMIS is integrated with the County's Microsoft Azure AD for Identify Management where user access will be managed and enforced to ensure access is appropriate and secure.

4. **MINIMUM WORKSTATION CONFIGURATIONS:**

The TPA Contractor shall maintain and/or upgrade their PC configurations, software and hardware to keep up with industry standards and for compatibility with the County's RMIS to ensure access is proper, functional and secure.

Processor:	3.0 Ghz or higher
Memory:	<u>Minimum:</u> 3 GB <u>Recommended:</u> 8 GB
Internal Storage:	At least 10 GB available disk space
Operating System:	Windows 10
Web Browser:	Google Chrome (Current Version)

Recommended Trusted Sites Settings for Google Chrome

1. Click Start > Search or the Cortana search icon located in the Windows task bar.
2. Enter Internet Options in the search box and open it when found.
3. Click the Security tab.
4. Select Trusted Sites.
5. Click the Sites button.
6. Uncheck Require server verification (https:) for all sites in this zone.
7. Type *.ventivclient.com
8. Click Add.

a. Other Software

- Microsoft Office 365 (Word and Excel)
- Microsoft Authenticator Mobile (Single Sign-On Multi-Factor Authentication)
- Adobe Acrobat Pro

b. RMIS System Functionality

RMIS is intended to provide several critical services:

- A comprehensive system for claims administration
- The ability to collect data that is meaningful and useful to the County in its objective to measure, monitor and control risk
- The ability to provide a single consolidated incident reporting system to collect information regarding the County's exposures
- The ability to produce standard reports and ad hoc reports

5. RMIS FUNCTIONALITY

Access to one or many of the functional areas and is dependent on the user's membership to a defined user group. The following lists each functional area at a high-level in RMIS to support the County objectives.

a. User Dashboard

Feature provides configurable views such as Open, Pending, Completed Tasks. Also, can provide staff workload and staff metrics.

b. Search

Feature provides robust search capabilities throughout the system

c. Intake

Feature provides intake workflow of incidents and claims

d. Documentation and Communication

Feature provides ability to document communication through the RMIS system. Notes, Diaries, and Correspondences are a few examples of available features. *Feature has integration with **Microsoft Word**.*

e. Legal Matter

Feature provides tracking and management of legal activities.

f. Claim Management

Feature provides robust Claim Management capabilities.

g. Financial Management

Feature provides robust Financial Management capabilities. *Feature has integration with **Microsoft Excel**.*

h. Claims and Documentation Administration

Feature provides claims and documentation administration for mass assignments and documentation intake and assignment to claims.

i. Reports

Feature provides the ability to create and run reports, both standard and ad-hoc in RMIS.

COUNTY'S LEGAL BILLING REQUIREMENTS

SUBMISSION OF INVOICE

Invoices for services and reimbursable expenses must be submitted monthly (in arrears), or quarterly (in arrears) if approved by the supervising County Counsel attorney. Each invoice must be for services performed and expenses incurred commencing on the first day of the calendar month and ending on the last day of that month. The monthly invoice must include **all** services and reimbursable expenses incurred during the month. Charges for court reporters, experts, document reproduction, and other recurrent expenses must be included in the invoice for the month in which the cost was incurred.

If a case is assigned by a Third-Party Administrator (**TPA**) for the County, the original invoice should be sent to the person(s) at the location provided by the **TPA**. Please submit all other original invoices to:

Office of the Los Angeles County Counsel 648
Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Attention: Accounting

FORMAT OF INVOICE

Identification and Certification of Invoice

The first page of every invoice must clearly state: (1) the **Matter or Case Name**; (2) the firm **Tax Identification Number** ("TIN"); (3) the firm **Invoice Number** (each invoice should have a unique firm number); and (4) the County Counsel **RMIS Number** (provided to the firm upon assignment of case or matter); (5) the **TPA File Number**, if any (provided to the firm upon assignment); and (6) the case **Litigation Priority Code Number** (provided to the firm upon assignment). Please see attached **Sample Invoice**.

The following statement, signed and dated by the supervising firm attorney, **must** appear at the end of every invoice:

I have personally examined this billing statement. All entries are in accordance with the Agreement for Professional Legal Services, are correct and reasonable for the services performed and costs incurred, and no item on this statement has been previously billed to County.

Date

Signature and Title

Invoices submitted without proper identification and certification will not be considered for payment.

Invoice Categories

Each invoice must be organized into four distinct categories:

1. Legal Services
2. Expert Invoices
3. Court Reporter Invoices
4. All Other Costs

Each category must be clearly identified. Please see attached **Sample Invoice**. The invoice must show the *total charges* for each category. The total charges for all four categories should equal the total amount of the invoice.

Time Charges

All legal services must be billed in one-tenth of an hour (**.10/hour**) or six-minute increments. Legal services billed in quarter-hour or half-hour increments are not acceptable. The Legal Services category of the invoice must set forth: (1) the *date* of each service; (2) a *description* of the specific service rendered; (3) the *identity of the attorney or paralegal* rendering the service; (4) the *time expended* for each service; and (5) the *amount charged* for each service. The Legal Services category of the invoice concludes with a summary of Legal Services for the month. This summary must show the name and title (partner, associate, or paralegal) of the person providing the services, that person's billable rate, the total hours expended by each person for that month, and the total amount of charges attributed to *each* person who billed for that particular month.

Description of Service. Only professional services should be billed. There are numerous secretarial or clerical functions which are intrical to the business of the law firm which do not constitute professional services. Such functions include scheduling meetings, collating, proofreading, calendaring, and processing of vendor bills. Such services are considered firm overhead expenses. Generic or general activity descriptions are *not* acceptable. Descriptions such as *Conference/Meet, Discovery, Attend Deposition, Prepare Motion, Receipt/Review Document(s), and Research* are not sufficient descriptions. Each billed service must be described with sufficient detail to permit: (1) a determination of the precise legal service provided, and (2) an assessment as to the appropriateness of the related time charge. Each specific service must be separately described. "Block billing" is not acceptable. Descriptions which are acceptable: (1) *identify the* purpose and attendees of the conference; (2) *describe* the form of discovery propounded or responded to; (3) *identify* the deponent and the party who noticed the deposition; (4) *provide a* general description of the documents reviewed; and (5) *specify* the nature and purpose of the research.

Time Expended. The Time Charge must reflect the *actual time* expended on the service. Standardized charges are not acceptable. Many documents are maintained as forms and are utilized repeatedly as modified for a particular case or matter. *Only* the time required for modification should be billed. Such billing practices also apply to similar or identical notices or subpoenas which are prepared with minimal modifications and served on multiple parties. *Only* the time spent on modifications should be billed

Hourly Rates. The appropriate staff should be assigned to each case or matter. Each attorney or paralegal should have a clear role in the case or matter. No attorney or paralegal is permitted to bill for services on any case or matter if the supervising County Counsel has indicated that such attorney or paralegal should not work on that case or matter. The billing rates must conform to the rates set forth in the Agreement for Professional Legal Services.

Cumulative Case Total Tables

Each invoice must also include cumulative or "*life-of-the-case*" total charges for three distinct areas: (1) All Fees & Costs; (2) All Legal Services; and (3) All Expert Invoices. These cumulative totals must be shown in separate tables which reflect the required information from the date the case or matter was assigned to the firm through the most recent invoice.

All Fees & Costs. This Cumulative Case Total Table shows the charges for all *Four Invoice Categories* according to each invoice, as well as a cumulative total for each of the categories for the life of the case. It also shows a cumulative grand total of all *Four Invoice Categories* from the assignment of the case to the firm through the most current invoice. Although the attached Sample Invoice contains a more detailed example of this table, the following presents an abbreviated illustration:

John Doe v. County of Los Angeles

Law Firm Invoice Date	Legal Service	Expert Invoice	Court Reporter	All Other Costs	Total Law Firm Invoice
1/4/01	\$ 6,000.00	\$2,500.00	\$500.00	\$600.00	\$ 9,600.00
2/5/01	4,000.00	1,000.00		250.00	5,250.00
Cumulative Case Totals	\$10,000.00	\$3,500.00	\$500.00	\$850.00	\$14,850.00

All Legal Services. This Cumulative Case Total Table shows the name, title, hourly rate, total hours expended, and total dollar amount of fees invoiced for each attorney and paralegal who has billed time to the case for the life of the case. The total charges should equal the *Legal Services Cumulative Case Total* in the All Fees & Costs Cumulative Case Total Table. Although a more detailed description may be found in the attached Sample Invoice, an abbreviated illustration follows:

John Doe v. County of Los Angeles

Staff Member	Title	Rate	Cumulative Hours	Cumulative Fees Submitted
I. M. Abel	Partner	\$100.00	90.2	\$ 9,020.00
Michelle H. Smith	Associate	\$ 70.00	14.0	\$ 980.00
Cumulative Legal Services				\$10,000.00

All Expert Invoices. This Cumulative Case Total Table shows every expert invoice which has been paid and submitted by the law firm as an expense or disbursement from the inception of the case to the most recent invoice. The table shows the date of each invoice, the identity of each expert or expert firm, the amount of each invoice submitted, and the total amount invoiced by all experts paid by the firm for the life of the case. The total or *Cumulative Expert Invoices* shown in this table should equal the total amount shown for the *Cumulative Case Totals* for the Expert Invoice Category in the All Fees & Costs Cumulative Case Total Table.

Although a more detailed example is shown in the Sample Invoice, an abbreviated illustration follows:

John Doe v. County of Los Angeles

Law Firm Invoice Date	I.M. Expert, Inc.	Xperts R Us	ConsultUS, Inc.	All Expert
1/4/01	\$1,000.00		\$ 1,500.00	\$ 2,500.00
2/5/01		\$750.00	250.00	1,000.00
Cumulative Expert Invoice	\$1,000.00	\$750.00	\$1,750.00	\$3,500.00

DISBURSEMENTS AND EXPENSES

Overhead Expenses

Expenses, such as document reproduction and scanning, postage, telephone charges (local and long distance), facsimile/telecopier (local and long distance), local (within the Counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura) transportation costs (travel/mileage/parking), secretarial or clerical time or overtime, on-line computer-assisted research, word processing, books, office supplies, time responding to invoice audits or inquiries, and other ordinary expenses which the firm incurs to maintain its offices are overhead expenses and are not reimbursed by the County.

Reimbursable Expenses and Disbursements

Reimbursable expenses and disbursements include costs attributable to conducting depositions (including transcript and videos fees), retaining experts and consultants, messenger and investigative services, filing fees for which the County is not exempt, out-of-town travel expenditures, and other expenses for which the firm *obtains prior approval* from the supervising County Counsel.

All expenses and disbursements for which the firm seeks reimbursement must be included in the Court Reporter Invoices, Expert Invoices, or All Other Costs categories of each invoice. As a general rule, the firm should request reimbursement for charges relating to depositions, experts and consultants, and the like in the invoice for the month in which the firm incurred the cost. The invoice must provide an itemized breakdown of all such costs incurred by the firm in that month. Each item must be separately listed on the invoice. For all costs, a vendor's statement or invoice must be attached to the firm invoice. The entry on the invoice must provide sufficient details to easily correlate the entry on the invoice with the attached vendor's invoice. All billing entries which have a supporting attachment must be labeled, "See Attachment No. __," and all attachments must be labeled, "Attachment No. ____." All such attachments to the firm's invoice are to be attached in the order in which the expense is listed on the firm's invoice.

Deposition and Transcript Expenses. Prior approval by the supervising County Counsel should be obtained before scheduling any *video-taped* depositions. Prior approval must be reflected on the firm invoice, along with the date of approval and the name of the supervising County Counsel attorney from whom approval was obtained. If video-taped depositions are scheduled by another party, attendance is permitted without prior approval. When retaining the services of a court reporter or videographer, the rates set forth on the attached Deposition Rate Schedule must be observed. Prior approval by the supervising County Counsel is required before any rate contained in the Deposition Rate Schedule may be exceeded.

Experts and Consultants. Retention of any expert or consultant must be approved in advance by the supervising County Counsel. Such prior approval must be reflected on the invoice, along with the date and name of the supervising County Counsel from whom it was obtained. The retention of any expert should be documented with a letter of engagement from the firm confirming the fees and instructing the expert to submit all charges in conformance with the "Sample Invoice." With the exception of the Invoice Categories and the Cumulative Case Total Tables, the format of the expert invoice should be consistent with the law firm's invoice. Unless approved by the supervising County Counsel, the expert invoice must set forth a description of each specific service rendered, the time expended for each service, the date of each service, the identity of the individual rendering the service, and the hourly rate of each person providing services. Expert and consultant invoices should be paid by the firm and reimbursement sought by itemizing the expense in the firm invoice. In exceptional circumstances and when approved by the supervising County Counsel, an expert invoice may be approved by the firm attorney responsible for the case or matter and submitted directly to the County for payment. In the event that the invoice is submitted directly to the County and no reimbursement is sought by the firm, please confirm that the expert invoice conforms to these requirements before submission. Expert invoices submitted directly for payment should *not* be included on the Cumulative Case Total Tables.

Messenger/Courier/ Delivery/Express/Overnight Mail Services. The use of messengers and expedited mail services is considered part of the normal overhead costs of the firm. Such costs will *only* be reimbursed if they are: (1) specifically requested by the supervising County Counsel; (2) required because of an emergency situation over which the firm had no control; or (3) necessary to ensure the safekeeping of sensitive documents or materials. With the exception of an emergency, such services must be pre-approved by the supervising County Counsel and such approval must be reflected on the invoice, listing the date of approval and the identity of the supervising County Counsel granting the approval.

Travel. The County does not reimburse for taxis, mileage, meals, parking or other *local* (within counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura) travel expenses. When *out-of-town travel* is required, mileage will be reimbursed. The County will also reimburse for coach airline travel only. Should counsel or a retained expert elect to travel first-class, the coach rate should be indicated on the travel voucher submitted with the invoice. Airport parking will be reimbursed at various rates depending upon the location of the lot. Out-of-town ground transportation (taxi or rental car) will be reimbursed at cost. A per diem is provided for out-of-town meals. The actual cost of meals must be itemized and supported by receipts. Lodging will be reimbursed on a per night basis (single occupancy, plus tax) with the submission of the hotel receipt. A special "Capital City" daily per diem is also paid by the County. *The special "Capital City" per diem is intended only to reimburse the firm for actual expenses which exceed the meal and lodging per diems when traveling to the designated cities.* Mileage, airport parking, meal and "Capital City" per diems, and lodging will be reimbursed at County-approved rates. These rates are updated and provided to the firm on an annual basis. Any out-of-town

travel must be pre-approved by the supervising County Counsel. Such approval must be reflected on the firm invoice, along with the date of approval and name of the supervising County Counsel. Telephone bills and personal expenses, such as charges for "gift shop," "valet," "movies," bar," and the like, will not be reimbursed.

Reproduction/Photocopying and Scanning. The internal copying and scanning of documents are considered to be overhead items which are part of the firm's cost of doing business. The County expects all monthly copying and scanning *projects* not exceeding **500 pages** to be performed internally. A single billing period may contain multiple copying and scanning "*projects*." Outside photocopying or scanning services should be used for large volume (exceeding 500 pages), or special-sized or formatted projects.

Copying. When documents are *copied* by an outside vendor, the County will reimburse the firm for the actual cost of the copying project not to exceed **\$.15 per page**. Should the number of copies exceed **2,500 pages**, the County shall be billed at a reduced rate not to exceed **\$.10 per page**. If the firm elects to internally copy a large volume (exceeding 500 pages) project, the County will reimburse the firm at a rate comparable to that charged by local outside vendors, not to exceed **\$.15 per page** for copies **over 500 pages** and **\$.10 per page** for copies **over 2,500 pages**.

Scanning. When documents are *scanned or imaged* by an outside vendor, the County will reimburse the firm for the actual cost of imaging not to exceed **\$.20 per page**. Hard copies or "blow-backs" produced by imaging vendors will be reimbursed at **\$.05 per page**. An additional charge of up to **\$.03 per hard copy** may be added if the documents are "bate-stamped." The County will reimburse the firm for projects **over 500 pages** at the firm's actual cost of scanning or imaging, "blow-backs," and bate-stamping not to exceed the allowable outside vendor rates for such services.

Invoicing. Copying and scanning charges must be documented, i.e., the number of pages and cost per page as reflected by the firm's records (showing the assigned RMIS number) when copied or scanned internally, and by the vendor's invoice when copied or scanned outside. Such costs should be included in the *All Other Costs* category of the firm's invoice. The firm or vendor invoice should specifically reference each copying or scanning project for which reimbursement is sought.

On-Line Computer-Assisted Research. Charges arising from Westlaw, LexisNexis, and other on-line computer research databases are non-reimbursable. However, in exceptional circumstances, the County will consider reimbursement of the firm's "on-line" charges. Such reimbursement must be **pre-approved** by the supervising County Counsel. When seeking such approval, please be prepared to provide the reason the research project is exceptional as well as the projected expense (both attorney fees and on-line costs) for the research. If the firm has previously conducted similar research, an explanation should also be given as to why additional research is required. The approval must be reflected on the firm's invoice, listing the date of approval and the identity of the supervising County Counsel granting the approval.

Kindly adhere to the requirements set forth above. If you have any questions regarding the requirements, please contact the supervising County Counsel attorney or the Los Angeles County Litigation Cost Manager at (213) 974-1762.

COUNTY'S LEGAL BILLING REQUIREMENTS

07/01/08

SAMPLE INVOICE FOR LEGAL AND EXPERT SERVICES

Abel, Prepared & Egar, A Professional Law Corporation
1 Legal Center, Penthouse
1000 North Wilshire Boulevard
Los Angeles, California 90000
Tel: (213) 555-5555
Fax: (213) 555-0000

April 2, 2008

Carolyn S. Taylor
Office of the County Counsel
648 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Law Firm's Invoice # _____

Taxpayer ID # _____

Re: Henderson v. COLA
Case Priority: 2
County Counsel RMIS No.: 03-0000123*001
TPA Number: 9447

LEGAL SERVICES

Date:	Description	Staff	Time	Amount
3/1/08	Telephone conference with Deputy Jones regarding deposition	IMA	.10	\$10.00
3/2/08	Revise Reply to Opposition to Plaintiff's MSJ	IMA	2.00	200.00
3/4/08	Telephone conference with Deputy Dugg regarding Order to Produce	IMA	.10	10.00
3/4/08	Telephone conference with Deputy Huble regarding Order to Produce	IMA	.10	10.00
3/4/08	Telephone call to Deputy Dori about being a witness	IMA	.10	10.00
3/4/08	Extended telephone conference with Lt. Burns about facts and law	IMA	.50	50.00
	Extended telephone conference with Bob Aber about status case	IMA	.40	40.00

Case: Henderson v. COLA

April 2, 2008

Case Priority: 2

County Counsel RMIS No.: 03-0000123* 001
TPA Number: 9447

Date:	Description	Staff	Time	Amount
3/5/08	Revise and finalize Reply to Opposition to MSJ	IMA	1.00	100.00
3/5/08	Draft Memorandum of Contentions of Fact and Law per pre-trial rules	IMA	1.00	100.00
3/6/08	Further drafting of memorandum of contentions, fact and law	IMA	.40	40.00
3/6/08	Review letter on Rule 9 and discovery issues from attorney for co-defendant City of Los Angeles	IMA	.40	40.00
3/6/08	Lexis research on right of set-off of settlement by co-defendant City of Alhambra	IBP	.30	15.00
3/15/08	Travel to and attend hearing on MSJ in Superior Court, Pomona	IMA	2.20	220.00
3/15/08	Telephone call to Lt. Burns about hearing on MSJ	IMA	.10	10.00
3/15/08	Telephone call to Kevin Braze about hearing	IMA	.10	10.00
3/22/08	Review Court ruling on MSJ	IMA	.20	20.00
3/22/08	Telephone call to Lt. burns about ruling on MSJ	IMA	.10	10.00
3/22/08	Telephone call to Kevin Braze about ruling on MSJ	IMA	.20	20.00
3/28/08	Prepare for an attend deposition of Deputy Dori in Diamond Bar	IMA	3.30	330.00
3/28/08	Prepare status report for County Counsel with copy to Sherriff's Department	IMA	1.00	100.00
TOTAL LEGAL SERVICES:				\$1,345.00

SUMMARY OF LEGAL SERVICE FOR THE MONTH _____

Staff	Title	Time	Rate	Total
I.M. Abel (IMA)	Partner	13.65	\$100.00	\$1,365.00
I.M. Pushing (IBP)	Paralegal	.30	\$50.00	15.00
TOTAL LEGAL SERVICES FOR THE MONTH:				\$1,380.00

EXPERT INVOICES _____

Invoice Date	Expert	Invoice Amount
3/03/08	I.M Expert (See attached invoice, Attachment No. 1)	\$540.00
3/05/08	Xperts R US (See attached invoice, Attachment No. 2)	480.00
3/08/08	ConsultUS, Inc. (See attached invoice, Attachment No. 3)	507.00
TOTAL EXPERT INVOICES:		\$1,527.00

COURT REPORTER INVOICES _____

Invoice Date	Invoice	Invoice Amount
3/28/08	Best Shorthand Reporting, Inc. (See attached invoice, Attachment No. 4)	\$500.00
TOTAL COURT REPORTER INVOICES:		\$500.00

ALL OTHER COSTS _____

Invoice Date	Invoice	Invoice Amount
3/5/08	Snap Copy Service – 750 pages (See attached invoice, Attachment No. 5)	\$112.50
3/5/08	Fleet-of-Feet Messenger Service To File Reply to Opposition to MSJ – approved by John Lee on 3/1/08 (See attached invoice, Attachment No. 6)	22.00
TOTAL ALL OTHER COSTS:		\$134.50

Case: Henderson v. COLA
Case Priority: 2

April 2, 2008
County Counsel RMIS No.: 03-0000123* 001
TPA Number: 9447

INVOICE TOTAL FOR THE MONTH _____

Invoice	Invoice Amount
Legal Services:	\$1,380.00
Expert Invoices:	1,527.00
Court Reporter Invoices:	500.00
All Other Costs:	134.50
TOTAL LAW FIRM INVOICE:	\$3,541.50

I have personally examined this billing statement. All entries are in accordance with the agreement for Professional Legal Services, are correct and reasonable for the services performed and costs incurred, and no item on this statement has been previously billed to County.

DATE

SIGNATURE AND TITLE

COUNTY'S LEGAL BILLING REQUIREMENTS

Case: Henderson v. COLA
Case Priority: 2

April 2, 2008
County Counsel RMIS No.: 03-0000123* 001
TPA Number: 9447

CUMULATIVE CASE TOTALS					
ALL FEES AND COSTS					
From the Inception of the Case					
Henderson v. County of Los Angeles					
Law Firm Invoice Date	Legal Services	Expert Invoices	Court Reporter Invoices	All Other Costs	Total Law Firm Invoice
1/4/08	\$5,732.00	\$2,453.00	\$0.00	\$658.90	\$8,843.90
215108	8,239.00	5,900.25	0.00	231.84	14,371.09
318108	10,808.00	7,000.00	0.00	1,085.30	18,893.30
412108	1,345.00	1,527.00	500.00	134.50	3,506.50
Cumulative Fees and Costs Invoice:	\$26,124.00	\$16,880.25	\$500.00	\$2,110.54	\$45,614.79

COUNTY'S LEGAL BILLING REQUIREMENTS

Case: Henderson v. COLA
Case Priority: 2

April 2, 2008
County Counsel RMIS No.: 03-0000123* 001
TPA Number: 9447

CUMULATIVE CASE TOTALS				
ALL LEGAL SERVICES				
From the Inception of the Case				
Henderson v. County of Los Angeles				
Staff Member	Title	Rate	Cumulative Hours	Cumulative Fees Submitted
I. M. Abel	Partner	\$100.00	90.2	\$9,020.00
Michelle H. Smith	Partner	100.00	13.4	1,340.00
Pamela R. Ross	Associate	90.00	59.6	8,329.00
I. B. Pushing	Paralegal	50.00	80.2	4,010.00
Taylor Anderson	Paralegal	50.00	128.5	3,425.00
Cumulative Legal Services				\$26,124.00

COUNTY'S LEGAL BILLING REQUIREMENTS

Case: Henderson v. COLA
Case Priority: 2

April 2, 2008
County Counsel RMIS No.: 03-0000123* 001
TPA Number: 9447

CUMULATIVE CASE TOTALS				
ALL EXPERT INVOICES				
From the Inception of the Case				
Henderson v. County of Los Angeles				
Law Firm Invoice Date	I.M. Expert Inc.	Xperts R Us	Consult US, Inc.	All Expert Invoices
01/04/08	\$2,453.00			\$2,453.00
02/05/08	\$4,567.25	\$1,333.00		\$5,900.25
03/08/08			\$7,000.00	\$7,000.00
04/12/08	\$540.00	\$480.00	\$50.007	\$1,527.00
Cumulative Expert Invoice:	\$7,560.25	\$1,813.00	\$7,507.00	\$16,880.25

COUNTY'S LEGAL BILLING REQUIREMENTS

DEPOSITION RATE SCHEDULE

This schedule sets forth the maximum acceptable rates. Any charges which exceed these rates must be pre-approved by the supervising County Counsel. Such approval and the identity of the County Counsel approving the rate increase must be reflected on the firm's invoice.

Deposition Transcripts (Original & one certified copy - maximum per page)

Non-Expert.....	\$4.75
Expert, Interpreted, Video and Hearings	\$5.25
Certified Copies Only	\$1.75
Interactive Real Time (includes ASCII)	\$1.00
Real Time (Rough/Dirty ASCII)	\$.75
Exhibits (Tabbed)	\$.25

Media Conversion

Condensed Transcript.....	No Charge
Full Text Index.....	No Charge
ASCII Diskettes	No Charge
E-Transcripts (complete rough/final)	\$15.00
Exhibits on CD-ROM	\$15.00

Minimums & Per Diems

Minimum Transcript	\$225.00
Certificate of Non-Appearance	\$225.00
Deposition per diem - No write-up	\$40.00/hour
Weekend/Holiday, before 9:00 a.m. and after 5:00 p.m.	\$40.00/hour

Miscellaneous

Delivery & Handling	\$25.00
Special Delivery (approval/receipt required)	At cost
Parking	At cost

Expedited Charges (Original & one certified copy – maximum per page)

Transcript Delivery Time	Non-expert	Expert
Non-expedited Rate (10-day delivery)	\$4.75	\$5.25
Next to 2nd Day After (75%)	\$8.30	\$9.20
Third to Fourth Day After (50%)	\$7.15	\$7.90
Fifth to Ninth Day After (20%)	\$5.70	\$6.30

COUNTY'S LEGAL BILLING REQUIREMENTS

Video Services (Videographer or firm must be NCRA Certified Legal Video Specialist)

2-Hour Minimum (includes set-up & breakdown)	\$325.00
After 2 Hours	\$80 per hour
.....	\$40 per ½ hour

Minimum and hourly charges include Stock Fees (master, back-up and audio) and choice of session on DVD or MPEG 1.

Additional Video Copies (per disc)

DVD Format.....	\$30.00
Compressed MPEG 1 Format.....	\$35.00

PRICING SCHEDULE

Contractor's rates shall be fully burden, including all administrative, overhead and indirect costs.

PRICING CRITERA	CONTRACT PERIOD	PRICE
Flat Annual Fee – Contract Year 1	January 1, 2023 – December 31, 2023	\$ 1,850,000
Flat Annual Fee – Contract Year 2	January 1, 2024 – December 31, 2024	\$ 1,896,243
Flat Annual Fee – Contract Year 3	January 1, 2025 – December 31, 2025	\$ 1,943,652
Flat Annual Fee – Contract Year 4	January 1, 2026 – December 31, 2026	\$ 1,943,652
Flat Annual Fee – Contract Year 5	January 1, 2027 – December 31, 2027	\$ 1,943,652
Maximum Base Contract Sum:		\$ 9,577,199
Flat Annual Fee – Option Year 6	January 1, 2028 – December 31, 2028	\$ 2,093,100
Flat Annual Fee – Option Year 7	January 1, 2029 – December 31, 2029	\$ 2,145,433
Flat Annual Fee – Option Year 8	January 1, 2030 – December 31, 2030	\$ 2,145,433
Six-month Opt. Extension	January 1, 2031 – June 30, 2031	\$ 1,072,717
Maximum Optional Extension Sum:		\$ 7,456,683
TOTAL MAXIMUM CONTRACT AMOUNT:		\$17,033,882

*Each such extension option may be exercised at the sole discretion of the CEO as authorized by the Board of Supervisors.

INTENTIONALLY OMITTED

INTENTIONALLY OMITTED

COUNTY'S ADMINISTRATIONCONTRACT NO. AO-22-409**COUNTY CONTRACT PROJECT DIRECTOR:**

Name:	Steven Robles
Title:	County Risk Manager
Address:	320 West Temple Street, 7 th Floor
	Los Angeles, California 90012
Telephone:	213-351-5346
Facsimile:	213-252-0404
E-mail Address:	srobles@ceo.lacounty.gov

COUNTY CONTRACT PROJECT MANAGER

Name:	Alex Rossi
Title:	Manager, CEO
Address:	320 West Temple Street, 7 th Floor
	Los Angeles, California 90012
Telephone:	213-738-2154
Facsimile:	213-252-0404
E-mail Address:	arossi@ceo.lacounty.gov

COUNTY CONTRACT PROJECT SUPERVISOR

Name:	TBD
Title:	Program Specialist
Address:	320 West Temple Street, 7 th Floor
	Los Angeles, California 90012
Telephone:	TBD
Facsimile:	213-252-0404
E-mail Address:	TBD

COUNTY CONTRACT PROJECT MONITORS

Name:	Niki Lewis
Title:	Program Specialist
Address:	320 West Temple Street, 7 th Floor
	Los Angeles, California 90012
Telephone:	213-738-2114
Facsimile:	213-252-0404
E-mail Address:	nlewis@ceo.lacounty.gov

CONTRACTOR'S ADMINISTRATION

SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

CONTRACTOR'S NAME

CONTRACT NO. AO-22-409

CONTRACTOR'S PROJECT DIRECTOR:

Name: Lynn Gmeiner
Title: VP, Specialty of Operations
Address: 25330 Telegraph Road
Southfield MI 48033
Telephone: 313-205-0596
Facsimile: N/A
E-mail Address: Lynn.Gmeiner@sedgwick.com

CONTRACTOR'S AUTHORIZED OFFICIALS:

Name: Michael Shook
Title: Sr. Vice President, Managing Counsel
Address: 8755 Higgins Road Suite 1100
Chicago, IL 60631
Telephone: 847-722-4698 (Mobile) or 773-824-4260
Facsimile: N/A
E-mail Address: Michael.Shook@sedgwick.com

Name: Tim Over
Title: Senior Vice President of Specialty Operations
Address: 1833 Centre Point Circle, Suite 139
Naperville, IL 60563
Telephone: 312-439-5677
Facsimile: N/A
E-mail Address: Tim.Over@sedgwick.com

Notices to Contractor shall be sent to the following address:

Name: Tim Over
Title: Senior Vice President of Specialty Operations
Address: 1833 Centre Point Circle, Suite 139
Naperville, IL 60563
Telephone: 312-439-5677
Facsimile: N/A
E-mail Address: Tim.Over@sedgwick.com

CONTRACTOR'S ADMINISTRATION**CONTRACTOR'S OPERATIONS PROGRAM MANAGER:**

Name: April Clemens
 Title: Claim Director
 Address: 3760 Kilroy Airport Way
 Long Beach, CA 90806
 Telephone: 301-463-1405
 Facsimile: N/A
 E-mail Address: April.Clemens@sedgwick.com

CONTRACTOR'S CLIENT SERVICES – SPECIALTY OPERATIONS:

Name: Lynn Gmeiner
 Title: Vice President
 Address: 25330 Telegraph Road
 Southfield MI 48033
 Telephone: 313-205-0596
 Facsimile: N/A
 E-mail Address: Lynn.Gmeiner@sedgwick.com

CONTRACTOR'S BUSINESS DEVELOPMENT – SPECIALTY OPERATIONS:

Name: Judy Cangealose
 Title: Vice President, Business Development
 Address: 8125 Sedgwick Way
 Memphis, Tennessee 38125
 Telephone: 770-359-7655
 Facsimile: N/A
 E-mail Address: Judy.Cangealose@sedgwick.com

CONTRACTOR'S SPECIALITY OPERATIONS – EXECUTIVE LEADERSHIP SPONSOR:

Name: Jay Ayala
 Title: Managing Director
 Address: 3760 Kilroy Airport Way
 Long Beach, CA 90806
 Telephone: 415-246-5052 (Mobile)
 Facsimile: N/A
 E-mail Address: Jay.Ayala@sedgwick.com

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENTContractor Name: Sedgwick Claims Management ServicesContract No.: AO-22-409**GENERAL INFORMATION:**

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

CONTRACTOR ACKNOWLEDGEMENT:

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

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

CONFIDENTIALITY AGREEMENT:

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

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

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation,

Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: _____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name: Sedgwick Claims Management Services

Contract No.: AO-22-409

Employee Name _____

GENERAL INFORMATION:

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

EMPLOYEE ACKNOWLEDGEMENT:

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

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

I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

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

CONFIDENTIALITY AGREEMENT:

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

must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

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

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: _____ DATE: _____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name: Sedgwick Claims Management Services

Contract No.: AO-22-409

Non-Employee Name _____

GENERAL INFORMATION:

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

NON-EMPLOYEE ACKNOWLEDGEMENT:

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

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

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

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal,

and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

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

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

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

SIGNATURE: _____ DATE: _____

PRINTED NAME: _____

POSITION: _____

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 - 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 - 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 - 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

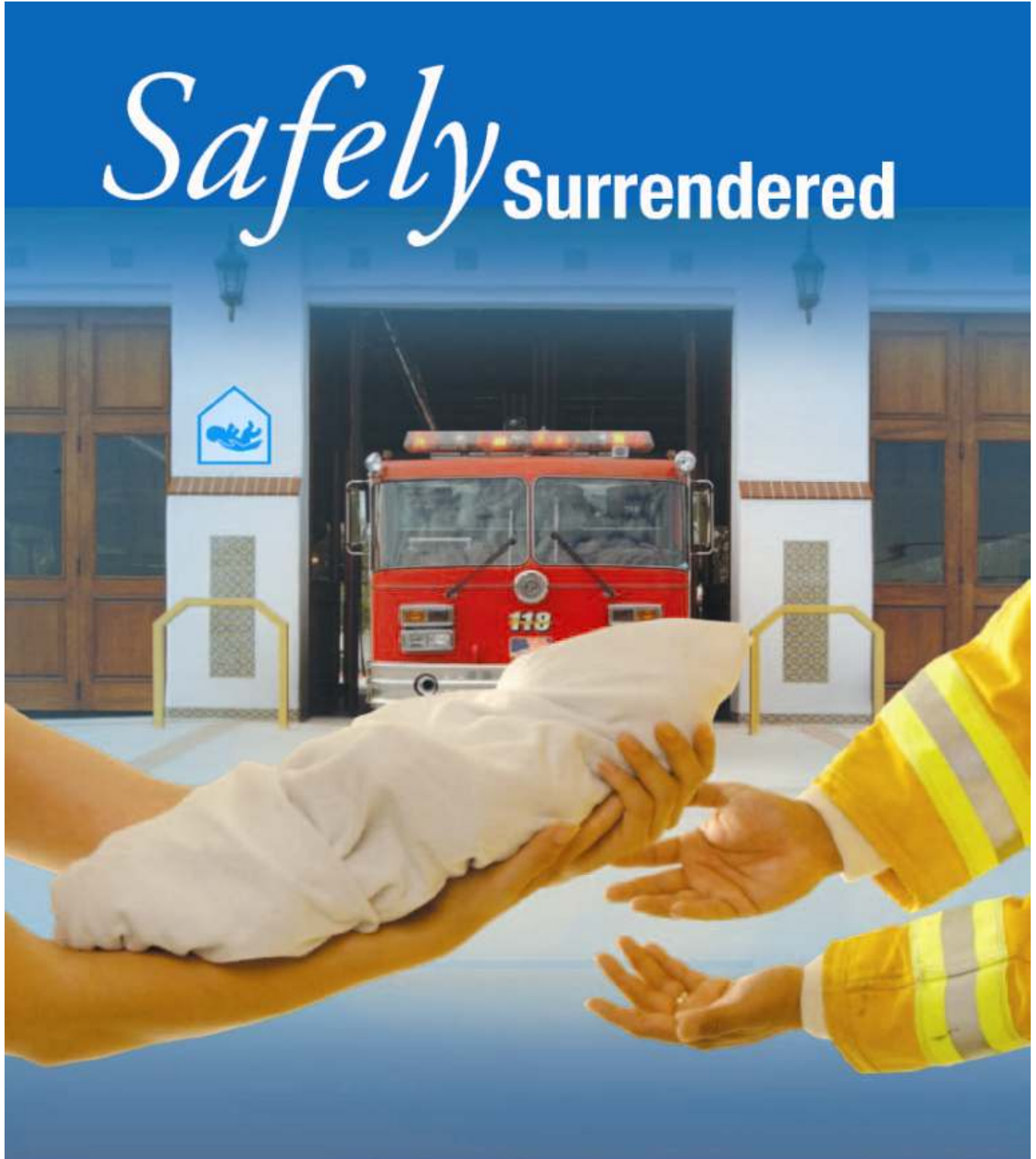
“Dominant in its field of operation” means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

“Affiliate or subsidiary of a business dominant in its field of operation” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.


If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

Safely Surrendered



No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org



SAFELY SURRENDERED BABY LAW

Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a baby, let her know there are other options. For three days (72 hours) after birth, a baby can be surrendered to staff at any hospital or fire station in Los Angeles County.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

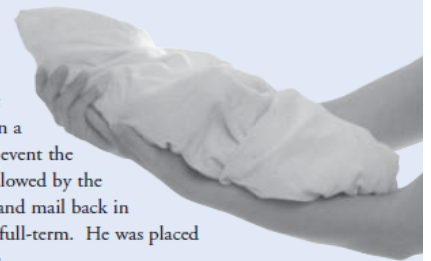
The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.



Ley de Entrega de Bebés *Sin Peligro*



*Los recién nacidos pueden ser entregados en forma segura al personal
de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles*

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



SAFELY SURRENDERED BABY LAW

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org

Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazaletes y el padre/madre o el adulto que lo entregue recibirá un brazaletes igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

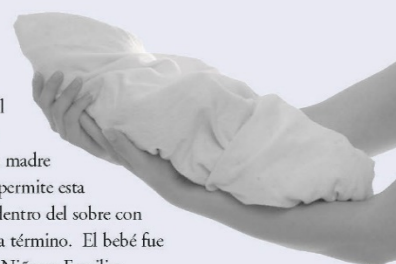
Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California? ?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazaletes con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



**BUSINESS ASSOCIATE AGREEMENT
UNDER THE HEALTH INSURANCE PORTABILITY
AND ACCOUNTABILITY ACT OF 1996 (HIPAA)**

**EXHIBIT J
Page 1 of 17**

County is a Covered Entity as defined by, and subject to the requirements and prohibitions of, the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules").

Contractor performs or provides functions, activities or services to County that require Contractor in order to provide such functions, activities or services to create, access, receive, maintain, and/or transmit information that includes or that may include Protected Health Information, as defined by the HIPAA Rules. As such, Contractor is a Business Associate, as defined by the HIPAA Rules, and is therefore subject to those provisions of the HIPAA Rules that are applicable to Business Associates.

The HIPAA Rules require a written agreement ("Business Associate Agreement") between County and Contractor in order to mandate certain protections for the privacy and security of Protected Health Information, and these HIPAA Rules prohibit the disclosure to or use of Protected Health Information by Contractor if such an agreement is not in place.

This Business Associate Agreement and its provisions are intended to protect the privacy and provide for the security of Protected Health Information disclosed to or used by Contractor in compliance with the HIPAA Rules.

Therefore, the parties agree as follows:

1. DEFINITIONS

- 1.1 "Breach" has the same meaning as the term "breach" at 45 C.F.R. § 164.402.
- 1.2 "Business Associate" has the same meaning as the term "business associate" at 45 C.F.R. § 160.103. For the convenience of the parties, a "business associate" is a person or entity, other than a member of the workforce of covered entity, who performs functions or activities on behalf of, or provides certain services to, a covered entity that involve access by the business associate to Protected Health Information. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of another business associate. And in reference to the party to this Business Associate Agreement "Business Associate" shall mean Contractor.
- 1.3 "Covered Entity" has the same meaning as the term "covered entity" at 45 C.F.R. § 160.103, and in reference to the party to this Business Associate Agreement, "Covered Entity" shall mean County.

- 1.4 "Data Aggregation" has the same meaning as the term "data aggregation" at 45 C.F.R. § 164.501.
- 1.5 "De-identification" refers to the de-identification standard at 45 C.F.R. § 164.514.
- 1.6 "Designated Record Set" has the same meaning as the term "designated record set" at 45 C.F.R. § 164.501.
- 1.7 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its workforce. (See 45 C.F.R. § 160.103.)
- 1.8 "Electronic Health Record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff. (See 42 U.S. C. § 17921.)
- 1.9 "Electronic Media" has the same meaning as the term "electronic media" at 45 C.F.R. § 160.103. For the convenience of the parties, electronic media means (1) Electronic storage material on which data is or may be recorded electronically, including, for example, devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the Internet, extranet or intranet, leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media if the information being exchanged did not exist in electronic form immediately before the transmission.
- 1.10 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" at 45 C.F.R. § 160.103, limited to Protected Health Information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.
- 1.11 "Health Care Operations" has the same meaning as the term "health care operations" at 45 C.F.R. § 164.501.

- 1.12 "Individual" has the same meaning as the term "individual" at 45 C.F.R. § 160.103. For the convenience of the parties, Individual means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502 (g).
- 1.13 "Law Enforcement Official" has the same meaning as the term "law enforcement official" at 45 C.F.R. § 164.103.
- 1.14 "Minimum Necessary" refers to the minimum necessary standard at 45 C.F.R. § 164.502 (b).
- 1.15 "Protected Health Information" has the same meaning as the term "protected health information" at 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity, and includes Protected Health Information that is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Protected Health Information.
- 1.16 "Required by Law" " has the same meaning as the term "required by law" at 45 C.F.R. § 164.103.
- 1.17 "Secretary" has the same meaning as the term "secretary" at 45 C.F.R. § 160.103
- 1.18 "Security Incident" has the same meaning as the term "security incident" at 45 C.F.R. § 164.304.
- 1.19 "Services" means, unless otherwise specified, those functions, activities, or services in the applicable underlying Agreement, Contract, Master Agreement, Work Order, or Purchase Order or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 1.20 "Subcontractor" has the same meaning as the term "subcontractor" at 45 C.F.R. § 160.103.

- 1.21 "Unsecured Protected Health Information" has the same meaning as the term "unsecured protected health information" at 45 C.F.R. § 164.402.
- 1.22 "Use" or "Uses" means, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations. (See 45 C.F.R § 164.103.)
- 1.23 Terms used, but not otherwise defined in this Business Associate Agreement, have the same meaning as those terms in the HIPAA Rules.

2. PERMITTED AND REQUIRED USES AND DISCLOSURES PROTECTED HEALTH INFORMATION

- 2.1 Business Associate may only Use and/or Disclose Protected Health Information as necessary to perform Services, and/or as necessary to comply with the obligations of this Business Associate Agreement.
- 2.2 Business Associate may Use Protected Health Information for de-identification of the information if de-identification of the information is required to provide Services.
- 2.3 Business Associate may Use or Disclose Protected Health Information as Required by Law.
- 2.4 Business Associate shall make Uses and Disclosures and requests for Protected Health Information consistent with the Covered Entity's applicable Minimum Necessary policies and procedures.
- 2.5 Business Associate may Use Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities.
- 2.6 Business Associate may Disclose Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities, provided the Disclosure is Required by Law or Business Associate obtains reasonable assurances from the person to whom the Protected Health Information is disclosed (i.e., the recipient) that it will be held confidentially and Used or further Disclosed only as Required by Law or for the purposes for which it was disclosed to the recipient and the recipient notifies Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

- 2.7 Business Associate may provide Data Aggregation services relating to Covered Entity's Health Care Operations if such Data Aggregation services are necessary in order to provide Services.

3. PROHIBITED USES AND DISCLOSES OF PROTECTED HEALTH INFORMATION

- 3.1 Business Associate shall not Use or Disclose Protected Health Information other than as permitted or required by this Business Associate Agreement or as Required by Law.
- 3.2 Business Associate shall not Use or Disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific Uses and Disclosures set forth in Sections 2.5 and 2.6.
- 3.3 Business Associate shall not Use or Disclose Protected Health Information for de-identification of the information except as set forth in section 2.2.

4. OBLIGATIONS TO SAFEGUARD PROTECTED HEALTH INFORMATION

- 4.1 Business Associate shall implement, use, and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information other than as provided for by this Business Associate Agreement.
- 4.2 Business Associate shall comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for by this Business Associate Agreement.

5. REPORTING NON-PERMITTED USES OR DISCLOSES, SECURITY INCIDENTS, AND BREACHES OF UNSECURED PROTECTED HEALTH INFORMATION

- 5.1 Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information not permitted by this Business Associate Agreement, any Security Incident, and/ or any Breach of Unsecured Protected Health Information as further described in Sections 5.1.1, 5.1.2, and 5.1.3.
- 5.1.1 Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors not provided for by this Agreement of which Business Associate becomes aware.

- 5.1.2 Business Associate shall report to Covered Entity any Security Incident of which Business Associate becomes aware.
 - 5.1.3. Business Associate shall report to Covered Entity any Breach by Business Associate, its employees, representatives, agents, workforce members, or Subcontractors of Unsecured Protected Health Information that is known to Business Associate or, by exercising reasonable diligence, would have been known to Business Associate. Business Associate shall be deemed to have knowledge of a Breach of Unsecured Protected Health Information if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of Business Associate, including a Subcontractor, as determined in accordance with the federal common law of agency.
- 5.2 Except as provided in Section 5.3, for any reporting required by Section 5.1, Business Associate shall provide, to the extent available, all information required by, and within the times frames specified in, Sections 5.2.1 and 5.2.2.
- 5.2.1 Business Associate shall make an immediate telephonic report upon discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident or Breach of Unsecured Protected Health Information to **(562) 940-3335** that minimally includes:
- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
 - (b) The number of Individuals whose Protected Health Information is involved;
 - (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
 - (d) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach

5.2.2 Business Associate shall make a written report without unreasonable delay and in no event later than three (3) business days from the date of discovery by Business Associate of the non-permitted Use or Disclosure of Protected Health Information, Security Incident, or Breach of Unsecured Protected Health Information and to the **HIPAA Compliance Officer at: Hall of Records, County of Los Angeles, Chief Executive Office, Risk Management Branch-Office of Privacy, 320 W. Temple Street, 7th Floor, Los Angeles, California 90012, PRIVACY@ceo.lacounty.gov**, that includes, to the extent possible:

- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
- (b) The number of Individuals whose Protected Health Information is involved;
- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- (d) The identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, Used, or Disclosed;
- (e) Any other information necessary to conduct an assessment of whether notification to the Individual(s) under 45 C.F.R. § 164.404 is required;
- (f) Any steps Business Associate believes that the Individual(s) could take to protect him or herself from potential harm from the non-permitted Use or Disclosure, Security Incident, or Breach;
- (g) A brief description of what Business Associate is doing to investigate, to mitigate harm to the Individual(s), and to protect against any further similar occurrences; and

- (h) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach.

5.2.3 If Business Associate is not able to provide the information specified in Section 5.2.1 or 5.2.2 at the time of the required report, Business Associate shall provide such information promptly thereafter as such information becomes available.

5.3 Business Associate may delay the notification required by Section 5.1.3, if a law enforcement official states to Business Associate that notification would impede a criminal investigation or cause damage to national security.

5.3.1 If the law enforcement official's statement is in writing and specifies the time for which a delay is required, Business Associate shall delay its reporting and/or notification obligation(s) for the time period specified by the official.

5.3.2 If the statement is made orally, Business Associate shall document the statement, including the identity of the official making the statement, and delay its reporting and/or notification obligation(s) temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described in Section 5.3.1 is submitted during that time.

6. WRITTEN ASSURANCES OF SUBCONTRACTORS

6.1 In accordance with 45 C.F.R. § 164.502 (e)(1)(ii) and § 164.308 (b)(2), if applicable, Business Associate shall ensure that any Subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate is made aware of its status as a Business Associate with respect to such information and that Subcontractor agrees in writing to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information.

6.2 Business Associate shall take reasonable steps to cure any material breach or violation by Subcontractor of the agreement required by Section 6.1.

6.3 If the steps required by Section 6.2 do not cure the breach or end the violation, Contractor shall terminate, if feasible, any arrangement with Subcontractor by which Subcontractor creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate.

- 6.4 If neither cure nor termination as set forth in Sections 6.2 and 6.3 is feasible, Business Associate shall immediately notify County.
- 6.5 Without limiting the requirements of Section 6.1, the agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall require Subcontractor to contemporaneously notify Covered Entity in the event of a Breach of Unsecured Protected Health Information.
- 6.6 Without limiting the requirements of Section 6.1, agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall include a provision requiring Subcontractor to destroy, or in the alternative to return to Business Associate, any Protected Health Information created, received, maintained, or transmitted by Subcontractor on behalf of Business Associate so as to enable Business Associate to comply with the provisions of Section 18.4.
- 6.7 Business Associate shall provide to Covered Entity, at Covered Entity's request, a copy of any and all Subcontractor Business Associate Agreements required by Section 6.1.
- 6.8 Sections 6.1 and 6.7 are not intended by the parties to limit in any way the scope of Business Associate's obligations related to Subcontracts or Subcontracting in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

7. ACCESS TO PROTECTED HEALTH INFORMATION

- 7.1 To the extent Covered Entity determines that Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within two (2) business days after receipt of a request from Covered Entity, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and shall provide such Individuals(s) or other person(s) designated by Covered Entity with a copy the specified Protected Health Information, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.524.
- 7.2 If any Individual requests access to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within two (2) days of the receipt of the request. Whether access shall be provided or denied shall be determined by Covered Entity.

- 7.3 To the extent that Business Associate maintains Protected Health Information that is subject to access as set forth above in one or more Designated Record Sets electronically and if the Individual requests an electronic copy of such information, Business Associate shall provide the Individual with access to the Protected Health Information in the electronic form and format requested by the Individual, if it is readily producible in such form and format; or, if not, in a readable electronic form and format as agreed to by Covered Entity and the Individual.

8. AMENDMENT OF PROTECTED HEALTH INFORMATION

- 8.1 To the extent Covered Entity determines that any Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within ten (10) business days after receipt of a written request from Covered Entity, make any amendments to such Protected Health Information that are requested by Covered Entity, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.526.
- 8.2 If any Individual requests an amendment to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request. Whether an amendment shall be granted or denied shall be determined by Covered Entity.

9. ACCOUNTING OF DISCLOSURES OF DISCLOSURES of PROTECTED HEALTH INFORMATION

- 9.1 Business Associate shall maintain an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or Subcontractors, as is determined by Covered Entity to be necessary in order to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.
- 9.1.1 Any accounting of disclosures provided by Business Associate under Section 9.1 shall include:
- (a) The date of the Disclosure;
 - (b) The name, and address if known, of the entity or person who received the Protected Health Information;
 - (c) A brief description of the Protected Health Information Disclosed; and

(d) A brief statement of the purpose of the Disclosure.

9.1.2 For each Disclosure that could require an accounting under Section 9.1, Business Associate shall document the information specified in Section 9.1.1, and shall maintain the information for six (6) years from the date of the Disclosure.

9.2 Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of a written request from Covered Entity, information collected in accordance with Section 9.1.1 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528

9.3 If any Individual requests an accounting of disclosures directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request, and shall provide the requested accounting of disclosures to the Individual(s) within 30 days. The information provided in the accounting shall be in accordance with 45 C.F.R. § 164.528.

10. COMPLIANCE WITH APPLICABLE HIPAA RULES

10.1 To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity's performance of such obligation(s).

10.2 Business Associate shall comply with all HIPAA Rules applicable to Business Associate in the performance of Services.

11. AVAILABILITY OF RECORDS

11.1 Business Associate shall make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity available to the Secretary for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations.

11.2 Unless prohibited by the Secretary, Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

12. MITIGATION OF HARMFUL EFFECTS

12.1 Business Associate shall mitigate, to the extent practicable, any harmful effect of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Business Associate Agreement that is known to Business Associate.

13. BREACH NOTIFICATION TO INDIVIDUALS

13.1 Business Associate shall, to the extent Covered Entity determines that there has been a Breach of Unsecured Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors, provide breach notification to the Individual in a manner that permits Covered Entity to comply with its obligations under 45 C.F.R. § 164.404.

13.1.1 Business Associate shall notify, subject to the review and approval of Covered Entity, each Individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, Used, or Disclosed as a result of any such Breach.

13.1.2 The notification provided by Business Associate shall be written in plain language, shall be subject to review and approval by Covered Entity, and shall include, to the extent possible:

- (a) A brief description of what happened, including the date of the Breach and the date of the Discovery of the Breach, if known;
- (b) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
- (c) Any steps the Individual should take to protect him or herself from potential harm resulting from the Breach;
- (d) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individual(s), and to protect against any further Breaches; and
- (e) Contact procedures for Individual(s) to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

- 13.2 Covered Entity, in its sole discretion, may elect to provide the notification required by Section 13.1 and/or to establish the contact procedures described in Section 13.1.2.
- 13.3 Business Associate shall reimburse Covered Entity any and all costs incurred by Covered Entity, in complying with Subpart D of 45 C.F.R. Part 164, including but not limited to costs of notification, internet posting, or media publication, as a result of Business Associate's Breach of Unsecured Protected Health Information; Covered Entity shall not be responsible for any costs incurred by Business Associate in providing the notification required by 13.1 or in establishing the contact procedures required by Section 13.1.2.

14. INDEMNIFICATION

- 14.1 Business Associate shall indemnify, defend, and hold harmless Covered Entity, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, expenses (including attorney and expert witness fees), and penalties and/or fines (including regulatory penalties and/or fines), arising from or connected with Business Associate's acts and/or omissions arising from and/or relating to this Business Associate Agreement, including, but not limited to, compliance and/or enforcement actions and/or activities, whether formal or informal, by the Secretary or by the Attorney General of the State of California.
- 14.2 Section 14.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Insurance and/or Indemnification in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

15. OBLIGATIONS OF COVERED ENTITY

- 15.1 Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the Use or Disclosure of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own Uses and Disclosures accordingly.
- 15.2 Covered Entity shall not request Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except to

the extent that Business Associate may Use or Disclose Protected Health Information as provided in Sections 2.3, 2.5, and 2.6.

16. TERM

- 16.1 Unless sooner terminated as set forth in Section 17, the term of this Business Associate Agreement shall be the same as the term of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 16.2 Notwithstanding Section 16.1, Business Associate's obligations under Sections 11, 14, and 18 shall survive the termination or expiration of this Business Associate Agreement.

17. TERMINATION FOR CAUSE

- 17.1 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and the breaching party has not cured the breach or ended the violation within the time specified by the non-breaching party, which shall be reasonable given the nature of the breach and/or violation, the non-breaching party may terminate this Business Associate Agreement.
- 17.2 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and cure is not feasible, the non-breaching party may terminate this Business Associate Agreement immediately.

18. DISPOSITION OF PROTECTED HEALTH INFORMATION UPON TERMINATION OR EXPIRATION

- 18.1 Except as provided in Section 18.3, upon termination for any reason or expiration of this Business Associate Agreement, Business Associate shall return or, if agreed to by Covered entity, shall destroy as provided for in Section 18.2, all Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of

Covered Entity, that Business Associate, including any Subcontractor, still maintains in any form. Business Associate shall retain no copies of the Protected Health Information.

- 18.2 Destruction for purposes of Section 18.2 and Section 6.6 shall mean that media on which the Protected Health Information is stored or recorded has been destroyed and/or electronic media have been cleared, purged, or destroyed in accordance with the use of a technology or methodology specified by the Secretary in guidance for rendering Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals.
- 18.3 Notwithstanding Section 18.1, in the event that return or destruction of Protected Health Information is not feasible or Business Associate determines that any such Protected Health Information is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities, Business Associate may retain that Protected Health Information for which destruction or return is infeasible or that Protected Health Information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities and shall return or destroy all other Protected Health Information.
- 18.3.1 Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information, including continuing to use appropriate safeguards and continuing to comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for in Sections 2.5 and 2.6 for so long as such Protected Health Information is retained, and Business Associate shall not Use or Disclose such Protected Health Information other than for the purposes for which such Protected Health Information was retained.
- 18.3.2 Business Associate shall return or, if agreed to by Covered entity, destroy the Protected Health Information retained by Business Associate when it is no longer needed by Business Associate for Business Associate's proper management and administration or to carry out its legal responsibilities.
- 18.4 Business Associate shall ensure that all Protected Health Information created, maintained, or received by Subcontractors is returned or, if agreed to by Covered entity, destroyed as provided for in Section 18.2.

19. AUDIT, INSPECTION, AND EXAMINATION

- 19.1 Covered Entity reserves the right to conduct a reasonable inspection of the facilities, systems, information systems, books, records, agreements, and policies and procedures relating to the Use or Disclosure of Protected Health Information for the purpose determining whether Business Associate is in compliance with the terms of this Business Associate Agreement and any non-compliance may be a basis for termination of this Business Associate Agreement and the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, as provided for in section 17.
- 19.2 Covered Entity and Business Associate shall mutually agree in advance upon the scope, timing, and location of any such inspection.
- 19.3 At Business Associate's request, and to the extent permitted by law, Covered Entity shall execute a nondisclosure agreement, upon terms and conditions mutually agreed to by the parties.
- 19.4 That Covered Entity inspects, fails to inspect, or has the right to inspect as provided for in Section 19.1 does not relieve Business Associate of its responsibility to comply with this Business Associate Agreement and/or the HIPAA Rules or impose on Covered Entity any responsibility for Business Associate's compliance with any applicable HIPAA Rules.
- 19.5 Covered Entity's failure to detect, its detection but failure to notify Business Associate, or its detection but failure to require remediation by Business Associate of an unsatisfactory practice by Business Associate, shall not constitute acceptance of such practice or a waiver of Covered Entity's enforcement rights under this Business Associate Agreement or the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 19.6 Section 19.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Inspection and/or Audit and/or similar review in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

20. **MISCELLANEOUS PROVISIONS**

- 20.1 Disclaimer. Covered Entity makes no warranty or representation that compliance by Business Associate with the terms and conditions of this Business Associate Agreement will be adequate or satisfactory to meet the business needs or legal obligations of Business Associate.
- 20.2 HIPAA Requirements. The Parties agree that the provisions under HIPAA Rules that are required by law to be incorporated into this Amendment are hereby incorporated into this Agreement.
- 20.3 No Third-Party Beneficiaries. Nothing in this Business Associate Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 20.4 Construction. In the event that a provision of this Business Associate Agreement is contrary to a provision of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, the provision of this Business Associate Agreement shall control. Otherwise, this Business Associate Agreement shall be construed under, and in accordance with, the terms of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 20.5 Regulatory References. A reference in this Business Associate Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- 20.6 Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits the parties to comply with the HIPAA Rules.
- 20.7 Amendment. The parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity or Business Associate to comply with the requirements of the HIPAA Rules and any other privacy laws governing Protected Health Information.

COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES CERTIFICATION

Company Name (Contractor): <u>Sedgwick Claims Management Services, Inc.</u>		
Company Address: <u>3760 Kilroy Airport Way</u>		
City: <u>Long Beach</u>	State: <u>California</u>	Zip Code: <u>90806</u>
Telephone No: <u>847-722-4698(Mobile)/773-824-4260</u> Email address: <u>michael.shook@sedgwick.com</u>		
Solicitation/Contract for Medical Malpractice, Hospital Liability Claims Administration and Legal Defense Management Services		

PROPOSER/CONTRACTOR CERTIFICATION

The Los Angeles County Board of Supervisors approved a Fair Chance Employment Policy in an effort to remove job barriers for individuals with criminal records. The policy requires businesses that contract with the County to comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History (California Government Code Section 12952), effective January 1, 2018.

Proposer/Contractor acknowledges and certifies compliance with fair chance employment hiring practices set forth in California Government Code Section 12952 and agrees that proposer/contractor and staff performing work under the Contract will be in compliance. Proposer/Contractor further acknowledges that noncompliance with fair chance employment practices set forth in California Government Code Section 12952 may result in rejection of any proposal, or termination of any resultant Contract, at the sole judgment of the County.

I declare under penalty of perjury under the laws of the State of California that the information herein is true and correct and that I am authorized to represent this company.

Print Name:	Title:
Signature:	Date:

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

The County of Los Angeles ("County") is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Information Security and Privacy Requirements Exhibit ("Exhibit") sets forth the County and the Contractor's commitment and agreement to fulfill each of their obligations under applicable state or federal laws, rules, or regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability, and Integrity of such Information. The Information Security and privacy requirements and procedures in this Exhibit are to be established by the Contractor before the Effective Date of the Contract and maintained throughout the term of the Contract.

These requirements and procedures are a minimum standard and are in addition to the requirements of the underlying base agreement between the County and Contractor (the "Contract") and any other agreements between the parties. However, it is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise those measures to address ongoing Threats and Risks. Failure to comply with the minimum requirements and procedures set forth in this Exhibit will constitute a material, non-curable breach of Contract by the Contractor, entitling the County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. To the extent there are conflicts between this Exhibit and the Contract, this Exhibit shall prevail unless stated otherwise.

1. DEFINITIONS

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

- a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).
- b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.
- c. **County Information:** all Data and Information belonging to the County.
- d. **Data:** a subset of Information comprised of qualitative or quantitative values.
- e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.
- f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.
- g. **Information Security Policy:** high level statements of intention and direction of an organization used to create an organization's Information Security Program as formally expressed by its top management.
- h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting the County's information security requirements.

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

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

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

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards, and procedures will be communicated to all Contractor employees in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure operational effectiveness, compliance with all applicable laws and regulations, and addresses new and emerging Threats and Risks.

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

The Contractor's Information Security Program shall:

- Protect the Confidentiality, Integrity, and Availability of County Information in the Contractor's possession or control;
- Protect against any anticipated Threats or hazards to the Confidentiality, Integrity, and Availability of County Information;
- Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- Protect against accidental loss or destruction of, or damage to, County Information; and
- Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.

- b. **Privacy Program.** The Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. The Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures, and appropriate training will be provided to all Contractor employees, agents, and volunteers. The Contractor's Privacy Policies, guidelines, and procedures shall be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. The Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

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

The Contractor's Privacy Program shall include:

- A Privacy Program framework that identifies and ensures that the Contractor complies with all applicable laws and regulations;
- External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;
- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;

- A training program that covers Privacy Policies, protocols and awareness;
- A response plan to address privacy Incidents and privacy breaches; and
- Ongoing privacy assessments and audits.

3. *PROPERTY RIGHTS TO COUNTY INFORMATION*

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

4. *CONTRACTOR'S USE OF COUNTY INFORMATION*

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

5. *SHARING COUNTY INFORMATION AND DATA*

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

6. *CONFIDENTIALITY*

- Confidentiality of County Information.** The Contractor agrees that all County Information is Confidential and proprietary to the County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential".
- Disclosure of County Information.** The Contractor may disclose County Information only as necessary to carry out its obligations under this Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of the County's contract administrator in consultation with the County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a

court of competent jurisdiction or an administrative body to disclose County Information, the Contractor shall notify the County's contract administrator immediately and prior to any such disclosure, to provide the County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.

- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, the Contractor may encounter County Non-public Information ("NPI") in the course of performing this Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as "Internal Use", "Confidential" or "Restricted" as defined in [Board of Supervisors Policy 6.104 – Information Classification Policy](#) as NPI. The Contractor shall not disclose or publish any County NPI and material received or used in performance of this Contract. This obligation is perpetual.
- d. **Individual Requests.** The Contractor shall acknowledge any request or instructions from the County regarding the exercise of any individual's privacy rights provided under applicable federal or state laws. The Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from the County within seven (7) calendar days. If an individual makes a request directly to the Contractor involving County Information, the Contractor shall notify the County within five (5) calendar days and the County will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request. Similarly, if the Contractor receives a privacy or security complaint from an individual regarding County Information, the Contractor shall notify the County as described in Section 14 SECURITY AND PRIVACY INCIDENTS, and the County will coordinate an appropriate response.
- e. **Retention of County Information.** The Contractor shall not retain any County Information for any period longer than necessary for the Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. CONTRACTOR EMPLOYEES

The Contractor shall perform background and security investigation procedures in the manner prescribed in this section unless the Contract prescribes procedures for conducting background and security investigations and those procedures are no less stringent than the procedures described in this section.

To the extent permitted by applicable law, the Contractor shall screen and conduct background investigations on all Contractor employees and Subcontractors as appropriate to their role, with access to County Information for potential security Risks. Such background investigations must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review and conducted in accordance with the law, may include criminal and financial history to the extent permitted under the law, and will be repeated on a regular basis. The fees associated with the background investigation shall be at the expense of the Contractor, regardless of whether the member of the Contractor's staff passes or fails the background investigation. The Contractor, in compliance with its legal obligations, shall conduct an individualized assessment of their employees, agents, and volunteers regarding the nature and gravity of a criminal offense or conduct; the time that has passed since a criminal offense or conduct and completion of the sentence; and the nature of the access to County Information to ensure that no individual accesses County Information whose past criminal conduct poses a risk or threat to County Information.

Contractor shall require all employees, agents, and volunteers to abide by the requirements in this Exhibit, as set forth in the Contract, and sign an appropriate written Confidentiality/non-disclosure agreement with the Contractor.

Contractor shall supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks, and Threats. The Contractor agrees that training will cover, but may not be limited to the following topics:

- a) **Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.
- b) **Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.
- c) **Handling of County Information:** The proper identification, storage, transfer, archiving, and destruction of County Information.
- d) **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.
- e) **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.
- f) **Privacy:** The Contractor's Privacy Policies and procedures as described in Section 2b. Privacy Program.

Contractor shall have an established set of procedures to ensure the Contractor's employees promptly report actual and/or suspected breaches of security.

8. SUBCONTRACTORS AND THIRD PARTIES

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

Contractor shall obtain advanced approval from the County's Chief Information Security Officer and/or Chief Privacy Officer prior to subcontracting services subject to this Exhibit.

9. STORAGE AND TRANSMISSION OF COUNTY INFORMATION

All County Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, the Contractor will

encrypt all workstations, portable devices (such as mobile, wearables, tablets,) and removable media (such as portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the County's Chief Information Security Officer.

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

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

10. RETURN OR DESTRUCTION OF COUNTY INFORMATION

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

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

“Guidelines for Media Sanitization” such that the County Information cannot be retrieved. The Contractor will provide an attestation on company letterhead and certified documentation from a media destruction firm, detailing the destruction method used and the County Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement will be sent to the designated County contract manager within ten (10) days of termination or expiration of the Contract or at any time upon the County’s request. On termination or expiration of this Contract, the County will return or destroy all Contractor’s Information marked as confidential (excluding items licensed to the County hereunder, or that provided to the County by the Contractor hereunder), at the County’s option.

11. PHYSICAL AND ENVIRONMENTAL SECURITY

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

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

12. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY

Contractor shall: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 14 SECURITY AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

Contractor must have business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; (iv) fully restore applications and operating systems; and (v) demonstrate periodic testing of restoration from back-up location. If the Contractor makes backups to removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such backups shall be encrypted in compliance with the encryption requirements noted above in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. ACCESS CONTROL

Subject to and without limiting the requirements under Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by the County Project Director or Project Manager in writing; and (ii) if

transferred using removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be sent via a bonded courier and protected using encryption technology designated by the Contractor and approved by the County's Chief Information Security Officer in writing. The foregoing requirements shall apply to back-up media stored by the Contractor at off-site facilities.

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

- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, multi-factor authentication, use of virtual private networks (VPN), authorization, and event logging;
- c. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor shall record, review and act upon all events in accordance with Incident response policies set forth in Section 14 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any hardware, storage media, or removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, the Contractor shall ensure all County Information, has been eradicated from such hardware and/or media using industry best practices as discussed in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

14. SECURITY AND PRIVACY INCIDENTS

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

- a. Promptly notify the County's Chief Information Security Officer, the Departmental Information Security Officer, and the County's Chief Privacy Officer of any Incidents involving County Information, within twenty-four (24) hours of detection of the Incident. All notifications shall be submitted via encrypted email and telephone.

County Chief Information Security Officer and Chief Privacy Officer email
CISO-CPO_Notify@lacounty.gov

Chief Information Security Officer:

Jeffrey Aguilar
Chief Information Security Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 253-5600
Email: jaguilar@ceo.lacounty.gov

Chief Privacy Officer:

Lillian Russell
Chief Privacy Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 351-5363
Email: lrussell@ceo.lacounty.gov

Departmental Information Security Officer:

TBD
Departmental Information Security Officer:
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 253-5600
Email: TBD

b. Include the following Information in all notices:

- i. The date and time of discovery of the Incident,
- ii. The approximate date and time of the Incident,
- iii. A description of the type of County Information involved in the reported Incident, and
- iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
- v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.

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

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

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

15. NON-EXCLUSIVE EQUITABLE REMEDY

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

16. AUDIT AND INSPECTION

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

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

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

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

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

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

17. *PRIVACY AND SECURITY INDEMNIFICATION*

In addition to the indemnification provisions in the Contract, the Contractor agrees to indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, agents, employees, and volunteers from and against any and all claims, demands liabilities, damages, judgments, awards, losses, costs, expenses or fees including reasonable attorneys' fees, accounting and other expert, consulting or professional fees, and amounts paid in any settlement arising from, connected with, or relating to:

- The Contractor's violation of any federal and state laws in connection with its accessing, collecting, processing, storing, disclosing, or otherwise using County Information;
- The Contractor's failure to perform or comply with any terms and conditions of this Contract or related agreements with the County; and/or,
- Any Information loss, breach of Confidentiality, or Incident involving any County Information that occurs on the Contractor's systems or networks (including all costs and

expenses incurred by the County to remedy the effects of such loss, breach of Confidentiality, or Incident, which may include (i) providing appropriate notice to individuals and governmental authorities, (ii) responding to individuals' and governmental authorities' inquiries, (iii) providing credit monitoring to individuals, and (iv) conducting litigation and settlements with individuals and governmental authorities).

Notwithstanding the preceding sentences, the County shall have the right to participate in any such defense at its sole cost and expense, except that in the event contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

**COVID-19 VACCINATIONS OF COUNTY CONTRACTOR PERSONNEL
COVID-19 VACCINATION CERTIFICATION OF COMPLIANCE
Urgency Ordinance, County Code Title 2 – Administration, Division 4 –
Miscellaneous – Chapter 2.212 (COVID-19 Vaccinations of County Contractor
Personnel)**

I, _____, on behalf of _____,
(the "Contractor"), certify that on County Contract _____
[ENTER CONTRACT NUMBER AND NAME]:

_____ All Contractor Personnel* on this Contract are fully vaccinated as required by the Ordinance.

_____ Most Contractor Personnel* on this Contract are fully vaccinated as required by the Ordinance. The Contractor or its employer of record, has granted a valid medical or religious exemption to the below identified Contractor Personnel. Contractor will certify weekly that the following unvaccinated Contractor Personnel have tested negative within 72 hours of starting their work week under the County Contract, unless the contracting County department requires otherwise. The Contractor Personnel who have been granted a valid medical or religious exemption are [LIST ALL CONTRACTOR PERSONNEL]:

*Contractor Personnel includes subcontractors.

I have authority to bind the Contractor and have reviewed the requirements above and further certify that I will comply with said requirements.

Signature

Date

Title

Sedgwick Claims Management Services
Company/Contractor Name

AO-22-409
Contract No.

BACKGROUND INVESTIGATION CRITERIA

This Exhibit N-1 is attached to and forms a part of Contract AO-22-409 for Medical Malpractice Hospital Liability Claims Administration and Legal Defense Management Services, dated as of the Effective Date (together with all exhibits, Attachments, and schedules thereto, all as amended from time to time, the "Contract"), between the County of Los Angeles ("County") and Sedgwick Claims Management Services ("Contractor"). Capitalized terms used herein without definition have the meanings given to such terms in the Contract.

Contractor must deliver a written certification in the form of Exhibit N-2 (Background Investigation Certification) prior to Contractor's staff beginning work under the Contract and no less than annually thereafter.

All background investigations must be conducted by Live Scan fingerprinting. The background investigations must provide County notification by using the County of Los Angeles ORI **A1714** (Code assigned by DOJ), when the Contractor's staff conducts a background investigation prior to beginning work or receives a subsequent criminal conviction.

The suitability of Contractor staff working under the Contract having been convicted of criminal acts and/or who have successfully completed probation or parole must be evaluated by Contractor for compliance with this Exhibit N-1 and Contractor, taking into consideration the type of work the Contractor's staff will be performing under the Contract and acting in accordance with standards that are consistent with the Contract and market practices for its industry, must determine that such staff are suitable for performing work under the Contract. Contractor's staff will be required to truthfully and fully disclose criminal conviction(s) to Contractor, unless such conviction(s) have been disclosed via the background investigation completed by Contractor's third-party vendor. If staff fail to disclose a criminal conviction, Contractor must be permitted to remove such staff from performing work under the Contract regardless of work performance.

Due to the fact that legal terms by which criminal acts may be described differ among jurisdictions, the following includes but is not limited to a list of criminal convictions that may be considered in evaluating suitability to work on the Contract.

I. ACCEPTABLE TO WORK ON CONTRACT

- Disturbing the Peace
- Drunk Driving (Acceptable with a valid driver license)
- Gambling
- Petty Theft as a Juvenile
- Possession of Marijuana
- Reckless Driving (Acceptable with a valid driver license)
- Trespassing

II. ACCEPTABLE TO WORK ON CONTRACT AFTER STIPULATED TIME (INCLUDING SIMILAR CONVICTIONS AND "ATTEMPT", "ACCESSORY", AND "CONSPIRACY" TO COMMIT ANY OF THE CRIMES LISTED BELOW)

- | | |
|--|------------|
| • Assault and Battery | One Year |
| • Malicious Mischief | One Year |
| • Prostitution | One Year |
| • Petty Theft | Five Years |
| • Receiving Stolen Property | Five Years |
| • Shoplifting | Five Years |
| • Manslaughter | Five Years |
| • Possession of Narcotics and/or Dangerous Drugs | Five Years |

III. DETERMINATION AFTER INVESTIGATION

- Bad Checks
- Indecent Exposure
- Lewd Conduct
- Possession and/or Sales of Dangerous Weapons
- Threats of Violence
- Other Criminal Acts

IV. NOT ACCEPTABLE TO WORK ON CONTRACT (INCLUDING SIMILAR CONVICTIONS AND "ATTEMPT", "ACCESSORY", AND "CONSPIRACY" TO COMMIT ANY OF THE CRIMES LISTED BELOW.)

- Blackmail
- Bribery
- Burglary
- Crimes Against Children and Elders
- Embezzlement, Including Theft of Public Funds
- Extortion
- Falsification of Financial Statements and/or Public Records
- Forgery
- Grand Theft
- Murder
- Rape, including Sexual Battery
- Robbery
- Sale of narcotics and/or dangerous drugs (Includes Intent to Sell)
- Criminal fraud

BACKGROUND INVESTIGATION CERTIFICATION

CONTRACT: CONTRACT BY AND BETWEEN COUNTY OF LOS ANGELES AND
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC. FOR MEDICAL MALPRACTICE
HOSPITAL LIABILITY CLAIMS ADMINISTRATION AND LEGAL DEFENSE
MANAGEMENT SERVICES

CONTRACTOR/EMPLOYER NAME: SEDGWICK CLAIMS MANAGEMENT SERVICES,
INC.

COUNTY CONTRACT NO.: AO-22-409

This Exhibit N-2 is attached to and forms a part of Contract AO-22-409 for Medical Malpractice Hospital Liability Claims Administration and Legal Defense Management Services, between the County of Los Angeles ("County") and Sedgwick Claims Management Services, Inc. ("Contractor"). Capitalized terms used herein without definition have the meanings given to such terms in the Agreement.

The undersigned, being an authorized officer of Contractor, certifies to County the following:

All background investigations must be conducted by Live Scan fingerprinting. The background investigations must provide County notification by using the County of Los Angeles ORI A1714 (Code assigned by DOJ), when the Contractor's staff conducts a background investigation prior to beginning work or receives a subsequent criminal conviction. Contractor's staff that certify and undergone Live Scan fingerprinting must be listed on Attachment I (Background Investigation Notification).

County has evaluated the results of the background investigations of all Contractor's staff performing work under the Contract for compliance with this Exhibit N-2, and Contractor, taking into consideration the type of work the Contractor's staff will be performing under the Contract and acting accordance with standards that are consistent with the Contract and market practices for its industry, must determine that such staff are suitable for performing work under the Contract. Contractor's staff will be required to truthfully and fully disclose criminal conviction(s) to Contractor, unless such conviction(s) have been disclosed via the background investigation completed by Contractor's third-party vendor. If staff fail to disclose a criminal conviction, Contractor must be permitted to remove such staff from performing work under the Contract regardless of work performance.

Due to the fact that legal terms by which criminal acts may be described differ among jurisdictions, the following is NOT a complete list of criminal convictions that may be considered in evaluating suitability to work on the Contract.

I. ACCEPTABLE TO WORK ON AGREEMENT

- Disturbing the Peace
- Drunk Driving (Acceptable with a valid driver license)
- Gambling
- Petty Theft as a Juvenile
- Possession of Marijuana
- Reckless Driving (Acceptable with a valid driver license)
- Trespassing

II. ACCEPTABLE TO WORK ON AGREEMENT AFTER STIPULATED TIME (INCLUDING SIMILAR CONVICTIONS AND "ATTEMPT", "ACCESSORY", AND "CONSPIRACY" TO COMMIT ANY OF THE CRIMES LISTED BELOW)

- | | |
|--|------------|
| • Assault and Battery | One Year |
| • Malicious Mischief | One Year |
| • Prostitution | One Year |
| • Petty Theft | Five Years |
| • Receiving Stolen Property | Five Years |
| • Shoplifting | Five Years |
| • Manslaughter | Five Years |
| • Possession of Narcotics and/or Dangerous Drugs | Five Years |

III. DETERMINATION AFTER INVESTIGATION

- Bad Checks
- Indecent Exposure
- Lewd Conduct
- Possession and/or Sales of Dangerous Weapons
- Threats of Violence
- Other Criminal Acts

IV. NOT ACCEPTABLE TO WORK ON AGREEMENT (INCLUDING SIMILAR CONVICTIONS AND "ATTEMPT", "ACCESSORY", AND "CONSPIRACY" TO COMMIT ANY OF THE CRIMES LISTED BELOW.)

- Blackmail
- Bribery
- Burglary
- Crimes Against Children and Elders
- Embezzlement, Including Theft of Public Funds
- Extortion

- Falsification of Financial Statements and/or Public Records
- Forgery
- Grand Theft
- Murder
- Rape, including Sexual Battery
- Robbery
- Sale of narcotics and/or dangerous drugs (Includes Intent to Sell)
- Criminal fraud

Under penalty of perjury, I certify the foregoing to be true and correct as of the date set forth below.

Signature & Title

Date

Witnessed by:

Signature & Title

Date

OPEN MEDICAL MALPRACTICE CLAIMS CLAIMS AND CASELOAD DATA

Loss Experience from 7/1/16 to 6/30/21

	FISCAL YEAR (July 1 thru June 30)					5 Year Total	Annual Average
	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021		
Medical Malpractice							
Cases ¹	115	114	100	90	81	500	100
General Liability							
Cases ¹	57	50	44	58	96	305	61
Subtotal	172	164	144	148	177		
FISCAL YEAR TOTALS	<u>172</u>	<u>164</u>	<u>144</u>	<u>148</u>	<u>177</u>		

¹Cases = Claims and lawsuits deemed appropriate for investigation that are received during the fiscal year.

From: [Isdpes \(Isdpes\)](#)
To: [Kashari Jones](#)
Subject: LA County Bid Add/Update Confirmation
Date: Tuesday, February 8, 2022 6:10:11 AM

This is to notify you, Kashari S. Jones, that your bid below

Bid Number: RFPRMB202201

Bid Title: Request for Proposals for Medical Malpractice and Hospital Liability Claims Administration and Legal Defense Management Services


has successfully been Added or Updated on 2/7/2022 9:15:09 PM

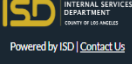
ISD POSTING CONFIRMATION
RFP# RMB 2022-01
MEDICAL MALPRACTICE SERVICES

LA County Solicitations

camisvr.co.la.ca.us/LACoBids/AwardLookUp/AwardBidDetail

RAS-Analyst User G...dateEventbrite - Discov...

Los Angeles County Solicitations

ISD
INTERNAL SERVICES
DEPARTMENT
COUNTY OF LOS ANGELES
Powered by ISD | [Contact Us](#)

[Home](#) / [Closed & Award Solicitations](#) / [Detail](#)

Solicitation Information

Solicitation Number:	RFP#RMB202201		
Title:	Request for Proposals for Medical Malpractice and Hospital Liability Claims Administration and Legal Defense Management Services		
Department:	Chief Executive Office		
Bid Type:	Service	Bid Amount:	N/A
Commodity:	INSURANCE - MALPRACTICE, MEDICAL		
Description:	Contractor shall provide incident and claim administration, as well as litigation management support services for the County of Lo... More		
Open Day:	2/7/2022	Closed Date:	3/14/2022 10:00:00 AM
Contact Name:	Kashari S. Jones	Contact Phone:	(213) 974-2459
Contact Email:	kjones@ceo.lacounty.gov		
Notice of Intent to Award (0):	Click here to view notice intent to award list.		
Solicitation Award (0):	Click here to view award list.		
Last Changed On:	2/7/2022 9:15:09 PM		
Attachment File (1):	Click here to download attachment files.		

**PROPOSERS' COMMUNITY BUSINESS ENTERPRISE AND
PREFERENCE PROGRAM INFORMATION FOR MEDICAL MALPRACTICE SERVICES
RFP# RMB 2022-01**

PROPOSING FIRMS	PREFERENCE PROGRAMS			BUSINESS OWNERSHIP CERTIFICATION CRITERIA			
	Local Small Business Enterprise (SBE)	Social Enterprise (SE)	Disabled Veteran Business Enterprise (DVBE)	Minority	Women	Disadvantaged	LGBTQQ
George Hills Company, Inc. (Non-Selected)	NO	YES	NO	N/A	N/A	N/A	N/A
Intercare Holdings Insurance Services, Inc. (Non-Selected)	NO	NO	NO	N/A	N/A	N/A	N/A
Sedgwick Claims Management Services, Inc. (Selected)	NO	NO	NO	N/A	N/A	N/A	N/A

**PROPOSERS' UTILIZATION PARTICIPATION AND COMMUNITY BUSINESS
ENTERPRISE INFORMATION FOR MEDICAL MALPRACTICE SERVICES
RFP# RMB 2022-01**

CONTRACTOR NAME: _____ CONTRACT NO.: _____

TITLE		REFERENCE			
1	FIRM INFORMATION Sedgwick Claims Management Services, Inc.	The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.			
Total Number of Employees in California:		2704			
Total Number of Employees (including owners):		30188			
Race/Ethnic Composition of Firm. Enter the make-up of Owners/Partners/Associate Partners into the following categories:					
Race/Ethnic Composition		Owners/Partners/ Associate Partners		Percentage of how ownership of the firm is distributed	
		Male	Female	Male	Female
Black/African American		*	*		
Hispanic/Latino		*	*	%	%
Asian or Pacific Islander		*	*	%	%
American Indian		*	*	%	%
Filipino		*	*	%	%
White		*	*	%	%
				%	%
2	CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES	If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following.			
Agency Name	Minority	Women	Disadvantaged	Disabled Veteran	Other (Specify)

Proposer further acknowledges that if any false, misleading, incomplete, or deceptively unresponsive statements in connection with this proposal are made, the proposal may be rejected. The evaluation and determination in this area shall be at the Director's sole judgment and his/her judgment shall be final.

*Please note: Sedgwick is owned by private equity firms and a few individual executives, so it is not possible to allocate the composition or makeup of Sedgwick into the above categories. The immediate owner of Sedgwick Claims Management Services, Inc. is Sedgwick Global, Inc. (97.41%) and Lightning Cayman Merger Sub, Ltd. (2.59%); both are corporations. There are no individuals on the board that own any percentage of these two entities.

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	6/22/2022		
BOARD MEETING DATE	7/12/2022		
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input checked="" type="checkbox"/> 5 th		
DEPARTMENT(S)	Health Services		
SUBJECT	South Valley Hospital District		
PROGRAM	Ambulatory Care Network		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:		
DEADLINES/ TIME CONSTRAINTS	Currently on month-to-month holdover. The lease provides for a holdover fee but the landlord is not enforcing the fee. When we sign the amendment, the Landlord will waive any holdover fee in its entirety.		
COST & FUNDING	Total cost: \$ 11,653,000		Funding source: DHS net County cost
	TERMS (if applicable): The proposed base rent is subject to annual rent increases based on the Consumer Price Index (CPI) with a maximum of 3 percent annually. On-site parking for 104 spaces is included in the lease. Janitorial and utility expenses will be charged separately to DHS.		
	Explanation: Sufficient funding for the proposed Lease, and County TI reimbursement costs for the first year of the proposed lease term is included in the Fiscal Year (FY) 2022-23 Rent Expense Budget and will be billed back to DHS. DHS has sufficient funding in its FY 2022-23 operating budget to cover the proposed rent, utility and janitorial costs and Low Voltage for the first year. Beginning in FY 2023-24, ongoing funding for costs associated with the proposed lease will be part of the budget for DHS. The costs will be funded 100 percent net County cost.		
PURPOSE OF REQUEST	Approval of the recommended action will authorize and adequately provide necessary office and clinic space for existing DHS programs per the proposed lease amendment.		
BACKGROUND (include internal/external issues that may exist including any related motions)	<p>The proposed lease amendment will allow DHS the ability to extend the term and expand its operations at the existing office at 38350 40th Street E. Palmdale at this centrally located leasehold within the southern Antelope Valley region. It is in proximity to the ongoing constituencies served and close to other County operations in Service Planning Area 1. Parking is adjacent to the facility and included in the extended lease.</p> <p>The lease will have \$150,000 Base Tenant Improvement (TI) allowance included in the lease for improvements to the existing and new expansion premises.</p>		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:		
DEPARTMENTAL CONTACTS	Michael Navarro CEO- Real Estate Division 213-974-4364 Mnavarro@ceo.lacounty.gov		



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

July 12, 2022

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

Dear Supervisors:

**NINE-YEAR LEASE AMENDMENT
DEPARTMENT OF HEALTH SERVICES
38350 40TH STREET EAST, PALMDALE
(FIFTH DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed lease amendment extending the term of the existing lease in order to provide the Department of Health Services (DHS) use of 27,565 square feet of existing and expansion office and clinic space and 104 on-site parking spaces for its South Valley Health Clinic (SVHC) in the Antelope Valley.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease amendment with Antelope Valley Medical Center, a facility of the Antelope Valley Healthcare District (Landlord), for approximately 27,565 square feet of office space and 104 on-site parking spaces located at 38350 40th Street, East, Palmdale, 93552 to be occupied by DHS. This proposed lease amendment will extend the term of the existing lease by nine years. The estimated maximum first year base rental cost for the extension term is \$511,284, including \$84,120 in rent credits. The estimated total lease cost is \$11,653,000, including rent credits, low voltage, janitorial and utility costs, over the nine-year term. The rental costs will be funded by 100 percent net County cost.

3. Authorize the Director of DHS to contract with and direct the Director of ISD, in coordination with the Chief Executive Officer, or her designee, for the acquisition and installation of data, low-voltage and telephone systems (Low Voltage Items) at a total cost not to exceed \$160,000 to be paid in a lump sum payment. The cost for the Low Voltage Items is in addition to the rental costs.
4. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendment, and to take actions necessary and appropriate to implement the proposed lease amendment, including, without limitation, exercising applicable early termination rights.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since 2009, DHS has used approximately 20,839 square feet of office/medical space and 80 parking spaces, at 38350 40th Street East, Palmdale for DHS to house the SVHC. The SVHC includes a primary care clinic, an urgent care clinic, six surgical specialty clinics, and various ancillary and support functions. This is a medically underserved area and this clinic provides vital access to low-income residents in this surrounding community. DHS desires to remain in this location to continue to provide its essential services. Due to growing client demand in the service area and the need to accommodate additional staff, DHS desires to expand its existing lease footprint by an additional 6,726 square feet of new space which results in amending and renewing the existing lease for a total of 27,565 square feet of office and clinic space and 104 parking spaces.

The existing lease is currently in holdover. While the existing lease does provide for a holdover fee, the Landlord has not charged the County the holdover fee while in negotiations for this proposed lease amendment. As part of entering into the proposed lease amendment, the Landlord will waive any holdover fee due under the existing lease from the holdover period.

The location is served with multiple public transportation routes.

DHS has limited plans for teleworking at this location at this time due to the hands-on nature of its engagement with clients which seek medical care. Hoteling at this facility is possible to the extent that doctors and administrative staff share space between this location and other medical facilities in the Antelope Valley region.

Approval of the recommended actions will find that the proposed lease amendment is exempt from CEQA and will allow DHS to continue to operate at this location.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 1 - *“Make Investments That Transform Lives”* - provides that we will aggressively address society’s most complicated social, health, and public safety challenges. We want to be a highly responsive organization capable of responding to complex societal challenges – one person at a time.

The proposed lease amendment is also consistent with Strategic Asset Management Goal – Strengthen Connection Between Service Priorities and Asset Decisions; and Key Objective No. 4 – Guide Key Decision-Making.

The proposed lease supports the above goals and objective by providing DHS with appropriate office and clinic space that is centrally located within this service area providing the described services within the community. The proposed lease amendment conforms with the with the Asset Management Principles outlined in Enclosure A.

FISCAL IMPACT/FINANCING

The aggregate base rent cost associated with the proposed lease amendment over the entire 9-year term is \$5,545,000, including rent credits provided in years one through six of the nine-year term. Total estimated cost of the proposed lease amendment, including rent, low voltage, rent credits, electrical and utility costs, are \$11,653,000 as shown on Enclosure B-1. The rental costs will be funded by 100 percent net County cost.

Sufficient funding to cover the proposed rent for the first year of the proposed term is included in the Fiscal Year (FY) 2022-23 Rent Expense budget and will be billed back to DHS. DHS has sufficient funding in its FY 2022-23 Operating Budget to cover the proposed rent for the first year. Beginning in FY 2023-24, ongoing funding for costs associated with the lease, as amended, will be part of the budget for the DHS. The costs for Low Voltage Items will be paid by DHS directly to ISD and are not part of the proposed lease amendment costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed lease amendment also contains the following provisions:

- Upon commencement of the nine-year term, the annual rental rate will decrease from \$22.80 per square foot per year to \$21.60 per square foot per year, including parking. Base rent is subject to annual increases based on the Consumer Price Index (CPI) capped at 3 percent per annum.
- A comparison of the existing lease and the lease amendment are shown on Enclosure B-2.

- The Landlord will provide \$150,000 base tenant improvement (TI) allowance for improvements to the premises. The County also has the capability to make improvements to the space with the Landlord's cooperation as needed during the extended tenancy.
- The Landlord is responsible for the operating and maintenance costs of the building, and the County is responsible for utilities and janitorial costs. The County is not subject to the building's operating expense increases.
- Parking for 104 on-site parking spaces is included at no additional cost.
- The proposed lease amendment includes a monthly rent credit of \$7,010 per month, applicable for the initial 72 months of the nine-year term.
- The County has the right to early terminate the proposed lease amendment term any time after 72 months with 180 days' written notice.
- Holdover at the proposed lease amendment expiration is permitted on the same lease terms and conditions existing at the time of the proposed lease expiration.
- The proposed lease amendment will be effective upon approval by the Board and full execution of the proposed lease, but the term and rent will commence upon completion of the TIs by the Landlord and acceptance of the premises by the County.

The Chief Executive Office (CEO) conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$18.60 and \$27.60 per square foot, per year. The base annual rental rate of \$21.60 per square foot, per year, for the proposed lease represents a rate that is within the market range for the area and a reduction in the base rent the County pays under the existing lease. Further, relocation to a new building would require costly new TIs and disrupt services. We recommend the proposed facility as the most suitable to meet the County's space requirements.

Co-working office space is not conducive to this type of DHS usage. Enclosure C shows County-owned or leased facilities within the surveyed area, and there are no alternative suitable County-owned facilities available for this space requirement.

The Department of Public Works found the building suitable for the County's occupancy given the more recent construction of the facility. The required notification letter to the City of Palmdale has been sent in accordance with Government Code section 25351.

County Counsel has reviewed the proposed lease amendment and approved it as to form. The proposed lease is authorized by Government Code section 25351, which allows the County to enter into leases and agreements for the leasing of buildings as are necessary to carry out the work of the county government.

The proposed lease amendment will continue to provide an appropriate location for the program, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure D.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease amendment, which involves the leasing of existing office space with minor TIs within an existing building, with no expansion of the existing building, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in section 15301 of the State CEQA Guidelines (Guidelines), and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary office space and parking for this County requirement. DHS concurs with the proposed lease amendment and recommendations.

The Honorable Board of Supervisors
July 12, 2022
Page 6

CONCLUSION

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted stamped copy of this Board letter to the CEO, Real Estate Division at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:JTC
JLC:MN:NH:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Health Services

**DEPARTMENT OF HEALTH SERVICES
38350 40TH STREET EAST, PALMDALE**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²	X		
	B	Does lease co-locate with other functions to better serve clients? ²	X		
	C	Does this lease centralize business support functions? ²	X		
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² Ratio is 246sf per person due to clinic-type office space.		X	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ²	X		
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program?	X		
	B	Is this a long-term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space? There is no County-owned space available in the area.			X
	F	Is Building Description Report attached as Enclosure C?	X		
	G	Was build-to-suit or capital project considered? ² This an extension and expansion of existing lease.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located with other County departments?			X
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full-service lease? ² This is a modified-gross lease; utilities and janitorial paid by County.		X	
	F	Has growth projection been considered in space request?	X		
	G	¹ Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

**Department of Health Services
38350 40th Street East, Palmdale**

Basic Lease Assumptions

Leased Area (sq.ft.)	27,565	
Term (months)	108	
Annual Rent Adjustment	3.00%	
Base Rent	Cost Per RSF Per Month	Cost Per RSF Per Year
	\$1.80	\$21.60

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year	8 th Year	9 th Year	Total 9 Year Rental Costs
Annual Base Rent Costs ¹	\$595,404	\$613,267	\$631,665	\$650,615	\$670,133	\$690,237	\$710,944	\$732,272	\$754,240	\$6,049,000
Rent Credit ²	-\$84,120	-\$84,120	-\$84,120	-\$84,120	-\$84,120	-\$84,120				-\$505,000
Total Paid to Landlord	\$511,284	\$529,147	\$547,545	\$566,495	\$586,013	\$606,117	\$710,944	\$732,272	\$754,240	\$5,545,000
Low Voltage ³	\$160,000									\$160,000
Janitorial Costs ⁴	\$381,944	\$401,041	\$421,093	\$442,148	\$464,255	\$487,468	\$511,841	\$537,434	\$564,305	\$4,212,000
Utility Costs ⁵	\$144,895	\$155,038	\$165,890	\$177,503	\$189,928	\$203,223	\$217,448	\$232,670	\$248,957	\$1,736,000
Total Annual Lease Costs	\$1,198,123	\$1,085,226	\$1,134,529	\$1,186,146	\$1,240,196	\$1,296,808	\$1,440,234	\$1,502,375	\$1,567,502	\$11,653,000

Footnotes

¹ Base rent includes CPI increases capped at 3% per annum.

² The Landlord to provide a rent credit of \$7,010 for 72 months.

³ The low voltage amount for the expansion space to be paid via a lump sum payment.

⁴ The janitorial costs are from the previous fiscal year showing 5% escalations per year to account for rate increases. These costs are an estimation and subject to change.

⁵ The utility costs are from the previous fiscal year year showing 7% escalations per year to account for rate increases. These costs are an estimation and subject to change.

***Calculation note: All numbers are rounded up to ensure sufficient funds available to pay the specified expense.**

COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE

	Existing Lease: 38350 40th Street East, Palmdale	Proposed Lease as Amended: 38350 40th Street East, Palmdale	Change
Area (Square Feet)	20,839 sq.ft.	27,565 sq.ft.	+6,726 sq.ft.
Term (years)	10 years Currently on month-to-month holdover, no fee	9 years	-1 year
Annual Base Rent ⁽¹⁾ (Base rent includes 104 parking spaces)	Base Rent: \$1.90 psf/month (\$22.80 per sq. ft. annually)	Total: \$1.80 psf/month (\$21.60 per sq. ft. annually)	- \$.10 psf/month (-\$1.20 psf annually)
County's TI Cost	\$450,800	N/A	None
Annual Parking Cost	N/A, 80 parking spaces included	N/A, 104 parking spaces included	+24 spaces included
Janitorial/Utility/Maintenance Costs ⁽²⁾	\$363,756 (Janitorial exp.) <u>\$135,416</u> (Utility exp.) \$499,172	\$381,944 (5% est.) <u>\$144,895</u> (7% est.) \$526,839	+\$27,667
Total Annual Lease Costs payable to Landlord ⁽¹⁾	\$475,129	\$511,284 ⁽¹⁾	+\$36,155
Rental rate adjustment	Annual CPI adjustments capped at 6 percent with 3 percent minimum.	Annual CPI adjustments capped at 3 percent with no minimum.	Annual CPI capped at 3 percent per year

⁽¹⁾ Rent credit of \$7,010/\$84,120 monthly/annually applicable for first 72 months of extended lease term.

⁽²⁾ Estimated annual increases of 5% for janitorial and 7% for utilities.

**DEPARTMENT OF HEALTH SERVICES
SPACE SEARCH – 3 MILE RADIUS FROM
38350 40TH STREET EAST, PALMDALE**

Property ID	Name	Address	Ownership Type	Gross SqFt	Net Sqft	Vacant
T623	High Desert - Doctors' Offices/Library Trailer	44900 N 60th St. W Lancaster 93536	Owned	4,023	3,822	NONE
Y373	PW WWD#04 - North Administration Building	419 W Ave J Lancaster 93534	Owned	4,128	3,428	NONE
L672	RR/CC - Sheriff Lancaster Office	44509 16th St. Lancaster 93534	Leased	4,367	4,149	NONE
Y770	Mira Loma - Office Building	45100 N 60th St. W Lancaster 93536	Owned	4,389	3,021	NONE
T585	High Desert - Gibbons Support Annex	44900 N 60th St. W Lancaster 93536	Owned	4,818	4,457	NONE
4549	Fox Airfield - Administration Building – 1	4555 W Ave G Lancaster 93536	Owned	6,785	1,779	NONE
X232	PW Road - Palmdale Maintenance District #5 Building	38126 N Sierra Hwy Palmdale 93550	Owned	7,040	6,336	NONE
A297	Sheriff - Lancaster Administrative Office	501 W Lancaster Blvd Lancaster 93534	Permit	7,557	6,801	NONE
Y832	Mira Loma - Complex Administration Building 1	45100 N 60th St. W Lancaster 93536	Financed	8,430	5,587	NONE
A149	DMH - Adult Protective Services	2323 A E Palmdale Blvd Palmdale 93550	Leased	9,255	8,303	NONE
A459	DCFS - Administrative Lancaster	300 E Ave K-6 Lancaster 93535	Leased	46,000		NONE
A623	F.I.L.P.	1420 W Ave I Lancaster 93534	Leased	11,600	11,600	NONE
X542	PW - Waterworks North Maint Area Office	260 E Ave K-8 Lancaster 93535	Owned	12,883		NONE
X495	PW - Waterworks North Maintenance Area HQ Building	260 E Ave K-8 Lancaster 93535	Owned	13,200	11,155	NONE
4683	Probation - (AB - 109) Antelope Valley Reg Off	43423 N Division St. Lancaster 93535	Leased	13,800	13,110	NONE
A255	Child Support Services - Div VI Reg Office	42281 10th St. W Lancaster 93534	Leased	14,600	13,870	NONE
A079	Assessor - Lancaster Regional Offices	251 E Ave K-6 Lancaster 93535	Owned	15,338	13,712	NONE
10209	Antelope Valley Juvenile Program	43917 Division St. Lancaster 93535	Leased	15,500	14,725	NONE
4586	Lancaster Courthouse - Services Building	1110 W Ave J Lancaster 93534	Owned	18,488		NONE
A380	DPSS - Antelope Valley Gain Reg II Sub – Office	1050 E Palmdale Blvd Palmdale 93550	Leased	18,795	17,855	NONE
A642	DPSS - Lancaster Gr/Grow Office	335 E Ave K-10 Lancaster 93535	Leased	25,166		NONE
10214	DCFS REGIONAL OFFICE LANCASTER /HS	176 Holston Dr Lancaster 93535	Leased	49,000	46,550	NONE
A576	DCFS - Palmdale (SPA 1) & Palmdale Adoptions	39119 Trade Center Dr Palmdale 93550	Leased	41,674		NONE
X537	Sheriff - Palmdale Station	750 E Ave Q Palmdale 93550	Owned	50,186	46,307	NONE
A433	Antelope Valley Service Center - Building A	349 E Ave K-6 Lancaster 93535	Owned	51,000	33,932	NONE
L622	Parking Lot (Antelope Valley Court Public Parking)	42011 4th St. W and 421 W Ave M Lancaster 93534	CA Superior Courts	355,450	355,450	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease Amendment for the Department of Health Services – 38350 40th Street East, Palmdale – 5th Supervisorial District.

A. Establish Service Function Category – Regional and local public transportation function.

B. Determination of the Service Area – The proposed amendment is a nine-year lease for DHS within Service Planning Area 1.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Continuing need for existing operation of multiple DHS services currently in operation in the SPA region 1.
- Need for proximity to existing County facilities: Close to several other County departments including DMH, DCFS, Sheriff and Fire.
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e., the Antelope Valley Bus Lines and is in proximity to the 14 freeway.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: The lease amendment is an expansion of an existing leased facility.
- Compatibility with local land use plans: The City of Palmdale has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate estimated cost associated with the proposed lease over the entire term is \$11,653,000, including base rent, rent credits, low voltage, and janitorial and utility costs.

D. Analyze results and identify location alternatives

Based upon the space and service needs of DHS, staff surveyed the immediate area to determine the availability of comparable and more economical site alternatives.

Based upon a review of available industry data, CEO has established that the annual average rental rate for similar lease in the area is between \$18.60 and \$27.60 per square foot per year on a modified-gross basis. Therefore, the base annual rent of \$21.60 per square foot per year modified-gross, including parking, for the proposed lease amendment, represents a rate within the market range for the area.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria

The proposed lease amendment will provide adequate and efficient office and clinic space for approximately 111 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012. There are no other available buildings in the area that meet the DHS's requirements.

**AMENDMENT NO. 2 TO LEASE
AGREEMENT NO. 76093
38350 40TH STREET EAST, PALMDALE 93552**

THIS AMENDMENT NO. 2 TO LEASE AGREEMENT NO. 76093 ("Amendment No. 2") is made as of this ____ day of _____, 2022, by and between ANTELOPE VALLEY MEDICAL CENTER, a Facility of the Antelope Valley Healthcare District ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant").

RECITALS:

WHEREAS, Landlord and Tenant entered into that certain lease agreement No. 76093 dated April 1, 2007 (the "Original Lease"), for certain premises commonly known as 38350 40th Street East, Palmdale, California, comprised of approximately 20,480 rentable square feet (the "Original Premises").

WHEREAS, Amendment No. 1 to Lease No. 76093 ("Amendment No. 1"), executed October 14, 2008, granted Tenant the right to have all or a portion of the Parking Facility Advance added to the Additional Tenant Improvement Allowance.

WHEREAS, the Original Lease, as amended by that certain Amendment No. 1 to Lease No. 76093, collectively shall be referred herein as the "Lease."

WHEREAS, hereto desire to expand the Original Premises, extend the term of the Lease and modify and amend the Lease, as hereinafter provided.

NOW, THEREFORE, for and in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and provisions contained herein and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

AGREEMENT

1. Definitions. Unless otherwise defined in this Amendment No. 2, each capitalized term used in this Amendment No. 2 has the meaning assigned to such term in the Lease, as amended. Unless otherwise indicated, all paragraph references in this Amendment No. 2 refer to paragraphs of the Lease.

2. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

3. Amendments to Lease.

3.1 Amendment to paragraph 1(c) of the Lease. Paragraph 1(c) of the Lease is hereby amended by deleting it in its entirety and replacing it with the following new paragraph 1(c):

"(c) <u>Premises</u> :	A) Premises No. 1, which is approximately 14,487 rentable square feet on the first (1st) floor, excluding common area.
------------------------	--

B) Premises No. 2, which is approximately 6,352 rentable square feet consisting of the North half of the 2nd floor. Premises No. 1 and Premises No. 2 shall collectively be referred to as the "Original Premises".

C) Premises No. 3 which is approximately 6,726 rentable square feet consisting of the South half of the 2nd floor, as shown on Exhibit "A" attached hereto.

The Original Premises and the Expansion Premises contain a total of approximately 27,565 rentable square feet in the Building (defined below).

Effective Expansion Commencement Date, all references to "Premises" in the Lease shall collectively refer to the Original Premises and Expansion Premises. Such combination of Original Premises and Expansion Premises shall hereinafter be referred to as the "Expansion Project".

- 3.2 Amendment to paragraph 1(d) of the Lease. Paragraph 1(d) of the Lease is hereby amended by deleting it in its entirety and replacing it with the following new paragraph 1(d):

"(d) Building: The building located at 38350 40th Street East, Palmdale which is located upon the real property described more particularly in the Original Lease;"

- 3.3 Amendment to paragraph 1(e) of the Lease. Paragraph 1(e) of the Lease is hereby amended by adding a new paragraph immediately after the existing paragraph 1(e) which shall read as follows:

The initial term for the Expansion Project shall be for a period of nine (9) years ("Expansion Term"), commencing on the date (the "Expansion Commencement Date") that is the earliest to occur of (i) Substantial Completion (per Exhibit "B"), (ii) the date that Substantial Completion of the Tenant Improvements would have occurred but for Tenant Delays (iii) the date Tenant occupies all or a portion of the Expansion Premises for the purpose of conducting its business or (iv) the date that is six (6) months following mutual execution and delivery of this Amendment No. 2 to Lease, subject to Tenant's early termination rights provided herein. The parties anticipate that the Expansion Commencement Date will occur on or before the date that is six (6) months following mutual execution and delivery of this Amendment No. 2 to Lease (the "Anticipated Commencement Date"). Unless

terminated early, the Expansion Term shall end at midnight on the day before the 108th-month anniversary of the Expansion Commencement Date (the "Termination Date"); provided, however, that if the Termination Date would occur on a day other than the last day of a calendar month, the Termination Date shall be extended such that it occurs on the last day of the month in which the Termination Date otherwise would occur.

- 3.4 Amendment to paragraph 1(g) of the Lease. Paragraph 1(g) of the Lease is hereby amended by adding a new paragraph immediately after the existing paragraph 1(g) which shall read as follows:

"The Expansion Commencement Date shall be the date the Landlord has substantially completed all of 'Landlord's Work' (as defined in this Amendment No. 2 to Lease No. 76093) to Premises No. 3."

- 3.5 Amendment to paragraph 1(i) of the Lease. Paragraph 1(i) of the Lease is hereby amended by adding a new paragraph immediately after the existing paragraph 1(i) which shall read as follows:

"Notwithstanding the foregoing or any language to the contrary contained herein, commencing on the Expansion Commencement Date, Tenant shall pay to Landlord, a total Basic Rent for the entire Premises in the amount of Forty-Nine Thousand Six Hundred and Seventeen Dollars (\$49,617.00) (i.e., \$1.80 per square foot per month). Tenant shall pay to Landlord the Basic Rent during the Term hereof within fifteen (15) days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles prior to the first day of each month. Base Rate for any partial month shall be prorated in proportion to the number of days in such month. Until the Expansion Commencement Date, Tenant shall continue to pay the aforementioned Basic Rent for the Premises pursuant to the Lease."

"Effective Expansion Commencement Date, Landlord grants to Tenant a Basic Rent credit of Seven Thousand Ten Dollars (\$7,010.00) per month during the first seventy-two (72) months of the Expansion Term in the total amount of Five Hundred Four Thousand Seven Hundred Twenty Dollars (\$504,720.00) (such total amount of abated Basic Rent is hereinafter referred to as the "Basic Rent Credit Amount"). The Basic Rent Credit for any partial month shall be prorated in proportion to the number of days in such month. During such credit period, Tenant will still be responsible for the payment of all other monetary obligations under this Lease during the first seventy-two (72) months of the Expansion Term."

- 3.6 Amendment to paragraph 1(j) of the Lease. Paragraph 1(j) of the Lease is hereby amended by deleting it in its entirety and replacing it with the following new paragraph 1(j):

"(j) Early Termination:

" Tenant shall have the right to terminate this Lease ("Termination Right") with respect to all or a portion of the Premises at any time after the sixth (6th) anniversary of the Expansion Commencement Date ("Early Termination Date"), provided Tenant provides at least One Hundred Eighty (180) days' prior written notice to Landlord. If Tenant timely and properly exercises the Termination Right, Tenant shall vacate the Premises and deliver possession thereof to Landlord in the condition required by the terms of this Lease on or before the Early Termination Date and Tenant shall have no further obligations under this lease with respect to the Premises, except for those accruing prior to the Early Termination Date and those which, pursuant to the terms of this Lease, survive the expiration or early termination of this Lease."

- 3.7 Amendment to paragraph 1(n) of the Lease. Paragraph 1(n) of the Lease is hereby amended by deleting it in its entirety and replacing it with the following new paragraph 1(n):

"(n) Parking: One hundred four (104) non-reserved parking stalls, as provided for in Section 20."

- 3.8 Amendment to paragraph 5.2 of the Lease. Paragraph 5.2 of the Lease is hereby amended by deleting it in its entirety and replacing it with the following new paragraph 5.2:

"5.2 Basic Rent Adjustment:

(a) CPI. From and after the first anniversary of the New Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Rent shall be adjusted by applying the CPI Formula set forth below. If the Expansion Commencement Date is not the first day of the month, then the Annual Increase Date will be on the first (1st) day of the month following the first anniversary of the Expansion Commencement Date and on each anniversary thereafter.

(b) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective ("New Index"), and the

denominator being the Index published for the month the Expansion Term commenced ("Base Index").

If the Index is changed so that the Index differs from that used as of the Expansion Commencement Date of Amendment No. 1, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Expansion Term, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(c) Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \text{Base Rent} = \text{New Monthly Rent}$$

(d) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an annual increase more than three percent (3%) per year. In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Expansion Term."

- 3.9. Amendment to paragraph 7 of the Lease. Paragraph 7 of the Lease is hereby amended by deleting it in its entirety and replacing it with the following new paragraph 7:

"7. HOLDOVER. Landlord waives any claim to a holdover premium associated with Tenant's occupancy of the Premises during the period following the expiration of the Original Lease Term and the Expansion Commencement Date.

If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon sixty (60) days written notice from Landlord to the Chief Executive Officer of the Tenant, or sixty (60) days written notice from the Chief Executive Office of Tenant to the Landlord. During any such holdover period, the monthly Basic Rent due from Tenant shall be subject to the Basic Rent Adjustment as set forth in Paragraph 3.6, herein. "

- 3.10 Amendment to paragraph 31 of the Lease. Paragraph 31 of the Lease is hereby amended by adding a new paragraph 31(d) immediately after the existing paragraph 31(c)(vii) which shall read as follows:

"(d) COVID-19 Vaccinations of County Contractor Personnel.

- (i) At Landlord's sole cost, Landlord shall comply with Chapter 2.212 (COVID-19 Vaccinations of County Contractor Personnel) of County Code Title 2 - Administration, Division 4.

4. CONDITION OF PREMISES. Prior to the Commencement Date, estimated to be within six months of the approval and mutual execution of this lease as amended, Landlord shall complete Landlord's Work. Landlord, within a commercially reasonable period of time after mutual execution of this lease amendment, shall commence and complete work on the Improvements and shall pay for the costs of same up to a maximum cost of the Base Tenant Improvement Allowance ("Landlord's Work"). The "Improvements" shall mean, collectively, certain improvements, alterations and/or additions to the Premises to be constructed pursuant to and in accordance with paragraph 5 herein and Exhibit B as approved by Landlord and Tenant. Landlord acknowledges that the Improvements may include, without limitation, the purchase of new furniture, fixtures and equipment for the Premises. The Improvements shall be performed by and under the authority of Landlord, or its authorized agent, and approved by a designated representative of the County (which approval shall not be unreasonably withheld, conditioned or delayed). For purposes of this Amendment No. 2, the Expansion Premises shall be in "Ready for Occupancy" condition upon "Substantial Completion of the Expansion Premises," the latter term defined as occurring upon the completion of those portions of the Improvements in Exhibit "B" and for the Expansion Premises, with the exception of any punch list items and any furniture, fixture and equipment.

5. TENANT IMPROVEMENTS.

5.1 The Base Tenant Improvement Allowance (as that term is defined in the Lease) for the Premises shall be One Hundred Fifty Thousand Dollars and 00/100 (\$150,000.00) for completion of Tenant's build-out of the Premises, which shall be performed by Landlord pursuant to County of Los Angeles' notes, and plans and specifications as indicated in Exhibit B. In the event all of the Base Tenant Improvement Allowance is not fully utilized, at the Tenant's option, the unused balance may be used as rent abatement for the rent next due under the lease.

5.2 Code Compliance

The Premises shall meet all applicable City, County, State and Federal building codes, regulations and ordinances required for beneficial occupancy. Without limiting the generality of the foregoing, construction of the tenant improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code.

5.3 Bidding

Lessor shall submit pursuant to the Lessor's typical procurement bid process bids for the construction of the tenant improvements

to the County for its review prior to award of contract(s). The bids shall include an itemized list of all materials and labor and shall include all additional costs including fees, permits, reasonable contractor's profit and overhead.

5.4 Exclusions from TI Costs

The Total TI Costs shall not include any costs incurred for asbestos abatement, fire sprinkler system, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All Base Building work for required asbestos abatement, fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense of Lessor per provisions of the Original Lease.

6. MISCELLANEOUS.

6.1 Ratification of Lease. Except as modified hereby, all other terms and conditions of the Lease shall remain unchanged and in full force and effect and are hereby ratified and confirmed by the parties hereto. In the event of any inconsistency between said Lease, as amended, and this Amendment No. 2, the provisions of this Amendment No. 2 shall prevail. It is acknowledged that no changes other than those herein specifically set forth have been made.

6.2 Severability. Wherever possible, each provision of this Amendment No. 2 shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Amendment No. 2 shall be prohibited by or invalid under applicable laws, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment No. 2.

6.3 Execution and Counterparts. This Amendment No. 2 and any other document necessary for the consummation of the transaction contemplated by this Amendment No. 2 may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one Amendment No. 2, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment No. 2 and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment No. 2 had been delivered had been signed using a handwritten signature. City and County (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment No. 2 is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the

enforcement of the terms of this Amendment No. 2 based on the foregoing forms of signature. If this Amendment No. 2 has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA") (Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the Landlord has executed this Amendment No. 2 to Lease No. 76093, or caused it to be duly authorized executed, and the County of Los Angeles, by the order of the Board of Supervisors, has caused Amendment No. 2 to be executed on its behalf on the day, month, and year first above written.

LANDLORD:

ANTELOPE VALLEY MEDICAL CENTER, a
Facility of the Antelope Valley Healthcare
District

By: 
Edward Mirzabegian
Chief Executive Officer

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:

DEAN C. LOGAN
Registrar- Recorder/County Clerk

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
Acting County Counsel


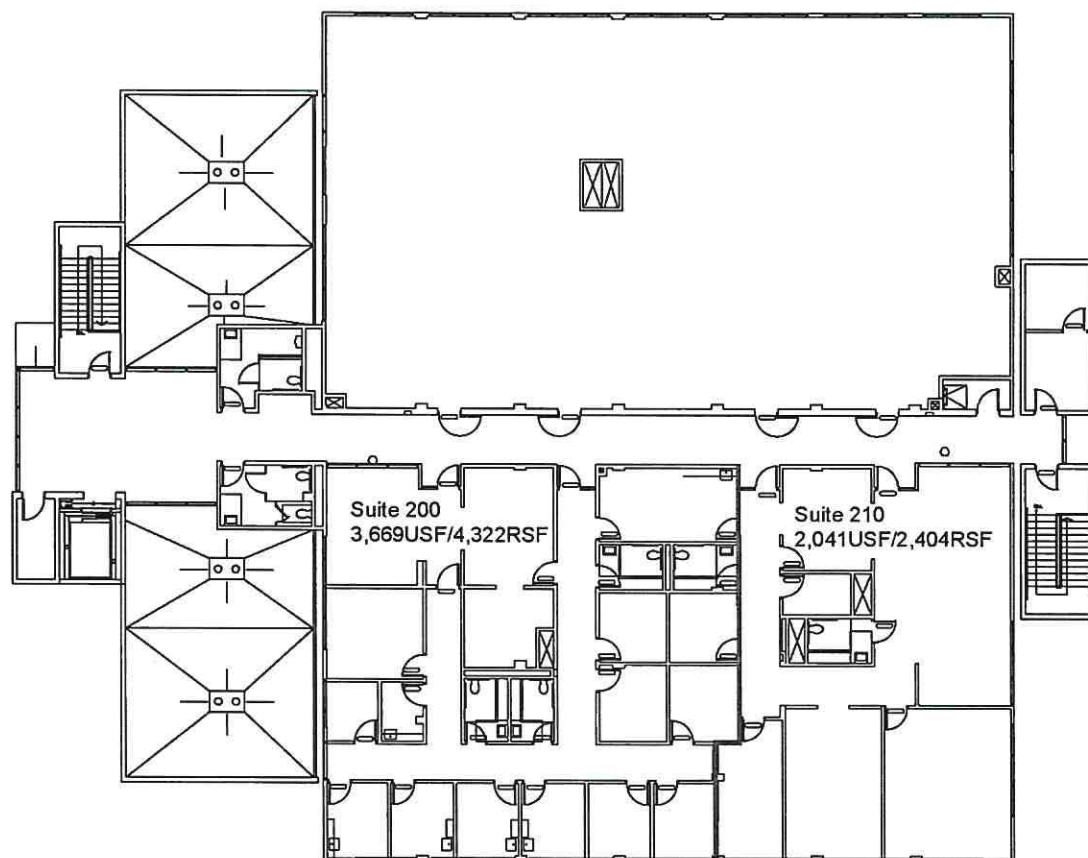
By: 
Deputy

Exhibit "A"



SOUTH VALLEY MEDICAL CENTER - SECOND FLOOR

Exhibit B-1

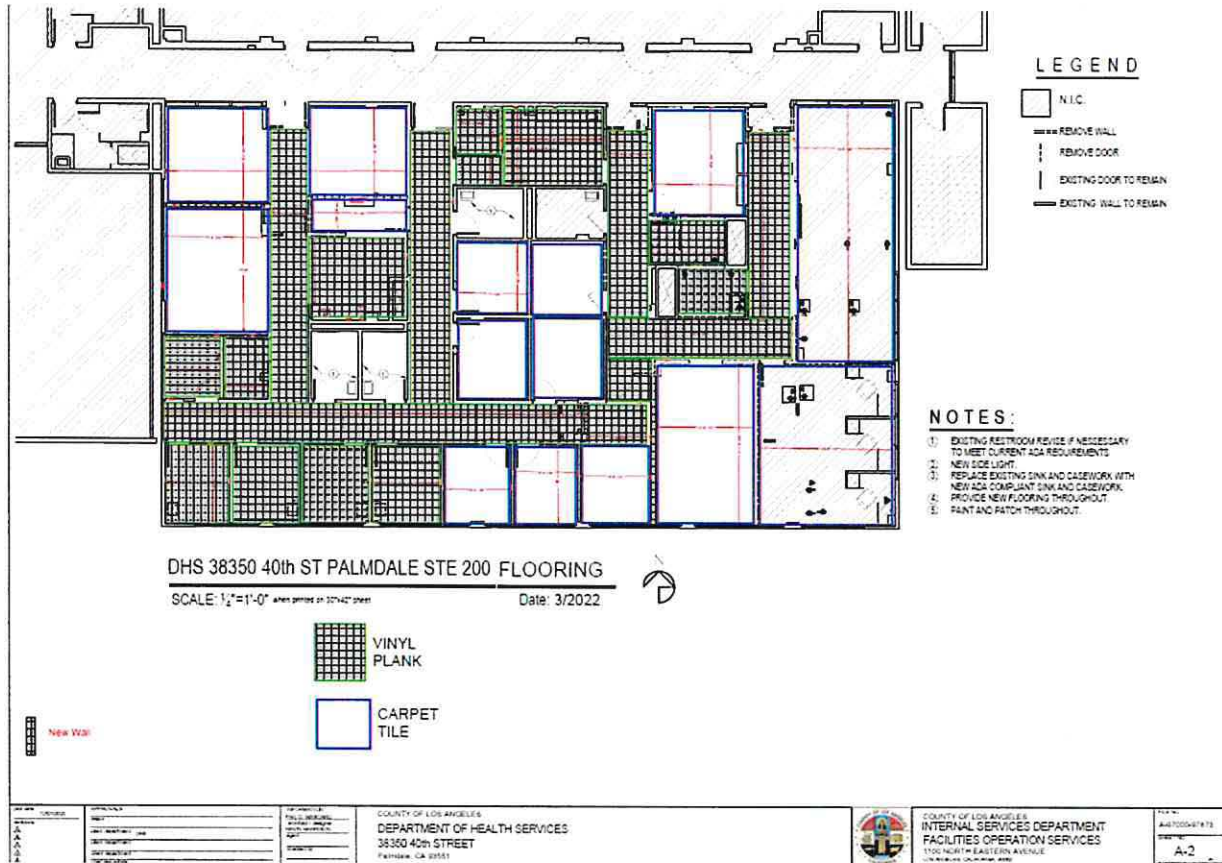
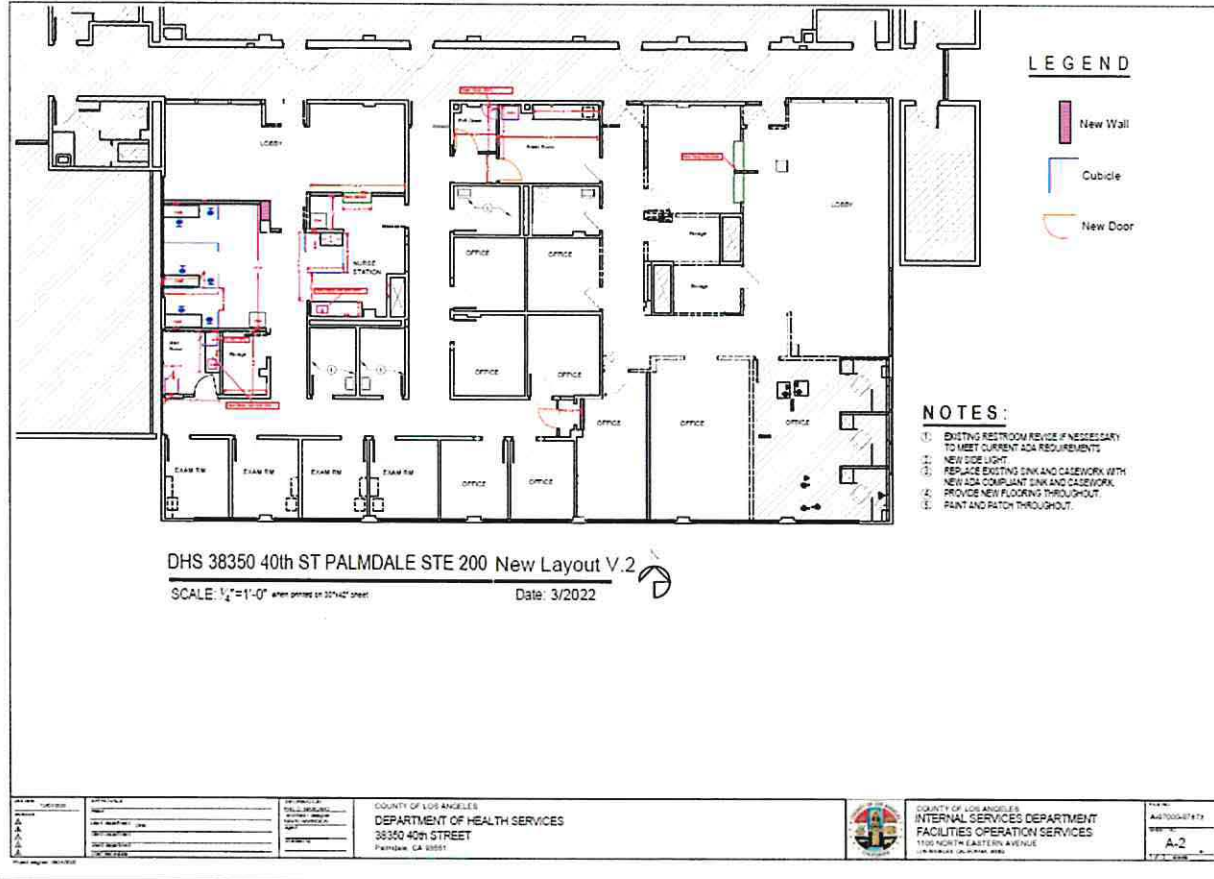


Exhibit B-2



PROGRAM DESCRIPTION

The County of Los Angeles (County) has contracted with Ventiv Technology for claims management and related services under RMIS. RMIS manages, administers, and reduces risk exposures Countywide.

SCOPE

Liability and Workers' Compensation Claims Management, Corrective Action Plans, Matter Management, Disability/Leave Management, Disability Compliance, Loss Control, and Public Records Act Management.

STATUS

In production with all scope, including the items from Amendment 4 covering work for the Liability Program, Board of Supervisors, Workers' Compensation Program, Disability/Leave Management Program, and Disability Compliance Program. There is ongoing production support.

FINANCE

The County has been billed \$23,707,733.98 to date. The total maximum budget is \$59,651,176.36.

ACCOMPLISHMENTS/HIGHLIGHTS

- Disability/Leave Management and Disability Compliance Program
 - Delivered Disability Compliance Vaccine Accommodations Record Tracking
 - Enhanced RMIS to support additional business requirements surrounding Leave management details and eligibility calculations
- Liability Claims Program
 - Achieved financial balancing between County Counsel's Risk Management System (CRM) and RMIS
 - Extended the Board of Supervisors claimant searching capabilities
 - Enhanced reserving capabilities
 - Optimized with Third-Party Administrator (TPA) claim assignment workflow
 - Simplified workflow for Board of Supervisors with additional visual cues
- Workers' Compensation Program
 - Added additional duplicate payment checking and identification
 - Streamlined the payment release process to eCAPS
 - Performed refresher training on California State EDI (Electronic Data Interchange)

GENERAL

- Performed additional reporting training across County and TPA users
- Gathered new business requirements from County program stakeholders for system enhancements (Amendment 5)

KEY ACTIVITIES FOR NEXT PERIOD (6/02/2022 – 06/01/2023)

- Liability Claims Program
 - Continue monitoring synchronization between County Counsel's CRM and RMIS
 - Migrate TWR (Trust Warrant Request) payment interface into GAX (Encumbered Payment Request) interface to eCAPS
 - Expand interface between Legal Budget/Invoicing System (T360) and RMIS to provide additional details to streamline approved
- Workers' Compensation Program
 - Rollout Claimant Access Portal for injured employees to view status of claim and payment activity
 - Automate the creation of the employee direct deposit vendor records in eCAPS from RMIS interface, thus eliminating manual entry into two systems
 - Import historical hard copy workers' compensation claims documentation into RMIS from legacy systems
- Disability/Leave Management and Disability Compliance Program
 - Rollout Disability Compliance Record Framework
 - Deliver Occupational Health Program Record Tracking to streamline County's Pre-Employment/Post-Offer (PEPO) program activities
 - Import Short-Term Disability/Long-Term Disability claims and payment information from TPA into RMIS
- Incident Reporting, Asset and Policy Management, OSHA Reporting
 - Import County Voyager Asset Management information into RMIS
 - Enhance Incident Report forms to track additional details

GENERAL

- Upgrade RMIS to latest version
- Execute Amendment 5
- Continue production support for all programs and engagement of all stakeholders
- CEO Risk Management Branch continues to support business stakeholder reporting needs