



# Board of Supervisors Operations Cluster Agenda Review Meeting

**DATE:** June 5, 2024

**TIME:** 2:00 p.m. – 4:00 p.m.

**MEETING CHAIR:** John Leonard, 3<sup>rd</sup> Supervisorial District

**CEO MEETING FACILITATOR:** Thomas Luscombe

**This meeting will be held in a hybrid format which allows the public to participate virtually, or in-person, as permitted under the Board of Supervisors' March 19, 2024 order.**

To participate in this meeting in-person, the meeting location is:

Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012  
Room 374-A

To participate in this meeting virtually, please call teleconference number

1 (323) 776-6996 and enter the following 522268816# or [Click here to join the meeting](#)

Teams Meeting ID: 237 250 878 670

Passcode: UoBQAE

**For Spanish Interpretation, the Public should send emails within 48 hours in advance of the meeting to [ClusterAccommodationRequest@bos.lacounty.gov](mailto:ClusterAccommodationRequest@bos.lacounty.gov)**

Members of the Public may address the Operations Cluster on any agenda item during General Public Comment.

The meeting chair will determine the amount of time allowed for each item.

**THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL \*6 TO UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.**

## 1. CALL TO ORDER

## 2. GENERAL PUBLIC COMMENT

### **3. DISCUSSION ITEM(S):**

- A) Board Letter:  
APPROVAL OF ORDINANCE TO AMEND LOS ANGELES COUNTY CODE, TITLE 8 – CONSUMER PROTECTION, BUSINESS AND WAGE REGULATIONS CODE, BY ADDING CHAPTER 8.60 (TENANT RIGHT TO COUNSEL) ESTABLISHING A RIGHT TO COUNSEL FOR COVERED INDIVIDUALS DURING EVICTION PROCEEDINGS IN THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY  
DCBA - Manuel Ruiz, Chief, Consumer and Business Affairs
  
- B) Board Letter:  
APPROVAL TO EXECUTE SOLE SOURCE CONTRACT WITH DIGITAL FOUNDRY, LLC. FOR VOTING SOLUTIONS FOR ALL PEOPLE (VSAP) 4.0 SOFTWARE DEVELOPMENT AND SUPPORT SERVICES  
RR/CC - Jerome Jordan, Assistant Registrar-Recorder/County Clerk and Aman Bhullar, Assistant Registrar-Recorder/County Clerk
  
- C) Board Letter:  
CONTRACT FOR MANAGED PRINT SERVICES  
LACDA/CIO - Cesar Delgado, IT Manager
  
- D) Board Letter:  
CONTRACT FOR ORACLE PEOPLESOFT TECHNICAL SUPPORT AND PROFESSIONAL SERVICES  
LACDA/CIO - Cesar Delgado, IT Manager
  
- E) Board Letter:  
TEN-YEAR SUBLEASE  
DEPARTMENT OF MENTAL HEALTH  
525 WEST AVENUE P-4, PALMDALE  
CEO/RE - Alexandra Nguyen-Rivera, Section Chief, Leasing
  
- F) Board Letter:  
EIGHT-YEAR LEASE AMENDMENT  
DEPARTMENT OF MENTAL HEALTH  
21730 AND 21732 SOUTH VERMONT AVENUE, TORRANCE  
CEO/RE - Alexandra Nguyen-Rivera, Section Chief, Leasing

### **4. PRESENTATION ITEM(S):**

None available.

### **5. ADJOURNMENT**

**UPCOMING ITEM(S) FOR JUNE 12, 2024:**

- A) CEO/RE - FIVE-YEAR LEASE  
DISTRICT ATTORNEY, INTERNAL SERVICES, BOARD OF SUPERVISORS  
12750 CENTER COURT DRIVE, SUITE 500, CERRITOS
  
- B) DHS/CIO - ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE A SOLE  
SOURCE AMENDMENT TO AGREEMENT NO. H-704447 WITH GLOBAL  
HEALTHCARE EXCHANGE LLC FOR SUPPLY CHAIN PROCUREMENT AND  
DATA MANAGEMENT SOFTWARE AND SERVICES
  
- C) TTC - DELEGATE AUTHORITY TO THE TREASURER AND TAX COLLECTOR  
TO EXECUTE MASTER AGREEMENTS WITH SEVEN FIRMS FOR THE  
PROVISION OF MUNICIPAL ADVISORY SERVICES

## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/5/2024	
<b>BOARD MEETING DATE</b>	7/16/2024	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Department of Consumer and Business Affairs (DCBA)	
<b>SUBJECT</b>	APPROVAL OF ORDINANCE TO AMEND LOS ANGELES COUNTY CODE, TITLE 8 – CONSUMER PROTECTION, BUSINESS AND WAGE REGULATIONS CODE, BY ADDING CHAPTER 8.60 (TENANT RIGHT TO COUNSEL) ESTABLISHING A RIGHT TO COUNSEL FOR COVERED INDIVIDUALS DURING EVICTION PROCEEDINGS IN THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY	
<b>PROGRAM</b>	Stay Housed LA (Eviction Defense)	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>	On July 11, 2023, Board requested ordinance draft be submitted within ten (10) months.	
<b>COST &amp; FUNDING</b>	Total cost: \$24,483,700 (projected)	Funding source: American Rescue Plan, Housing and Homelessness Incentive Program and Emergency Rental Assistance Program funds
	TERMS (if applicable):	
	Explanation:	
<b>PURPOSE OF REQUEST</b>	Recommendation to adopt ordinance to codify legal representation for eligible tenants in unincorporated LA County facing eviction.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The Board adopted a motion set forth on July 11, 2023, that directed DCBA to reassess and update the proposed implementation Stay Housed LA framework to consider the expected approval of a RTC ordinance in July 2024.	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Ordinance supports Homelessness Board Priority by providing tenants at risk of losing their homes with access to legal representation.	
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Manuel Ruiz, Chief, Consumer and Business Affairs,(213)454-0132, mruiz@dcba.lacounty.gov	



LOS ANGELES COUNTY  
**CONSUMER & BUSINESS AFFAIRS**

July 16, 2024

Board of Supervisors

Hilda L. Solis  
First District

Holly J. Mitchell  
Second District

Lindsey P. Horvath  
Third District

Janice Hahn  
Fourth District

Kathryn Barger  
Fifth District

Director

Rafael Carbajal

Chief of Staff

Joel Ayala

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:

**APPROVAL OF ORDINANCE TO AMEND LOS ANGELES COUNTY  
CODE, TITLE 8 – CONSUMER PROTECTION, BUSINESS AND WAGE  
REGULATIONS CODE, BY ADDING CHAPTER 8.60 (TENANT RIGHT TO  
COUNSEL) ESTABLISHING A RIGHT TO COUNSEL FOR COVERED  
INDIVIDUALS DURING EVICTION PROCEEDINGS IN THE  
UNINCORPORATED AREAS OF LOS ANGELES COUNTY  
(3 VOTES - ALL DISTRICTS)**

**SUBJECT**

Pursuant to your Board's direction on July 11, 2023, the Department of Consumer and Business Affairs (DCBA) and the Los Angeles County Counsel recommend your Board introduce and set for adoption the attached Los Angeles County Code, Chapter 8.60, Tenant Right to Counsel Ordinance (RTC Ordinance), to become effective on January 1, 2025, and to codify legal representation to eligible tenants in eviction proceedings who reside unincorporated Los Angeles County.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Introduce, waive reading, and set for adoption the attached ordinance that amends the Los Angeles County Code (LACC), Title 8 – Consumer Protection, Business and Wage Regulations Code, by adding Chapter 8.60, RTC Ordinance, which codifies legal representation to eligible tenants who have received an unlawful detainer in unincorporated Los Angeles County.
2. Delegate authority to the Director of the DCBA, or his designee, to execute contracts, and any necessary amendments to such contracts, in accordance with the Los Angeles County and federal contracting rules and procedures, with legal service providers, nonprofit community organizations



or associations, including any amendments to existing contracts to implement and administer the RTC Ordinance.

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

On September 27, 2022, your Board directed DCBA to engage property owners, tenants, and other relevant stakeholders, and to report back with an implementation plan to make the Expanded Eviction Defense program, Stay Housed LA (SHLA), a permanent DCBA program that meets the growing need for countywide eviction defense services by 2027.

On April 8, 2023, DCBA filed a Report on Sustainably Expanding Eviction Defense Services in Los Angeles County, which outlined an implementation framework to make SHLA a permanent, countywide, universal access to legal representation program by calendar year 2030. The April 2023 report provided an overview of the SHLA program, key outcome metrics, budget and performance projections, strategies for enhancing eviction defense services in the County of Los Angeles, and recommendations for establishing the attached RTC Ordinance for the unincorporated areas of the County of Los Angeles. In response to the recommendations outlined in this report, your Board adopted the July 11, 2023, motion directing DCBA to reassess and update the proposed implementation framework to take into account the expected approval of an ordinance in July 2024 and a program launch in January 2025. On May 10, 2024, DCBA filed a reassessment report that updated the Universal Access to Legal Representation implementation plan from April 2023 and highlighted the readiness of DCBA to implement an ordinance establishing a Right to Counsel by January 2025.

The purpose of this RTC Ordinance is to ensure qualifying tenants throughout the unincorporated areas of the Los Angeles County have access to legal representation in eviction proceedings. When tenants do not have legal representation during such proceedings, their chances for a fair and just outcome are alarmingly low – even when the eviction is unlawful. In Los Angeles County, with rates of homelessness continuing to increase year after year and eviction filings currently higher than they have been for nearly a decade, the RTC Ordinance will both increase the likelihood of a fair outcome for tenants while reducing the likelihood that they will fall into homelessness.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended action support North Star 1, Goal C, Strategy i, *Affordable Housing*, and North Star 3, Goal A, Strategy i, *Customer Service*, of the Los Angeles County Strategic Plan. In addition, the action supports Mission #4: Eviction Prevention of the Los Angeles County Homeless Emergency Response.

## **FISCAL IMPACT/FINANCING**

The RTC Ordinance will be funded primarily with American Rescue Plan Act (ARPA) dollars through Fiscal Year 2024-25. DCBA will require approximately \$24.5 million in Fiscal Year 2025-26 to continue funding the program. Based on currently available one-time funding, additional funding will be needed beginning in Fiscal Year 2025-26 when one-time funds are expected to have been fully expended. DCBA will continue to work with the Chief Executive Office (CEO) to identify resources and on-going funding to support the RTC Ordinance for future fiscal years.

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

This RTC Ordinance would make the SHLA program permanent in the unincorporated areas and allow the County to strengthen its prevention strategies to minimize tenant displacement and in-flow into homelessness. The RTC Ordinance contains the following key concepts:

### *Tenant Right to Counsel Program*

The Tenant Right to Counsel Program (Program), codified in the RTC Ordinance, is to provide qualifying tenants who reside in the unincorporated areas of Los Angeles County with greater access to legal representation in eviction proceedings, subject to the availability of funding and annual budget appropriations. This Program strengthens the County of Los Angeles housing strategies to minimize tenant displacement and homelessness. The Program will be implemented via contracted non-profit legal aid organizations, referred to as designated organizations. The RTC Ordinance will be phased in accordance to a timeline determined by DCBA and will be effective only when DCBA is prepared to spend appropriations to fund the Program. If demand for the Program services exceeds available funds or resources, DCBA will have sole authority to prioritize the provision of services based on any reasonable considerations.

DCBA will develop procedures and guidelines to aid in the implementation and enforcement of the RTC Ordinance.

### *Required Notice to Tenants*

The RTC Ordinance will require that landlords provide tenants notice of the Program in English and any other frequently spoken languages. Landlords must provide the notice when entering into and/or renewing a rental agreement and the notice must be posted on rental properties in an accessible area and any available onsite management office.

### *Eligibility for Full Scope Legal Representation*

The Program will, subject to funding availability, provide eligible tenants facing eviction with legal representation. The RTC Ordinance defines an eligible tenant, or “Covered Individual,” as a tenant of a rental unit located in the unincorporated areas of the County who is a respondent in an eviction proceeding and whose household income is equal to or less than eighty percent (80%) of the area median income as defined in California Health and Safety Code section 50079.5. A Covered Individual does not include a tenant who is a sublessor.

DCBA will have sole authority to determine if a legal proceeding qualifies as an eviction proceeding, referred to as a Covered Proceeding in the RTC Ordinance. A Covered Proceeding, as defined in the RTC Ordinance, means an unlawful detainer proceeding or equivalent legal proceeding to terminate the tenancy of a Covered Individual. A Covered Proceeding does not include any appellate proceeding, unless approved by DCBA.

A tenant may be required to demonstrate a Covered Proceeding by providing any of the following: notice to vacate or lease termination, an eviction complaint or appeal on ruling of such a complaint, notice of a hearing for lease termination or eviction, or any other documentation demonstrating the existence of a functional equivalent of a Covered Proceeding.

DCBA will have sole authority to determine if a tenant qualifies as an Covered Individual. Tenants can establish their eligibility for full scope legal representation by providing any of the following: paystubs, W-2 forms, income tax returns, or other documentation approved by DCBA to validate their income.

### *Remedies*

Under the RTC Ordinance, tenants will be authorized to bring a civil action against a landlord for violation of the RTC Ordinance (i.e., violation of notice or posting requirements), while a landlord may be awarded fees and costs if the civil action is found to be frivolous. The RTC Ordinance bars any private cause of action against the County of Los Angeles arising from or related to the services provided to tenants under the Program.

Persons violating any provision of the RTC Ordinance may be subject to civil and criminal penalties. Any person, including the County of Los Angeles, may seek additional remedies or penalties for violations as are available.



*Engagement and Education*

DCBA will enter into contracts with community-based, non-profit organizations, referred to as “Designated Community Groups” in the RTC Ordinance, to conduct community engagement and education for the Program. Designated community groups and/or other partners will participate in education and informational outreach in order to ensure tenants are informed about their right to counsel and how to access such assistance.

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

The adoption of the RTC Ordinance will have no immediate fiscal impact on current services or projects but will make the County of Los Angeles' eviction defense program permanent for the unincorporated areas.

**CONCLUSION**

DCBA requests that the Executive Officer, upon approval by the Board, return one adopted-stamped copy of this letter to the Director of DCBA.

Respectfully submitted,

RAFAEL CARBAJAL  
Director

RC:JA:DP:MR  
AFB:SH:EV:ph

## **ANALYSIS**

This ordinance amends Title 8 – Consumer Protection, Business and Wage Regulations of the Los Angeles County Code, by adding Chapter 8.60, Tenant Right to Counsel, to establish a program to provide legal counsel for covered individuals in the unincorporated areas of Los Angeles County during eviction proceedings.

DAWYN R. HARRISON  
County Counsel

By  
BEHNAZ TASHAKORIAN  
Principal Deputy County Counsel  
Government Services Division

BT:lb

Requested: 2/13/24

Revised: 5/2/24

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 8 – Consumer Protection, Business and Wage Regulations of the Los Angeles County Code, by adding Chapter 8.60, Tenant Right to Counsel.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Chapter 8.60, is hereby added to read as follows:

**CHAPTER 8.60 TENANT RIGHT TO COUNSEL**

**8.60.010 Title.**

**8.60.020 Findings and Purpose.**

**8.60.030 Definitions.**

**8.60.040 Tenant Right To Counsel Program.**

**8.60.050 Landlord Notice to Tenants.**

**8.60.060 Eligibility for Full Scope Legal Representation.**

**8.60.070 Remedies.**

**8.60.080 Engagement and Education.**

**8.60.090 Waiver Prohibited.**

**8.60.100 No Private Cause of Action Against County.**

**8.60.110 Severability.**

**8.60.010 Title.**

This Chapter shall be known as the "Tenant Right to Counsel."

**8.60.020 Findings and Purpose.**

The County of Los Angeles ("County") hereby declares that it intends to establish a Tenant Right to Counsel Program ("Program"). The County Board of Supervisors finds that housing is a human right and access to safe, secure, and affordable housing is essential to achieving equal access to other fundamental needs. A lack of access to legal representation discourages tenants from challenging unlawful evictions and asserting their rights contributing to the disruption of families and communities, and to homelessness.

The purpose of adopting this Program is to provide qualifying tenants who reside in the unincorporated areas of the County with access to legal representation in eviction proceedings subject to the availability of funding and annual budget appropriations. This ordinance strengthens the County's housing strategies to minimize tenant displacement and homelessness.

**8.60.030 Definitions.**

The following definitions will apply to this Chapter:

- A. "Board" means the County of Los Angeles Board of Supervisors.
- B. "Code" means the Los Angeles County Code.
- C. "County" means the County of Los Angeles.
- D. "Covered Individual" means a Tenant of a Rental Unit located in the

Unincorporated Areas who is a respondent in a Covered Proceeding and who is a

"lower income household" as defined in California Health and Safety Code section 50079.5. Covered Individual does not include a Tenant who is a sublessor.

E. "Covered Proceeding" means an unlawful detainer proceeding or equivalent legal proceeding to terminate the Tenancy of a Covered Individual. A Covered Proceeding does not include any appellate proceeding, unless approved by the Department.

F. "Department" means the County's Department of Consumer and Business Affairs.

G. "Designated Organization" means an organization designated by the Department that has the capacity to provide Full Scope Legal Representation to Covered Individuals in a Covered Proceeding. Such organization may be a nonprofit organization, legal services clinic, for-profit legal services provider, or other equivalent organization.

H. "Designated Community Group" means a nonprofit community group or association designated by the Department to conduct Program outreach, engagement, and education.

I. "Director" means the Director of the Department of Consumer and Business Affairs, or their designee.

J. "Full Scope Legal Representation" means legal representation provided to a Covered Individual in a Covered Proceeding by an attorney licensed in the State of California. Full Scope Legal Representation means the attorney will handle all aspects of the client's case and includes, but is not limited to, consultation, document

preparation, negotiations, court appearances, and any other necessary tasks on behalf of a Covered Individual.

K. "Landlord" means an owner, lessor, sublessor, or any other person or entity entitled to offer any Rental Unit for Rent or entitled to receive Rent for the use and occupancy of a Rental Unit, and the agent, representative, or successor of any of the foregoing.

L. "Program" means the Tenant Right to Counsel Program.

M. "Rent" means the consideration paid for the use or occupancy of a Rental Unit.

N. "Rental Agreement" means an agreement, oral, written, or implied, between a Landlord and Tenant for use and occupancy of a Rental Unit.

O. "Rental Property" means all Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

P. "Rental Unit" means a dwelling unit, as defined under California Civil Code section 1940 subsection (c), located in the Unincorporated Areas, including joint living and work quarters, and applies to any building, structure, or part thereof, or land appurtenant thereto, or any other Rental Property rented or offered for rent for residential purposes, together with all housing services connected with use or occupancy of such property such as common areas and recreational facilities held out for use by the Tenant, whether or not the residential use is legally permitted, including live-work spaces, mobile homes rented by the owner to a Tenant, and any accessory dwelling unit.

Q. "State" means the State of California.

R. "Tenancy" means the legal right or entitlement of a Tenant to use or occupy a Rental Unit, subject to the terms of the Rental Agreement. This includes a lease or a sublease.

S. "Tenant" means a tenant, subtenant, lessee, sublessee, or any other person entitled under the terms of a Rental Agreement to the use or occupancy of any Rental Unit.

T. "Unincorporated Areas" means areas in Los Angeles County outside the jurisdictional boundaries of incorporated cities.

**8.60.040 Tenant Right To Counsel Program.**

A. Subject to the availability of funds, the Department will establish the Program.

B. Subject to available annual appropriations, the Department is authorized to administer the Program and the Department will coordinate and oversee the implementation of the Program.

C. If demand for Program services exceeds available Program funds or resources, the Department will have sole authority to prioritize the provision of services based on any reasonable considerations, including, but not limited to:

1. Utilizing economic, geographic or other data to identify, predict, and minimize displacement risks;
2. The availability of funding from other sources; or
3. The availability of Designated Organizations;

D. Procedures and Guidelines. The Department will develop procedures and guidelines to aid in the implementation of this Chapter.

E. Enforcement. The Department is authorized to take any and all appropriate steps it deems necessary to enforce this Chapter.

**8.60.050 Landlord Notice to Tenants.**

A. Landlords must provide each Tenant notice of the Tenant Right to Counsel Program. The Department will publish a form notice in English and other commonly spoken languages. Landlord must provide the form notice as follows:

1. When entering into or renewing a written Rental Agreement by including the form notice as an attachment to the written Rental Agreement; and
2. If the Rental Agreement is written in a language other than English, the Landlord must provide the form notice in both English and the language in which the Rental Agreement was written.

B. Posting on Rental Properties. Landlord must post a copy of the form notice in an accessible area of the Rental Property and in any available on-site management office.

**8.60.060 Eligibility for Full Scope Legal Representation.**

A. Demonstrating Eligible Covered Proceeding. The Department will have sole authority to determine if a legal proceeding qualifies as an eligible Covered Proceeding. A Tenant may be required to demonstrate a legal proceeding is an eligible Covered Proceeding by providing the following:



1. A notice to vacate or lease termination notice where such notice indicates the initiation of a Covered Proceeding;
2. An eviction complaint, or, subject to this Chapter, an appeal of a ruling on such a complaint;
3. A notice of a hearing for lease termination or eviction; or
4. Other documentation demonstrating the existence of the functional equivalent of a Covered Proceeding as determined by the Department.

B. Demonstrating Eligible Covered Individual. The Department will have sole authority to determine if a Tenant qualifies as an eligible Covered Individual.

1. A Tenant may be required to validate their income by providing the following:
  - a. Benefits award letter or other documentation for any government-issued benefit, including, but not limited to, an Electronic Benefit Transfer card, Medi-Cal, CalFRESH, CalWorks, General Assistance, General Relief, Social Security Disability Insurance, Social Security Insurance, Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, In-Home Supportive Services, Cash Assistance Program for Immigrants, Medicaid, public housing, unemployment compensation, or Low Income Home Energy Assistance Program;
  - b. Pay stubs;
  - c. W-2 forms;
  - d. Income tax returns; or

e. Other documentation validating income as determined by the Department.

2. A Tenant who reports minimal or no income will provide a signed affidavit attesting to their household income.

3. A Designated Organization may request additional documentation to validate a Tenant's income as outlined by the Department in its procedures and guidelines.

**8.60.070 Remedies.**

A. Civil Liability. Any Tenant, or any other person or entity acting on behalf of the Tenant who will fairly and adequately represent the Tenant's interest, including the County, is authorized to bring a civil action and/or proceeding in a court of competent jurisdiction for violation of Section 8.60.050, for civil penalties, injunctive, declaratory and other equitable relief, restitution and reasonable attorneys' fees and costs and may take such other steps as necessary to enforce this Chapter. The court may award reasonable attorneys' fees and costs to a Landlord who prevails in any such action if the court determines that the Tenant's action was frivolous.

B. Civil Penalty. Any person violating any of the provisions, or failing to comply with any of the requirements of Section 8.60.050, may be liable for a civil penalty not to exceed One Thousand Dollars (\$1,000) for each violation.

C. Criminal Penalty. Any person violating any of the provisions or failing to comply with any of the requirements of Section 8.60.050, shall be guilty of a misdemeanor and punished by a fine not to exceed One Thousand Dollars (\$1,000), or

by imprisonment in the County jail for a period of not more than six (6) months, or by both.

D. Each violation of any provision of Section 8.60.050, and each day during which any such violation is committed, permitted or continued, shall constitute a separate offense.

E. The above remedies are not exclusive and do not preclude the County or any person from seeking other remedies or penalties available at law or in equity.

**8.60.080 Engagement and Education.**

Recognizing that engagement and education is critical to ensuring Tenants know their right to counsel, in addition to overseeing the administration of this Chapter, the Department will work with the Designated Community Group, and/or other partners, to engage and educate Tenants about the Program.

**8.60.090 Waiver Prohibited.**

Any waiver of rights by a Tenant under this Chapter shall be void as contrary to public policy.

**8.60.100 No Private Cause of Action Against County.**

This Chapter does not create any private cause of action against the County arising from or relating to services provided under the Program or arising from or relating to any delay or denial of services provided. Notwithstanding any other provision of law, no attorney-client relationship is established between any Tenant, including any Covered Individual, and the County by way of the provision of Full Scope Legal Representation under this Chapter or otherwise. The attorney-client relationship,

privilege, and any liability rests exclusively between the Covered Individual and the Designated Organization.

**8.60.110 Severability.**

If any provision of this Chapter or the application thereof to any person, property, or circumstance, is held invalid, such invalidity shall not affect other provisions or applications of this Chapter that can be given effect without the invalid provision(s) or application, and to this end, the provisions of this Chapter are declared to be severable.

[CH860BTCC]

DRAFT

## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/5/2024	
<b>BOARD MEETING DATE</b>	6/25/2024	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Registrar-Recorder/County Clerk (RR/CC)	
<b>SUBJECT</b>	APPROVAL TO EXECUTE SOLE SOURCE CONTRACT WITH DIGITAL FOUNDRY, LLC. FOR VOTING SOLUTIONS FOR ALL PEOPLE (VSAP) 4.0 SOFTWARE DEVELOPMENT AND SUPPORT SERVICES	
<b>PROGRAM</b>	N/A	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If Yes, please explain why: Adherence to California State and federal election programmatic requirements, compliance with election code regulatory provisions and time-sensitive need in response to changes in accessibility law. Digital Foundry is the original software architecture and engineering firm that developed the VSAP Ballot Layout (VBL) and the Tally System (Tally) and due to this they are uniquely qualified to process required system changes within tight deadlines to meet Secretary of State mandates.	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>	Updated software to be deployed in all elections in Los Angeles County starting with the June 2, 2026 Gubernatorial Primary election.	
<b>COST &amp; FUNDING</b>	Total cost: \$46,546,500	Funding source:
	TERMS (if applicable): Pricing includes July 1, 2024 to December 31, 2025 plus 2 additional option years, and 6 month-to-month options.	
	Explanation:	
<b>PURPOSE OF REQUEST</b>	To provide VSAP 4.0 software development and support services to the VSAP 3.0 Tally System Version 3.0.20 (Tally) and VSAP Ballot Layout Application Version 2.0.21 (VBL) to be deployed in all elections in Los Angeles County starting with the June 2, 2026 Gubernatorial election. Any delay in starting this project will delay the eventual go-live and compliance issues.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	Digital Foundry's extensive knowledge, consistent technical proficiency, unwavering commitment to security, stringent compliance in past projects and unparalleled experience uniquely position them as the sole entity capable of completing the project within the timeline. Serving as the original system architect and sole software developer for the VBL and Tally, their 6 years of expertise are invaluable for software enhancements and integrating other RR/CC election systems, including the Election Management System, Ballot Marking Device (BMD), BMD Manager (BMG), and Interactive Sample Ballot (ISB). Their familiarity with the County's electoral processes further solidifies their status as a trusted and reliable collaborator, ensuring a seamless continuation of successful collaborations in election technology.	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
<b>DEPARTMENTAL CONTACTS</b>	Jerome Jordan, Assistant Registrar-Recorder/County Clerk, (562) 462-2652, <a href="mailto:jjordan2@rrcc.lacounty.gov">jjordan2@rrcc.lacounty.gov</a> Aman Bhullar, Assistant Registrar-Recorder/County Clerk, (562) 462-2697, <a href="mailto:abhullar@rrcc.lacounty.gov">abhullar@rrcc.lacounty.gov</a>	



**LOS ANGELES COUNTY  
REGISTRAR-RECORDER/COUNTY CLERK**

DEAN C. LOGAN

Registrar-Recorder/County Clerk

June 25, 2024

TO: Supervisor Lindsey P. Horvath, Chair  
Supervisor Hilda L. Solis  
Supervisor Holly J. Mitchell  
Supervisor Janice Hahn  
Supervisor Kathryn Barger

FROM: Dean C. Logan, Registrar-Recorder/County Clerk

**APPROVAL TO EXECUTE SOLE SOURCE CONTRACT WITH  
DIGITAL FOUNDRY, LLC. FOR VOTING SOLUTIONS FOR ALL PEOPLE (VSAP)  
4.0 SOFTWARE DEVELOPMENT AND SUPPORT SERVICES**

**(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION: APPROVE [ ]**

**SUBJECT**

Requests approval to execute a Sole Source Contract (#24-001) with Digital Foundry, LLC., to provide VSAP 4.0 software development and support services to the VSAP 3.0 Tally System (Tally) Version 3.0.20 and VSAP Ballot Layout (VBL) Application Version 2.0.21 to be deployed in all Los Angeles County elections starting with the June 2, 2026 Gubernatorial Primary election.

**IT IS RECOMMENDED THAT YOUR BOARD**

1. Delegate authority to the Registrar-Recorder/County Clerk (RR/CC), or designee, to execute a Sole Source Contract substantially similar to Attachment I, effective July 1, 2024 to December 31, 2025 with Digital Foundry, LLC. The contract sum over the contract term is fifteen million dollars (\$15,000,000);
2. Delegate authority to the RR/CC, or designee, to execute future amendments extending the contract for up to two (2) additional one-year periods and up to six (6) month-to-month renewal options, from January 1, 2026, to June 30, 2028, to comply with any new

and unforeseen federal and/or California election laws or regulations that may require major enhancements to the VBL and/or Tally. The extension sum over the extension term is twenty-seven million, three hundred fifteen thousand dollars (\$27,315,000) provided that Chief Executive Office and County Counsel approval is obtained. The total maximum dollar amount over the contract term and extensions is forty-two million, three hundred and fifteen thousand dollars (\$42,315,000) (Total Contract Sum);

3. Delegate authority to the RR/CC, or designee, to negotiate and execute amendments provided that County Counsel approval is obtained to: (1) make changes to the Statement of Work as operationally necessary; (2) make as-needed changes to reflect new California and/or federal election laws and regulations; and (3) make any other necessary changes which do not materially alter any term or condition of the contract;
4. Delegate authority to the RR/CC, or designee, to increase the Total Contract Sum by no more than ten (10) percent for any unforeseen circumstances provided that approval is obtained from the Chief Executive Office and County Counsel;
5. Delegate authority to the RR/CC, or designee, to immediately terminate the contract for convenience, provided County Counsel approval is obtained.

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

The purpose of the recommended action is for Digital Foundry to provide VSAP 4.0 software development and support services to Tally Version 3.0.20 and VBL Version 2.0.21. Tally and VBL are two (2) separate custom software solutions developed specifically for the RR/CC and are processed by thirty (30) enterprise servers on an isolated network located at the RR/CC's Ballot Processing Center (BPC) facility located in the City of Industry.

#### **VBL and Tally Overview**

Prior to an election, the VBL application is used by RR/CC Election System Operators, via a web interface, to create and design ballots for the 5.6 million registered voters in Los Angeles County to mark and cast their votes in elections. VBL plays a pivotal role by quickly generating all Vote by Mail (VBM) print ready ballots (in PDF format) across 19 languages, including English. Moreover, VBL feeds essential data to various election components, including the Ballot Marking Device, Interactive Sample Ballot, Sample Ballot Book, and Tally system.

At the close of an election, election workers utilize the Tally software to tally voted ballots and generate accurate election results. Tally represents the most complex software component within the County's voting system, Voting Solutions for All People® (VSAP), capable of interpreting over 10 million ballot card images from scanners. Any delay in these processes could potentially jeopardize legal deadlines and the validity of the election.

### Timeline of Software Upgrades

The RR/CC's objective is to complete the software upgrades by December 2025, to allow sufficient time for the County's voting system to complete the California Secretary of State (CA SoS) certification process. Pursuant to Elections Code section 19201, no voting system, in whole or in part, may be used unless it has received the approval of the CA SoS. The RR/CC's objective is to deploy the updated software starting with the June 2, 2026 Gubernatorial Primary election and for all elections thereafter.

#### Upgrades include:

- Installing new Red Hat Enterprise Linux (RHEL) 8 operating software onto 30 servers. RHEL 8 will add new security features and enhance functionality for County elections. The current operating software, CentOS 7, is reaching end-of-life and will no longer be maintained in 2024;
- Providing various cybersecurity enhancements mandated by the CA SoS, including Federal Information Processing Standards (FIPS) compliance and Full Disk Encryption (FDE) while aligning with the new California Voting Standards Guidelines to safeguard sensitive data and ensure the protection of critical information against unauthorized access and breaches; and
- Adding new languages to allow ballots to be created in Arabic, Formosa, and others yet to be determined as proposed by the Language Accessibility Assembly Bill 884.

### System Ownership and Project Management Overview

The Tally and VBL are integral parts of the County owned VSAP voting system. As the owner of Tally and VBL, whenever any new software updates or enhancements are needed (i.e. as required by California and/or federal election laws and regulations), the County is directly responsible for creating new versions of its own software to maintain Election Code compliance and uphold election integrity. The scope of work for this contract will require Digital Foundry to develop new software and technical documentation to Tally 3.0.20 and VBL 2.0.21 on the County's behalf for CA SoS certification of VSAP 4.0 to be implemented in 2026.

The VBL and Tally system represent a collaborative development effort between the County and Digital Foundry. The County oversees the design, direction, and prioritization of the system, while Digital Foundry provides expertise in infrastructure development and code implementation. These software applications serve as the cornerstone of the VSAP project, facilitating the processing of official election content for voters.

Fortunately, to date, the VSAP system has maintained a high standard of reliability through continuous enhancements and proactive measures to prevent potential issues. While VSAP 4.0 must adhere to the security use conditions established by the CA SoS, the County recognizes the importance of not only meeting but exceeding these requirements to mitigate any risks that could compromise the integrity of VBL and the Tally system. As the election landscape and technology evolve, the County, as a leader



in modern election voting systems, remains dedicated to enhancing its systems to safeguard the voting process and protect the interests of voters.

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

The recommended actions support the County's Strategic Plan related to North Star 3: Realize tomorrow's government today subpart A. Communication & Public Access: Provide increased transparency and accessibility to government services and communication, including information that is easy to understand and available in multiple languages and formats.

### **FISCAL IMPACT/FINANCING**

The estimated total maximum contract sum is \$42,315,000, including extensions. This includes \$15,000,000 for the initial term; \$10,500,000 for optional extension year 1; \$11,025,000 for optional extension year 2; and \$5,790,000 for the 6 month-to-month optional extension.

If the ten percent (10%) for delegated authority amount is utilized for the initial term (\$1,500,000) and optional extensions (\$2,731,500), the total contract cost will increase by \$4,231,500 for a maximum contract sum of \$46,546,500. A request for funding for the initial term of the VSAP 4.0 project was included in the RR/CC's FY 2024-25 Recommended Budget. Funding for the optional extensions will be requested through the annual budget process, as necessary.

The determination of the number of extensions and any increases will be based on the complexity and time needed to develop and implement a solution for compliance.

### **CONTRACTING PROCESS**

In accordance with Board Policy 5.100 (Policy), the RR/CC sent a Board notification of intent to enter into Sole Source negotiations with Digital Foundry on February 6, 2024. On April 3, 2024, the RR/CC presented at the CEO Operations Cluster Meeting regarding the RR/CC's intention to negotiate a sole source contract with Digital Foundry. Negotiations proceeded after the cluster meeting.

The required Sole Source Checklist (Attachment II) identifies the RR/CC's need for a Sole Source contract with Digital Foundry. Digital Foundry holds the distinction of being the original system architect and sole software developer for VBL and Tally with six (6) years of invaluable experience and expertise. As such, Digital Foundry brings a crucial knowledge base to the VSAP project.

The Chief Executive Office (CEO) has reviewed and recommends approval of this Board Letter. The Chief Information Office (CIO) recommends approval of this request and a formal CIO Analysis is attached (Attachment III). County Counsel has reviewed this Board letter and approved as to form. The online Supplemental Declaration form was submitted on the Levine Act Portal. CEO Risk Management Branch has reviewed and approved the

insurance and indemnification provisions in the recommended sole source contract as to form.

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

Your Board's approval of the noted actions will ensure that the VSAP 4.0 software upgrades are ready for the June 2, 2026 Gubernatorial Primary Election. If you have any questions, please contact me at (562) 462-2716 or email [dlogan@rrcc.lacounty.gov](mailto:dlogan@rrcc.lacounty.gov). Your staff may also contact Jerome Jordan at (562) 462-2652 or email [jjordan2@rrcc.lacounty.gov](mailto:jjordan2@rrcc.lacounty.gov).

Respectfully submitted,

DEAN C. LOGAN  
Registrar-Recorder/County Clerk

DCL:JG:JS:  
DL:ca

Attachments

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



**CONTRACT BY AND BETWEEN**

**COUNTY OF LOS ANGELES**

**AND**

**THE DIGITAL FOUNDRY, INC.**

**FOR**

**TALLY SYSTEM AND VOTING SOLUTIONS FOR ALL PEOPLE  
(VSAP) BALLOT LAYOUT (VBL) 4.0 SOFTWARE  
DEVELOPMENT**

**CONTRACT NUMBER: #24-001**

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**CONTRACT #24-001 BETWEEN  
COUNTY OF LOS ANGELES  
AND  
THE DIGITAL FOUNDRY, INC.  
FOR  
TALLY SYSTEM AND VSAP BALLOT LAYOUT (VBL) 4.0  
SOFTWARE DEVELOPMENT**

This Contract ("Contract") made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between the County of Los Angeles, hereinafter referred to as County and The Digital Foundry, Inc., hereinafter referred to as "Contractor". Contractor is located at 1707 Tiburon Boulevard, Tiburon, California 94920.

**RECITALS**

WHEREAS, the County may contract with private businesses for software planning and implementation Services (as hereinafter defined);

WHEREAS, the Contractor is a private firm specializing in providing software planning and implementation Services;

WHEREAS, the County has a need for continued software planning and implementation Services in support of the County's voting system, Voting Solutions for All People ("VSAP") and its current phase of the VSAP Project's Tally Solution;

WHEREAS, Contractor previously provided software planning and implementation Services in support of a prior phase of the VSAP Project's Tally Solution under an Enterprise Services Master Agreement 2016.6 - Work Order 2016-010, Contract #18-002 and Contract #21-001 and VSAP Enhancements and Support Services Master Agreement (VESSMA) #22-014 - Work Orders #22-014, #23-001 and #23-012;

WHEREAS, the County has determined that it is legal, feasible, cost-effective and in the best interest of the County to contract for software planning and implementation 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 APPLICABLE DOCUMENTS

Appendices A, B, C, D, E, F, G, H, I, M, and P 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 Appendices, or between Exhibits or Appendices, such conflict or inconsistency will be resolved by giving precedence first to the terms and conditions of the Contract and then to the Exhibits or Appendices according to the following priority.

## **Standard Appendices:**

- |      |                  |   |
|------|------------------|---|
| 1.1  | Appendix A -     | Statement of Work (SOW) + Exhibits  |
| 1.2  | Appendix B -     | Pricing Schedule  |
| 1.3  | Appendix C -     | Contractor's Proposed Schedule  |
| 1.4  | Appendix D -     | Contractor's EEO Certification  |
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| 1.9  | Appendix I -     | Safely Surrendered Baby Law   |
| 1.10 | Appendix J -     | Intentionally Omitted   |
| 1.11 | Appendix K -     | Intentionally Omitted   |
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- 1.16 Appendix N - Intentionally Omitted
- 1.17 Appendix O - Intentionally Omitted
- 1.18 Appendix P - Information Security and Privacy Requirements

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

## 2 DEFINITIONS

### 2.1 Standard Definitions:

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein will be construed to have the following meaning and capitalized terms elsewhere in the Contract, Appendices, or Exhibits will have the meaning as defined, unless otherwise apparent from the context in which they are used.

- 2.1.1 **Acceptance:** As used herein, the term will mean County's written approval of any tasks, subtasks, deliverables, goods, services or other Work, including Acceptance Tests, provided by Contractor to County pursuant to this Contract.
- 2.1.2 **Amendment:** As used herein, the term will have the meaning specified in Paragraph 8.1 (Amendments and Change Notices).
- 2.1.3 **Agile Methodology:** A proven methodology for ensuring that the County, as the Product Owner, iteratively builds a solution that meets its requirements while adapting quickly to changes in priorities and technical understandings.
- 2.1.4 **Base Term:** As used herein will mean the same as set forth in Section 4 (Term of Contract).
- 2.1.5 **Board of Supervisors, Board, or BOS:** The Board of Supervisors of the County of Los Angeles acting as governing body.

- 2.1.6 **Business Day(s):** As used herein, the term, whether singular or plural, will mean Monday through Friday, excluding County observed holidays, unless stated otherwise. A list of County observed holidays may be found on the County's website <https://lacounty.gov/government/about-lacounty/about/>.
- 2.1.7 **Business Hour(s):** As used herein, the term, whether singular or plural, will mean 8:00 a.m. to 5:00 p.m. PT during Business Days.
- 2.1.8 **Chief Executive Office or CEO:** As used herein, the terms will mean County's Chief Executive Office.
- 2.1.9 **California Voting Standards Guidelines:** Voting System Standards: California Secretary of State published report that provides a set of specifications and requirements against which voting systems shall be tested to determine if they provide all the basic functionality, accessibility, and security capabilities required of voting systems. The Standards specify the functional requirements, performance characteristics, documentation requirements, and test evaluation criteria for the certification of voting systems. For more information, click on the following link: [California Voting System Standards](#)
- 2.1.10 **Change Notice:** As used herein, the term will have the meaning given to such term in Paragraph 8.1 (Amendments and Change Notices).
- 2.1.11 **Change Order:** As used herein, the term will mean the terms of any Optional Work agreed to by County and Contractor applicable to Appendix A (Statement of Work).
- 2.1.12 **Confidential Information:** As used herein, the term will mean any data or information, in any format, and includes sensitive financial information, any County Data and any other information otherwise deemed confidential by County or by applicable Federal, State or local law, as further specified in Paragraph 7.6 (Confidentiality).

- 2.1.12 **Contract:** This agreement executed between County and Contractor. Included are all exhibits, appendices, and 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.
- 2.1.13 **Contract Deficiency Report:** This term as used herein will have the same meaning as set forth in Section 6.2 (Contract Deficiency Report) of the Statement of Work.
- 2.1.14 **Contract Sum or Total Contract Sum:** As used herein, the term "Contract Sum" will mean the total monetary amount payable by County to Contractor hereunder, as set forth in Paragraph 5 (Contract Sum). The Contract Sum will not be adjusted for any costs or expenses whatsoever of Contractor, without written consent of County.
- 2.1.15 **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.
- 2.1.16 **Contractor Project Manager:** The person designated by the Contractor to administer the Contract operations under this Contract.
- 2.1.17 **County:** The County of Los Angeles in the State of California.
- 2.1.18 **County Contract Project Monitor:** Person with responsibility to assist and backup the County Project Manager/SPOC with 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.
- 2.1.19 **County Data:** As used herein, the term will mean all data and information provided or owned by County, whether stored on-line or off-line, which will be used by Contractor for providing Work under this Contract.

The County will limit Contractor's access to the

“minimum necessary” amount of data and information for Contractor to perform its Services under this Contract. County will not cause or require Contractor to create, receive, maintain, transmit, or otherwise view any other information or data. All County Data will be provided by County in accordance with its privacy and information security policies.

2.1.20 **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.

2.1.21 **County Project Manager (Also known as Single Point of Contact (SPOC):** Person designated by County’s Project Director to manage the with the day-to-day activities and operations under this Contract and SOW. Person with responsibility to oversee the activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.

2.1.22 **County Source Materials:** This term as used herein will mean the items 1) listed in this Contract or the Statement of Work to be delivered by County to Contractor, 2) used by Contractor at County’s direction or instructions (which includes approval), or 3) otherwise delivered by County to Contractor, including County provided materials, value-added content, specifications and instructions, data, and Third-Party Materials (as hereinafter defined). County will be solely responsible to obtain all necessary licensing rights for County Source Materials.

County will provide and Contractor may include in a Deliverable or utilize in the performance of its Services the following County Source Material:

- All requirements (functional, nonfunctional, technical, creative, legal, regulatory, etc.), sample/production content, project dependent systems/services (APIs) with documentation, and project related environments (including, but not limited to project specific hardware such as scanners, servers, printers, etc.).

- Access to project-related County and third-party materials, including, but not limited to:
  - Project related vision, strategy and objectives documentation.
  - Project related hardware, software, services, APIs, graphical elements, and related documentation.
- All licensing and legal rights for the parties to use project-related County and third-party materials in the environments.
- Timely feedback throughout the engagement.

Notwithstanding the foregoing and irrespective of any ownership rights therein, for purposes of this Contract only, County Source Materials does not include Prior Deliverables (Deliverables as defined and delivered under Contract Number #18-002 and Contract Number #21-001), except to the extent such Prior Deliverables utilized or were derived from Prior County Source Materials (County Source Materials as defined under Contract Number #18-002 and Contract Number #21-001). This Contract does not impact any of the parties rights or obligations under the previous agreements between the parties in Contract Number #18-002 and Contract Number #21-001.

2.1.23 **Day(s):** Whether capitalized or not, will mean calendar day(s), not business or working days, unless otherwise specified.

2.1.24 **Debarment:** This term as used herein will mean the process that precludes an existing contractor and/or proposer from: submitting a response to a County solicitation, being awarded a contract, and/or performing Work on a County contract.

2.1.25 **Deficiency or Deficiencies:** As used herein, the term, whether singular or plural, will mean and include any defect(s) in the Deliverables; deviation(s) from mutually agreed upon standards; deviation(s) from any County approved Deliverables or Specifications under the Contract; and/or other problems caused by Contractor's performance of its

Services which result in the system, or any system component, not performing in compliance with the provisions of this Contract, including, but not limited to, the Specifications, System Requirements and System Performance Requirements.

- 2.1.26 **Deliverables:** This term as used herein will mean the deliverables produced by Contractor as a result of the Services it provides to the County under the SOW. Deliverables will be limited to Value Added Content and Project Software produced by Contractor. Deliverables do not include any County Source Materials (including, but not limited to Third-Party Materials), or Contractor proprietary software.
- 2.1.27 **Department of Registrar-Recorder/County Clerk or Department:** Department which is entering into this Contract on behalf of the County of Los Angeles. and staff responsible for the update and file maintenance of voter registration records and the conduct of elections in County. <https://www.lavote.net/>. Headquarters is located at 12400 Imperial Highway, Norwalk, California 90650.
- 2.1.28 **Department Head:** Director of Department
- 2.1.29 **Effective Date:** As used herein will mean the date identified in the Preamble to this Contract, which is the date as of which this Contract has been executed by an authorized representative of the Contractor and has been approved by the Board.
- 2.1.30 **Elections** (i.e., Federal, Statewide, and Local): A formal and organized process for electing a candidate.
- 2.1.31 **Election Configuration Files:** JSON (JavaScript Object Notation) data and audio files generated by VBL used to load the VSAP BMD, ISB, and Tally.
- 2.1.32 **Election Contest Ballot Management System (ECBMS):** An application designed to oversee contest, candidate, and ballot layout information. The County ECBMS is a custom application designed and built inhouse by the RR/CC and is used to generate a ballot layout definition file that is imported in VBL.



- 2.1.33 **Election Management System (EMS):** A system that manages voter registration and election processes. It offers comprehensive support for essential functions such as maintaining voter records, conducting elections, managing petitions, facilitating vote-by-mail processes, handling election results, ensuring content management, and providing administrative functionality. The County is currently working a new EMS designed to handle high volume and complex requirements associated with a large county like Los Angeles County.
- 2.1.34 **Extension(s):** This term as used herein will mean the same as set forth in Section 4 (Term of Contract).
- 2.1.35 **Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.1.36 **Full-Disk Encryption (FDE):** A technology which protects information by converting it into code that cannot be deciphered easily by unauthorized people or processes. The disk's data is protected using symmetric cryptography with the key randomly generated when a disk's encryption is first established.
- 2.1.37 **General Voting System Principals:** Fourteen (14) distinct principles to guide the design and implementation of new voting systems. <http://vsap.lavote.net/principles/>
- 2.1.38 **Independent Ballot-Level Audits:** The examination of ballot records, transactions, ballot images, and internal controls of the Tally System. Through a unique ballot identification number assigned to each ballot, the processing of an individual ballot can be reviewed.
- 2.1.39 **Interactive Sample Ballot (ISB):** A web-based solution that enables voters to view their sample ballot online in an accessible and responsive format, digitally pre-mark vote selections prior to arriving at the vote center and generate a QR code (Poll Pass) that may be used to quickly transfer the pre-marked selections when casting a ballot on the BMDs at vote centers.
- 2.1.40 **Non-Responsibility:** This term as used herein will mean a finding by the County that a proposer is incapable of performing as a responsible County

contractor, based on past performance history or other relevant documentation.

2.1.41 **Non-Responsive:** This term as used herein will mean the failure of a proposer to comply with all solicitation requirements making the proposer ineligible for consideration in that specific proposal evaluation process.

2.1.42 **Paper Ballots or Ballots:** One or more physical sheets of paper, issued by the County, upon which are printed the names of the candidates and the ballot titles of measures to be voted on by marking in the designated area.

2.1.43 **Personally, Identifiable Information or PII:** This term as used herein will mean 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, Personally Identifiable Information will include, but not be limited to, all “non-public personal information,” as defined under the Gramm-Leach-Bliley Act (15 United States Code (“U.S.C.”) §6801 et seq.

The County will limit Contractor’s access to the “minimum necessary” amount of PII for Contractor to perform its Services under this Contract. The parties agree the minimum necessary amount of PII for Contractor to perform its Services is basic contact information (name, title, telephone number, email address) for County employees working with Contractor on the Project. County will not cause or require Contractor to create, receive, maintain, transmit, or otherwise view any other internal or external PII.

2.1.44 **Pre-Election Support Activities:** Preparation activities needed to create a system support environment. This includes ramping up the support team, implementing a tracking system, and establishing communication structures and channels between Contractor and County.

- 2.1.45 **Product Backlog:** This term as used herein will mean a list of County prioritized Project activities and user stories. For the purposes of the SOW, the Product Backlog will be maintained in a JIRA instance, or in another format mutually agreed to by the County and the Contractor.
- 2.1.46 **Project:** This term as used herein will mean an engagement described in the Statement of Work in which Contractor provides certain Services and produces certain Deliverables for the County.
- 2.1.47 **Project Software:** This term as used herein will mean the software developed by Contractor specifically hereunder that is included in the Project. Project Software does not include any County Source Materials (including, but not limited to Third-Party Materials (as hereinafter defined)), Contractor proprietary software, or Value-Added Content.
- 2.1.48 **Quality Control Plan:** Contractor's plan to ensure a consistent high level of service throughout the term of an applicable Statement of Work (as hereinafter defined).
- 2.1.49 **Red Hat Enterprise Linux (RHEL):** An enterprise Linux open-source operating system developed by Red Hat for the business market. It is the foundation from which a user can scale existing apps and roll out emerging technologies across bare-metal, virtual, container, and all types of cloud environments.
- 2.1.50 **Registrar-Recorder/County Clerk:** This term as used herein will mean the Head of the Department (Department Head) of Registrar-Recorder/County Clerk of the County of Los Angeles.
- 2.1.51 **Responsible:** As used herein will mean a proposer that has conducted themselves in an acceptable manner as determined by the Board of Supervisors (see County Code 2.202.030) and has the financial and managerial ability to perform the required work.
- 2.1.52 **Responsive:** As used herein will mean a proposal submitted to the County that complies with all solicitation requirements.

- 2.1.53 **Services:** This term as used herein will mean the services provided by Contractor under the SOW to create the Value-Added Content and the Project Software, or to provide knowledge transfer and transitional services.
- 2.1.54 **State:** As used herein, the term will mean the State of California.
- 2.1.55 **Statement of Work or SOW:** The directions, provisions, and requirements provided herein and special provisions pertaining to the method, frequency, manner and place of performing the contract services stated in Appendix A (Statement of Work).
- 2.1.56 **Statewide Election:** Major Elections are scheduled to occur twice (2x) every even-numbered year (2024, 2026; etc). In addition, special countywide elections can occur up to one (1) per odd calendar year (2025, 2027; etc).
- 2.1.57 **Subcontract:** An agreement by the Contractor to employ a subcontractor to provide services to fulfill this Contract.
- 2.1.58 **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.
- 2.1.59 **Tally System (Tally):** Part of the VSAP voting system that includes software that was custom developed along with 20 high-speed scanners. This system handles the scanning and processing of ballots and ensures accurate reporting of election results.
- 2.1.60 **Task or task and Subtask or subtask:** As used herein, the terms, whether singular or plural, will mean one of the areas of work to be performed under this Contract, including those identified as numbered Tasks and Subtasks in Appendix A (Statement of Work).

2.1.61 **Third-Party Materials:** This term as used herein will mean any third-party hardware, software, data, services or value-added content included in a Project. County will be solely responsible for obtaining all necessary licensing rights for Third-Party Materials.

#### Responsibility for Third-Party Materials

The parties acknowledge that certain Third-Party Materials (including, but not limited to Third Party Software) may be required for a Project. In such event, County will at its expense obtain appropriate licenses for such County approved Third Party Materials (including Third Party Materials provided to Contractor by County or used by Contractor at County's direction).

2.1.62 **Third-Party Software:** This term as used herein will mean any third-party software included in a Project or used by Contractor to develop the Project Software or Value-Added Content. County will be solely responsible for obtaining all necessary licensing rights for Third-Party Software.

2.1.63 **Value-Added Content:** This term as used herein will mean any value-added content developed by Contractor for the Project at the request of County, including (but not limited to) Project documentation.

2.1.64 **VSAP Ballot Layout (VBL):** An application that creates the full-face Vote by Mail (VBM) ballots in print ready PDFs and generates the data files for the VSAP components (Ballot Marking Device (BMD), ISB, and Tally).

### 3 WORK

- 3.1 Pursuant to the provisions of this Contract, the Contractor will fully perform, complete and deliver on time, all Deliverables and Services.
- 3.2 If the Contractor provides any Deliverables and Services, other than as specified in this Contract, the same will be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor will have no claim whatsoever against the County.

## 4 TERM OF CONTRACT

- 4.1 The initial term of this Contract will be one (1) year and six (6) months (“Initial Term”) commencing after execution by the Registrar-Recorder/County Clerk or designee unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 The County will have the sole option to extend this Contract term for up to two additional one (1) year periods, followed by six (6) additional month-to-month extensions (each an “Extension Option”), for a maximum total Contract term of four (4) years. Each such Extension Option may be exercised at the sole discretion of the Registrar-Recorder/County Clerk or their designee as authorized by the Board in accordance with section 8.1 Amendments.

The 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 one or more Extension Option(s).

4.3 The Contractor will notify the Department 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 will send written notification to the Department at the address herein provided in Appendix E (County’s Administration).

## 5 CONTRACT SUM

### 5.1 Total Contract Sum

5.1.1 **Total Contract Sum, Initial Term:** In consideration of the timely completion of the Services and Deliverables during the Initial Term and in accordance with the terms and conditions herein, Contractor will be paid a fixed fee of fifteen million US dollars (\$15,000,000) (“Initial Term Contract Sum”) as specified in Appendix B (Pricing Schedule).

5.1.2 The fees and other applicable rates for the Initial Term of the Contract are set forth in Appendix B (Pricing Schedule). Contractor’s fees will remain firm and fixed prices for the Initial Term of the Contract. The RR/CC or designee, at their sole discretion, may increase the Initial Term Contract Sum up to a maximum of ten percent (10%) of the Initial Term Contract Sum, totaling (\$16,500,000) (“Initial Term Total Contract Sum”) over the Initial Term of the Contract.

5.1.3 **Total Contract Sum(s), Extension Options:** Assuming the scope, terms, and Contractor team size are substantially similar to those in the Initial Term, the budget for each Extension Option Term is

anticipated to increase by approximately five percent (5%) per year (“Extension Option Contract Sum(s)”). For budgeting purposes, the anticipated Extension Option Contract Sum for each Extension Option are as follows:

- 2026 one year Extension Option Contract Sum: \$10,500,000
- 2027 one year Extension Option Contract Sum: \$11,025,000
- 2028 six-month Extension Option Contract Sum: \$5,790,000 (equivalent to \$965,000 per month)

5.1.4 The RR/CC or designee, at their sole discretion, may increase the Extension Option Contract Sum for each Extension Option up to a maximum of ten percent (10%) of each Extension Option Contract Sum (“Extension Option Total Contract Sum(s)”) over each Extension Option Term of the Contract. For budgeting purposes, the maximum anticipated Extension Option Total Contract Sum for each Extension Option are as follows:

- 2026 one year Extension Option Total Contract Sum: \$11,550,000
- 2027 one year Extension Option Total Contract Sum: \$12,127,500
- 2028 six-month Extension Option Total Contract Sum: \$6,369,000 (equivalent to \$1,061,500 per month)

All Extension Options shall be exercised in accordance with section 8.1 Amendments.

## 5.2 **Written Approval for Reimbursement**

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

## 5.3 **Notification of 75% of Total Contract Sum**

5.3.1 The Contractor will maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total contract sum under this Contract. Upon occurrence of this event, the Contractor

will send written notification to the Department at the address herein provided in Appendix E (County's Administration).

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

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

**5.5 Invoices and Payments**

5.5.1 The Contractor will invoice the County only for providing the tasks, deliverables, goods, services, and other work specified in Appendix A (Statement of Work) and elsewhere hereunder. The Contractor will prepare invoices, which will include the charges owed to the Contractor by the County under the terms of this Contract. The Contractor's payments will be as provided in Appendix B (Pricing Schedule) and the Contractor will 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 will be due to the Contractor for that work. Such written approval will not be unreasonably withheld.

5.5.2 The Contractor's invoices will be priced in accordance with Appendix B (Pricing Schedule).

5.5.3 The Contractor's invoices will contain the information set forth in Appendix A (Statement of Work) describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

5.5.4 The Contractor will submit the monthly invoices to the County by the 15<sup>th</sup> calendar day of the month following the month of service or as specified in an SOW.

5.5.5 All invoices under this Contract will be submitted in pdf format via e-mail to the County Project Manager and the County Finance Services Section team (e-mail address below).



Include the Contract Number and address it to the County Project Director. Contractor will also mail a hard copy invoice to:

Registrar-Recorder/County Clerk  
Financial Services Section  
12400 Imperial Highway  
Room 7211  
Norwalk, California 90650  
E-mail: [accountspayable@rrcc.lacounty.gov](mailto:accountspayable@rrcc.lacounty.gov)

#### **5.5.6 County Approval of Invoices**

The County's Project Manager will review each invoice for any discrepancies and will, within fourteen (14) calendar days of receipt thereof, (a) approve the amounts requested for payment thereon, which approval will not be unreasonably withheld, or (b) notify Contractor in writing of any discrepancies found upon such review and deliver to the Contractor a list of disputed charges on such invoice. The Contractor will review the disputed charges and either send a written explanation reasonably addressing the County's concerns or resubmit a revised invoice. If the County does not receive a written explanation for the charges within thirty (30) days of sending such notification, Contractor will be deemed to have waived its right to receive payments for such disputed amounts, but may thereafter submit such disputed amounts in a subsequent invoice.

#### **5.6 Intentionally Omitted**

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

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

5.7.2 The Contractor will 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 will supersede this requirement with respect to those payments.

5.7.4 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), will decide whether to approve exemption requests.

## **6 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 Appendix 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 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 the Contract; however, in no event will 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 the Contractor, providing direction to the Contractor, as appropriate in areas relating to County policy, information requirements, and procedural requirements; however, in no event, will 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 Deliverables and Services provided by or on behalf of the Contractor; however, in no event will 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 the County's Contract Project Monitor is to oversee the day-to-day administration of this Contract; however, in no event will Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby. The County's Contract Project Monitor reports to the County's Project Manager.

## **7 ADMINISTRATION OF CONTRACT - CONTRACTOR**

### **7.1 Contractor Administration**

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

### **7.2 Contractor's Project Manager**

7.2.1 The Contractor's Project Manager is designated in Appendix F (Contractor's Administration). The Contractor will notify the County in writing of any change in the name or address of the Contractor's Project Manager.

7.2.2 The Contractor's Project Manager will be responsible for the Contractor's day-to-day activities as related to this Contract and will meet and coordinate with 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 the Contractor's staff performing work hereunder and any

proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Project Manager.

#### **7.4 Contractor's Staff Identification**

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

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

7.4.2 Contractor will notify the County within one business day when staff is terminated from working under this Contract. Contractor will 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.

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

#### **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, will 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 will not be limited to, criminal conviction information. The fees associated with the background investigation will be at the expense of the Contractor, regardless of whether the member of Contractor's staff passes or fails the background investigation.

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 the Contract. Contractor will 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.

- 7.5.2 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 will not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.
- 7.5.4 These terms will also apply to subcontractors of County Contractors.
- 7.5.5 Contractor shall sign, attest, and adhere to Appendix H (Background Check Attestation Form).

## **7.6 Confidentiality**

- 7.6.1 Contractor will 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 will 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 reasonably determined by County and noticed to the Contractor in writing. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 7.6 will be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the

preceding sentence, County will have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor will not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

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

Contractor will sign and adhere to the provisions of Appendix G1-IT (Contractor Acknowledgement, Confidentiality, and Copyright Assignment Agreement).

## **8 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, a mutually agreed upon amendment to the Contract will be prepared and executed by the Contractor and by the RR/CC or 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 to make the Contract consistent with the then-current County-wide contracting policies. 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 will be prepared, mutually agreed to, and executed by the Contractor and by RR/CC or designee.
- 8.1.3 The County reserves the right to initiate mutually agreeable Change Orders that either (i) do not (a) affect the Contract Term or Contract Sum or payments and (b) materially alter the Contract. All such changes will be executed with a Change Order to this Contract signed by the Contractor and by the County's Project Director (or either such party's designee); provided that any Change Order for Additional Work will

additionally require an additional Statement of Work, or amendment to the Statement of Work, and written approval of County's Chief Information Office and County Counsel. Should the Contractor's costs substantially increase due to an Amendment made pursuant to Paragraph 8.1.2, the parties will negotiate in good faith a Change Order to address those cost increases.

- 8.1.4 For any change which is clerical or administrative in nature and/or does not affect any term or condition of this Contract, a written Change Notice may be prepared and executed by the RR/CC or designee and by the Contractor.

## **8.2 Assignment and Delegation/Mergers or Acquisitions**

- 8.2.1 The Contractor will notify the County of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the Contractor is restricted from legally notifying the County of pending acquisitions/mergers, then it should notify the County of the actual acquisitions/mergers as soon as the law allows and provide to the County the legal framework that restricted it from notifying the County prior to the actual acquisitions/mergers.
- 8.2.2 The Contractor will 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 will be null and void. For purposes of this paragraph, County consent will require a written Amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegatee or assignee on any claim under this Contract will be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.
- 8.2.3 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent, not to be unreasonably withheld, of County in accordance with applicable provisions of this Contract.

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

### **8.4 Budget Reductions**

8.4.1 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 will also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation will 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 will continue to provide all of the services set forth in this Contract.

### **8.5 Intentionally Omitted**

### **8.6 Compliance with Applicable Law**

8.6.1 In the performance of this Contract, Contractor will 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 will 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 (except if, and to the extent, a failure to comply results from (i) the use or inclusion of the County Source Materials, (ii) Contractor's conformance with County provided specifications, or (iii) Contractor's adherence to the County's written instructions or directions), as reasonably determined by County and noticed in writing to Contractor. Any legal defense pursuant to Contractor's indemnification obligations under Paragraph 8.6 (Compliance with Applicable Law) will be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County will have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor will not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

## **8.7 Compliance with Civil Rights Laws**

8.7.1 The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), 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. The Contractor will comply with Appendix D (Contractor's EEO Certification).

## **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.**

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor must have and adhere to a written policy that provides that its Employees must receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this 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 will also be subject to the provisions of this paragraph. The provisions of this paragraph will be inserted into any such

subcontract agreement and a copy of the Jury Service Program will be attached to the agreement.

3. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor will have a continuing obligation to review the applicability of its “exception status” from the Jury Service Program, and the Contractor will 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 will 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 Jury Service Program.
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, will be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder will in any way participate in the County’s approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County’s approval or ongoing evaluation of such work.
- 8.9.2 The Contractor will 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 will immediately make full written disclosure of such facts to the County. Full written disclosure will 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 will be a material breach of this Contract.

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

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

#### **8.11 Consideration of Hiring GAIN/START Participants**

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

#### **8.12 Contractor Responsibility and Debarment**

##### **8.12.1 Responsible Contractor**

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

#### 8.12.2 **Chapter 2.202 of the County Code**

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (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**

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

#### 8.12.4 **Contractor Hearing Board**

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

- 8.12.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative will be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board will prepare a tentative proposed decision, which will contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department will be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
- 8.12.4.3 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board will be presented to the Board of Supervisors. The Board of Supervisors will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 8.12.4.4 If a Contractor has been debarred for a period longer than five (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 will conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing will be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

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

#### 8.12.5 **Subcontractors of Contractor**

These terms will also apply to subcontractors of County Contractors.

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

8.13.1 The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster, in Appendix I, in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at [www.babysafela.org](http://www.babysafela.org).

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

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

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and will during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and will implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

## **8.15 County's Quality Assurance Plan**

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

## **8.16 Damage to County Facilities, Buildings or Grounds**

8.16.1 The Contractor will repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the Contractor or employees or agents of the Contractor. Such repairs will be made immediately after



the Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

- 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 will be repaid by the Contractor by cash payment upon demand.

## **8.17 Employment Eligibility Verification**

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

## **8.18 Counterparts and Electronic Signatures and Representations**

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

The County and the Contractor hereby agree to regard electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Paragraph 8.1 (Amendments) and received via communications facilities (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 The Contractor will comply with all applicable provisions of the Federal Fair Labor Standards Act and will indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

## **8.20 Force Majeure**

8.20.1 Neither party will be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this paragraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor will not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor will not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this subparagraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

8.20.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

## **8.21 Governing Law, Jurisdiction, and Venue**

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

## **8.22 Independent Contractor Status**

8.22.1 This Contract is by and between the County and the Contractor and is not intended, and will 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 will not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 The Contractor will be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County will have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor will be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 The Contractor will adhere to the provisions stated in Paragraph 7.6 (Confidentiality).

## **8.23 Indemnification**

8.23.1 The Contractor will 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 to the extent arising from (i) the gross negligence or willful or intentional misconduct of the County indemnitees, (ii) the use or inclusion of the County Source Materials, (iii) Contractor's compliance with County provided specifications, or (iv) Contractor's compliance with the County's written directions or instructions. In such case, County's counsel may participate in such defense. Contractor will not enter into any settlement agreement as to such claims without County's consent.

## **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 will 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, will be delivered to County at the address shown below and provided prior to commencing services under this Contract.

**8.24.2.2** Renewal Certificates will 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 Subcontractor insurance policies at any time.

**8.24.2.3** Certificates will 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 will match the name of the Contractor identified as the contracting party in this Contract. Certificates will 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), will be construed as a waiver of any of the Required Insurance provisions.

**8.24.2.5** Certificates and copies of any required endorsements will be sent to:

Department of Registrar-Recorder/County Clerk  
Contracts and Grants Section  
12400 Imperial Highway  
Room 7211  
Norwalk, California 90650  
E-mail: [contracts@rrcc.lacounty.gov](mailto:contracts@rrcc.lacounty.gov)

**8.24.2.6** Contractor also will 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 will 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) will 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 will apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also will 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 will provide County with, or Contractor's insurance policies will contain a provision that County will receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice will 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 will constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from

Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

#### **8.24.6 Insurer Financial Ratings**

Coverage will 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 Will Be Primary**

Contractor's insurance policies, with respect to any claims related to this Contract, will be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage will 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 will 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 will include all subcontractors as insureds under Contractor's own policies, or will provide County with each subcontractor's separate evidence of insurance coverage. Contractor will be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and will require that each subcontractor name the County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor will 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 will not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond will be executed by a corporate surety licensed to transact business in the State of California.

#### **8.24.11 Claims Made Coverage**

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

#### **8.24.12 Application of Excess Liability Coverage**

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

#### **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 will be designated as an Additional Covered Party under any approved program.



#### 8.24.15 **County Review and Approval of Insurance Requirements**

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

### 8.25 **Insurance Coverage**

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

General Aggregate: \$2 million

Products/Completed Operations Aggregate: \$1 million

Personal and Advertising Injury: \$1 million

Each Occurrence: \$1 million

8.25.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance will 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 will 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 will 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 will be arranged to satisfy the requirements of any federal workers

or workmen's compensation law or any federal occupational disease law.

## **Unique Insurance Coverage**

### **8.25.4.1 Intentionally Omitted**

### **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 \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it will maintain such coverage for a period of not less than three (3) years following this Contract's expiration, termination or cancellation.

### **8.25.4.3 Intentionally Omitted**

### **8.25.4.4 Intentionally Omitted**

### **8.25.4.5 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 \$4 million.

#### **8.25.4.6 Cyber Liability Insurance**

The Contractor will secure and maintain cyber liability insurance coverage with limits of three million dollars (\$3,000,000) per occurrence and four million dollars (\$4,000,000) 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. The Contractor will 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, will 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.

#### **8.25.47.1 Intentionally Omitted**

### **8.26 Liquidated Damages**

8.26.1 If, in the reasonable judgment of the Department Head, or their designee, the Contractor is deemed to be substantially non-compliant with the terms and obligations assumed hereby, the Department Head, or their designee, at their 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 their designee, in a written notice describing the reasons for said action. If Contractor is able to cure the reasons for said action within five (5) days or in a reasonable time period as mutually agreed by the parties in writing, then County will pay Contractor for any withheld or deducted amounts.

8.26.2 If the Department Head, or their designee, reasonably determines that there are deficiencies in the performance of this Contract that the Department Head, or their designee, deems are correctable by the Contractor over a certain reasonable time span, the Department Head, or their 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 their 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 thousand dollars (\$1,000) per day if not remedied within the specified time frame or as specified in the Exhibit 2 (Performance Requirements Summary (PRS)) Chart (Statement of Work Exhibit 3) hereunder, and that the Contractor will be liable to the County for liquidated damages in said amount. Said amount will be deducted from the County's payment to the Contractor; and/or (c) Upon giving five (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 unpaid payment to the Contractor from the County, as determined by the County. Liquidated damages under this Contract will not exceed one thousand (\$1,000) per day.

8.26.3 The action noted in Paragraph 8.26.2 will 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 will 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 will 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**

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

## **8.28 Nondiscrimination and Affirmative Action**

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

8.28.2 The Contractor will certify to, and comply with, the provisions of Appendix D (Contractor's EEO Certification).

8.28.3 The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion,

ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action will include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

8.28.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

- 8.28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies will comply with all applicable Federal and State laws and regulations to the end that no person will, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.28.6 The Contractor will allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this 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 will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations will constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.
- 8.28.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County will, at its sole option, be entitled to the sum of 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**

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

### **8.30 Notice of Delays**

8.30.1 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 will, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

### **8.31 Notice of Disputes**

8.31.1 The Contractor will 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 RR/CC or designee will resolve it.

### **8.32 Notice to Employees Regarding the Federal Earned Income Credit**

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

### **8.33 Notice to Employees Regarding the Safely Surrendered Baby Law**

8.33.1 The Contractor will notify and provide to its employees, and will require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Appendix I, Safely Surrendered Baby Law of this Contract. Additional information is available at [www.babysafela.org](http://www.babysafela.org).

### **8.34 Notices**

8.34.1 All notices or demands required or permitted to be given or made under this Contract will be in writing and will be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Appendices 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 RR/CC or designee will have the authority to issue all notices or demands required or permitted by the County under this Contract.

### **8.35 Prohibition Against Inducement or Persuasion**

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

### **8.36 Public Records Act**

8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to 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 will be regarded as public records. Exceptions will be those elements in the California Government Code Section 7921 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County will not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

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



## **8.37 Publicity**

8.37.1 The Contractor will not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County will not inhibit

the Contractor from publishing its role under this Contract within the following conditions:

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

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

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

## **8.38 Record Retention and Inspection-Audit Settlement**

8.38.1 The Contractor will maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor will also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, will have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract.

All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, will be kept and maintained by the Contractor and will be made available to the County during the term of this Contract and for a period of five (5) years thereafter

unless the County's written permission is given to dispose of any such material prior to such time. All such material will be maintained by the Contractor at a location in Los Angeles County, or made available electronically provided that if any such material not made available electronically and is located outside Los Angeles County, then, at the County's option, the Contractor will pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

- 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 will 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 will make a reasonable effort to maintain the confidentiality of such audit report(s)
- 8.38.3 Failure on the part of the Contractor to comply with any of the provisions of this subparagraph 8.38 will 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 will 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 will be paid to the Contractor by the County by cash payment, provided that in no event will the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

### 8.39 Recycled Bond Paper

- 8.39.1 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 will 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.

Email information above to [contracts@rcc.lacounty.gov](mailto:contracts@rcc.lacounty.gov)

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

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

- 8.40.6 The 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 will forward a fully executed subcontract to the County for their files.

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

8.40.8 The Contractor will 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 will ensure delivery of all such documents to:

Department of Registrar-Recorder/County Clerk  
Contracts and Grants Section  
12400 Imperial Highway  
Room 7112  
Norwalk, California 90650  
Email: [contracts@rcc.lacounty.gov](mailto:contracts@rcc.lacounty.gov)

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

8.41.1 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) will constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar days of written notice will 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 will be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination

becomes effective. The date upon which such termination becomes effective will be no less than thirty (30) days after the notice is sent.

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

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 not 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 will 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 Deliverables or Services 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. Notwithstanding any provision of this Contract, including but not limited to subparagraph 9.10, Contractor will be liable to the County for any and all excess costs incurred by the County, as reasonably determined by the County, for such

similar goods and services up to ten percent (10%) of the pro-rated amount for any related Deliverable(s) as indicated in the SOW Payment Schedule under Invoice Amount. The Contractor will 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 will 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 will not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this 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 will 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) will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- 8.43.6 The Contractor may, by written notice to the County, terminate the whole or any part of this Contract, if, in the Contractor's reasonable judgment as noticed to the County

in writing that the County has materially breached this Contract, which the County has failed to cure within thirty (30) days after said written notice.

#### **8.44 Termination for Improper Consideration**

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

#### **8.45 Termination for Insolvency**

- 8.45.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:
  - 8.45.1.1 Insolvency of the Contractor. The Contractor will be deemed to be insolvent if it has ceased to pay its debts for at least 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) will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### **8.46 Termination for Non-Adherence of County Lobbyist Ordinance**

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

#### **8.47 Termination for Non-Appropriation of Funds**

8.47.1 Notwithstanding any other provision of this Contract, the County will not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board 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 will terminate as of June 30 of the last fiscal year for which funds were appropriated. The County will notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

#### **8.48 Validity**

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

#### **8.49 Waiver**

8.49.1 No waiver by the County of any breach of any provision of this Contract will constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any



time, or from time to time, any provision of this Contract will not be construed as a waiver thereof. The rights and remedies set forth in this paragraph 8.49 will 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 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.50.2 For breach of this warranty, the County will have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the

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

#### **8.51 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.

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**

8.52.1 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" will 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 will 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**

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

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

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 will 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 will not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

### **8.55 Intentionally Omitted**

### **8.56 Compliance with Fair Chance Employment Practices**

Contractor will 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.

## **8.57 Compliance with the County Policy of Equity**

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

## **8.58 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 the County. A violation of this provision will result in the disqualification of the Contractor/Proposer from participation in the County solicitation or the termination or cancellation of any resultant County contract. This provision will survive the expiration, or other termination of this Contract.

# **9 UNIQUE TERMS AND CONDITIONS**

## **9.1 Intentionally Omitted**

## **9.2 Intentionally Omitted**

## **9.3 Ownership of Materials, Software and Copyright**

9.3.1 County will 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 the Contractor's work pursuant to this Contract, except propriety materials owned by the Contractor and used in a Project (as to which the Contractor will, upon payment of any of Contractor's invoices as to the deliverable such propriety materials were included within, grant

County an irrevocable, perpetual, non-exclusive, sublicenseable (through multiple tiers), fully paid-up, and transferrable license), and except County Source Materials and Third Party Materials (as to which the County will be solely responsible to obtain all necessary licensing rights). The Contractor, for valuable consideration herein provided, will execute all documents necessary to assign and transfer to, and vest in the County all of the Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to the Contractor's work under this Contract.

- 9.3.2 During the term of this Contract and for five (5) years thereafter, the Contractor will maintain and provide security for all of the Contractor's working papers prepared under this Contract. County will have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all information contained therein.
- 9.3.3 Any and all materials, software and tools which are developed or were originally acquired by the Contractor outside the scope of this Contract, which the Contractor desires to use hereunder, and which the Contractor considers to be proprietary or confidential, must be specifically identified by the Contractor to the County's Project Manager as proprietary or confidential, and will be plainly and prominently marked by the Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.
- 9.3.4 The County will use reasonable means to ensure that the Contractor's proprietary and/or confidential items are safeguarded and held in confidence. The County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or confidential items without the prior written consent of the Contractor.
- 9.3.5 Notwithstanding any other provision of this Contract, the County will not be obligated to the Contractor in any way under subparagraph 9.3.4 for any of the Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by subparagraph 9.3.3 or for any disclosure which the County is required to make under any state or federal law or order of court.

9.3.6 All the rights and obligations of this Paragraph 9.3 will survive the expiration or termination of this Contract.

#### **9.4 Patent, Copyright and Trade Secret Indemnification**

9.4.1 The Contractor will indemnify, hold harmless and defend County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's work under this Contract, except to the extent arising from i) the use or inclusion of the County Source Materials, ii) Contractor's conformance with County provided specifications, or iii) the County's written instructions or direction. County will inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure and will support the Contractor's defense and settlement thereof.

9.4.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure (except to the extent arising from i) the use or inclusion of the County Source Materials, ii) Contractor's conformance with County provided specifications, or iii) the County's written instructions or direction), such that County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, the Contractor, at its sole expense, and providing that County's continued use of the system is not materially impeded, will either:

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

9.4.3 The Contractor will have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended.

**9.5 Intentionally Omitted**

**9.6 Data Retention**

For at least seven (7) years, County will maintain a tracked version of the Project and will, at County's reasonable discretion, make it available to Contractor in the event of reasonable anticipation of litigation against Contractor relating to the Project; provided that Contractor will at all times encrypt any such copy pursuant to then-current encryption standards reasonably agreed to by the County and Contractor.

**9.7 Intentionally Omitted**

**9.8 Intentionally Omitted**

**9.9 Intentionally Omitted**

**9.10 Limited Liability**

Any monetary liability of Contractor to County, except as to subparagraph 8.43.2, with respect to each Statement of Work will be limited to the amount of damages up to the payment made to Contractor for the applicable SOW, or the insurance limits required in Section 8.25 (Insurance Coverage), whichever is greater.

**9.12 Compliance with County's Women in Technology Hiring Initiative**

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

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

COUNTY OF LOS ANGELES

THE DIGITAL FOUNDRY, INC.

\_\_\_\_\_  
DEAN C. LOGAN  
Registrar-Recorder/County Clerk

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Tax Identification Number

APPROVED AS TO FORM:

DAWYN R. HARRISON County Counsel

By \_\_\_\_\_  
Deputy County Counsel

**STATEMENT OF WORK (SOW)**  
**TALLY SYSTEM AND VOTING SOLUTIONS FOR ALL PEOPLE (VSAP)**  
**BALLOT LAYOUT (VBL) 4.0 SOFTWARE DEVELOPMENT**

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- 4. LIST OF THIRD PARTY SOFTWARE



## **1.0 SCOPE OF WORK**

### **Objective**

Through this Statement of Work (SOW), the County of Los Angeles Registrar-Recorder/County Clerk (RR/CC) is seeking to obtain enhancements to the Voting Solutions for All People (VSAP) 3.0 Tally System Version 3.0.20 (Tally or Tally System) and VSAP Ballot Layout Application Version 2.0.21 (VBL) components (hereafter referred to as Project) of the VSAP solution.

This Project will provide additional software planning and implementation of the Tally and VBL components for VSAP version 4.0 that adds support for California Secretary of State Use Conditions ([vsap-3-approval.pdf \(ca.gov\)](https://www.sos.ca.gov/records/vsap-3-approval.pdf)) and other new features/capabilities, as well as software support during elections over the periods specified in the Project Schedule below. Digital Foundry, Inc. (Contractor) will provide its Services as hereinafter defined to successfully complete the work set forth in this Statement of Work (SOW).

### **Background**

The RR/CC is one of 38 departments in Los Angeles County, California which serves a population of over 10 million residents. The RR/CC is responsible for registering voters; maintaining voter files; administering federal, State, local, and special elections; and verifying initiatives, referenda, and recall petitions. Los Angeles County (County) is the largest and most complex county election jurisdiction in the country with over 500 political districts and over 5.6 million registered voters. The RR/CC also records real property documents; maintains vital records of births, deaths, and marriages; issues marriage licenses; performs civil marriage ceremonies; oversees countywide records management and archives programs; and processes business filings and other documents.

The VSAP system and program was developed by the RR/CC in 2009 in response to an antiquated voting system and increasingly large and complex electorate. The project sought to develop a new voter centric system to maximize stakeholder participation. Through field research and coalition building, the RR/CC pioneered a new voter-centered approach to voting system design and development. Part of the approach included replacement of antiquated voting equipment, with new technologically advanced voting equipment in addition to network connected vote centers. VSAP included development of the Tally System to support tallying of voted paper ballots and other election operation services, and VBL to support ballot generation and integration of election results for the County's complex electoral jurisdiction.

Tally receives digital images of voted paper ballots from one or more scanner output directories, uses digital image processing tools and techniques to recognize and adjudicate the votes cast on the ballots, and tabulates and reports the results in accordance with applicable law and regulations. The Tally System is capable of processing both hand-marked full-face Vote-By-Mail (VBM) ballots, as well as machine-

printed ballots produced by the VSAP Ballot Marking Device (BMD) and will support reading and decoding QR codes printed on both types of ballots. The Tally System will verify the authenticity of ballots being processed and will keep logs and batch processing information to support independent ballot-level audits of election results.

VBL takes ballot content from the Election Contest Ballot Management System (ECBMS) in a standard data-interchange format and lays it out in the VBM and BMD ballot print formats required by VSAP specifications. It also generates data files and packages necessary to configure the various VSAP components for an election, integrates them into a comprehensive end-to-end voting solution, and supports integration of election results with an external ECBMS.

On March 31, 2022, the RR/CC completed Tally Version 3.0 and VBL Version 2.0 and certified VSAP 3.0 with the California Secretary of State. Tally added features and enhancements to improve performance and operational support. VBL added six (6) new required languages (Mongolian, Indonesian, Telegu, Gujarati, Bengali, and Burmese) for VBM and BMD ballot layouts and an improved user interface with added features such as election file versioning and more customizable VBM full-face ballot layout customizations.

On September 11, 2023, the County engaged with the Contractor to research and architect software upgrades and enhancements. The primary emphasis was on cybersecurity prerequisites mandated by the California Secretary of State such as Full-Disk Encryption (FDE) compliance, Federal information Processing Standards (FIPS), migration from an end-of-life operating system, and adherence to the new California Voting Standards Guidelines (CVSS). Additional emphasis was on strategic user enhancements to augment system flexibility in response to evolving legislative requirements, additional language support, and modifications to ballot content.

The efforts outlined in the SOW build upon the foundation established in the previous contracts with Contractor and builds towards the County's longer-term objective to complete and certify these upgrades by the end of 2025 and deploy them for the first time in the 2026 elections.

## **Definitions**

Please refer to Paragraph 2.0 of Contract #24-001 entered into by and between Contractor and the County (Contract) for a listing of definitions.

## **2.0 TASKS AND DELIVERABLES**

Contractor is being engaged to deliver Services in software engineering using Agile methodologies, systems architecture and integration, and systems testing and documentation. In delivering these Services, Contractor shall:

- Apply knowledge of current industry standards and best practices.

- Be consistent with VSAP General Voting System Principles. See <http://vsap.lavote.net/principles/> for more information.
- Comply with the applicable requirements set forth in the CVSS and applicable California laws and regulations affecting voting systems testing and certification as interpreted, prioritized, and accepted by County staff and their designees.

Under the direction of County and using County Source Materials, Contractor will provide Services and Deliverables according to the Project Schedule (Project Schedule), Tasks, and Deliverables descriptions below.

**Project Schedule**

Services	Resources (Blended Contractor Core Team (12.6 core team members))	Initial Core Team Roles	Duration	Period	
				Start Date	End Date
Task 1 – Program Management	Approx. 3 team members	- Engagement Lead - Program Manager - System Architect	78.6 weeks	07/01/2024	12/31/2025
Task 2 – Tally and VBL Implementation Task 3 – Election Support Task 4 – Disaster Recovery Plan	Approx. 9.6 team members (up to 3 of these resources may be used for Task 3 - Election Support)	- Software Developer(s) - QA Engineer(s) - Designer(s) - Technical Writer(s)	78.6 weeks	07/01/2024	12/31/2025

**Tasks**

**1. Task 1 - Program Management**

During the Project Schedule Period as set forth in the table above (i.e., 07/01/2024-12/31/2025) (Period) and utilizing the resources specified for Task 1 in the Project Schedule, Contractor will 1) provide Task 2 and Task 3 oversight, 2) help produce Project related documentation when prioritized by the County in the Product Backlog (currently managed in the County’s instance of Jira), and 3) be available for VSAP system integration support.

**2. Task 2 – Tally and VBL Implementation**

During the Period and utilizing the resources specified for Task 2 in the Project Schedule, Contractor and County software engineering teams will conduct a series of Agile implementation sprints (typically a two-week implementation cycle) to develop the Tally System and VBL software as defined in the Product Backlog.

Prior to each sprint, County will prioritize the user stories and activities from the then-current Product Backlog. Using the prioritized Product Backlog, Contractor will assign story points to a set of user stories and activities to be implemented during the upcoming sprint, subject to the Contractor resources allocated under this SOW. For this reason, it is possible that not all specified user stories will be implemented. The County, however, will hold the final decision on the user stories

to be considered for implementation. Contractor will provide a demonstration of its progress at the end of each sprint.

Task 2 consists of implementation activities for the epics listed below. Some of these activities are carried out jointly by the Contractor and County teams, as they involve integrating the software into County systems and hardware. Additionally, the County is responsible for proofing materials, reports, and documentation in various languages.:

- **Operating System Update:** Continue the migration from CentOS 7 (support ends June 2024) to Red Hat Enterprise Linux. Carried out by both Contractor and County teams.
- **FIPS 140-2:** The conditional approval of VSAP 3.0 includes a list of use conditions, one of which is that the system must use only validated FIPS 140-2 cryptographic modules. Contractor will work towards compliance with the use conditions, but this effort is dependent on guidance and input from the County. Carried out by both Contractor and County teams.
- **Full-Disk Encryption (FDE):** The conditional approval of VSAP 3.0 includes a use condition stating that the subsequent version of VSAP submitted to the California Secretary of State must have FDE implemented and deployed. Contractor will assist the County in planning and testing FDE for the VBL and Tally components of VSAP. Since the County owns the hardware, County will be responsible for the implementation of FDE. If it is determined that FDE cannot be implemented and deployed to one or all of these components, potentially impacting the system's accuracy, efficiency, or performance, the County will document these findings and submit them to the California Secretary of State. Carried out by both Contractor and County teams.
- **Voluntary Voting System Guidelines (VVSG) 2.0:**
  - Principle 3: Transparent - Primarily focused on expanding VSAP documentation.
  - Principle 9: Auditability - Updates to audit, logging, and reporting to meet new audit requirements.
  - Principle 11: Access Control - Security protecting sensitive data, preventing unauthorized modifications, ensuring compliance with regulations and safeguarding against cyber threats such as unauthorized access, data breaches, and insider attacks.
  - Principle 15: Detection and Monitoring - Combination of automated tools, such as intrusion detection systems and log management, alongside manual analysis.

VVSG 2.0 is a collaboration between the Contractor and the County to define, prioritize, and implement enhancements to address VVSG 2.0. Operational tasks will be implemented by the County.

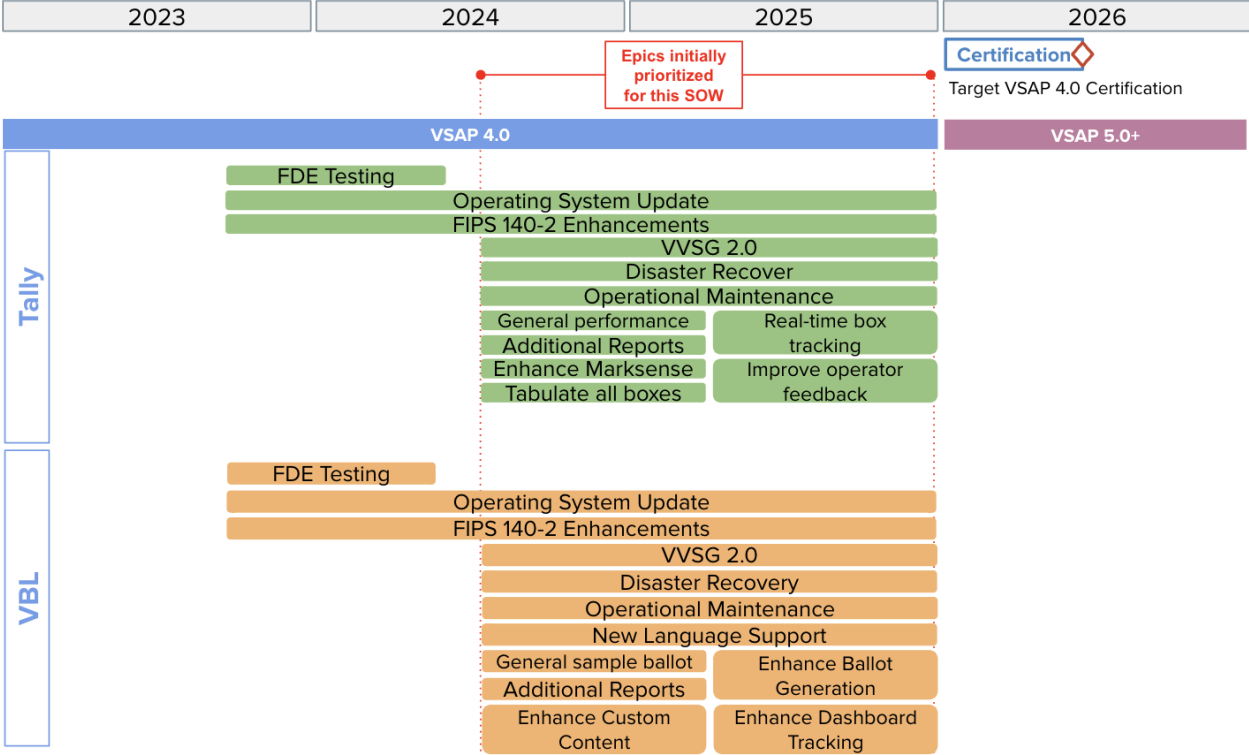
- **New Languages:** Currently, the RR/CC supports twenty (20) languages (including English). Pending legislation, Assembly Bill 884 (2023-2024), may require the County to support ballots and election materials in up to 23 new languages, including Amharic, Assyrian, Neo-Aramaic, Bulgarian, Croatian, French, Ganda, German, Greek, Haitian, Hebrew, Italian, Lao, Pashto, Polish, Portuguese, Punjabi, Sinhala, Swiss German, Tigrinya, Turkish, Urdu, which RR/CC may prioritize for implementation in the Project Backlog. If prioritized, Contractor will implement up to four (4) languages. If fewer than four (4) languages are prioritized for implementation, then Contractor will work on other Project Backlog items as prioritized by County.
- **System Integration Support:** Support end-to-end VSAP 4.0 integration testing with dependent systems (e.g. Ballot Marking Device (BMD), Interactive Sample Ballot (ISB), etc.)
- **Tally Enhancements:**
  - Performance improvements enhancing overall system efficiency, responsiveness, and reliability in ballot processing and report generation. These enhancements impact time-sensitive activities, including election night reporting, generating large cast vote record files for millions of ballots, and manual recounts during canvass.
  - Increase reliability of real-time box tracking. These improvements impact the ability to quickly identify and resolve issues with boxes during ballot processing. Not only does this save time, but it also ensures accuracy in the critical process of locating ballots in storage.
  - Add required election result reports, which are posted to the County website and used for certifying an election to the California Secretary of State.
    - Statement of Result of Votes Cast (California Elections Code 19380)
    - Results by precinct
    - Results by district, city and community
  - Tally Interface Enhancements:
    - Enhance operator monitoring and awareness by implementing alerts and providing additional details.
    - Implement new reports to improve real-time operational awareness and facilitate diagnosing potential problem areas.
      - Ballot reject statistics that includes time, system, ballot type, and reject code. This data helps identify any error patterns for fixing and preventing future errors.
      - Having the ability to identify errors are essential for diagnosing system problems. This report provides the necessary data to quickly identify and address system errors with relevant information.
      - Vote center report that displays ballots and totals by time and day, essential for auditing ballots received from the vote center and ballot processing center.

- The confidence level by contest is determined based on how a ballot is marked and the percentage of the voting circle that is filled in, to assess the overall accuracy.
  - Implement a new customizable observer dashboard that includes election night statistics and graphs to improve transparency to the public and media.
- **VBL Enhancements:**
  - Generate sample ballot booklet voting pages based on the VBM ballot, formatted to fit 8.5" x 11" paper and customized with specific headings and formatting.
  - Generate and enhance box cards for tracking ballots in boxes, incorporating BMD, VBM, and remake types, and expanding the number of available boxes.
  - Enhance flexibility in configuring multilingual ballots to maximize space utilization and reduce costs by minimizing card counts.
    - Adjust font sizes by field
    - VBM formatting including headers, column padding, field merging
    - BMD formatting including column start options, field merging
  - Enhancements to smart ballot generation to reduce processing time.
    - Partial generation by party or contests
    - Search for disassociated glyphs in ballot files
    - Split VBM ballot PDFs into single card PDFs for print vendor
    - Upload and manage font files
    - Layout enhancements to superset generation that contains all contests and ballots in on a single ballot by language. Used for proofing ballots and translation guides.
  - Add formatting options to custom content for full-face VBM ballots and BMDs
    - Alignment
    - Bold
    - Underline
    - Carriage return
    - Bullet points
  - Enhance dashboard's ability to provide situational awareness (e.g. custom content tracking, party color assignment, box card generation, election export status)
  - New reports for production printing and billing purposes.
    - Ballot layout card count to track final layout pages sent to vendor filtered by language.
    - Election summary giving an overview or total cards produced by language and test ballot counts

- **Operational Maintenance:** Update critical components of the tech stack (e.g. JavaScript libraries and NodeJS, Golang, Cassandra base image, RabbitMQ base image, etc.)

The visualization below indicates the epics initially prioritized for implementation by the County under this SOW:

**Tally and VBL Roadmap**



During implementation, the Contractor will test the Project Software to ensure it meets the acceptance criteria defined by the County and captured in the Project Backlog. The testing will include:

- **Unit Testing:** Tests written during or after implementation of a feature. The goal is to test the smallest piece of code that can be logically isolated in a system, and run unit tests to ensure everything passes prior to merging it into the main branch.
- **Manual Testing:** Testing through the user interface to verify that stories are implemented as defined in the acceptance criteria and captured in the Project Backlog. Manual testing generally occurs once the code is merged.
- **User Acceptance Testing:** This testing is owned by the County to verify that the Project Software Deliverable meets the County’s operational and contractual requirements. The Contractor will review any issues reported by the County and resolve defects prioritized by the County.

- **End to End Integration Testing:** Testing done to validate that changes, updates, and enhancements to VBL and Tally allow for end-to-end processing of an election.

### **3. Task 3 - Election Support**

During the Period and utilizing the resources specified for Task 3 in the Project Schedule, Contractor will perform election support activities when prioritized by the County in the Product Backlog. Contractor will investigate reported Tally and VBL related issues and discuss potential solutions with County.

Contractor will provide software support for the following elections:

- November 5, 2024 – Presidential General Election

All work shall be performed during normal business hours from Contractor's office or remotely, and/or County's offices in Los Angeles, CA, as reasonably determined by the SPOC (the County's designated point of contact under this SOW with respect to the day-to-day administration of this SOW).

### **4. Task 4 – Disaster Recovery Plan**

Contractor will work with County to plan and document the disaster recovery plan of Tally and VBL for elections (Disaster Recovery Plan). The plan outlines procedures to be followed in the event that tally operations, located at the Ballot Processing Center, 13401 Crossroads Parkway N., City of Industry, CA 91746, become uninhabitable due to fire, earthquake, or other mitigating circumstances. Contractor shall support the County team by participating in Tally and VBL disaster recovery discussions with stakeholders.

Contractor will switch its Services to transitional support (e.g., issue investigation, issue resolution, deployment support, knowledge transfer) twelve (12) weeks before the Project Schedule end date (i.e., 12/31/2025) unless a subsequent SOW is in place for additional "*program management, Tally and VBL implementation, and election support*" at that time.

## **Deliverables**

Contractor Deliverables will consist of Project documentation and Project Software written and demonstrated by Contractor in accordance with the Deliverables Schedule below. Contractor will submit a Task/Deliverable Acceptance Certificate (SOW Exhibit 2) along with evidence of deliverable completion to the County for review and approval prior to submitting an invoice. Contractor shall only submit Deliverable invoices after receiving an approved Task/Deliverable Acceptance Certificate signed by the County.



**Deliverables Schedule**

<b>Deliverables</b>	<b>Delivery Date(s)</b>
<ul style="list-style-type: none"> <li>• Month 1 Status Report</li> <li>• VBL Project Software 1 and Release Notes</li> <li>• Tally Project Software 1 and Release Notes</li> </ul>	July 26, 2024
<ul style="list-style-type: none"> <li>• Month 2 Status Report</li> <li>• VBL Project Software 2 and Release Notes</li> <li>• Tally Project Software 2 and Release Notes</li> </ul>	August 30, 2024
<ul style="list-style-type: none"> <li>• Month 3 Status Report</li> <li>• VBL Project Software 3 and Release Notes</li> <li>• Tally Project Software 3 and Release Notes</li> </ul>	September 27, 2024
<ul style="list-style-type: none"> <li>• Month 4 Status Report</li> <li>• VBL Project Software 4 and Release Notes</li> <li>• Tally Project Software 4 and Release Notes</li> </ul>	October 25, 2024
<ul style="list-style-type: none"> <li>• Month 5 Status Report</li> <li>• VBL Project Software 5 and Release Notes</li> <li>• Tally Project Software 5 and Release Notes</li> </ul>	November 29, 2024
<ul style="list-style-type: none"> <li>• Month 6 Status Report</li> <li>• VBL Project Software 6 and Release Notes</li> <li>• Tally Project Software 6 and Release Notes</li> <li>• Updated VBL User &amp; Build Guide</li> <li>• Updated Tally User &amp; Build Guide</li> </ul>	December 27, 2024
<ul style="list-style-type: none"> <li>• Month 7 Status Report</li> <li>• VBL Project Software 7 and Release Notes</li> <li>• Tally Project Software 7 and Release Notes</li> </ul>	January 31, 2025
<ul style="list-style-type: none"> <li>• Month 8 Status Report</li> <li>• VBL Project Software 8 and Release Notes</li> <li>• Tally Project Software 8 and Release Notes</li> </ul>	February 28, 2025
<ul style="list-style-type: none"> <li>• Month 9 Status Report</li> <li>• VBL Project Software 9 and Release Notes</li> <li>• Tally Project Software 9 and Release Notes</li> </ul>	March 28, 2025
<ul style="list-style-type: none"> <li>• Month 10 Status Report</li> <li>• VBL Project Software 10 and Release Notes</li> <li>• Tally Project Software 10 and Release Notes</li> </ul>	April 25, 2025
<ul style="list-style-type: none"> <li>• Month 11 Status Report</li> <li>• VBL Project Software 11 and Release Notes</li> <li>• Tally Project Software 11 and Release Notes</li> </ul>	May 30, 2025
<ul style="list-style-type: none"> <li>• Month 12 Status Report</li> <li>• VBL Project Software 12 and Release Notes</li> <li>• Tally Project Software 12 and Release Notes</li> <li>• Updated VBL User &amp; Build Guide</li> <li>• Updated Tally User &amp; Build Guide</li> </ul>	June 27, 2025
<ul style="list-style-type: none"> <li>• Month 13 Status Report</li> <li>• VBL Project Software 13 and Release Notes</li> <li>• Tally Project Software 13 and Release Notes</li> </ul>	July 25, 2025
<ul style="list-style-type: none"> <li>• Month 14 Status Report</li> <li>• VBL Project Software 14 and Release Notes</li> <li>• Tally Project Software 14 and Release Notes</li> </ul>	August 29, 2025
<ul style="list-style-type: none"> <li>• Month 15 Status Report</li> <li>• VBL Project Software 15 and Release Notes</li> <li>• Tally Project Software 15 and Release Notes</li> </ul>	September 26, 2025

**APPENDIX A**  
**Digital Foundry Contract #24-001**  
**Statement of Work (SOW)**

<ul style="list-style-type: none"> <li>• Month 16 Status Report</li> <li>• VBL Project Software 16 and Release Notes</li> <li>• Tally Project Software 16 and Release Notes</li> </ul>	October 31, 2025
<ul style="list-style-type: none"> <li>• Month 17 Status Report</li> <li>• VBL Project Software 16 and Release Notes</li> <li>• Tally Project Software 16 and Release Notes</li> </ul>	November 28, 2025
<ul style="list-style-type: none"> <li>• Month 18 Status Report</li> <li>• VBL Project Software 16 and Release Notes</li> <li>• Tally Project Software 16 and Release Notes</li> <li>• Final VBL User &amp; Build Guide</li> <li>• Final Tally User &amp; Build Guide</li> <li>• Disaster Recovery Plan</li> </ul>	December 26, 2025

**1. Monthly Software Support Backlog Review and Status Report**

The Contractor, in collaboration with the County development team, is responsible for providing monthly status reports summarizing Tasks 1, 2, and 3. The initial status report will include information about the support structure and team members. Throughout the Period, the Contractor will promptly notify the SPOC of any changes to the Contractor support team and ensure that such changes are documented in the subsequent status report. All Contractor personnel assigned to work on the SOW remains subject to County approval. County may reasonably request removal and replacement of Contractor personnel working under the SOW at any time.

The status report will encompass essential elements, including a comprehensive sprint summary, an overview of the issue status, a detailed account of project risks, and summaries of ongoing discussions.

**2. Technical Documentation**

The Contractor, in collaboration with the County development team and in accordance with the Deliverables Schedule, is responsible for maintaining accurate technical documentation prioritized by the County in the Product Backlog. The final Deliverable will include a final version of the technical documentation outlined in the Deliverable Schedule. Examples of such documentation include:

- a. Project Software release notes.
- b. Project documentation requested by County and required by the California Secretary of State for certification based on the CVSS, such as:
  - i. California Use Procedures
  - ii. Technical Specifications
  - iii. User Documentation (e.g., users guides and manuals)
  - iv. Revisions to Project documentation based on feedback from SOS

Technical documentation will be written to a degree of granularity agreed upon by the County and Contractor. The documentation shall be edited and proofed by

Contractor to ensure completeness and accuracy, and shall use clear, plain language as much as possible to ensure general readability but assumes the reader will have a reasonable level of technical competency required to use and maintain the Tally and VBL systems.

**3. Project Software written by Contractor**

The Contractor is responsible for providing Project Software written by Contractor per the Deliverables Schedule. For reference, Project Software is defined in the Definitions section of the Contract.

**4. Disaster Recovery Plan**

Contractor will work with County to create and deliver a Disaster Recovery Plan specifically for VBL and Tally in the event of a disaster during an election. The Contractor, in collaboration with the County operation team, is responsible for providing a Disaster Recovery Plan before the conclusion of the period.

The Disaster Recovery Plan should contain an overview of RR/CC’s disaster recovery objectives and scope, a description of the disaster recovery solution, and known limitations and mitigation plans of the potential solutions.

***Deliverable Acceptance Criteria***

Contractor shall provide the required resources to carry out the activities described in Tasks 1-4. Deliverables will not be approved for payment until SPOC has provided sign off after verified completion. Format of sign off will be mutually agreed upon by Contractor and RR/CC.

**3.0 RESPONSIBILITIES**

The County’s and the Contractor’s responsibilities are as follows:

**COUNTY**

Throughout the duration of the Contract, the RR/CC will:

1. Ensure that all necessary RR/CC personnel are available to Contractor in a timely manner and ensure cooperation of other contractors, vendors and partners as needed.
2. Provide Contractor with the necessary physical and/or system access.

## **CONTRACTOR**

Throughout the duration of the Contract, the Contractor will:

1. Provide contact information for essential Project personnel dedicated to the RR/CC.
2. Recruitment and management of all Contractor resources. This includes handling of any employee relations issues, replacement of resources as needed, and timekeeping maintenance of any relevant Contractor applications.

## **4.0 WORK SCHEDULE AND LOCATION**

### **4.1 Location**

Contractor must maintain an office with a telephone in the company's name where the Contractor conducts business. Contractor will not be required to perform its services outside of normal business hours. Contractor will perform its services remotely, at Contractor's office, and occasionally at County facilities when mutually agreed upon by Contractor and RR/CC. Contractor must be available remotely during normal business hours, 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. When the office is closed, an answering service must be available to receive calls. The Contractor must answer calls received by the answering service during the same business day receipt of the call.

### **4.2 Project Manager**

Contractor must provide a full-time Contractor Project Manager and designated alternate.

- County must have access to the Contractor Project Manager for the duration of the Contract during business hours.
- Contractor Project Manager will act as the Contractor's central point of contact with the County.
- Contractor Project Manager/alternate must have full authority to act for Contractor on all matters relating to the daily operation of the Contract. Contractor Project Manager/alternate must be able to effectively communicate, in English, both orally and in writing.

### **4.3 Personnel**

Contractor must provide the County with a blended team of approximately fifteen employees (approximately 12.6 core team members plus support resources) with practical knowledge of VSAP 3.0 Tally and VBL to support the anticipated daily operations and respond to issues that may arise. Team roles shall include digital product lead(s), architect(s), senior software engineer(s), software engineer(s), and quality assurance engineer(s), as needed. Contractor must provide a report listing the support team members and their role, which will be reviewed and approved by the County

SPOC. The SOW will be based on the scheduled allocation of Contractor resources, the prompt delivery of County Source Materials, and the timely participation of County resources. For these reasons, all items in the Product Backlog may not be implemented. Contractor will be required to background check their employees.

#### **4.4 Additional Terms**

County must provide County Source Materials, Contractor must use materials and equipment that are safe for the environment and safe for use by the Contractor personnel. Contractor may utilize County-provided materials to perform the Services and provide the Deliverables identified in this SOW.

County will limit Contractor's access to the "minimum necessary" amount of confidential information (including, but not limited to County Data, PII, etc.) for Contractor to perform its Services, and County will not cause or require Contractor to create, receive, maintain, transmit, or otherwise view any other confidential information. Further, all County confidential information will be provided by County in accordance with its privacy and information security policies. As a condition of beginning and continuing work under the SOW, Contractor must adhere to the County's privacy and information security policies as set forth and incorporated into the Contract in the Contractor's treatment, handling, use, retention, and destruction of County Data and confidential information.

#### **4.5 Background and Security**

Contractor personnel performing work under this SOW are required to undergo and pass to the satisfaction of the County, a background and security investigation as a condition of beginning and continuing work under a SOW. The County may request that such investigation(s) be conducted periodically during the term of any SOW.

### **5.0 QUALITY CONTROL**

The Contractor must establish and utilize a comprehensive Quality Control Plan to assure the County a consistently high level of service throughout the term of the Contract. The Quality Control Plan must be submitted to the County SPOC for review. The plan must include, but may not be limited to the following:

- 5.1 Method of monitoring to ensure that Contract requirements are being met.
- 5.2 A record of all inspections and review 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.

## **6.0 QUALITY ASSURANCE PLAN**

The County will evaluate the Contractor's performance under the Contract using the quality assurance procedures as defined in this Contract, Paragraph 8, Standard Terms and Conditions, Paragraph 8.15, County's Quality Assurance Plan.

### **6.1 Meetings**

Contractor is required to attend scheduled meetings.

### **6.2 Contract Deficiency Report (Exhibit 1)**

Verbal notification of a contract discrepancy will be made to the SPOC as soon as possible whenever a contract discrepancy is identified. The problem must be resolved within a time period mutually agreed upon by County and Contractor. The SPOC will determine whether a formal Contract Discrepancy Report must be issued. Upon receipt of this document, Contractor is required to respond in writing to the SPOC as soon as possible acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report must be submitted to the SPOC within two (2) business days. Contractor shall resolve Deficiency within a time period mutually agreed upon by the County and Contractor.

### **6.3 County Observations**

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

## **7.0 UNSCHEDULED WORK**

7.1 The SPOC or their designee may authorize Contractor to perform unscheduled work, including, but not limited to, repairs and replacements when the need for such work arises out of extraordinary incidents such as vandalism, acts of God, and third-party negligence; or to add to, modify or refurbish existing facilities.

7.2 Prior to performing any unscheduled work, Contractor must prepare and submit a written description of the work with an estimate of labor and materials. If the unscheduled work exceeds estimate, the SPOC or their designee must approve the excess cost. In any case, no unscheduled work must commence without written authorization.

7.3 When Contractor is aware a condition exists wherein there is imminent danger of injury to the public or damage to property, Contractor must, to the extent applicable and reasonable, take necessary measures to prevent imminent

danger and contact the RR/CC for approval before beginning the work. A written estimate must be sent within twenty-four (24) hours for approval. Contractor must submit an invoice to the SPOC within seven (7) working days after completion of the work.

- 7.4 All unscheduled work must commence on the established specified date. Contractor must proceed diligently to complete said work within the time allotted.
- 7.5 County reserves the right to perform unscheduled work itself or assign the work to another Contractor.

## **8.0 INCLUSION OF THIRD-PARTY SOFTWARE (EXHIBIT 4)**

In addition to the Third Party Materials provided or approved for use by the County, the following Third Party Software may be included in a Deliverable or utilized as part of the Services provided under this SOW. County may request Contractor to provide an updated list of Third Party Software throughout the engagement. See **Exhibit 4** for more information.

**STATEMENT OF WORK (SOW) EXHIBITS**

**TABLE OF CONTENTS**

**Exhibits 1 - 4**

- 1 CONTRACT DEFICIENCY REPORT
- 2 TASK/DELIVERABLE ACCEPTANCE CERTIFICATE
- 3 PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART
- 4 LIST OF THIRD PARTY SOFTWARE



**EXHIBIT 1**

**CONTRACT DEFICIENCY REPORT**

**TO:**  
**FROM:**  
**DATES:**     **Prepared:** \_\_\_\_\_  
                  **Returned by Contractor:** \_\_\_\_\_  
                  **Action Completed:** \_\_\_\_\_

**DEFICIENCY 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 \_\_\_\_\_

**EXHIBIT 2**

**TASK/DELIVERABLE ACCEPTANCE CERTIFICATE**

(Contractor Name and Address)		TRANSMITTAL DATE
		CONTRACT NUMBER
		TITLE
<b>FROM:</b>  _____ <b>Required)</b> _____ <div style="text-align: right; margin-right: 50px;"> <b>Contractor's Project Director (Signature)</b> </div>	<b>TO:</b>  <i>County Project Director,</i> _____	
<p>Contractor hereby certifies to County that as of the date of this Task/Deliverable Acceptance Certificate, it has satisfied all conditions precedent in the Contract (including the Exhibits thereto) to the completion of the Tasks and delivery of the Deliverables set forth below, including (i) satisfaction of all completion criteria applicable to such Tasks and Deliverables, and (ii) County's approval of all Work performed in connection with such Tasks and Deliverables. Contractor further represents and warrants that the Work performed in respect of such Tasks and Deliverables has been completed in accordance with Contract, Appendix A (Statement of Work). County's approval and signature constitutes an acceptance of the Tasks and Deliverables listed below.</p>		
<b>TASK DESCRIPTION</b>  (including Task and Subtask numbers as set forth in the Statement of Work)	<b>DELIVERABLES</b>  (including Deliverable numbers and brief description as set forth in the Statement of Work)	
<b>Comments:</b>		
<p>Attached hereto is a copy of all supporting documentation required pursuant to the Contract, Appendix A (Statement of Work), including any additional documentation reasonably requested by County.</p>		
<b>County Acceptance:</b>		
NAME _____	SIGNATURE _____	DATE _____
County's Project Manager/SPOC		
NAME _____	SIGNATURE _____	DATE _____
County's IT Project Manager (If applicable)		
NAME _____	SIGNATURE _____	DATE _____
County's Project Director		

**EXHIBIT 3**

**PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART**

PERFORMANCE REQUIREMENT	SERVICE	MONITORING METHOD	DEDUCTION ASSESSED
CONTRACT: Paragraph 7.0 (Administration of Contract-Contractor) Paragraph 7.2 (Contractor's Project Manager)	Contractor shall notify the County in writing of any change in name or address of the Contractor Project Manager.	Inspection and Observation.	n/a
CONTRACT: Paragraph 8.0 (Standard Terms and Conditions) Paragraph 8.24.5 (Failure to Maintain Insurance)	Contractor shall maintain or provide acceptable evidence that it maintains the required insurance under the Contract or it shall constitute a material breach of the Contract.	Inspection and Observation.	n/a
CONTRACT: Paragraph 8.0 (Standard Terms and Conditions) Paragraph 8.26 (Liquidated Damages)	Contractor shall correct Deficiencies identified by Department Head or designee within specified time frames.	Contract Deficiency Report Form	\$1,000 per day.
CONTRACT: Paragraph 8.0 (Standard Terms and Conditions) Paragraph 8.38 (Record Retention and Inspection-Audit Settlement)	Contractor to maintain all required documents as specified in Paragraph 8.38. Failure to comply will constitute a material breach of the Contract.	File Inspection.	n/a
CONTRACT: Paragraph 8.0 (Standard Terms and Conditions) Paragraph 8.40 (Subcontracting)	Contractor shall obtain County's written approval prior to subcontracting any work. Failure to comply will constitute a material breach of the Contract.	Inspection and Observation.	n/a
Statement of Work: Task 1-4 (Task 1 – Program Management, Task 2 – Tally and VBL Implementation, Task 3 – Election Support, Task 4 – Disaster Recovery Plan) Statement of Work: Section 2.0 (Tasks and Deliverables)	Contractor shall complete all Deliverables assigned to Task 1 and Task 2 by estimated invoice date listed in the Pricing Schedule. County and Contractor may mutually agree to officially extend estimated invoice date.	Sprint Status Reports and Release Notes. Inspection.	\$500 per occurrence.

**APPENDIX A**  
**Contract #24-001**  
**Statement of Work Exhibits**

Statement of Work: Section 5.0 (Quality Control)	Contractor shall submit a Quality Control Plan (QCP) and, if requested in writing by County, on not less than an annual basis following Contract award.	Report Submission.	n/a
Statement of Work: Section 6.0 (Quality Assurance Plan)	Contractor's representative shall attend all scheduled monthly meetings.	Attendance and Observation.	n/a
Statement of Work: Section 6.0 (Quality Assurance Plan) Sub-Section 6.2	Contractor shall acknowledge reported discrepancies or present contrary evidence to County Project Monitor within three workdays upon receipt of a formal Contract Discrepancy Report.	Inspection and Discrepancy Report.	n/a
Statement of Work: Section 6.0 (Quality Assurance Plan), Sub-section 6.2	Contractor shall submit a plan for correction of all deficiencies identified in Contract Discrepancy Report to County Project Monitor within three workdays.	Inspection/Discrepancy Report.	n/a
Statement of Work: Section 6.0 (Quality Assurance Plan), Sub-section 6.2	Contractor shall resolve discrepancy within a time period mutually agreed to by County and Contractor.	Inspection/Discrepancy Report.	\$300 per occurrence.
Statement of Work: Section 4.0 (Work Schedule and Location), Sub-section 4.2 (Project Manager)	Contractor's Project Manager and alternate shall be available and accessible to RR/CC via telephone or e-mail during regular business hours.	Observation.	\$200 per day.
Statement of Work: Section 4.0 (Work Schedule and Location), Sub-section 4.3 (Personnel)	Contractor shall be required to background check their employees as set forth in sub-paragraph 7.5 – Background and Security Investigations, of the Contract.	Inspection.	n/a
Statement of Work: Section 6.0 (Unscheduled Work)	Contractor shall prepare and submit a written description (including labor and materials estimate) prior to performing any unscheduled work.	Inspection.	n/a

**EXHIBIT 4**

**LIST OF THIRD PARTY SOFTWARE**

Go Language	bind-export-libs	libcurl	plymouth-scripts
Sarama	bind-libs	libdaemon	polycycoreutils
Sarama-Cluster	bind-libs-lite	libdb	polycycoreutils-python
gocql	bind-license	libdb-utils	polkit
go.uuid	bind-utils	libdrm	polkit-pkla-compat
Testify	binutils	libedit	popt
Objx	biosdevname	libestr	procps-ng
Bootstrap	<a href="#">btrfs-progs</a>	libevent	psmisc
960 Grid System	<a href="#">bzip2-libs</a>	libfastjson	pth
ZBar	ca-certificates	libffi	pygpgme
DCOS	centos-logos	libgcc	pyldb
Zookeeper	centos-release	libgcc	pylibzma
Kafka	checkpolicy	libgcrypt	pytalloc
Cassandra	chkconfig	libgomp	python
Linux	chrony	libgpg-error	python-configobj
Docker Compose	cifs-utils	libidn	python-decorator
jwt-go	contrack-tools	libini_config	python-firewall
paramiko	containerd.io	libldb	python-gobject-base
scp.py	container-selinux	libmnl	python-iniparse
packr	coreutils	libmount	python-IPy
gocv	cpio	libndp	python-libs
OpenCV	cracklib	libnetfilter_contrack	python-linux-procfs
bootstrap tables	cracklib-dicts	libnetfilter_cthelper	python-perf
Go Data Structures	cri-tools	libnetfilter_cttimeout	python-pycurl
Typeahead.js	cronie	libnetfilter_queue	python-pyudev
spacemonkeygo/openssl	cronie-anacron	libnfnetwork	python-schedutils
OpenSSL	crontabs	libnfsidmap	python-slip
MySQL	cryptsetup	libnl3	python-slip-dbus
go-charts	cryptsetup-libs	libnl3-cli	python-tdb
go-sql-driver/mysql	cups-libs	libpath_utils	python-urlgrabber
sass	curl	libpcap	pyxattr
node	cyrus-sasl-lib	libpciaccess	qrencode-libs
npm	dbus	libpipeline	quota
npm - skin-deep	dbus-glib	libpng	quota-nls
npm - react-test-renderer	dbus-libs	libpwquality	readline
node-sass	dbus-python	libref_array	rootfiles
chokidar	device-mapper	libreport-filessystem	rpcbind
glob	device-mapper-event-	libseccomp	rpm
command-line-args	device-mapper-libs	libselinux	rpm-build-libs
Go client for Kubernetes	device-mapper-	libselinux-python	rpm-libs
Kubernetes	dhclient	libselinux-utils	rpm-python
Freetype	dhcp-common	libsemanage	rsync
Plot.ly	dhcp-libs	libsemanage-python	rsyslog
martinlindhe/base36	diffutils	libsepol	samba
Go force export	dmidecode	libsmartcols	samba-client
Go Exception	docker-ce	libsmbclient	samba-client-libs
golang.org/x/image	docker-ce-cli	libss	samba-common

**APPENDIX A**  
**Contract #24-001**  
**Statement of Work Exhibits**

errors	dracut	libssh2	samba-common-libs
babel	dracut-config-rescue	libstdc++	samba-common-tools
babel-eslint	dracut-network	libsfs	samba-libs
babel-loader	e2fsprogs	libtalloc	screen
babel-plugin-istanbul	e2fsprogs-libs	libtasn1	sed
babel-jest	ebtables	libtdb	selinux-policy
babel-plugin-require-context-	elfutils-default-yama-	libteam	selinux-policy-targeted
babel-preset-env	elfutils-libelf	libtevent	setools-libs
babel-preset-react	elfutils-libs	libtirpc	setup
mocha	ethtool	libunistring	sg3_utils
mocha-jsdom	exfat-utils	libuser	sg3_utils-libs
mocha-loader	expat	libutempter	shadow-utils
mocha-webpack	file	libuuid	shared-mime-info
mock-local-storage	file-libs	libverto	slang
jest	filesystem	libverto-tevent	snappy
chai	findutils	libwbclient	socat
chai-enzyme	fipscheck	libxml2	sqlite
dirty-chai	fipscheck-lib	libxslt	sudo
sinon	firewalld	linux-firmware	sysstat
sinon-chai	firewalld-filesystem	lm_sensors-libs	systemd
identity-obj-proxy	freetype	logrotate	systemd-libs
eslint	fuse-exfat	lshw	systemd-sysv
eslint-config-node	fuse-libs	lsf	sysvinit-tools
eslint-config-promise	fxload	lsscsi	tar
eslint-config-standard	gawk	lua	tcp_wrappers
eslint-config-standard-react	gdbm	lz4	tcp_wrappers-libs
eslint-loader	GeoIP	lzo	teamd
eslint-plugin-flowtype	geopupdate	make	trousers
eslint-plugin-import	gettext	man-db	tuned
eslint-plugin-jsx-a11y	gettext-libs	mariadb-libs	tzdata
eslint-plugin-node	glib2	mdadm	unzip
eslint-plugin-react	glibc	microcode_ctl	ustr
eslint-plugin-prettier	glibc	mozjs17	util-linux
eslint-plugin-standard	glibc-common	nano	vim-common
eslint-config-standard-jsx	gmp	ncurses	vim-enhanced
@babel/traverse	gnupg2	ncurses-base	vim-filesystem
@babel/types	gnutls	ncurses-libs	vim-minimal
eslint-plugin-react-hooks	gobject-introspection	nettle	virt-what
eslint-plugin-promise	gpgme	net-tools	which
deep-freeze	gpg-pubkey	NetworkManager-	xfsprogs
depcopy	gpm-libs	newt	xz
bluebird	grep	newt-python	xz-libs
date-format	groff-base	nfs-utils	yum
dateformat	grub2	nspr	yum-metadata-parser
underscore	grub2-common	nss	yum-plugin-fastestmirror
prop-types	grub2-pc	nss-pem	zip
react	grub2-pc-modules	nss-softokn	zlib
react-dev-utils	grub2-tools	nss-softokn-freebl	Gorilla Mux
react-dom	grub2-tools-extra	nss-softokn-freebl	go-qrcode
react-intl	grub2-tools-minimal	nss-sysinit	golang-collections
react-redux	grubby	nss-tools	gographics-imagick
react-router-dom	gssproxy	nss-util	gographics-imagick
redux	gzip	ntp	go-thaiwordcut

**APPENDIX A**  
**Contract #24-001**  
**Statement of Work Exhibits**

redux-logger	haproxy	ntpdate	enzyme-adapter-react-16
redux-thunk	hardlink	numactl-libs	enzyme
react-virtualized	hostname	oniguruma	mochapack
react-error-overlay	hwdata	openldap	@babel/plugin-proposal-class-properties
react-bootstrap-typeahead	iftop	opencap	@babel/plugin-proposal-object-rest-
react-cookie	info	opencap-scanner	webpack-cli
react-virtualized-select	initscripts	openssh	ignore-styles
react-table	iotop	openssh-clients	terser-webpack-plugin
redux-mock-store	iproute	openssh-server	extract-text-webpack-plugin
webpack	iprutils	openssl	react-cookie
webpack-dev-server	ipset	openssl-libs	golang.org/x/text
case-sensitive-paths-webpack-	ipset-libs	os-prober	golang.org/x/tools
html-webpack-plugin	iptables	p11-kit	golang.org/x/crypto
webpack-node-externals	iputils	p11-kit-trust	k8s.io/apimachinery
nodemon	irqbalance	pam	k8s.io/api
nyc	jansson	parted	k8s.io/client-go
sass-loader	jq	passwd	debian
style-loader	json-c	pciutils-libs	pdfium
css-loader	kbd	pcre	@babel/plugin-proposal-optional-
node-sass	kbd-legacy	perl	delve
postcss-flexbugs-fixes	kbd-misc	perl-Carp	Red Hat Universal Base Image 7
postcss-loader	kernel	perl-constant	Red Hat Universal Base Image 8
autoprefixer	kernel	perl-Encode	Red Hat Universal Base Image 7
resolve-url-loader	kernel-tools	perl-Exporter	Red Hat Universal Base Image 8
url-loader	kernel-tools-libs	perl-File-Path	prettier
file-loader	kexec-tools	perl-File-Temp	@babel/cli
whatwg-fetch	keyutils	perl-Filter	@material-ui/core
Calico	keyutils-libs	perl-Getopt-Long	eslint-webpack-plugin
HAProxy	kmod	perl-HTTP-Tiny	@material-ui/icons
kubernetes api	kmod-libs	perl-libs	golang.org/x/term
kubernetes apimachinery	kpartx	perl-macros	@babel/plugin-transform-runtime
kubernetes client-go	krb5-libs	perl-parent	@testing-library/jest-dom
base36	kubeadm	perl-PathTools	@testing-library/react
goarabic	kubectl	perl-Pod-Escapes	@testing-library/user-event
gopdf	kubelet	perl-podlators	jwt
rabbit-mq	kubernetes-cni	perl-Pod-Perldoc	@mui/material
erlang	less	perl-Pod-Simple	@mui/icons-material
streadway/amqp	libacl	perl-Pod-Usage	@babel/eslint-parser
acl	libaio	perl-Scalar-List-Utils	@wojtekmaj/enzyme-adapter-react-17
aic94xx-firmware	libarchive	perl-Socket	Pyroscope
atop	libassuan	perl-Storable	requests
audit	libattr	perl-Text-ParseWords	containers.podman
audit-libs	libbasicobjects	perl-threads	ansible.posix
audit-libs-python	libblkid	perl-threads-shared	community.docker
authconfig	libcap	perl-Time-HiRes	docker-image-py
autogen-libopts	libcap-ng	perl-Time-Local	urllib3
avahi-libs	libcgroup	pinentry	python
basesystem	libcollection	pkgconfig	github.com/apenella/go-ansible
bash	libcom_err	plymouth	https://hub.docker.com/r/redhat/ubi9#!
bc	libcroco	plymouth-core-libs	requests-oauthlib
redhat.openshift	Ansible Lint	postgres	github.com/gocarina/gocsv
kubernetes (python package)	Ansible Molecule	mongodb	github.com/jackc/pgx/v5
Ansible			

**APPENDIX B**  
**PRICING SCHEDULE**

**Project Fees**

In consideration of the timely completion of the Services and Deliverables described in the SOW and in accordance with the terms and conditions set forth in the Contract, Contractor will perform its Services and provide the specified Deliverables for a fixed fee of fifteen million dollars (\$15,000,000.00). All invoicing will be done in accordance with terms of the Contract.

**Payment Schedule**

Invoice	Deliverable Description	Estimated Invoice Date	Invoice Amount
1	<ul style="list-style-type: none"> <li>• Month 1 Status Report</li> <li>• VBL Project Software 1 and Release Notes</li> <li>• Tally Project Software 1 and Release Notes</li> </ul>	July 26, 2024	\$833,500.00
2	<ul style="list-style-type: none"> <li>• Month 2 Status Report</li> <li>• VBL Project Software 2 and Release Notes</li> <li>• Tally Project Software 2 and Release Notes</li> </ul>	August 30, 2024	\$833,500.00
3	<ul style="list-style-type: none"> <li>• Month 3 Status Report</li> <li>• VBL Project Software 3 and Release Notes</li> <li>• Tally Project Software 3 and Release Notes</li> </ul>	September 27, 2024	\$833,500.00
4	<ul style="list-style-type: none"> <li>• Month 4 Status Report</li> <li>• VBL Project Software 4 and Release Notes</li> <li>• Tally Project Software 4 and Release Notes</li> </ul>	October 25, 2024	\$833,500.00
5	<ul style="list-style-type: none"> <li>• Month 5 Status Report</li> <li>• VBL Project Software 5 and Release Notes</li> <li>• Tally Project Software 5 and Release Notes</li> </ul>	November 29, 2024	\$833,500.00
6	<ul style="list-style-type: none"> <li>• Month 6 Status Report</li> <li>• VBL Project Software 6 and Release Notes</li> <li>• Tally Project Software 6 and Release Notes</li> <li>• Updated VBL User &amp; Build Guide</li> <li>• Updated Tally User &amp; Build Guide</li> </ul>	December 27, 2024	\$833,500.00
7	<ul style="list-style-type: none"> <li>• Month 7 Status Report</li> <li>• VBL Project Software 7 and Release Notes</li> <li>• Tally Project Software 7 and Release Notes</li> </ul>	January 31, 2025	\$833,500.00
8	<ul style="list-style-type: none"> <li>• Month 8 Status Report</li> <li>• VBL Project Software 8 and Release Notes</li> <li>• Tally Project Software 8 and Release Notes</li> </ul>	February 28, 2025	\$833,500.00



**APPENDIX B**  
**Digital Foundry Contract #24-001**  
**Pricing Schedule**

9	<ul style="list-style-type: none"> <li>• Month 9 Status Report</li> <li>• VBL Project Software 9 and Release Notes</li> <li>• Tally Project Software 9 and Release Notes</li> </ul>	March 28, 2025	\$833,500.00
10	<ul style="list-style-type: none"> <li>• Month 10 Status Report</li> <li>• VBL Project Software 10 and Release Notes</li> <li>• Tally Project Software 10 and Release Notes</li> </ul>	April 25, 2025	\$833,500.00
11	<ul style="list-style-type: none"> <li>• Month 11 Status Report</li> <li>• VBL Project Software 11 and Release Notes</li> <li>• Tally Project Software 11 and Release Notes</li> </ul>	May 30, 2025	\$833,500.00
12	<ul style="list-style-type: none"> <li>• Month 12 Status Report</li> <li>• VBL Project Software 12 and Release Notes</li> <li>• Tally Project Software 12 and Release Notes</li> <li>• Updated VBL User &amp; Build Guide</li> <li>• Updated Tally User &amp; Build Guide</li> </ul>	June 27, 2025	\$833,500.00
13	<ul style="list-style-type: none"> <li>• Month 13 Status Report</li> <li>• VBL Project Software 13 and Release Notes</li> <li>• Tally Project Software 13 and Release Notes</li> </ul>	July 25, 2025	\$833,500.00
14	<ul style="list-style-type: none"> <li>• Month 14 Status Report</li> <li>• VBL Project Software 14 and Release Notes</li> <li>• Tally Project Software 14 and Release Notes</li> </ul>	August 29, 2025	\$833,500.00
15	<ul style="list-style-type: none"> <li>• Month 15 Status Report</li> <li>• VBL Project Software 15 and Release Notes</li> <li>• Tally Project Software 15 and Release Notes</li> </ul>	September 26, 2025	\$833,500.00
16	<ul style="list-style-type: none"> <li>• Month 16 Status Report</li> <li>• VBL Project Software 16 and Release Notes</li> <li>• Tally Project Software 16 and Release Notes</li> </ul>	October 31, 2025	\$833,500.00
17	<ul style="list-style-type: none"> <li>• Month 17 Status Report</li> <li>• VBL Project Software 17 and Release Notes</li> <li>• Tally Project Software 17 and Release Notes</li> </ul>	November 28, 2025	\$833,500.00
18	<ul style="list-style-type: none"> <li>• Month 18 Status Report</li> <li>• VBL Project Software 18 and Release Notes</li> <li>• Tally Project Software 18 and Release Notes</li> <li>• Final VBL User &amp; Build Guide</li> <li>• Final Tally User &amp; Build Guide</li> <li>• Disaster Recovery Plan</li> </ul>	December 26, 2025	\$830,500.00

## APPENDIX C CONTRACTOR'S PROPOSED SCHEDULE

### Project Schedule

Services	Resources (Blended Contractor Core Team (12.6 core team members))	Initial Core Team Roles	Duration	Period	
				Start Date	End Date
<b>Task 1</b> – Program Management	Approx. 3 team members	<ul style="list-style-type: none"> <li>- Engagement Lead</li> <li>- Program Manager</li> <li>- System Architect</li> </ul>	78.6 weeks	07/01/2024	12/31/2025
<b>Task 2</b> – Tally and VBL Implementation <b>Task 3</b> – Election Support <b>Task 4</b> – Disaster Recovery Plan	Approx. 9.6 team members (up to 3 of these resources may be used for Task 3 - Election Support)	<ul style="list-style-type: none"> <li>- Software Developer(s)</li> <li>- QA Engineer(s)</li> <li>- Designer(s)</li> <li>- Technical Writer(s)</li> </ul>	78.6 weeks	07/01/2024	12/31/2025

## CONTRACTOR'S EEO CERTIFICATION

The Digital Foundry, Inc.

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Contractor Name

1707 Tiburon Blvd., Tiburon, CA 94920

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Address

94-3206799

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Internal Revenue Service Employer Identification Number

### GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

### CONTRACTOR'S SPECIFIC CERTIFICATIONS

- |  |   |                             |
|--|---|-----------------------------|
| 1. The Contractor has a written policy statement prohibiting discrimination in all phases of employment.   | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 2. The Contractor periodically conducts a self analysis or utilization analysis of its work force.   | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups.  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

Brad Stauffer, President

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Authorized Official's Printed Name and Title

---

Authorized Official's Signature

---

Date

**COUNTY'S ADMINISTRATION**

CONTRACT: Tally System and Ballot Layout Services

CONTRACT NO: 24-001

**COUNTY PROJECT DIRECTOR:**

Name: Aman Bhullar  
Address: 12400 Imperial Highway, Norwalk, CA 90650  
Telephone: 562-462-2714  
E-Mail Address: ABhullar@rrcc.lacounty.gov

**COUNTY PROJECT MANAGER/COUNTY SPOC:**

Name: Brian Ikenaga  
Address: 13401 Crossroads Parkway N City of Industry CA 91746  
Telephone: 626-374-5640  
E-Mail Address: bikenaga@rrcc.lacounty.gov

**COUNTY CONTRACT PROJECT MONITOR**

Name: Padmaja Vasudevan  
Address: 13401 Crossroads Parkway N City of Industry CA 91746  
Telephone: 562- 658-1784  
E-Mail Address: pvasudevan@rrcc.lacounty.gov

**CONTRACTS QUESTIONS:**

For contracts questions, send an e-mail to [contracts@rrcc.lacounty.gov](mailto:contracts@rrcc.lacounty.gov)  
Include the name of your company, contract name and contact number.

**INVOICE QUESTIONS:**

For invoice questions, send an e-mail to [accountspayable@rrcc.lacounty.gov](mailto:accountspayable@rrcc.lacounty.gov) and copy the  
County Project Director, County Project Manager and County Contract Project Monitor.

Include the name of your company, contract name and contact number.

**CONTRACTOR'S ADMINISTRATION**

CONTRACTOR: The Digital Foundry, Inc.

CONTRACT NO: #24-001

**CONTRACTOR'S PROJECT DIRECTOR:**

*Name:* Thomas de Alencar  
*Title:* Engagement Lead

*Address:* 1707 Tiburon Blvd., Tiburon, CA 94920  
*Telephone:* 415-261-2980  
*E-Mail Address:* thomas@digitalfoundry.com

**CONTRACTOR'S PROJECT MANAGER:**

*Name:* Stefan Stauffer  
*Title:* Program Manager

*Address:* 1707 Tiburon Blvd., Tiburon, CA 94920  
*Telephone:* 415-272-8467  
*E-Mail Address:* stefan@digitalfoundry.com

**CONTRACTOR'S AUTHORIZED OFFICIAL:**

*Name:* Brad Stauffer  
*Title:* President

*Address:* 1707 Tiburon Blvd., Tiburon, CA 94920  
*Telephone:* 415-366-4020  
*E-Mail Address:* brad@digitalfoundry.com

**NOTICES TO CONTRACTOR SHALL BE SENT TO THE FOLLOWING ADDRESS:**

*Name:* Brad Stauffer  
*Title:* President

*Address:* 1707 Tiburon Blvd., Tiburon, CA 94920  
Attn: Legal Notice

*Telephone:* 415-366-4020  
*E-Mail Address:* brad@digitalfoundry.com, cc: LegalNotice@digitalfoundry.com

**FORM REQUIRED AT THE TIME OF CONTRACT EXECUTION**

**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 The Digital Foundry, Inc. Contract No. #24-001

**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

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

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 Deliverables, which may include 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 M1, 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: \_\_\_\_/\_\_\_\_/\_\_\_\_

PRINTED NAME: Brad Stauffer

POSITION: President



*Confidential*

### **Background Check Attestation Form**

This letter is to acknowledge and attest that all Contractor and approved Subcontractor principals, officers, employees, staff, agents, and contractors (collectively, "Staff") working under the Contract (Digital Foundry, Inc. Contract #24-001) will have completed a background check as required under Paragraph 14.6 Background and Security Investigations of the Contract.

- Under no circumstance may any Staff perform work under the Contract until they have completed and passed the required background check.
- All fees associated with the background check shall be at the expense of the Contractor.
- Contractor must maintain background check records for all Staff and must provide such records to the Los Angeles County ("County") for audit purposes, as requested by the County.
- Staff who have a history that would render them unsuitable for the position or work duties required (such as certain kinds of criminal activity or a history that has a direct or adverse relationship with specific work duties), as determined by the County in its sole discretion, may not perform services under this Master Agreement.
- No Staff shall perform services under this Contract if the Staff member is on active probation or parole.
- No Staff having access to County information or records shall have a criminal conviction record or pending criminal charges unless such information has been fully disclosed to the County and utilization of that Staff for this service is approved in writing by the County.
- Contractor must monitor all Staff during the duration of the Contract, even after the initial background check has been completed. All subsequent arrests or noncompliance with background check requirements for any Staff must be disclosed to the County Project Manager immediately which will be reviewed by the County to determine if there is a job nexus and to take appropriate action as needed.
- If identified by County as being required for certain services, additional background investigation(s) may be required.

All information collected on Staff has been and will be managed and retained in accordance with all applicable laws and regulations.

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

Contractor Name	The Digital Foundry, Inc.
Contractor Address	1707 Tiburon Blvd, Tiburon, CA 94920
Name and Title	Brad Stauffer, President
Signature	
Date	

## SAFELY SURRENDERED BABY LAW



**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

LOS ANGELES COUNTY FIRE DEPARTMENT  
FIRE STATION

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](http://BabySafeLA.org) to learn more.

No shame | No blame | No names

ANY FIRE STATION.  
ANY HOSPITAL.  
ANY TIME.

1.877.222.9723  
[BabySafeLA.org](http://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.

**Intentionally Omitted**

**Intentionally Omitted**

**Intentionally Omitted**

**FORMS REQUIRED AT COMPLETION OF THE CONTRACTS INVOLVING INTELLECTUAL PROPERTY DEVELOPED-DESIGNED BY CONTRACTOR. THE INTELLECTUAL PROPERTY DEVELOPED/ DESIGNED BECOMES PROPERTY OF THE COUNTY AFTER CREATION OR AT THE END OF THE CONTRACT TERM.**

- M1 INDIVIDUAL'S ASSIGNMENT AND TRANSFER OF COPYRIGHT
- M2 CONTRACTOR'S ASSIGNMENT AND TRANSFER OF COPYRIGHT
- M3 NOTARY STATEMENT FOR ASSIGNMENT AND TRANSFER OF  
COPYRIGHT



**M1: 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 Deliverables which may include 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:

**M2: 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 Deliverables which may include 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 \_\_\_\_\_  
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: \_\_\_\_\_

(To be Completed by County and attached to M1 and/or M2)

**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

**Intentionally Omitted**

**Intentionally Omitted**

## **INFORMATION SECURITY AND** **PRIVACY REQUIREMENTS EXHIBIT**

The County of Los Angeles (“County”) is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This 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 the extent applicable to the Services being provided by Contractor, to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information used by Contractor in the performance of the Services 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.

### **Project Background – Contractor’s Use of County Information**

The Project under the Contract has been structured to minimize exposure of County Information to the Contractor. The parties agree the minimum necessary amount of PII for Contractor to perform its Services is basic contact information (name, title, telephone number, email address) for County employees working with Contractor on the Project. Therefore, the County will limit Contractor’s access to the “minimum necessary” amount of PII for Contractor to perform its Services. Additionally, the County will limit Contractor’s access to the “minimum necessary” amount of data and information for Contractor to perform its Services, and County will not cause or require Contractor to create, receive, maintain, transmit, or otherwise view any other information or data, and internal or external PII. Further, all County data and information, including PII, will be provided by County in accordance with its privacy and information security policies. Also, the County will provide Project specifications and County Source Materials (including but not limited to non-sensitive test data, all collaborative, development, testing, and production environments), instructions and direction so Contractor can produce the Deliverables and provide the Services identified in the SOW with minimal access to County Information.

#### Limited Scope

Contractor maintains a company-wide Privacy Program and Information Security Program designed to incorporate respective policies and practices in its business operations to safeguard Information. Notwithstanding any other provision of this Exhibit, all Contractor requirements set forth in this Exhibit:

1. Shall be limited to Contractor's personnel who provide the Services specified in the SOW and its applicable Information Technology use to provide its Services that create, receive, maintain, or transmit County Information. For clarity, County is responsible for all collaborative, development, testing, and production environments, and Contractor is not providing any Information Technology to County under the Contract.
2. May be limited as a result of County instructions or directions, specifications, or County Source Materials.
3. Shall be applicable to the sensitivity of the County Information and purpose in which it is being used (e.g., anonymized County Information used for periodic testing vs. Project Software in source code form).

### **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 an 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, and to the extent applicable, Integrity, and Availability of County Information.



The Contractor's Information Security Program shall to the extent applicable:

- Protect the Confidentiality and to the extent applicable, Integrity, and Availability of County Information in the Contractor's possession or control;
  - Protect against any anticipated Threats or hazards to the Confidentiality and to the extent applicable, Integrity, and Availability of County Information;
  - Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of Information, including County Information in the Contractor's possession or control;
  - 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, and if applicable, 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;
- Privacy policies, procedures and controls to support the privacy program;
- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of Information, including County Information in the Contractor's possession or control;
- 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 disposed of or disclosed (unless otherwise instructed or directed by County or done in accordance with the Contract), or sold, assigned, or leased, 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 use County Information in order to improve, develop or enhance the Deliverables and Services being provided by Contractor under this Contract. The Contractor specifically consents to the County's access to such County Information held, stored, or maintained on to the extent applicable, any and all devices Contactor 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, except if, and to the extent, a failure to comply results from (i) the use or inclusion of the County Source Materials, (ii) Contractor's conformance with County provided specifications, or (iii) Contractor's adherence to the County's written instructions or directions.

### **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 except if, and to the extent, disclosure results from (i) the use or inclusion of the County Source Materials, (ii) Contractor’s conformance with County provided specifications, or (iii) Contractor’s adherence to the County’s written instructions or directions. This obligation is perpetual.
- d. **Individual Requests – Intentionally Omitted.**
- 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. In the event the County determines that a member of the Contractor’s staff has failed a background screen (e.g., LiveScan), County shall notify Contractor in writing of the reasons that caused such failure and 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.

The 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.

The Contractor shall supply each of its employees working under this Contract 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.

The 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**

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

The Contractor shall obtain advanced approval from the 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 sensitive County Information (as it pertains to this Contract, Project Software in source code form) in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the County's Chief Information Security Officer.

Contractor may transmit County Information via Contractor's Google Workspace (G Mail, Google Drive, etc.) instance and County provided services (e.g., BitBucket, Jira, Confluence, MS Team, etc.). Otherwise, 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 (except for Contractor's Google Workspace instance and County provided services) or in any other online storage provider without written authorization from the County's Chief Information Security Officer. All mobile devices storing sensitive County Information (as it pertains to this Contract, Project Software in source code form) 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) storing sensitive County Information will, to the extent applicable, 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**

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

- a. **Return or Destruction.** Upon County's written request, or upon expiration or termination of this Contract for any reason, Contractor shall (i) promptly destroy all originals and copies of all documents and materials it has received containing County Information unless County has request the items be returned; 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) destroy 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 unless County has requested the items be returned (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 or 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 or 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 destroy, or upon request from Contactor, return all Contractor's Information marked as confidential or reasonably identifiable as Contractor's Information (excluding items licensed to the County hereunder, or that provided to the County by the Contractor hereunder).

**11. PHYSICAL AND ENVIRONMENTAL SECURITY (INTENTIONALLY OMITTED)**

**12. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY**

The Contractor shall, to the extent applicable: (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 or similar to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

The Contractor must have business continuity and disaster recovery plans. To the extent applicable, these plans must include a geographically separate back-up system or similar and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services.

**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 applicable encryption technology in accordance with the requirements specified in section 9, paragraph 2. County agrees that any transmission of County Information shall be done in accordance with its information security requirements.

The Contractor shall comply with County access control procedures to access 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 on Contractor's systems 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 applicable Contractor systems with County Information will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor shall record, review and act upon all applicable events in accordance with Incident response policies set forth in Section 14 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any Contractor hardware, storage media, or removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) that contains 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 applicable 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 Contractor's Google Workspace G Suites instance ( or if unavailable, other encrypted email) and telephone.

**County Chief Information Security Officer and Chief Privacy Officer email**

CISO-CPO\_Notify@lacounty.gov, [jaguilar@cio.lacounty.gov](mailto:jaguilar@cio.lacounty.gov)

**Chief Information Security Officer:**

Jeffrey Aguilar  
Chief Information Security Officer  
320 W Temple, Chief Executive Office #060  
Los Angeles, CA 90012  
(213) 253-5659

**Chief Privacy Officer:**

Lillian Russell  
Chief Privacy Officer  
320 W Temple, 7<sup>th</sup> Floor  
Los Angeles, CA 90012  
(213) 351-5363

**Departmental Information Security Officer:**

Jeremy Keller  
Departmental Information Security & Privacy Officer  
Registrar Recorder County Clerk  
12400 Imperial Hwy  
Norwalk, CA 90650  
(562) 462-2445  
JKeller@rrcc.lacounty.gov

- 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 applicable 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 except for such loss or damage to the extent arising from (i) the gross negligence or willful or intentional misconduct of the County indemnitees, (ii) the use or inclusion of the County Source Materials, (iii) Contractor's compliance with County provided specifications, or (iv) Contractor's compliance with the County's written directions or instructions.

#### ***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 applicable audits, assessments, testing of the system of controls, and testing of Information Security and privacy procedures, which may include penetration testing, intrusion detection, and firewall configuration reviews. These periodic audits will be conducted by qualified staff to perform the specific audit in question at Contractor's sole discretion, cost and expense through either (i) an internal staff member, (ii) a nationally recognized, external, independent auditor, or (iii) another independent auditor approved by the County.

The Contractor shall have a process for correcting control deficiencies that have been identified in the periodic audit, including follow up documentation providing evidence of such corrections. The Contractor shall discuss, to the extent applicable, the audit results and any corrective action documentation with the County upon County's request. With respect to any other applicable 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 applicable copies of the same upon the County's reasonable request, including identification of any applicable failure or exception in the Contractor's applicable 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 applicable 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 correct any such applicable material breach with this Exhibit; and if Contractor does not correct any such applicable material breach within a mutually agreeable period, then the Contractor shall bear all cost of the audit and 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 applicable areas (e.g., Administrative, Physical, and Technical) that are subject to the audit and may include, but are not limited to applicable 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 audit will be limited to Contract systems and employees utilized under the Contract and results will 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 an applicable 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. CYBER LIABILITY INSURANCE**

*See Section 8.25.46 of the Contract for more information on Cyber Liability Insurance.*

### **18. 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).

except and to the extent arising from (i) the gross negligence or willful or intentional misconduct of the County indemnitees, (ii) the use or inclusion of the County Source Materials, (iii) Contractor's compliance with County provided specifications, or (iv) Contractor's compliance with the County's written directions or instructions.

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.

**ADDENDUM A: SOFTWARE AS A SERVICE (SaaS) (INTENTIONALLY OMITTED)**

**ADDENDUM B: CONTRACTOR HARDWARE CONNECTING TO COUNTY SYSTEMS (INTENTIONALLY OMITTED)**

**ADDENDUM C: APPLICATION SOURCE CODE REPOSITORY**

The Contractor shall manage the source code in the manner prescribed in this Addendum unless the Contract prescribes procedures for managing the source code and those procedures are no less stringent than the procedures described in this addendum.

- a. **County Application Source Code.** To facilitate the centralized management, reporting, collaboration, and continuity of access to the most current production version of application source code, all code, artifacts, and deliverables produced under this Contract, (hereinafter referred to as "County Source Code") shall be version controlled, stored, and delivered on a single industry-standard private Git repository, provided, managed, and supported by the County. Upon commencement of the contract period, the Contractor will be granted access to the County's private Git repository.
- b. **Code Repository.** The Contractor will use the County code repository (e.g., Git, Bit Bucket) during the entire lifecycle of the project from inception to final delivery. Once County code repository is fully adopted as directed by the County Project Manager, the Project related County materials and Contractor Deliverables (which collectively may include document design documents, Data flow diagrams, security diagrams, configuration settings, software or hardware requirements and specifications, attribution to third-party code, libraries and all dependencies, and any other documentation related to all County Source Code and corresponding version-controlled documentation) will be maintained within the Git repository. Contractor Deliverables must include an Installation Guide and a User Guide (to the extent specified in the SOW) for the final delivered Project Software such that County may download, install, and make full functional use of the Project Software as specified and intended.
- c. **Cloud Based Document Storage:** The County will provide and manage cloud-based document storage if County Git Repository is not fully adopted or compatible with Project documentation. Until this service or County Git Repository is provided and fully adopted, the County agrees that Contractor's instance of Google Workspace complies with the County's Privacy and Information Security requirements. Additionally, the County agrees to periodically review user access rights to identify and notify Contractor of unnecessary access, and/or unused accounts.

## SOLE SOURCE CHECKLIST

Department Name: \_\_\_\_\_

- New Sole Source Contract
- Sole Source Amendment to Existing Contract
- Date Existing Contract First Approved: \_\_\_\_\_

Check (✓)	<b>JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS</b> <b>Identify applicable justification and provide documentation for each checked item.</b>
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

\_\_\_\_\_  
Chief Executive Office

\_\_\_\_\_  
Date

Elections technology is a highly specialized niche exclusively developed by small private priority products. VSAP stands out as the sole County-developed software, distinguished by complex and unique requirements that only Digital Foundry has the expertise to handle. Given the sensitive nature of elections, vendors lacking the requisite experience and knowledge pose a risk to the stringent security and regulatory standards set by Federal, State, and County Election Codes and regulations.

Developing elections technology demands a profound understanding of the distinctive electoral process within Los Angeles County and its integration into the broader election ecosystem. This necessitates a high level of customization to fulfill the specific requirements of Los Angeles County while simultaneously adhering to all system standards. Elections technology typically encompasses a blend of hardware and software components, rendering it a uniquely multifaceted domain that demands expertise across various areas.

Digital Foundry not only delivers cutting-edge solutions but also adeptly navigates intricate legal frameworks and compliance requirements, adding an extra layer of specialization to their exclusive offerings. The trust and security associated with elections demand a meticulous and focused approach, establishing this vendor as the singular choice for this specific election domain.

CIO Analysis (Pending)

## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/5/2024	
<b>BOARD MEETING DATE</b>	6/25/2024	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Los Angeles County Development Authority (LACDA)	
<b>SUBJECT</b>	CONTRACT FOR MANAGED PRINT SERVICES	
<b>PROGRAM</b>	Information Technology	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>	The existing contract expires June 30, 2024.	
<b>COST &amp; FUNDING</b>	Total cost: \$550,000	Funding source: Program funds in the LACDA's operating budget
	TERMS (if applicable): Five-year term	
	Explanation: No impact on the County General Fund. Funding for the contract is included LACDA's Fiscal Year 2024-2025 budget and will be included in future FY budgets. The five-year contract sum is \$500,000 plus up to \$50,000 (10%) in pool dollars for unforeseen costs.	
<b>PURPOSE OF REQUEST</b>	The purpose of this action is to enable the LACDA to receive managed print services.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The LACDA requires managed print services for headquarters in Alhambra and remote sites supported. The managed print services shall continue to be managed under the Information Technology Unit, to minimize the cost of inventory of consumables, provide monitoring capability and manage all aspects of printing and copying. The LACDA will utilize the Omnia Partners cooperative purchasing program allowed by the LACDA Procurement and Contracting Policies and Procedures for HUD-funded projects and services.	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Cesar Delgado, IT Manager, (626) 586-1707 <a href="mailto:Cesar.Delgado@lacda.org">Cesar.Delgado@lacda.org</a>	

June 25, 2024

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

Dear Commissioners:

**CONTRACT FOR MANAGED PRINT SERVICES  
(ALL DISTRICTS) (3 VOTE)**

**CIO RECOMMENDATION: ( X ) APPROVE**

**SUBJECT**

This letter requests approval of a five-year Contract with Toshiba America Business Solutions, Inc. dba Toshiba Business Solutions (Toshiba) to provide leased copier equipment and Managed Print Services for the Los Angeles County Development Authority's (LACDA).

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Executive Director or designee to execute, amend, and if necessary, terminate a five-year Contract and all related documents with Toshiba for Managed Print Services, in the amount of \$500,000, plus up to \$50,000 (10%) in pool dollars for unforeseen costs; the total maximum Contract sum for all five years will not exceed \$550,000.
2. Find that approval of a Contract for Managed Print Services is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
3. Authorize the Executive Director or designee, upon his determination and as necessary and appropriate under terms of the Contract, to amend the Contract to add or delete services and utilize pool dollars, and if necessary, to terminate for convenience the Contract with Toshiba.



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

The purpose of this action is to approve a five year Contract with Toshiba for Managed Print Services, to meet the LACDA's copier and printing needs.

These services support the LACDA with multifunction devices for copy, printing and softcopies. The new leased devices' screen interface, features, and capabilities will be standardized throughout the LACDA, helping to reduce staff's time to learn to operate each device. All print jobs performed on the devices are tracked and reports can be generated upon request by divisions. The services include capability to retrieve documents at any networked device within the LACDA by using the follow-me print feature, usage reports, alerts to staff for low toner or other supplies and preventative maintenance. The Managed Print Services will allow us to provide a common solution for hardware and software, consolidate invoicing, support, supplies, and maintenance across the LACDA.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County General Fund. The five-year Contract term will be up to \$500,000 for the Managed Print Services, and \$50,000 in pool dollars for unforeseen costs. The LACDA will use up to \$100,000 in program funds included in the LACDA's approved Fiscal Year 2024-2025 budget for the first year of the Contract. Funds for years two through five will be included through the LACDA's annual budget approval process. The maximum contract amount for all five years of the Contract will be \$550,000, including the pool dollars.

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

The Contract has been reviewed by County Counsel. If there is any conflict between the terms and conditions of the LACDA Contract and the terms and conditions of the Omnia Partners Contract, the LACDA Contract shall govern.

In compliance with Board Policy 6.020 "Chief Information Office Board Letter Approval", the Office of the Chief Information Officer (OCIO) reviewed the information technology (IT) components of this request and recommends Board authorization of the Contract with Toshiba.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed activities are exempt from the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. These activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined

Honorable Board of Commissioners

June 25, 2024

Page 3

as a project under CEQA and do not have the potential for causing a significant effect on the environment.

### **CONTRACTING PROCESS**

The LACDA utilized the Omnia Partners cooperative purchasing program allowed by the LACDA Procurement and Contracting Policies and Procedures for HUD-funded projects and services. Toshiba agreed to the LACDA terms and conditions, including all latest applicable Board mandated provisions.

### **IMPACT ON CURRENT SERVICES AND PROJECTS**

The Contract for Managed Print Services will continue to improve the efficiency of LACDA business processes and maximize the return on the LACDA technology investments. The services will reduce administrative costs, decrease inventory of consumables, provide management with the ability to monitor and manage the overall divisional print output, manage all aspects of printing and copying, and provide advanced accounting capabilities.

Respectfully submitted,

Reviewed by:

EMILIO SALAS  
Executive Director  
Los Angeles County Development Authority

PETER LOO  
Acting Chief Information Officer  
County of Los Angeles

ES:KT:mr

Enclosures



**CONTRACT**

**BY AND BETWEEN**

**LOS ANGELES COUNTY DEVELOPMENT AUTHORITY**

**AND**

**TOSHIBA AMERICA BUSINESS SOLUTIONS, INC. DBA  
TOSHIBA BUSINESS SOLUTIONS**

**FOR**

**MANAGED PRINT SERVICES**

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**STANDARD EXHIBITS**

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

**CONTRACT BETWEEN**  
**LOS ANGELES COUNTY DEVELOPMENT AUTHORITY**  
**AND**  
**TOSHIBA AMERICA BUSINESS SOLUTIONS, INC. DBA TOSHIBA**  
**BUSINESS SOLUTIONS**  
**FOR**  
**MANAGED PRINT SERVICES**

This Contract and Exhibits made and entered into this 1<sup>st</sup> day of July, 2024 by and between the Los Angeles County Development Authority, hereinafter referred to as the (“LACDA”) and Toshiba America Business Solutions, Inc. dba Toshiba Business Solutions, hereinafter referred to as the (“Contractor”). The LACDA and Contractor are herein referred to as collectively the (“Parties”).

**RECITALS**

**WHEREAS**, the LACDA may contract with private businesses for managed print services when certain requirements are met;

**WHEREAS**, the Contractor is a private firm specializing in providing managed print services;

**WHEREAS**, the Contractor was awarded a contract as allowed under cooperative purchasing program for state and local municipal governments set forth in 2 CFR part 200 known as the “Super Circular” for U.S. Department of Housing and Urban Development (“HUD”) funded projects and services, referencing a national cooperative contract with The Region 4 Education Service Center in conjunction Omnia Partners – Managed Print Services, Contract #R191103;

**WHEREAS**, the Contractor agrees to comply with, submit to, and abide by all federal, State, and County rules, regulations, policies, procedures of the funding source, governing administration, and fiscal authorities; and all applicable law;

**WHEREAS**, the Contractor possesses the competence, financial ability, expertise, facilities, and personnel to provide the services contemplated hereunder;

**WHEREAS**, it is the intent of the Parties hereto to enter into Contract to provide managed print services (“Services”), as set forth herein; and

**WHEREAS**, the Contractor is willing and able to provide the services described herein, in consideration of the payments under this Contract and under the terms and conditions hereafter set forth.

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

## **1.0 APPLICABLE DOCUMENTS**

Exhibits A, B, C, D, E, F and G 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 Contract and then to the Exhibits according to the following priority.

### **1.1 Standard Exhibits**

- 1.1.1 Exhibit A - Statement of Work
- 1.1.2 Exhibit B - Fee Schedule
- 1.1.3 Exhibit C - LACDA's Administration
- 1.1.4 Exhibit D - Contractor's Administration
- 1.1.5 Exhibit E - Required Contract Forms and Certifications
  - Application for Exception and Certification Form for the Jury Service Program
  - Compliance with Fair Chance Employment Hiring Practices Certification
  - Contractor's EEO Certification
  - Defaulted Property Tax Reduction Program Certification
  - Federal Lobbyist Requirements Certification
  - Zero Tolerance Human Trafficking Policy Certification
- 1.1.6 Exhibit F - Required Contract Provisions



- Contractor Employee Jury Service Ordinance
- Defaulted Property Tax Reduction Program
- IRS Notice 1015 – Earned Income Credit (EIC)
- Lobbyist Ordinance
- Los Angeles County Smoke Free Policy at Housing Development Sites
- Safely Surrendered Baby Law

1.1.7 Exhibit G - Required Forms at the Time of Contract Execution

- Contractor Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

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

## 2.0 DEFINITIONS

### 2.1 Standard Definitions

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

2.1.1 **Contract:** Agreement executed between the LACDA and Contractor.

It sets forth the terms and conditions for the issuance and performance of the Statement of Work in Exhibit A.

2.1.2 **Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the LACDA to perform or execute the work covered by the Statement of Work in Exhibit A.

2.1.3 **Contractor:** Also, referred as Pay-for Print, is a set cost per click to print on one side of each page, whether it is black or color. The cost

per click excludes charges for scanning, outgoing fax, and for printing on an 11x17.

### **3.0 WORK**

#### **3.1 Work Requirements**

- 3.1.1 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 Exhibit A - Statement of Work, attached hereto and incorporated herein by reference.
- 3.1.2 The Contractor acknowledges that the quality of Service(s) provided under this Contract shall be at least equivalent to that which Contractor provides to all other clients it serves.
- 3.1.3 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 LACDA.

### **4.0 TERM OF CONTRACT**

#### **4.1 Term**

- 4.1.1 The term of this Contract shall commence on July 1, 2024 and shall remain in full force and effect until June 30, 2029 after execution by the LACDA's Executive Director, or designee, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.1.2 The Contractor shall notify the LACDA's Project Manager when this Contract is within three (3) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the LACDA's Project Manager at the address herein provided in Exhibit C – LACDA's Administration.

## **5.0 CONTRACT SUM**

### **5.1 Maximum Amount**

The Maximum Amount of this Contract shall be Five Hundred Thousand and 00/100 Dollars (\$500,000.00) ("Maximum Amount") for the term of this Contract as set forth in Paragraph 4.1 - Term, above. Any costs incurred to complete this Service in excess of the maximum not-to-exceed cost will be borne by the Contractor.

### **5.2 Written Approval for Reimbursement**

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

### **5.3 Notification of 75% of Total Contract Sum**

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

### **5.4 No Payment for Services Provided Following Expiration/Termination of Contract**

The Contractor shall have no claim against the LACDA for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify the LACDA and shall immediately repay all such funds to the LACDA. Payment by the LACDA for services rendered after expiration/termination

of this Contract shall not constitute a waiver of the LACDA'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 The Contractor shall invoice the LACDA only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A - Statement of Work and elsewhere hereunder. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the LACDA under the terms of this Contract. The Contractor's payments shall be as provided in Exhibit B - Fee Schedule, and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the LACDA. If the LACDA does not approve work in writing no payment shall be due to the Contractor for that work.
- 5.5.2 The Contractor's invoices shall be priced in accordance with Exhibit B - Fee Schedule.
- 5.5.3 The Contractor's invoices shall contain the information set forth in Exhibit A - Statement of Work describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.
- 5.5.4 The Contractor shall submit the monthly invoices to the LACDA by the 1<sup>st</sup> calendar day of the month following the month of service.
- 5.5.5 All invoices under this Contract shall be submitted to the following address: 700 W. Main Street, Alhambra, California 91801.
- 5.5.6 LACDA Approval of Invoices. All invoices submitted by the Contractor for payment must have the written approval of the LACDA's Project Manager prior to any payment thereof. In no event shall the LACDA be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

**5.6 Intentionally Omitted.**

**5.7 Source and Appropriation of Funds**

5.7.1 The LACDA's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development ("HUD") and, for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1.

5.7.2 In the event this Contract extends into succeeding fiscal years and funds have not been appropriated, this Contract will automatically terminate as of June 30 of the current fiscal year. The LACDA will endeavor to notify the Contractor in writing within ten (10) days of receipt of non-appropriation notice.

**6.0 ADMINISTRATION OF CONTRACT – LACDA**

**6.1 LACDA's Administration**

A listing of all LACDA Administration referenced in the following subparagraphs is designated in Exhibit C - LACDA's Administration. The LACDA shall notify the Contractor in writing of any change in the names or addresses shown.

**6.2 LACDA's Project Manager**

Responsibilities of the LACDA's Project Manager include:

6.2.1 Ensuring that the objectives of this Contract are met;

6.2.2 Providing direction to the Contractor in the areas relating to LACDA policy, information requirements, and procedural requirements;

6.2.3 Meeting with the Contractor's Project Manager on a regular basis; and

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

## **7.0 ADMINISTRATION OF CONTRACT – CONTRACTOR**

### **7.1 Contractor’s Project Manager**

7.1.1 The Contractor’s Project Manager is designated in Exhibit D - Contractor’s Administration. The Contractor shall notify the LACDA in writing of any change in the name or address of the Contractor’s Project Manager.

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

7.1.3 The Contractor’s Project Manager must have 5 years of experience.

### **7.2 Approval of Contractor’s Staff**

The LACDA 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**

The Contractor shall provide, at Contractor’s expense, all staff providing services under this Contract with a photo identification badge, which shall be visible when the Contractor or its staff is on LACDA's properties.

### **7.4 Background and Security Investigations**

7.4.1 Each of the Contractor’s staff performing services under this Contract who is in a designated sensitive position, as determined by the LACDA in LACDA's sole discretion, shall undergo and pass a background investigation to the satisfaction of the LACDA 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 if the member of the Contractor's staff passes or fails the background investigation.

- 7.4.2 If a member of the Contractor's staff does not pass the background investigation, the LACDA may request that the member of Contractor's staff be immediately removed from performing services under the Contract at any time during the term of the Contract. The LACDA will not provide to the Contractor or to the Contractor's staff any information obtained through the LACDA's background investigation.
- 7.4.3 The LACDA, 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 LACDA or whose background or conduct is incompatible with LACDA facility access.
- 7.4.4 Disqualification of any member of the Contractor's staff pursuant to this Paragraph 7.4 shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

## **7.5 Confidentiality**

- 7.5.1 The 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, the LACDA policies concerning information technology security and the protection of confidential records and information.
- 7.5.2 The Contractor shall indemnify, defend, and hold harmless the LACDA, 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 the Contractor, its

officers, employees, agents, or subcontractors, to comply with this Paragraph 7.5, as determined by the LACDA in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 7.5 shall be conducted by the Contractor and performed by counsel selected by the Contractor and approved by the LACDA. Notwithstanding the preceding sentence, the LACDA shall have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide the LACDA with a full and adequate defense, as determined by the LACDA in its sole judgment, the LACDA shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from the Contractor for all such costs and expenses incurred by the LACDA 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 the LACDA without LACDA's prior written approval.

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

7.5.4 The Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement, Confidentiality and Copyright Assignment Agreement", a copy which is attached in Exhibit E – Required Contract Forms and Certifications.

## **8.0 STANDARD TERMS AND CONDITIONS**

### **8.1 Amendments**

8.1.1 For any change which affects the scope of work, term, Maximum Amount, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor and Executive Director, or designee.



8.1.2 The LACDA's Board or Executive Director may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The LACDA reserves the right to add and/or change such provisions as required by the LACDA's Board or Executive Director. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and Executive Director.

8.1.3 The Executive Director may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - 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 Executive Director or designee.

## **8.2 Assignment and Delegation/Mergers or Acquisitions**

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

8.2.2 The 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 the LACDA, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this sub-paragraph, the LACDA consent shall require a written amendment to the Contract, which is formally approved and executed by the Parties. Any payments by the LACDA to any approved delegate or assignee on any claim under this

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

8.2.3 Shareholders, partners, members, or other equity holders of the 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 the Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of the LACDA in accordance with applicable provisions of this Contract.

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

### **8.3 Authorization Warranty**

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

### **8.4 Budget Reductions**

In the event that the LACDA's Board adopts, in any fiscal year, a LACDA Budget which provides for reductions in the salaries and benefits paid to the

majority of the LACDA employees and imposes similar reductions with respect to LACDA Contracts, the LACDA reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. The LACDA'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 Compliance with Applicable Laws**

In the performance of this Contract, the 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 Compliance with Civil Rights Laws**

8.6.1 The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000(e)(1) through 2000(e)(17), 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. The Contractor shall comply with the Contractor's EEO Certification, a copy which is attached in Exhibit E – Required Contract Forms and Certifications.

8.6.2 The Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin,

or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Contract.

8.6.3 The Contractor shall comply with the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

### **8.7 Compliance with the County Policy of Equity**

The Contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity ("CPOE") (<https://ceop.lacounty.gov/>) to which the LACDA requires compliance by the Contractor. The Contractor further acknowledges that the LACDA strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the 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 LACDA's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the Contractor to termination of the Contract as well as civil liability.

### **8.8 Compliance with County's Zero Tolerance Policy on Human Trafficking**

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

8.8.2 If a Contractor or member of the Contractor's staff is convicted of a human trafficking offense, the LACDA shall require that the Contractor or member of Contractor's staff be removed immediately

from performing services under the Contract. The LACDA will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

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

## **8.9 Compliance with Fair Chance Employment Practices**

The 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, the LACDA may, in its sole discretion, terminate the Contract.

## **8.10 Compliance with Jury Service Program**

### **8.10.1 Jury Service Program**

This Contract is subject to the provisions of the County 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 F – Required Contract Provisions and incorporated by reference into and made a part of this Contract.

### **8.10.2 Written Employee Jury Service Policy**

A. Unless the Contractor has demonstrated to the LACDA'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.

- B. For purposes of this sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the LACDA or a subcontract with a Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more LACDA contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the LACDA, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any Subcontractor to perform services for the LACDA under the Contract, the Subcontractor shall also be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the subcontract agreement.
- C. 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 LACDA 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 LACDA may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate to the LACDA'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 Jury Service Program.

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

## **8.11 Conflict of Interest**

8.11.1 No LACDA employee whose position with the LACDA enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, 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 LACDA's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the LACDA's approval or ongoing evaluation of such work.

8.11.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this 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 LACDA. 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 subparagraph shall be a material breach of this Contract.

**8.12 Consideration of Hiring LACDA Employees Targeted for Layoff or Re-Employment List**

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

**8.13 Consideration of Hiring GAIN-GROW Participants**

8.13.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services ("DPSS") Greater Avenues for Independence ("GAIN") Program or 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. The LACDA 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.

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



## **8.14 Contractor's Acknowledgement of LACDA's Commitment to the Safely Surrendered Baby Law**

8.14.1 The Contractor acknowledges that the LACDA places a high priority on the implementation of the Safely Surrendered Baby Law. The contractor understands that it is the LACDA's policy to encourage all LACDA contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster, in Exhibit F – Required Contract Provisions, in a prominent position at the contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at [www.babysafela.org](http://www.babysafela.org).

### **8.14.2 Notice to Employees Regarding the Safely Surrendered Baby Law**

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, 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 F – Required Contract Provisions, Safely Surrendered Baby Law of this Contract. Additional information is available at [www.babysafela.org](http://www.babysafela.org).

## **8.15 Contractor's Compliance with Los Angeles County's Smoke Free Policy at all Housing Development Properties**

The Contractor represents that it will comply with LACDA's policy, strictly prohibiting smoking on all LACDA's housing development properties, except at the South Bay Gardens Senior Housing Development located at 230 E. 130th Street, Los Angeles, CA 90061, where smoking is permitted only in a specified open area that is at least 25 feet away from a LACDA building and is clearly labeled as a "Smoking Designated Area." The Contractor acknowledges and understands that the LACDA's smoke free policy, a copy which is attached in Exhibit F – Required Contract Provisions applies to all residents, guests, visitors, vendors, contractors, and staff.

## **8.16 Contractor Responsibility and Debarment**

### **8.16.1 Responsible Contractor**

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

### **8.16.2 Chapter 2.202 of the County Code**

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

### **8.16.3 Non-Responsible Contractor**

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

#### 8.16.4 Contractor Hearing Board

- A. If there is evidence that the Contractor may be subject to debarment, the LACDA will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- B. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the LACDA shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
- C. 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. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- D. 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 LACDA may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide

change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the LACDA.

- E. 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.
- F. 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 Commissioners. The Board of Commissioners shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

#### 8.16.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of the LACDA Contractors.

### **8.17 Contractor's Warranty of Adherence to LACDA's Child Support Compliance Program**

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

8.17.2 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).

#### **8.18 Counterparts and Electronic Signatures**

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

#### **8.19 Damage to LACDA Facilities, Buildings or Grounds**

8.19.1 The Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to LACDA facilities, buildings, or grounds caused by the Contractor or employees or agents of the Contractor. Such repairs shall be made immediately after the Contractor has become

aware of such damage, but in no event later than thirty (30) days after the occurrence.

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

## **8.20 Employment Eligibility Verification**

8.20.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.20.2 The Contractor shall indemnify, defend, and hold harmless, the LACDA, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the LACDA 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.

## **8.21 Executive Order 11246 and 11375, Equal Opportunity in Employment**

8.21.1 The Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take

affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

8.21.2 The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

8.21.3 The Contractor will send to each labor union or representative of workers with which he has a collective bargaining Contract or other contract or understanding, a notice to be provided by the agency of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

8.21.4 The Contractor will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the LACDA and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

8.21.5 In the event of Contractor's noncompliance with the non-discrimination clauses of this Contract or with any of such rules,

regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

8.21.6 The Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such actions with respect to any subcontract or purchase order as the LACDA may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the LACDA, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

## **8.22 Facsimile Representations**

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

## **8.23 Fair Labor Standards**



The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the LACDA 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 LACDA may be found jointly or solely liable.

#### **8.24 Federal Lobbyist Requirements**

8.24.1 The Contractor is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative Contract, and any extension, continuation, renewal, amendment or modification of said documents.

8.24.2 The Contractor must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Contractor will comply with the Lobbyist Requirements.

8.24.3 Failure on the part of the Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

#### **8.25 Force Majeure**

8.25.1 The Parties agree that COVID-19 pandemic is not a force majeure event. 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, 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 sub-paragraph as "force majeure events").

8.25.2 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 sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

8.25.3 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.

## **8.26 Governing Law, Jurisdiction, and Venue**

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

## **8.27 Indemnification**

The Contractor shall indemnify, defend and hold harmless the LACDA, County, and its Special Districts, elected and appointed officers, employees,

agents and volunteers (“LACDA 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 LACDA Indemnitees.

## **8.28 Independent Contractor Status**

8.28.1 This Contract is by and between the LACDA 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 LACDA 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.

8.28.2 The 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 LACDA 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.

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

8.28.4 The Contractor shall adhere to the provisions stated in subparagraph 7.5 - Confidentiality.

## **8.29 Liquidated Damages**

8.29.1 If, in the judgment of the Executive Director, or designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Executive Director, or 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 LACDA, will be forwarded to the Contractor by the Executive Director, or designee, in a written notice describing the reasons for said action.

8.29.2 If the Executive Director, or designee, determines that there are deficiencies in the performance of this Contract that the Executive Director, or designee, deems are correctable by the Contractor over a certain time span, the Executive Director, or 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 Executive Director, or 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 and 00/100 Dollars (\$100.00) per day per infraction, or as specified in the Performance Requirements Summary ("PRS") Chart, as defined in Appendix B (Statement of Work Exhibits), hereunder, and that the Contractor shall be liable to the LACDA for liquidated

damages in said amount. Said amount shall be deducted from the LACDA's payment to the Contractor; and/or

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

8.29.3 The action noted in sub-paragraph 8.29.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover the LACDA cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.29.4 This sub-paragraph shall not, in any manner, restrict or limit the LACDA's right to damages for any breach of this Contract provided by law or as specified in the PRS or sub-paragraph 8.29.2, and shall not, in any manner, restrict or limit the LACDA's right to terminate this Contract as agreed to herein.

### **8.30 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 LACDA.

### **8.31 Nondiscrimination and Affirmative Action**

8.31.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, 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.

8.31.2 The Contractor shall certify to, and comply with, the provisions of the Contractor's EEO Certification, a copy which is attached in Exhibit E – Required Contract Forms and Certifications.

8.31.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, 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.

8.31.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

8.31.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, 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.

8.31.6 The Contractor shall allow LACDA representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of Paragraph 8.31 when so requested by the LACDA.

8.31.7 If the LACDA finds that any provisions of this Paragraph 8.31 have been violated, such violation shall constitute a material breach of this Contract upon which the LACDA may terminate or suspend this Contract. While the LACDA reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the LACDA that the Contractor has violated the anti-discrimination provisions of this Contract.

8.31.8 The Parties agree that in the event the Contractor violates any of the anti- discrimination provisions of this Contract, the LACDA 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.

**8.32 Non Exclusivity**

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

**8.33 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.

**8.34 Notice of Disputes**

The Contractor shall bring to the attention of the LACDA's Project Manager any dispute between the LACDA and the Contractor regarding the

performance of services as stated in this Contract. If the LACDA's Project Manager is not able to resolve the dispute, the Division Director, or designee shall resolve it.

**8.35 Notice to Employees Regarding the Federal Earned Income Credit**

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

**8.36 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 C - LACDA's Administration and D - Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Division Director, or designee shall have the authority to issue all notices or demands required or permitted by the LACDA under this Contract.

**8.37 Prohibition Against Inducement or Persuasion**

Notwithstanding the above, the Contractor and the LACDA 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.

**8.38 Public Records Act**

8.38.1 Any documents submitted by the Contractor; all information obtained in connection with the LACDA's right to audit and inspect the Contractor's documents, books, and accounting records pursuant Section 8.41 - Record Retention and Inspection/Audit Settlement of this Contract; as well as those documents which were required to be



submitted in response to the solicitation used for this Contract, become the exclusive property of the LACDA. 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 LACDA 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.

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

### **8.39 Publicity**

8.39.1 The 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 LACDA shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- A. The Contractor shall develop all publicity material in a professional manner; and
- B. 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 LACDA without the prior

written consent of the LACDA's Project Manager. The LACDA shall not unreasonably withhold written consent.

8.39.2 The Contractor may, without the prior written consent of the LACDA, indicate in its bids and sales materials that it has been awarded this Contract with the LACDA, provided that the requirements of this Section 8.39 shall apply.

#### **8.40 Quality Assurance Plan**

8.40.1 The LACDA 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 LACDA determines are significant or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board and listed in the appropriate LACDA reports. The report to the Board will include improvement/corrective action measures taken by the LACDA and the Contractor. If improvement does not occur consistent with the corrective action measures, the LACDA may terminate this Contract or impose other penalties as specified in this Contract.

8.40.2 A performance review will be conducted no later than ninety (90) days prior to the end of the first and second years of this Contract to evaluate the performance of the Contractor. Based on the assessment of the performance review, as determined by the LACDA in its sole discretion, written notification will be given to the Contractor whether this Contract will be terminated at the end of the current year or will be continued into the next contract year.

#### **8.41 Record Retention and Inspection/Audit Settlement**

The 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 LACDA, 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 LACDA during the term of this Contract and for a period of five (5) years thereafter unless the LACDA's written permission is given to dispose of any such material prior to such time. All such material 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 LACDA's option, the Contractor shall pay the LACDA for travel, per diem, and other costs incurred by the LACDA to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.41.1 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 LACDA within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the LACDA shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.41.2 Failure on the part of the Contractor to comply with any of the provisions of this Section 8.41 shall constitute a material breach of this Contract upon which the LACDA may terminate or suspend this Contract.

8.41.3 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 LACDA conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the LACDA's dollar liability for any such work is less than payments made by the LACDA to the Contractor, then the difference shall be either: a) repaid by the Contractor to the LACDA by cash payment upon demand or b) at the sole option of the LACDA, deducted from any amounts due to the Contractor from the LACDA, whether under this Contract or otherwise. If such audit finds that the LACDA's dollar liability for such work is more than the payments made by the LACDA to the Contractor, then the difference shall be paid to the Contractor by the LACDA by cash payment, provided that in no event shall the LACDA's maximum obligation for this Contract exceed the funds appropriated by the LACDA for the purpose of this Contract.

**8.42 Recycled Bond Paper**

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

**8.43 Intentionally Omitted.**

**8.44 Subcontracting**

8.44.1 The requirements of this Contract may not be subcontracted by the Contractor without the advance approval of the LACDA. Any attempt by the Contractor to subcontract without the prior consent of the LACDA may be deemed a material breach of this Contract.

8.44.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the LACDA's request:

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

8.44.3 The Contractor shall indemnify and hold the LACDA 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.

8.44.4 The 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 LACDA's approval of the Contractor's proposed subcontract.

8.44.5 The LACDA's consent to subcontract shall not waive the LACDA'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 LACDA right.

8.44.6 The LACDA's Project Manager is authorized to act for and on behalf of the LACDA with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract by the LACDA, Contractor shall forward a fully executed subcontract to the LACDA for their files.

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

8.44.8 The Contractor shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the LACDA from each approved Subcontractor. The Contractor shall ensure delivery of all such documents to the individual identified in Paragraph 8.36 - Notices before any Subcontractor employee may perform any work hereunder.

#### **8.45 Time Off For Voting**

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than

10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Elections Code Section 14000.

**8.46 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.

**8.47 Waiver**

No waiver by the LACDA of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the LACDA 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 8.47 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

**8.48 Warranty Against Contingent Fees**

8.48.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.48.2 For breach of this warranty, the LACDA 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.

#### **8.49 Warranty of Compliance with County's Defaulted Property Tax Reduction Program**

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

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

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

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 8.49 "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 the LACDA under any other provision of this contract, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which the LACDA may terminate this Contract and/or pursue debarment of the Contractor, pursuant to County Code Chapter 2.206.

### **9.0 INSURANCE**

Without limiting Contractor's indemnification of LACDA Indemnitees, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Section 9 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

LACDA 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.

**9.1 Insurance Coverage**

9.1.1 Commercial General Liability Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming the LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents") as an additional insured, with limits of not less than:

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

9.1.2 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.

9.1.3 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.

**9.2 Additional Unique Insurance Coverage**

9.2.1 Privacy/Network Security (Cyber) Liability

Insurance coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs]; (2) system breach; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code; (5) unauthorized access to or use of computer systems with limits of not less than \$2 million. No



exclusion/restriction for unencrypted portable devices/media may be on the policy.

**9.3 Certificate of Insurance Coverage:**

- 9.3.1 Certificate(s) of Insurance Coverage ("Certificate") satisfactory to the LACDA, and a copy of an Additional Insured endorsement confirming the LACDA and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to the LACDA at the address shown below and provided prior to commencing services under this Contract.
- 9.3.2 Renewal Certificates shall be provided to the LACDA not less than ten (10) days prior to Contractor's policy expiration dates. The LACDA reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- 9.3.3 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.
- 9.3.4 Certificates shall provide the full name of each insurer providing coverage, its National Association of Insurance Commissioners ("NAIC") identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any LACDA required endorsement forms.
- 9.3.5 Neither the LACDA's failure to obtain, nor the LACDA's receipt of, or failure to object to a non-complying Certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

9.3.6 Certificates and copies of any required endorsements shall be sent to:

Los Angeles County Development Authority  
Administrative Services Division/Information Technology Unit  
700 W. Main Street, Alhambra, CA 91801  
Attention: Maryann Robles, Administrative Services

#### **9.4 Notices of Injury or Damage or Destruction**

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

#### **9.5 Additional Insured Status and Scope of Coverage**

The LACDA 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 LACDA. The LACDA 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 LACDA. The full policy limits and scope of protection also shall apply to the LACDA and its Agents as an additional insured, even if they exceed the LACDA's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

#### **9.6 Cancellation of or Change to Maintain Insurance**

The Contractor shall provide the LACDA with, or Contractor's insurance policies shall contain a provision that the LACDA 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 LACDA 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 LACDA, upon which the LACDA may suspend or terminate this Contract.

#### **9.7 Failure to Maintain Insurance**

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

#### **9.8 Contractor's Insurance Shall Be Primary**

The 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 LACDA maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

#### **9.9 Insurance Specifics**

##### **9.9.1 Waivers of Subrogation**

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against the LACDA 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 effect such waiver.

#### 9.9.2 Sub-Contractor Insurance Coverage Requirements

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

#### 9.9.3 Deductibles and Self-Insured Retentions (SIRs)

The Contractor's policies shall not obligate the LACDA to pay any portion of any Contractor deductible or SIR. The LACDA retains the right to require the Contractor to reduce or eliminate policy deductibles and SIRs as respects the LACDA, 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.

#### 9.9.4 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. The 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.

#### 9.9.5 Application of Excess Liability Coverage

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

#### 9.9.6 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.

#### 9.9.7 Alternative Risk Financing Programs

The LACDA 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 LACDA and its Agents shall be designated as an Additional Covered Party under any approved program.

#### **9.10 LACDA Review and Approval of Insurance Requirements**

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

### **10.0 TERMINATION**

#### **10.1 Termination for Convenience**

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

A. After receipt of a notice of termination and except as otherwise directed by the LACDA, the Contractor shall:

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

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

10.1.2 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 8.41 - Record Retention and Inspection/Audit Settlement.

## **10.2 Termination for Default**

10.2.1 The LACDA may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of the LACDA's Project Manager:

- A. Contractor has materially breached this Contract; or
- B. Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- C. 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 LACDA may authorize in writing) after receipt of written notice from the LACDA specifying such failure.

10.2.2 In the event that the LACDA terminates this Contract in whole or in part as provided in sub-paragraph 10.2.1, the LACDA may procure, upon such terms and in such manner as the LACDA may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the LACDA for any and all excess costs incurred by the LACDA, as determined by the LACDA, 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 sub-paragraph.

10.2.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in sub-paragraph 10.2.2 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 LACDA in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this sub-paragraph 10.2.3, the terms "Subcontractor" and "Subcontractors" mean Subcontractor(s) at any tier.

10.2.4 If, after the LACDA has given notice of termination under the provisions of this Paragraph 10.2, it is determined by the LACDA that the Contractor was not in default under the provisions of this Paragraph 10.2, or that the default was excusable under the provisions of sub-paragraph 10.2.3, the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 10.1 - Termination for Convenience.

10.2.5 The rights and remedies of the LACDA provided in this Paragraph 10.2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

### **10.3 Termination for Improper Consideration**

10.3.1 The LACDA may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any LACDA 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 LACDA shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

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

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

### **10.4 Termination for Insolvency**

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

- A. 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;



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

10.4.2 The rights and remedies of the LACDA provided in this Paragraph 10.4 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

**10.5 Intentionally Omitted.**

**10.6 Termination for Non-Appropriation of Funds**

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

**11.0 UNIQUE TERMS AND CONDITIONS**

**11.1 Data Destruction**

11.1.1 Contractor(s) and vendor(s) that have maintained, processed, or stored the LACDA 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>)

11.1.2 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 LACDA, or external to the LACDA's boundaries. The LACDA 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.

11.1.3 The Vendor shall certify that any LACDA 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. The Vendor shall provide the LACDA with written certification, within ten (10) business days of removal of any electronic storage equipment and devices that validates that any and all LACDA data was destroyed and is unusable, unreadable, and/or undecipherable.

## **11.2 Ownership of Materials, Software and Copyright**

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

11.2.2 During the term of this Contract and for five (5) years thereafter, the Contractor shall maintain and provide security for all of the

Contractor's working papers prepared under this Contract. LACDA 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.

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

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

11.2.5 Notwithstanding any other provision of this Contract, the LACDA will not be obligated to the Contractor in any way under Paragraph 11.3 for any of the Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by sub-paragraph 11.3.3 or for any disclosure which the LACDA is required to make under any state or federal law or order of court.

11.2.6 All the rights and obligations of this Paragraph 11.3 shall survive the expiration or termination of this Contract.

### **11.3 Patent, Copyright and Trade Secret Indemnification**

11.3.1 The Contractor shall indemnify, hold harmless and defend the LACDA from and against any and all liability, damages, costs, and

expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's work under this Contract. The LACDA shall inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support the Contractor's defense and settlement thereof.

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

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

11.3.3 The Contractor shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended.

[Signatures on the following page]

/

/

/

**SIGNATURES**

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

CONTRACTOR: TOSHIBA AMERICA  
BUSINESS SOLUTIONS, INC. DBA TOSHIBA  
BUSINESS SOLUTIONS

By  \_\_\_\_\_

Tobin Bannister  
President – West Region

LOS ANGELES COUNTY DEVELOPMENT  
AUTHORITY

By \_\_\_\_\_

Emilio Salas  
Executive Director

APPROVED AS TO FORM:  
DAWYN R. HARRISON  
County Counsel

APPROVED AS TO PROGRAM:  
ADMINISTRATIVE SERVICES DIVISION

By \_\_\_\_\_

Behnaz Tashakorian  
Principal Deputy County Counsel

By \_\_\_\_\_

Kathy Thomas  
Chief of Operations

---



**Chief  
Information  
Office**

**Peter Loo**  
ACTING CHIEF INFORMATION OFFICER

**DRAFT**

Attachment II

**CIO**

**ANALYSIS**

BOARD AGENDA DATE:

6/25/2024

SUBJECT: SUBJECT:

**CONTRACT FOR MANAGED PRINT SERVICES**

CONTRACT TYPE:

New Contract     Sole Source     Amendment to Contract #:

SUMMARY:

The Los Angeles County Development Authority (LACDA) is requesting authorization to execute a five-year Contract with Toshiba America Business Solutions, Inc. dba Toshiba Business Solutions (Toshiba) to provide Managed Print Services (MPS), in the amount of \$500,000, including \$50,000 of pool dollars, for a total Contract amount of \$550,000, The LACDA is further requesting authorization to amend the Contract with Toshiba to to add or delete services and utilize pool dollars, and if necessary, terminate for convenience. Finally, the LACDA is recommending the Board find the Contract is exempt from the California Environmental Quality Act.

The LACDA current MPS contract with Toshiba will expire on June 30, 2024. Under the proposed Contract, Toshiba provides all the necessary equipment, software, labor, parts and supplies (except for paper), to provide the LACDA with general copying, printing, scanning, and faxing services. This contrasts with a model where an organization would lease or purchase copiers and/or printers and be responsible for all consumable supplies and any repairs and preventative maintenance.

MPS is recognized as a best business practice. It enables the LACDA to consolidate and manage its copier and printer needs under a unified program that reduces and standardizes printing equipment, enables just-in-time delivery of toner cartridges, ink and other printer-related supplies, measures and manages printing costs, and provides guaranteed up time and response time for device availability.

The LACDA utilized the Omnia Partners cooperative purchasing program (<https://www.omniapartners.com/>), to establish this successor contract with Toshiba. Using this cooperative agreements is allowed under the LACDA Procurement and Contracting Policies and Procedures for federal Department of Housing and Urban Development funded projects and services.

Contract Amount: \$550,000, including \$50,000 in optional pool dollars.

**CONTRACT FOR MANAGED PRINT SERVICES**

FINANCIAL ANALYSIS:

Toshiba Contract costs:

Annual Base Cost .....	\$	70,035 <sup>1</sup>
Estimated annual Pay-per-Print Cost .....	\$	29,965 <sup>2</sup>
<b>Total – Annual Estimated Cost</b> .....	<b>\$</b>	<b>100,000</b>
<b>Total – Contract Cost (Five Years)</b> .....	<b>\$</b>	<b>500,000</b>
<b>Contract Pool Dollars</b> .....	<b>\$</b>	<b>50,000<sup>3</sup></b>
<b>Total – Contract Amount</b> .....	<b>\$</b>	<b>550,000</b>

Notes:

<sup>1</sup>Reflects annual cost for 38 MFDs at nine offices for preventative maintenance, break-fix services, parts, consumables, labor, travel, and sales tax. The unit cost varies based on the type and size of device, from \$96.72 per month to \$157.44 per month.

<sup>2</sup>The cost-per-click represents a single print/copy on one side of a piece of paper is \$0.0035 for black & white and \$0.035 for color. To determine the contract amount, the LACDA estimated the number of monthly prints from the metrics gathered during the current MPS contract that this proposed contract would replace.

<sup>3</sup>Optional pool dollars for services and additional print volume during the term of the proposed Contract.

RISKS:

1. **Lack of Contractor Performance** – Critical factors in the success of any MPS contract is the Contractor’s ability to deliver a reliable printing experience, to quickly diagnose and repair malfunctioning MFD’s, and to prevent outages through proactive maintenance and monitoring. The Contract includes a Quality Assurance Plan that includes Performance Requirements with fees to be assessed in the event the performance standards are not addressed, and those fees should be sufficient to compel performance.
2. **Print Volume Estimates** – The print volumes are estimates, so the cost may vary depending on the actual number of prints. However, the estimates were based upon five years of data from the existing contract, and LACDA is not subject to a minimum print volume, either in aggregate or per device.
3. **Information Security Review** – The County’s Chief Information Security Officer (CISO) has reviewed the contract and discussed information security safeguards with LACDA information technology. They confirmed that the Contract’s Scope of Work includes all the required County MFD security standards. No information security concerns were raised.
4. **Contract Risks** – No Contract risks have been identified. County Counsel reviewed proposed Contract and had no concerns.

**CONTRACT FOR MANAGED PRINT SERVICES**

PREPARED BY:	
_____	_____
(NAME) DEPUTY CHIEF INFORMATION OFFICER	DATE
APPROVED:	
_____	_____
PETER LOO, ACTING CHIEF INFORMATION OFFICER	DATE



## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/5/2024	
<b>BOARD MEETING DATE</b>	6/25/2024	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Los Angeles County Development Authority (LACDA)	
<b>SUBJECT</b>	CONTRACT FOR ORACLE PEOPLESOFT TECHNICAL SUPPORT AND PROFESSIONAL SERVICES	
<b>PROGRAM</b>	Information Technology	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>		
<b>COST &amp; FUNDING</b>	Total cost:	Funding source:
	\$4,334,727.28	Program funds in the LACDA's operating budget
	TERMS (if applicable): Five-year term	
Explanation: No impact on the County General Fund. Funding for the contract is included LACDA's Fiscal Year 2024-2025 budget and will be included in future FY budgets. The five-year contract sum is \$2,574,727.28 plus up to \$1,760,000 in pool dollars.		
<b>PURPOSE OF REQUEST</b>	The purpose of this action is to enable the LACDA to Oracle PeopleSoft Technical Support and Contractor's professional services.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The LACDA requires software support services for Oracle PeopleSoft Human Capital Management (HCM), Financial and Supply Chain Management (FSCM), and Human Resources Management System (HRMS). Oracle performs an annual license compliance audit of the PeopleSoft financial and human resources software used by the LACDA. The financial software licensing is based on annual agency budget size and the human resources software licensing is based on personnel quantity. The professional services will enable LACDA to implement new features, customizations, the carry-over of existing customizations and fixes to new software versions and keep LACDA PeopleSoft System current. The LACDA will utilize the Omnia Partners cooperative purchasing program allowed by the LACDA Procurement and Contracting Policies and Procedures for HUD-funded projects and services.	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Cesar Delgado, IT Manager, (626) 586-1707 <a href="mailto:Cesar.Delgado@lacda.org">Cesar.Delgado@lacda.org</a>	

June 25, 2024

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

Dear Commissioners:

**CONTRACT FOR ORACLE PEOPLESOFT TECHNICAL SUPPORT AND  
PROFESSIONAL SERVICES  
(ALL DISTRICTS) (3 VOTE)**

**CIO RECOMMENDATION: ( X ) APPROVE**

**SUBJECT**

This letter requests approval of a five-year Contract with Mythics, LLC (Mythics), to provide continued software maintenance and support and optional pool dollars for Los Angeles County Development Authority's (LACDA) Oracle's PeopleSoft Human Capital Management (HCM), PeopleSoft Financial and Supply Management System (FSCM) and PeopleSoft Human Resources Management System (HRMS).

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Executive Director or designee to execute, amend, and if necessary, terminate a five-year Contract and all related documents with Mythics for Oracle PeopleSoft Technical Support and Contractor's Professional Services, in the amount of \$2,574,727.28, plus up to \$1,760,000.00 in pool dollars for as needed professional services and

software licenses; the total maximum Contract sum for all five years will not exceed \$4,334,727.28.

2. Find that approval of a Contract for Oracle PeopleSoft Technical Support and Contractor's Professional Services is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
3. Authorize the Executive Director or designee, upon his determination and as necessary and appropriate under terms of the contract, to amend the Contract to add or delete services and utilize pool dollars, and if necessary, to terminate for convenience the Contract with Mythics.

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

The purpose of this action is to approve a Contract with Mythics to continued software maintenance and support and pool dollars for as-needed professional services and licenses for LACDA's on-premises Oracle PeopleSoft Enterprise Resource Planning (ERP) software system modules. The LACDA uses Oracle PeopleSoft ERP software to support financial management, human resources management and purchasing operations.

The LACDA is currently running Oracle PeopleSoft version 9.2 for Human Capital Management (HCM), PeopleSoft Financial and Supply Chain Management (FSCM), and PeopleSoft Human Resources Management System (HRMS). The current contract for Oracle PeopleSoft software maintenance and support expires June 30, 2024.

Continued software maintenance and support is critical to the operation and availability of the LACDA's Oracle PeopleSoft ERP system modules. It provides access to:

- 24/7 technical assistance for service requests;
- Major product and technology releases;
- Program updates, fixes, security alerts, and critical patch updates;
- Tax, legal, and regulatory updates;
- Tools and scripts for software updates; and
- An extensive knowledge base of current documentation and an online support community.

The Contract pool dollars will enable the LACDA to acquire as-needed Mythics professional services to assist with implementation of new features, new customizations, the carry-over of existing customizations and fixes to new software versions to keep its Oracle PeopleSoft system software current. Also, it will support an assessment of the functional, technical, and financial benefits of potentially migrating the existing on-premises Oracle PeopleSoft system to a cloud-based Software as a Service (SaaS) solution to inform the LACDA's technology planning. Finally, it will allow the

purchase of additional software licenses and support fees to address any unforeseen software license agreement compliance issues experienced in the existing contract.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County General Fund. The five-year contract term will include \$2,574,727.28 to continue the Oracle PeopleSoft Technical Support Services, and \$1,760,000.00 in pool dollars for unforeseen costs. The pool dollars are requested because Oracle PeopleSoft license fees are based on total budget and staffing, which can vary significantly from year to year. Additionally, the LACDA may consider a major version upgrade during the course of the contract, which would require use of pool dollars.

The LACDA will use up to \$438,878.88 in program funds included in the LACDA's approved Fiscal Year 2024-2025 budgets for the first year of the Contract. Funds for years two through five will be included through the LACDA's annual budget approval process. The maximum contract amount for all five years of the Contract will be \$4,334,727.28, including the pool dollars.

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

The Contract with Mythics has been reviewed by County Counsel. If there is any conflict between the terms and conditions of the LACDA Contract and the terms and conditions of the Omnia Partners Contract, the LACDA Contract shall govern.

In compliance with Board Policy 6.020 "Chief Information Office Board Letter", the Office of Information Office (OCIO) has reviewed the information technology (IT) components of this request and recommends approval. The OCIO determined that this recommended action will allow the LACDA to achieve software currency and effectively support its business operations and does not include any new IT items that requires a CIO analysis.

### **ENVIRONMENTAL DOCUMENTATION**

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

### **CONTRACTING PROCESS**

The LACDA utilized the Omnia Partners cooperative purchasing program allowed by the LACDA Procurement and Contracting Policies and Procedures for HUD-funded projects and services, and per Oracle's authorized Public Sector support renewal partners. The

Honorable Board of Commissioners

June 25, 2024

Page 4

LACDA requested quotes from the authorized Oracle renewal partners, and Mythics was awarded based on proposal for all commodity and services, most responsive and responsible bidder.

The LACDA contract includes the Omnia Partners Agreement, Oracle Software Technical Support Policies, and Information and Privacy Security Requirements.

### **IMPACT ON CURRENT SERVICES AND PROJECTS**

The Contract will continue to improve the efficiency of LACDA business processes and maximize the return on the LACDA technology investments. The Oracle PeopleSoft support services will meet the LACDA's core business requirements for Human Resources, Finance, Human Capital Management, and Procurement.

Respectfully submitted,

Reviewed by:

EMILIO SALAS  
Executive Director  
Los Angeles County Development Authority

PETER LOO  
Acting Chief Information Officer  
County of Los Angeles

ES:KT:mr

Enclosures



**CONTRACT**

**BY AND BETWEEN**

**LOS ANGELES COUNTY DEVELOPMENT AUTHORITY**

**AND**

**MYTHICS, LLC**

**FOR**

**ORACLE          PEOPLESOFT          TECHNICAL  
SUPPORT          AND          CONTRACTOR'S  
PROFESSIONAL SERVICES**

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## STANDARD EXHIBITS

- Exhibit A – Statement of Work
- Exhibit B – Fee Schedule
- Exhibit C – LACDA’s Administration
- Exhibit D – Contractor’s Administration
- Exhibit E – Required Contract Forms and Certifications
- Exhibit F – Required Contract Provisions
- Exhibit G – Required Forms at the Time of Contract Execution
- Exhibit H – Required Forms at the Completion of Contract
- Exhibit I – Omnia Partners Agreement
- Exhibit J – Intentionally Omitted

**CONTRACT BETWEEN**  
**LOS ANGELES COUNTY DEVELOPMENT AUTHORITY**  
**AND**  
**MYTHICS, LLC**  
**FOR**  
**PEOPLESOFT TECHNICAL SUPPORT AND CONTRACTOR'S**  
**PROFESSIONAL SERVICES**

This Contract and Exhibits made and entered into this 30<sup>th</sup> day of June, 2024 by and between the Los Angeles County Development Authority, hereinafter referred to as the ("LACDA") and Mythics, LLC, hereinafter referred to as the ("Contractor"). The LACDA and Contractor are herein referred to as collectively the ("Parties").

**RECITALS**

**WHEREAS**, The Contractor is in the business of providing Oracle products and services, hereinafter-described Oracle PeopleSoft Maintenance Agreement services to the LACDA. The Contractor was awarded a contract as allowed under cooperative purchasing program for state and local municipal governments set forth in 24 CFR 85.36 known as the "Common Rule" for U.S. Department of Housing and Urban Development (HUD) funded projects and services, referencing Omnia Partners, Oracle Products and Services, Contract Number 180233-002;

**WHEREAS**, the LACDA may contract with private businesses for Oracle PeopleSoft Technical Support services when certain requirements are met;

**WHEREAS**, the Contractor is a private firm specializing in providing PeopleSoft Technical Support services;

**WHEREAS**, on **June 25, 2024**, the LACDA's Board of Commissioners ("Board") delegated authority for the LACDA's Executive Director, or duly authorized designee (hereinafter jointly referred to as the ("Executive Director")) to execute contracts for PeopleSoft Technical Support services;

**WHEREAS**, the Contractor agrees to comply with, submit to, and abide by all federal, State, and County rules, regulations, policies, procedures of the funding source, governing administration, and fiscal authorities; and all applicable law;

**WHEREAS**, the Contractor possesses the competence, financial ability, expertise, facilities, and personnel to provide the services contemplated hereunder;

**WHEREAS**, it is the intent of the Parties hereto to enter into Contract to provide PeopleSoft Technical Support services (“Services”), as set forth herein; and

**WHEREAS**, the Contractor is willing and able to provide the services described herein, in consideration of the payments under this Contract and under the terms and conditions hereafter set forth.

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

## **1.0 APPLICABLE DOCUMENTS**

Exhibits A, B, C, D, E, F, G H, I and J 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 Contract and then to the Exhibits according to the following priority.

### **1.1 Standard Exhibits**

1.1.1 Exhibit A - Statement of Work

1.1.2 Exhibit B - Fee Schedule

1.1.3 Exhibit C - LACDA’s Administration

1.1.4 Exhibit D - Contractor’s Administration

1.1.5 Exhibit E - Required Contract Forms and Certifications

- Application for Exception and Certification Form for the Jury Service Program
- Compliance with Fair Chance Employment Hiring Practices Certification

- Contractor's EEO Certification
- Defaulted Property Tax Reduction Program Certification
- Familiarity with the County Lobbyist Ordinance Certification
- Federal Lobbyist Requirements Certification
- Zero Tolerance Human Trafficking Policy Certification

1.1.6 Exhibit F - Required Contract Provisions

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

1.1.7 Exhibit G - Required Forms at the Time of Contract Execution

- Contractor Acknowledgement, Confidentiality, and Copyright Assignment Agreement

1.1.8 Exhibit H - Intentionally Omitted.

1.1.9 Exhibit I - Omnia Partners Agreement.

This Contract, which incorporates Omnia Partners, Oracle Products and Services, Contract Number 180233-002 by reference, and the Exhibits hereto constitute the complete and exclusive statement of understanding between the Parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Paragraph 8.1 - Amendments and signed by both Parties. If there is any conflict between Exhibit I and the Contract, the Contract shall prevail. ~~Omnia Partners Contract, Number 180233-002 and the Exhibits thereto and this Contract, the terms and conditions of the former shall prevail.~~

## 2.0 DEFINITIONS

### 2.1 Standard Definitions

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

2.1.1 **Contract:** Agreement executed between the LACDA and Contractor.

It sets forth the terms and conditions for the issuance and performance of the Statement of Work in Exhibit A.

2.1.2 **Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the LACDA to perform or execute the work covered by the Statement of Work in Exhibit A.

## 3.0 WORK

### 3.1 Work Requirements

3.1.1 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 Exhibit A - Statement of Work, attached hereto and incorporated herein by reference.

3.1.2 The Contractor acknowledges that the quality of Service(s) provided under this Contract shall be at least equivalent to that which Contractor provides to all other clients it serves.

## 4.0 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 LACDA. TERM OF CONTRACT

### 4.1 Term

- 4.1.1 The term of this Contract shall commence on July 1, 2024 and shall remain in full force and effect until June 30, 2029 after execution by the LACDA's Executive Director, or designee, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.1.2 The Contractor shall notify the LACDA's Project Manager when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the LACDA's Project Manager at the address herein provided in Exhibit C - LACDA's Administration.

## **5.0 CONTRACT SUM**

### **5.1 Maximum Amount**

The Maximum Amount of this Contract shall be Two Million Five Hundred Seventy Four Thousand Seven Hundred Twenty Seven and 28/100 Dollars (\$2,574,727.28) ("Maximum Amount") for the term of this Contract as set forth in Paragraph 4.1 - Term, above. Any costs incurred to complete this Service in excess of the maximum not-to-exceed cost will be borne by the Contractor.

### **5.2 Written Approval for Reimbursement**

The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein, or as described in an Amendment for the purchase of additional commodity and services for ongoing support, upgrades, unrelated to the scope of services, at the discretion of the LACDA, using the LACDA Contract Amendment under Paragraph 8.1 (Amendments). Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation,

merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the LACDA's express prior written approval.

### **5.3 Notification of 75% of Total Contract Sum**

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

### **5.4 No Payment for Services Provided Following Expiration/Termination of Contract**

The Contractor shall have no claim against the LACDA for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify the LACDA and shall immediately repay all such funds to the LACDA. Payment by the LACDA for services rendered after expiration/termination of this Contract shall not constitute a waiver of the LACDA'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 The Contractor shall invoice the LACDA only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A - Statement of Work and elsewhere hereunder. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the LACDA under the terms of this Contract. The Contractor's payments shall be as provided in Exhibit B - Fee Schedule, and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the LACDA. If the LACDA does not approve work in writing no

payment shall be due to the Contractor for that work. The Contractor's invoices shall be priced in accordance with Exhibit B - Fee Schedule.

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

5.5.3 The Contractor shall submit the monthly invoices to the LACDA by the 15th calendar day of the month following the month of service. For the avoidance of doubt, this section only applies to the Contractor's professional services.

5.5.4 All invoices under this Contract shall be submitted to the following address: 700 W. Main Street, Alhambra, California 91801.

5.5.5 LACDA Approval of Invoices. All invoices submitted by the Contractor for payment must have the written approval of the LACDA's Project Manager prior to any payment thereof. In no event shall the LACDA be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld. For the avoidance of doubt, this section only applies to the Contractor's professional services.

## **5.6 Intentionally Omitted.**

## **5.7 Source and Appropriation of Funds**

5.7.1 The LACDA's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development ("HUD") and, for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1.

5.7.2 In the event this Contract extends into succeeding fiscal years and funds have not been appropriated, this Contract will automatically terminate as of June 30 of the current fiscal year. The LACDA will endeavor to notify the Contractor in writing within ten (10) days of receipt of non-appropriation notice.



## **6.0 ADMINISTRATION OF CONTRACT – LACDA**

### **6.1 LACDA's Administration**

A listing of all LACDA Administration referenced in the following subparagraphs is designated in Exhibit C - LACDA's Administration. The LACDA shall notify the Contractor in writing of any change in the names or addresses shown.

### **6.2 LACDA's Project Manager**

Responsibilities of the LACDA's Project Manager include:

6.2.1 Ensuring that the objectives of this Contract are met;

6.2.2 Providing direction to the Contractor in the areas relating to LACDA policy, information requirements, and procedural requirements;

6.2.3 Meeting with the Contractor's Project Manager on a regular basis; and

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

## **7.0 ADMINISTRATION OF CONTRACT – CONTRACTOR**

### **7.1 Approval of Contractor's Staff**

The LACDA 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.

### **7.2 Contractor's Staff Identification**

The Contractor shall provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge, which shall be visible when the Contractor or its staff is on LACDA's properties.

### **7.3 Background and Security Investigations**

7.3.1 Each of the Contractor's staff performing services under this Contract who is in a designated sensitive position, as determined by the LACDA in LACDA's sole discretion, shall undergo and pass a

background investigation to the satisfaction of the LACDA 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 if the member of the Contractor's staff passes or fails the background investigation.

7.3.2 If a member of the Contractor's staff does not pass the background investigation, the LACDA may request that the member of Contractor's staff be immediately removed from performing services under the Contract at any time during the term of the Contract. The LACDA will not provide to the Contractor or to the Contractor's staff any information obtained through the LACDA's background investigation.

7.3.3 The LACDA, 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 LACDA or whose background or conduct is incompatible with LACDA facility access.

7.3.4 Disqualification of any member of the Contractor's staff pursuant to this Paragraph 7.4 shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

## **7.4 Confidentiality**

7.4.1 The 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,

the LACDA policies concerning information technology security and the protection of confidential records and information.

- 7.4.2 The Contractor shall indemnify, defend, and hold harmless the LACDA, 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 the Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.5.. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 7.4 shall be conducted by the Contractor and performed by counsel selected by the Contractor and approved by the LACDA, which shall not be unreasonably withheld. Notwithstanding the preceding sentence, the LACDA shall have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide the LACDA with a full and adequate defense, as determined by the LACDA in its sole judgment, the LACDA shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from the Contractor for all such costs and expenses incurred by the LACDA 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 the LACDA without LACDA's prior written approval,
- 7.4.3 The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.

## **8.0 STANDARD TERMS AND CONDITIONS**

### **8.1 Amendments**

8.1.1 For any change which affects the scope of work, term, Maximum Amount, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor and Executive Director, or designee.

8.1.2 The LACDA's Board or Executive Director may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The LACDA reserves the right to add and/or change such provisions as required by the LACDA's Board or Executive Director. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and Executive Director.

**8.2 The Executive Director may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - 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 Executive Director or designee. For the avoidance of doubt, this section only applies to the Contractor's professional services. Assignment and Delegation/Mergers or Acquisitions**

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

8.2.2 The 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 the LACDA, in its discretion, and any attempted

assignment or delegation without such consent shall be null and void. For purposes of this sub-paragraph, the LACDA consent shall require a written amendment to the Contract, which is formally approved and executed by the Parties. Any payments by the LACDA to any approved delegate or assignee on any claim under this Contract shall be deductible, at the LACDA's sole discretion, against the claims, which the Contractor may have against the LACDA.

8.2.3 Shareholders, partners, members, or other equity holders of the 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 the Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of the LACDA in accordance with applicable provisions of this Contract.

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

### **8.3 Authorization Warranty**

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of

this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

#### **8.4 Budget Reductions**

In the event that the LACDA's Board adopts, in any fiscal year, a LACDA Budget which provides for reductions in the salaries and benefits paid to the majority of the LACDA employees and imposes similar reductions with respect to LACDA Contracts, the LACDA reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. The LACDA'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. **For the avoidance of doubt, this section only applies to the Mythics professional services.**

#### **8.5 Compliance with Applicable Laws**

In the performance of this Contract, the 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 Compliance with Civil Rights Laws**

8.6.1 The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000(e)(1) through 2000(e)(17), 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. The Contractor shall comply with the Contractor's EEO Certification, a copy which is attached in Exhibit E – Required Contract Forms and Certifications.

8.6.2 The Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Contract.

8.6.3 The Contractor shall comply with the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

## **8.7 Compliance with the County Policy of Equity**

The Contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity ("CPOE") (<https://ceop.lacounty.gov/>) to which the LACDA requires compliance by the Contractor. The Contractor further acknowledges that the LACDA strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the 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 LACDA's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the Contractor to termination of the Contract as well as civil liability.

## **8.8 Compliance with County's Zero Tolerance Policy on Human Trafficking**

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

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

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

## **8.9 Compliance with Fair Chance Employment Practices**

The 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, the LACDA may, in its sole discretion, terminate the Contract.

## **8.10 Compliance with Jury Service Program**

### **8.10.1 Jury Service Program**

This Contract is subject to the provisions of the County 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 F – Required Contract Provisions and incorporated by reference into and made a part of this Contract.

### **8.10.2 Written Employee Jury Service Policy**

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- A. Unless the Contractor has demonstrated to the LACDA'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.
- B. For purposes of this sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the LACDA or a subcontract with a Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more LACDA contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the LACDA, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any Subcontractor to perform services for the LACDA under the Contract, the Subcontractor shall also be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract agreement and a copy of

the Jury Service Program shall be attached to the subcontract agreement.

- C. 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 LACDA 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 LACDA may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate to the LACDA’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 Jury Service Program.
- D. The Contractor’s violation of this sub-paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, the LACDA may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future LACDA contracts for a period of time consistent with the seriousness of the breach.

## **8.11 Conflict of Interest**

8.11.1 No LACDA employee whose position with the LACDA enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, 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 LACDA's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the LACDA's approval or ongoing evaluation of such work.

8.11.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this 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 LACDA. 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 subparagraph shall be a material breach of this Contract.

**8.12 Consideration of Hiring LACDA Employees Targeted for Layoff or Re-Employment List**

**8.13 Should the 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 LACDA or County employees who are targeted for layoff or qualified, former LACDA or County employees who are on a re-employment list during the life of this Contract.**  
**Consideration of Hiring GAIN-GROW Participants**

8.13.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services ("DPSS") Greater Avenues for Independence ("GAIN") Program or 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. The LACDA 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.

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

#### **8.14 Contractor's Acknowledgement of LACDA's Commitment to the Safely Surrendered Baby Law**

8.14.1 The Contractor acknowledges that the LACDA places a high priority on the implementation of the Safely Surrendered Baby Law. The contractor understands that it is the LACDA's policy to encourage all LACDA contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster, in Exhibit F – Required Contract Provisions, in a prominent position at the contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at [www.babysafela.org](http://www.babysafela.org).

##### **8.14.2 Notice to Employees Regarding the Safely Surrendered Baby Law**

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, 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 F – Required Contract Provisions, Safely Surrendered Baby Law of this Contract. Additional information is available at [www.babysafela.org](http://www.babysafela.org).

#### **8.15 Intentionally Omitted.**

#### **8.16 Contractor Responsibility and Debarment**

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#### 8.16.1 Responsible Contractor

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

#### 8.16.2 Chapter 2.202 of the County Code

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

#### 8.16.3 Non-Responsible Contractor

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

#### 8.16.4 Contractor Hearing Board

- A. If there is evidence that the Contractor may be subject to debarment, the LACDA will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- B. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the LACDA shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
- C. 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. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- D. 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 LACDA may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence

discovered after debarment was imposed; or (4) any other reason that is in the best interests of the LACDA.

- E. 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.
- F. 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 Commissioners. The Board of Commissioners shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

#### 8.16.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of the LACDA Contractors.

### **8.17 Contractor's Warranty of Adherence to LACDA's Child Support Compliance Program**

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

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LACDA through Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the LACDA and its taxpayers.

8.17.2 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).

### **8.18 Counterparts and Electronic Signatures**

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

### **8.19 Damage to LACDA Facilities, Buildings or Grounds**

8.19.1 The

8.19.2 If

### **8.20 Employment Eligibility Verification**

8.20.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth



in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.20.2 The Contractor shall indemnify, defend, and hold harmless, the LACDA, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the LACDA 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.

#### **8.21 Executive Order 11246 and 11375, Equal Opportunity in Employment**

8.21.1 The Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

- 8.21.2 The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 8.21.3 The Contractor will send to each labor union or representative of workers with which he has a collective bargaining Contract or other contract or understanding, a notice to be provided by the agency of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- 8.21.4 The Contractor will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the LACDA and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- 8.21.5 In the event of Contractor's noncompliance with the non-discrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
- 8.21.6 The Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to

Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such actions with respect to any subcontract or purchase order as the LACDA may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the LACDA, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

## **8.22 Facsimile Representations**

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

## **8.23 Fair Labor Standards**

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the LACDA 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 LACDA may be found jointly or solely liable.

## **8.24 Federal Lobbyist Requirements**

8.24.1 The Contractor is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd

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Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative Contract, and any extension, continuation, renewal, amendment or modification of said documents.

8.24.2 The Contractor must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Contractor will comply with the Lobbyist Requirements.

8.24.3 Failure on the part of the Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

## **8.25 Force Majeure**

8.25.1 The Parties agree that COVID-19 pandemic is not a force majeure event. 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, 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 sub-paragraph as "force majeure events").

8.25.2 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 sub-paragraph, the term “subcontractor” and “subcontractors” mean subcontractors at any tier.

8.25.3 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.

#### **8.26 Governing Law, Jurisdiction, and Venue**

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

#### **8.27 Indemnification**

**8.28 The Contractor shall indemnify, defend and hold harmless the LACDA, County, and its Special Districts, elected and appointed officers, employees, agents and volunteers (“LACDA Indemnitees”) from and against any and all third party claims, demands, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to Contractor’s negligent acts or omissions or willful misconduct during its performance under this Contract, except to the extent such loss or damage arises from the sole negligence or willful misconduct of the LACDA Indemnitees. Independent Contractor Status**

8.28.1 This Contract is by and between the LACDA 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 LACDA 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.

8.28.2 The 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 LACDA 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.

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

8.28.4 The Contractor shall adhere to the provisions stated in subparagraph 7.5 - Confidentiality.

### **8.29 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 Contractor shall use its best efforts to extend such lower prices to the LACDA.

### **8.30 Nondiscrimination and Affirmative Action**

8.30.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be

treated equally without regard to or because of race, color, 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.

8.30.2 The Contractor shall certify to, and comply with, the provisions of the Contractor's EEO Certification, a copy which is attached in Exhibit E – Required Contract Forms and Certifications.

8.30.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, 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.

8.30.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

8.30.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, 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.

8.30.6 The Contractor shall allow LACDA representatives access to the Contractor's employment records during regular business hours to

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verify compliance with the provisions of Paragraph 8.31 when so requested by the LACDA.

8.30.7 If the LACDA finds that any provisions of this Paragraph 8.31 have been violated, such violation shall constitute a material breach of this Contract upon which the LACDA may terminate or suspend this Contract. While the LACDA reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the LACDA that the Contractor has violated the anti-discrimination provisions of this Contract.

8.30.8 The Parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the LACDA 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.

### **8.31 Non Exclusivity**

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

### **8.32 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.

### **8.33 Notice of Disputes**

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

**8.34 Notice to Employees Regarding the Federal Earned Income Credit**

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

**8.35 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 C - LACDA's Administration and D - Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Division Director, or designee shall have the authority to issue all notices or demands required or permitted by the LACDA under this Contract.

**8.36 Prohibition Against Inducement or Persuasion**

Notwithstanding the above, the Contractor and the LACDA 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.

**8.37 Public Records Act**

8.37.1 Any documents submitted by the Contractor; all information obtained in connection with the LACDA's right to audit and inspect the Contractor's documents, books, and accounting records pursuant

Section 8.41 - Record Retention and Inspection/Audit Settlement of this Contract; as well as those documents which were required to be submitted in response to the solicitation used for this Contract, become the exclusive property of the LACDA. 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 LACDA 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.

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

### **8.38 Publicity**

8.38.1 The 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 LACDA shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- A. The Contractor shall develop all publicity material in a professional manner; and
- B. 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 LACDA without the prior written consent of the LACDA's Project Manager. The LACDA shall not unreasonably withhold written consent.

8.38.2 The Contractor may, without the prior written consent of the LACDA, indicate in its bids and sales materials that it has been awarded this Contract with the LACDA, provided that the requirements of this Section 8.39 shall apply.

### **8.39 Quality Assurance Plan**

8.39.1 The LACDA 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 LACDA determines are significant or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board and listed in the appropriate LACDA reports. The report to the Board will include improvement/corrective action measures taken by the LACDA and the Contractor. If improvement does not occur consistent with the corrective action measures, the LACDA may terminate this Contract or impose other penalties as specified in this Contract.

**8.40 A performance review will be conducted no later than ninety (90) days prior to the end of the first and second years of this Contract to evaluate the performance of the Contractor. Based on the assessment of the performance review, as determined by the LACDA in its sole discretion, written notification will be given to the Contractor whether this Contract will be terminated at the end of the current year or will be continued into the next contract year. For the avoidance of doubt, this section only applies to the Contractor's professional services.**

### **Record Retention and Inspection/Audit Settlement**

The 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 LACDA, 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 LACDA during the term of this Contract and for a period of five (5) years thereafter unless the LACDA's written permission is given to dispose of any such material prior to such time. All such material 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 LACDA's option, the Contractor shall pay the LACDA for travel, per diem, and other costs incurred by the LACDA to examine, audit, excerpt, copy, or transcribe such material at such other location. 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 LACDA within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the LACDA shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.40.1 Failure on the part of the Contractor to comply with any of the provisions of this Section 8.41 shall constitute a material breach of this Contract upon which the LACDA may terminate or suspend this Contract.

8.40.2 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 LACDA conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the LACDA's dollar liability for any such work is less than payments made by the LACDA to the Contractor, then the difference shall be either: a) repaid by the Contractor to the LACDA by cash payment upon demand or b) at the sole option of the LACDA, deducted from any amounts due to the Contractor from the LACDA, whether under this Contract or otherwise. If such audit finds that the LACDA's dollar liability for such work is more than the payments made by the LACDA to the Contractor, then the difference shall be paid to the Contractor by the LACDA by cash payment, provided that in no event shall the LACDA's maximum obligation for this Contract exceed the funds appropriated by the LACDA for the purpose of this Contract. For the avoidance of doubt, this only applies to the Contractor's Professional Services.

**8.41 Recycled Bond Paper**

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

**8.42 Intentionally Omitted.**

**8.43 Subcontracting**

8.43.1 The requirements of this Contract may not be subcontracted by the Contractor without the advance approval of the LACDA. Any attempt by the Contractor to subcontract without the prior consent of the LACDA may be deemed a material breach of this Contract.

8.43.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the LACDA's request:

- A. A description of the work to be performed by the Subcontractor;
- B. Comply with provisions of this Contract Other pertinent information and/or certifications reasonably requested by the LACDA.

- 8.43.3 The Contractor shall indemnify and hold the LACDA 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.
- 8.43.4 The 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 LACDA's approval of the Contractor's proposed subcontract.
- 8.43.5 The LACDA's consent to subcontract shall not waive the LACDA'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 LACDA right.
- 8.43.6 The LACDA's Project Manager is authorized to act for and on behalf of the LACDA with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract by the LACDA, Contractor shall forward a fully executed subcontract to the LACDA for their files.
- 8.43.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the LACDA's consent to subcontract.
- 8.43.8 The Contractor shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the LACDA from each approved Subcontractor. The Contractor shall ensure delivery of all such documents to the individual identified in Paragraph 8.36 - Notices before any Subcontractor employee may perform any work hereunder.

#### **8.44 Time Off For Voting**

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

**8.45 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.

**8.46 Waiver**

No waiver by the LACDA of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the LACDA 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 8.47 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

**8.47 Warranty Against Contingent Fees**

8.47.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.47.2 For breach of this warranty, the LACDA 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.

#### **8.48 Warranty of Compliance with County's Defaulted Property Tax Reduction Program**

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

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

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

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 8.49 "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 the LACDA under any other provision of this contract, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which the LACDA may terminate this Contract and/or pursue debarment of the Contractor, pursuant to County Code Chapter 2.206.

## **9.0 INSURANCE**

Without limiting Contractor's indemnification of LACDA Indemnitees, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Section 9 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 LACDA 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.

**9.1 Insurance Coverage**

9.1.1 Commercial General Liability Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming the LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents") as an additional insured, with limits of not less than:

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

9.1.2 Intentionally Omitted.

9.1.3 Intentionally Omitted.

**9.2 Additional Unique Insurance Coverage**

9.2.1 Intentionally Omitted.

9.2.2 Intentionally Omitted.

9.2.3 Intentionally Omitted.

9.2.4 Intentionally Omitted.

9.2.5 Technology Professional Liability Errors & Omissions Insurance

Insurance appropriate to the Contractor’s profession and work hereunder for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Insurance shall be sufficiently broad to respond to the duties and obligations as is undertaken by the Contractor in this Contract and shall include, but not be limited to, claims involving infringement of intellectual property, copyright, trademark, invasion of privacy violations, information theft, release of private information, extortion and

network security, coverage for violation of software copyright should be included. Technology services should at a minimum include (1) systems design, consulting, development and modification; (2) data entry, modification, verification, maintenance, retrieval or preparation of data output, and any other services provided by the vendor with limits of not less than \$5 million per occurrence. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

The Policy shall include, or be endorsed to include, **property damage liability coverage** for damage to, alteration of, loss of, or destruction of electronic data and/or information “property” of the LACDA in the care, custody, or control of the Contractor. If not covered under the Contractor’s liability policy, such “property” coverage of the LACDA may be endorsed onto the Contractor’s Cyber Liability Policy as covered property as follows: b.

Cyber Liability coverage in an amount sufficient to cover the full replacement value of damage to, alteration of, loss of, or destruction of electronic data and/or information “property” of the LACDA that will be in the care, custody, or control of Contractor.

c. The Insurance obligations under this agreement shall be the the minimum Insurance requirements shown in this agreement. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the indemnity or other obligations of the Contractor under this Contract.

#### 9.2.6 Privacy/Network Security (Cyber) Liability

Insurance coverage providing protection against liability for (1) privacy breaches (2) system breach; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code;

(5) unauthorized access to or use of computer systems with limits of not less than \$2 million. .

9.2.7 Intentionally Omitted.

**9.3 Certificate of Insurance Coverage:**

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

9.3.2 Renewal Certificates shall be provided to the LACDA not less than ten (10) days prior to Contractor's policy expiration dates. The LACDA reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.

9.3.3 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.

9.3.4 Certificates shall provide the full name of each insurer providing coverage, its National Association of Insurance Commissioners ("NAIC") identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any LACDA required endorsement forms.

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

9.3.6 Certificates and copies of any required endorsements shall be sent to:

Los Angeles County Development Authority

Administrative Services/Procurement Unit

700 W. Main Street, Alhambra, CA 91801

Attention: Maryann Robles, Information Technology Procurement Analyst

#### **9.4 Notices of Injury or Damage or Destruction**

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

#### **9.5 Additional Insured Status and Scope of Coverage**

The LACDA 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 LACDA. The LACDA 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 LACDA. The full policy limits and scope of protection also shall apply to the LACDA and its Agents as an additional insured, even if they exceed the LACDA's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

#### **9.6 Cancellation of or Change to Maintain Insurance**

The Contractor shall provide the LACDA with, or Contractor's insurance policies shall contain a provision that the LACDA 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 LACDA 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 LACDA, upon which the LACDA may suspend or terminate this Contract.

### **9.7 Failure to Maintain Insurance**

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

### **9.8 Contractor's Insurance Shall Be Primary**

The 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 LACDA maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

### **9.9 Insurance Specifics**

#### **9.9.1 Waivers of Subrogation**

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against the LACDA 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 effect such waiver.

#### **9.9.2 Sub-Contractor Insurance Coverage Requirements**

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

#### 9.9.3 Deductibles and Self-Insured Retentions (SIRs)

The Contractor's policies shall not obligate the LACDA to pay any portion of any Contractor deductible or SIR. The LACDA retains the right to require the Contractor to reduce or eliminate policy deductibles and SIRs as respects the LACDA, 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.

#### 9.9.4 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. The 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.

#### 9.9.5 Application of Excess Liability Coverage

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

#### 9.9.6 Separation of Insureds

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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.

#### 9.9.7 Alternative Risk Financing Programs

The LACDA 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 LACDA and its Agents shall be designated as an Additional Covered Party under any approved program.

#### **9.10 LACDA Review and Approval of Insurance Requirements**

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

## **10.0 TERMINATION**

### **10.1 Termination for Convenience**

10.1.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the LACDA, in its sole discretion, to be in its best interest. Termination of work hereunder 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 twenty (20) days after the notice is sent.

- A. After receipt of a notice of termination and except as otherwise directed by the LACDA, the Contractor shall:
- B. Stop work under this Contract on the date and to the extent specified in such notice, and

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

10.1.2 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 8.41 - Record Retention and Inspection/Audit Settlement.

## **10.2 Termination for Default**

10.2.1 The LACDA may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of the LACDA's Project Manager:

- A. Contractor has materially breached this Contract; or
- B. Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- C. 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 LACDA may authorize in writing) after receipt of written notice from the LACDA specifying such failure.

10.2.2 In the event that the LACDA terminates this Contract in whole or in part as provided in sub-paragraph 10.2.1, the LACDA may procure, upon such terms and in such manner as the LACDA may deem appropriate, goods and services similar to those so terminated. For professional services, the Contractor shall be liable to the LACDA for any and all excess costs incurred by the LACDA, as determined by the LACDA, 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 sub-paragraph.



10.2.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in sub-paragraph 10.2.2 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 LACDA in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this sub-paragraph 10.2.3, the terms "Subcontractor" and "Subcontractors" mean Subcontractor(s) at any tier.

10.2.4 If, after the LACDA has given notice of termination under the provisions of this Paragraph 10.2, it is determined by the LACDA that the Contractor was not in default under the provisions of this Paragraph 10.2, or that the default was excusable under the provisions of sub-paragraph 10.2.3, the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 10.1 - Termination for Convenience.

10.2.5 The rights and remedies of the LACDA provided in this Paragraph 10.2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

### **10.3 Termination for Improper Consideration**

10.3.1 The LACDA may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any LACDA 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 LACDA shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

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

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

### **10.4 Termination for Insolvency**

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

- A. 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;

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

10.4.2 The rights and remedies of the LACDA provided in this Paragraph 10.4 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### **10.5 Termination for Non-Adherence of County Lobbyist Ordinance**

The Contractor, and each LACDA Lobbyist or LACDA 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 LACDA Lobbyist or LACDA 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 LACDA may in its sole discretion, immediately terminate or suspend this Contract.

#### **10.6 Termination for Non-Appropriation of Funds**

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

## **11.0 UNIQUE TERMS AND CONDITIONS**

### **11.1 Data Destruction as it relates to the Contractor's Professional Services**

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- 11.1.1 Contractor(s) and vendor(s) that have maintained, processed, or stored the LACDA 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>)
- 11.1.2 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 LACDA, or external to the LACDA's boundaries. The LACDA 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.
- 11.1.3 The Vendor shall certify that any LACDA 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. The Vendor shall provide the LACDA with written certification, within ten (10) business days of removal of any electronic storage equipment and devices that validates that any and all LACDA data was destroyed and is unusable, unreadable, and/or undecipherable. This section 11.1 shall only apply to the Contractor's professional services.

## **11.2 Ownership of Materials, Software and Copyright as it relates to the Contractor's Professional Services**

- 11.2.1 The LACDA shall be the sole owner of all right, title and interest, in and to all plans, diagrams, facilities, and tools (hereafter "materials") which are originated or created through the Contractor's work pursuant to this Contract. The Contractor, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in the LACDA all of the Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to the Contractor's work under this Contract.
- 11.2.2 During the term of this Contract and for five (5) years thereafter, the Contractor shall maintain and provide security for all of the Contractor's working papers prepared under this Contract. LACDA 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.
- 11.2.3 Any and all materials, software and tools which are developed or were originally acquired by the Contractor outside the scope of this Contract, which the Contractor desires to use hereunder, and which the Contractor considers to be proprietary or confidential, must be specifically identified by the Contractor to the LACDA's Project Manager as proprietary or confidential, and shall be plainly and prominently marked by the Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.
- 11.2.4 The LACDA will use reasonable means to ensure that the Contractor's proprietary and/or confidential items are safeguarded and held in confidence. The LACDA agrees not to reproduce, distribute or disclose to non-LACDA or non-County entities any such proprietary and/or confidential items without the prior written consent of the Contractor.

11.2.5 Notwithstanding any other provision of this Contract, the LACDA will not be obligated to the Contractor in any way under Paragraph 11.2 for any of the Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by sub-paragraph 11.2.3 or for any disclosure which the LACDA is required to make under any state or federal law or order of court.

11.2.6 All the rights and obligations of this Paragraph 11.2 shall survive the expiration or termination of this Contract. This section 11.2 shall only apply to the Contractor's professional services.

**11.3 Patent, Copyright and Trade Secret Indemnification ~~as to the Contractor's Professional Services~~**

11.3.1 The Contractor shall indemnify, hold harmless and defend the LACDA from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's work under this Contract. The LACDA shall inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support the Contractor's defense and settlement thereof.

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

A. Procure for the LACDA all rights to continued use of the questioned equipment, part, or software product; or

- B. Replace the questioned equipment, part, or software product with a non-questioned item; or
- C. Modify the questioned equipment, part, or software so that it is free of claims.

11.3.3 The Contractor shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended. For the avoidance of doubt, this section only applies to the Contractor's professional services, and any indemnification as it relates to the Oracle technical support is governed by the Oracle terms incorporated within the Omnia Contract.

[Signatures on the following page]

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**SIGNATURES**

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

By \_\_\_\_\_  
Behnaz Tashakorian  
Principal Deputy County Counsel

CONTRACTOR: MYTHICS, LLC

By \_\_\_\_\_  
[Name of Contractor]  
[Title]

LOS ANGELES COUNTY DEVELOPMENT  
AUTHORITY

APPROVED AS TO FORM:  
DAWYN R. HARRISON  
County Counsel

By \_\_\_\_\_



Emilio Salas  
Executive Director

APPROVED AS TO PROGRAM:  
ADMINISTRATIVE SERVICES DIVISION

By \_\_\_\_\_  
Kathy Thomas  
Chief of Operations

## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/5/2024	
<b>BOARD MEETING DATE</b>	6/25/2024	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input checked="" type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Department of Mental Health	
<b>SUBJECT</b>	Ten-year new sublease for 5,644 square feet of office space and 18 on-site parking spaces at 525 West Avenue P-4, Palmdale, CA 93551	
<b>PROGRAM</b>	Antelope Valley KIDZ Connection	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>		
<b>COST &amp; FUNDING</b>	Total cost: \$\$\$3,098,000 for initial 10 years. If option to extend is exercised for additional 3 years, total cost will be \$3,819,000	Funding source: The proposed new sublease costs will be fully funded by State and Federal funds that is already included in DMH's operating budget. DMH will not be requesting additional NCC for this action.
	TERMS (if applicable): The proposed new sublease will have an annual rental cost of \$163,000 for the first year, where the landlord will be responsible for all operating expenses, including utilities, janitorial, repair and maintenance to the building.	
	Explanation: Sufficient funding to cover the proposed rent for the first year of the proposed sublease term will be included in the Fiscal Year 2024-25 Operating budget and will be billed back to DMH. Future funding for the costs associated with the proposed sublease will be addressed through the annual budget process for DMH.	
<b>PURPOSE OF REQUEST</b>	Approval of the recommended actions will authorize and provide use of office space for DMH.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The proposed sublease at the Premises will serve as a replacement site for DMH's existing site at 2323 Palmdale Boulevard, Palmdale which is owned by a landlord of concern. Upon completion of TIs and relocation for the remaining two DMH programs at the current site (which will be at two separate locations and will be presented to the Board separately), County will terminate the existing lease.	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
<b>DEPARTMENTAL CONTACTS</b>	Alexandra Nguyen-Rivera Section Chief, Leasing CEO Real Estate Division 213-974-4189 arivera@ceo.lacounty.gov	



**Chief  
Executive  
Office.**

**COUNTY OF LOS ANGELES**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, CA 90012  
(213) 974-1101 ceo.lacounty.gov

**CHIEF EXECUTIVE OFFICER**

Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

June 25, 2024

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:

**TEN-YEAR SUBLEASE  
DEPARTMENT OF MENTAL HEALTH  
525 WEST AVENUE P-4, PALMDALE  
(FIFTH DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of a proposed new ten-year sublease for 5,644 square feet of office and 18 on-site parking spaces for the Department of Mental Health (DMH) for the Antelope Valley Kidz Connect (AVKC) program.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed sublease 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 sublease with Children's Bureau of Southern California, a California nonprofit public benefit corporation (Landlord), for approximately 5,644 square feet of office space, and 18 on-site parking spaces located at 525 West Avenue P-4, Palmdale (Premises) to be occupied by DMH. This proposes a sublease for a term of ten years. The estimated maximum first year base rental cost is \$163,000. The estimated total proposed sublease cost including tenant improvements (TIs) is \$3,098,000 over the ten-year term. The rental costs will be 100 percent funded by State and Federal funds that will be included in DMH's Operating budget. DMH will not be requesting additional net County cost for this action.

3. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord up to \$960,783 for the County's TI contribution, if paid in lump sum or \$1,169,000 if amortized over five years at 8 percent interest per annum.
4. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed sublease, and to take actions necessary and appropriate to implement the proposed sublease, including, without limitation, exercising any early termination rights, option to extend the lease by an additional three years, and executing a Non-disturbance and Attornment Agreement with Children's Bureau Palmdale, the prime landlord who leases the Premises to the Landlord.

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

On October 14, 2008, the Board adopted the Katie A. Strategic Plan and directed DMH to provide a comprehensive vision of the current and planned delivery of mental health services to children and youth under the supervision and care of child welfare as well as children and youth at risk of entering the child welfare system. In response, DMH opened a clinic, known as the Antelope Valley Kidz Connection at the current site leased at 2323 Palmdale Boulevard, Palmdale. The proposed sublease at the Premises will serve as a replacement site for DMH's existing site and will function as a clinic directly under the umbrella of Specialized Foster Care Programs.

The proposed Premises will house 21 employees who render clinical assessments and urgent intervention to children and youth in the Antelope Valley. Although DMH has implemented telework where possible, the on-site coverage is necessary at the proposed Premises to provide a system of care for children and youth involving expert clinical assessments and/or clinical intervention of approximately 50 clients daily.

The proposed sublease will enable DMH to service the County. The proposed Premises is newly redeveloped in a market with very limited space. The Landlord works with foster children and will be co-located in the space next to the proposed Premises, which will create more efficient access to services for clients. Also, the proposed Premises is near the existing site so access for clients will not be affected. Lastly, the proposed Premises is located near public transportation routes.

The Premises are currently owned by Children's Bureau Palmdale, a California nonprofit public benefit corporation (Prime Landlord). Pursuant to a Prime Lease Agreement dated March 16, 2023, the Prime Landlord leased the proposed Premises to the Landlord. The Prime Lease Agreement terminates December 31, 2053. As part of the County's entering into the proposed Sublease Agreement, the County and Prime Landlord will also enter into a Non-disturbance and Attornment Agreement whereby the Prime Landlord agrees to allow the County to remain in the proposed Premises if the Prime Lease terminates. Further, if the Prime Lease terminates, the Prime Landlord will enter into a new lease with

the County so that the County can continue its occupancy of the proposed Premises.

### **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 sublease is also consistent with Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions and Key Objective 3 – Optimize Real Estate Portfolio.

The proposed sublease supports the above goals and objective by providing DMH a directly operated clinic under the umbrella program of Specialized Foster Care Programs in the service area.

The proposed sublease conforms with the Asset Management Principles outlined in Enclosure A.

### **FISCAL IMPACT/FINANCING**

The estimated maximum first year base rental cost is \$163,000, which includes parking at no additional cost. The aggregate cost associated with the proposed sublease over the initial ten-year term, including TIs, is \$3,098,000. If the option to extend is exercised for an additional three years, the aggregate cost of the option term is \$721,000, for an estimated total lease cost of \$3,819,000 over the 13-year term as shown in Enclosure B. The proposed sublease costs will be fully funded by State and Federal funds. DMH will not be requesting additional net County cost for this action.

Sufficient funding to cover the proposed rent for the first year of the proposed sublease term will be included in the Fiscal Year 2024-25 Operating budget and will be billed back to DMH. Future funding for the costs associated with the proposed sublease will be addressed through the annual budget process for DMH.

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

In addition to the terms previously stated, the proposed new sublease also includes the following provisions:

- The annual rental rate will be \$28.80 per square foot, per year. Base rent is subject to fixed annual increases of 3.75 percent.

- Total TI costs, including low-voltage items, are expected to be \$1,042,057. The Landlord will provide \$81,274 (\$14.40 per square foot) base TI allowance.
- The County will reimburse the Landlord up to \$960,783 (\$170.23 per square foot) as the County's TI contribution. The County will amortize this amount over five years with an interest rate of 8 percent for a fully amortized amount not to exceed \$1,169,000.
- The Landlord is responsible for all operating and maintenance cost of the building, and all utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs.
- A ten-year initial term with an option to extend the proposed sublease for an additional three years with nine months' prior notice. If the option is exercised, the total term of the proposed sublease would be 13 years.
- The County has a one-time right to terminate the proposed sublease any time after the 84th month with 120 days' prior written notice.
- Holdover at the proposed sublease expiration is permitted on the same lease terms and conditions except the monthly base rent during the holdover period will increase by 4 percent of the base rent at the time of the proposed sublease expiration.
- The proposed sublease will be effective upon approval by the Board and full execution of the proposed sublease, but the term and rent will commence 30 days after substantial completion of the TIs by the Landlord and acceptance of the Premises by the County.

The Chief Executive Office issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for this space need, through the Board's Executive Office website and Real Estate's County website. No responses were received. The Chief Executive Office conducted a market search of available office space for lease and 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 \$27 and \$42.84 per square foot, per year. The base annual rental rate of \$28.80 per square foot, per year for the proposed sublease represents a rate that is on the low end of the market range for the area. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

Co-working space is not practical for DMH due to the mental health clinic use with high volume of daily clients at the proposed Premises.

Enclosure C shows all County-owned and leased facilities within the surveyed areas and there are no County-owned or leased facilities available for this space requirement.

The Department of Public Works has inspected the facility and found it suitable for County occupancy. Construction of the TIs will be completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act. 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 sublease and has approved it as to form. The proposed sublease is authorized by Government Code Section 25351, which allows the County to enter into leases and agreements for the leasing of buildings, as necessary, to carry out the work of the county government.

The proposed sublease will provide a suitable office location for DMH's program(s), which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors 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 (Existing Facilities) of the State CEQA Guidelines (Guidelines). The proposed lease amendment, which involves the leasing of existing office space with minor tenant improvements 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 the Existing Facilities exemption of the 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 sublease will adequately provide the necessary office space, and parking spaces for this County requirement. DMH concurs with the proposed sublease and recommendations.

The Honorable Board of Supervisors  
June 25, 2024  
Page 6

Respectfully submitted,

FESIA A. DAVENPORT  
Chief Executive Officer

FAD:JMN:JTC  
JLC:HD:ANR:OM:gb

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Mental Health



**DEPARTMENT OF MENTAL HEALTH  
525 WEST AVENUE P-4, PALMDALE, CA 93551**

**Asset Management Principles Compliance Form<sup>1</sup>**

1. <u>Occupancy</u>		Yes	No	N/A
A	Does Sublease consolidate administrative functions? <sup>2</sup>			X
B	Does Sublease co-locate with other functions to better serve clients? <sup>2</sup>	X		
C	Does this Sublease centralize business support functions? <sup>2</sup>			X
D	Does this Sublease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>269 sq. ft. of space per person (based on 21 staff due to private interview rooms, multiple conference rooms, IT server room and public lobby.</b>		X	
E	Does Sublease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>18 parking spots is a ratio of 3.19/1,000 due to being a multi-tenant building.</b>		X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed Sublease location? <sup>2</sup>	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 Sublease or an operating Sublease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is Sublease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report enclosed as Enclosure C?			X
G	Was build-to-suit or capital project considered? <sup>2</sup>			X
3. <u>Portfolio Management</u>				
A	Did department use CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal Sublease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> 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 Sublease a full-service Sublease? <sup>2</sup>	X		
F	Has growth projection been considered in space request?	X		
G	<sup>1</sup> Has the Dept. of Public Works completed seismic review/approval?	X		
<sup>1</sup> As adopted by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

**OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS**

**525 West Avenue P-4, Palmdale  
Department of Mental Health**

**Basic Lease Assumptions**

Leased Area (sq.ft.)	5,644	
	<b>Monthly</b>	<b>Annual</b>
Rent (per sq. ft.)	\$2.40	\$28.80
Rent Amount (\$)	\$13,545.60	
Term (Month/Years)	10 Years	
Annual Rent Adjustment	3.75%	

	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	6 <sup>th</sup> Year	7 <sup>th</sup> Year	8 <sup>th</sup> Year	9 <sup>th</sup> Year	10 <sup>th</sup> Year	Total 10 Year Rental Costs
<b>Annual Base Rent Costs <sup>(1)</sup></b>	\$162,547	\$168,643	\$174,967	\$181,528	\$188,335	\$195,398	\$202,725	\$210,328	\$218,215	\$226,398	<b>\$1,930,000</b>
<b>Tenant Improvments <sup>(2)</sup></b>	\$233,774	\$233,774	\$233,774	\$233,774	\$233,774						<b>\$1,169,000</b>
<b>Adjusted Rental Costs</b>	\$396,322	\$402,417	\$408,741	\$415,302	\$422,110	\$195,398	\$202,725	\$210,328	\$218,215	\$226,398	<b>\$3,098,000</b>
<b>Total Paid to Landlord</b>	\$396,322	\$402,417	\$408,741	\$415,302	\$422,110	\$195,398	\$202,725	\$210,328	\$218,215	\$226,398	<b>\$3,098,000</b>

Option Rent	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	Total 3 Year Rental Costs
<b>Annual Base Rent <sup>(3)</sup></b>	\$233,190	\$240,186	\$247,391	<b>\$721,000</b>
<b>Total Paid to Landlord with Option Rent</b>	\$233,190	\$240,186	\$247,391	<b>\$721,000</b>

Est. Aggregate costs of 13 yr Term: **\$3,819,000**

**Footnotes**

<sup>(1)</sup> The Base Rent is subject to annual increases of 3.75%.

<sup>(2)</sup> Tenant shall be responsible for reimbursement for tenant improvements for first 5 years at 8% interest rate

**DEPARTMENT OF MENTAL HEALTH**  
**SPACE SEARCH – 5 MILE RADIUS IN PALMDALE, CALIFORNIA**

LACO	Name	Address	Proprietor	Ownership	GrossSQFT	Vacant
A443	Fire - Palmdale Fire Prevention Suboffice	710 E Palmdale Blvd Palmdale 93550	Fire Department	Gratis Use	30	None
A273	DCFS - Foster Youth Edu Program (Palmdale)1	2137 E Ave R Palmdale 93550	Children and Family Services	Gratis Use	72	None
11375	Palmdale Station Gas Station	750 E Ave Q Palmdale 93550	Sheriff	Owned	1011	None
A364	Sheriff - North Region Vehicle Theft Program	1713 E Palmdale Blvd Palmdale 93550	Sheriff	Permit	1050	None
X233	PW Road - Div #557 Yard Materials Eng Office/Lab	38126 N Sierra Hwy Palmdale 93550	Public Works	Owned	1060	None
X840	PW Road - Rmd 5 Palmdale District Survey Div Office	840 E Ave Q-12 Palmdale 93550	Public Works	Owned	1275	None
11397	Palmdale Station Gas Tank Yard	750 E Ave Q Palmdale 93550	Sheriff	Owned	1776	None
10297	BOS - 5th District Field Office	42455 10th St. West, suite 104 Lancaster 93534	Board of Supervisors	Leased	2053	None
X232	PW Road - Palmdale Maintenance District #5 Building	38126 N Sierra Hwy Palmdale 93550	Public Works	Owned	7040	None
A149	DMH - Adult Protective Services	2323 A E Palmdale Blvd Palmdale 93550	Mental Health	Leased	9255	None
A255	Child Support Services - Div VI Reg Office	42281 10th St. W Lancaster 93534	Child Support Services	Leased	14600	None
A380	DPSS - Antelope Valley Gain Reg II Sub - Office	1050 E Palmdale Blvd Palmdale 93550	Public Social Services	Leased	18795	None
10433	DCFS - Palmdale Office	39115 Trade Center Dr Palmdale 93551	Children and Family Services	Leased	41674	None
X537	Sheriff - Palmdale Station	750 E Ave Q Palmdale 93550	Sheriff	Owned	50186	None

## FACILITY LOCATION POLICY ANALYSIS

**Proposed Sublease:** New sublease for the Department of Mental Health at 525 West Avenue P-4, Palmdale – 5<sup>th</sup> District.

**A. Establish Service Function Category** – DMH to provide direct comprehensive mental health services to children and youth at risk of entering the child welfare system.

**B. Determination of the Service Area** – This proposed Sublease will provide the Department of Mental Health occupancy of 5,644 square feet of office space and 18 on-site parking spaces.

### **C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population: Continued need for clinic operation in the Antelope Valley and surrounding areas.
- Need for proximity to existing County facilities: Close to several County departments including Departments of Public Social Services and Children and Family Services.
- 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.
- 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 new location is available to sublease and meets all of DMH's needs.
- 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 cost associated with the proposed sublease over the initial ten-year term is \$3,098,000. If the option to extend is exercised for an additional three years, the aggregate cost of the option term is \$721,000, for an estimated total lease cost of \$3,819,000 over the 13-year term.

**D. Analyze results and identify location alternatives**

The CEO conducted a market search of available office space for lease and was unable to identify a site 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 \$27.00 and \$42.84 per square foot, per year. The base annual rental rate of \$28.80 per square foot, per year for the proposed sublease represents a rate that is on the low end of the market range for the area. We recommend the Premises as the most suitable to meet the County's space requirements.

**E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria**

The proposed sublease will provide adequate and efficient office space for 21 employees, and clients consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**SUBLEASE AGREEMENT**

**COUNTY OF LOS ANGELES - Tenant  
CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA – Landlord**

**525 WEST AVENUE P-4  
PALMDALE, CALIFORNIA**

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## **EXHIBITS**

- Exhibit A – Floor Plan of the Premises
- Exhibit B – Commencement Date Memorandum and Confirmation of Lease Terms
- Exhibit C – Heating, Ventilation, and Air Conditioning Standards
- Exhibit D – Cleaning and Maintenance Schedule
- Exhibit E – Subordination, Non-disturbance and Attornment Agreement
- Exhibit F – Tenant Estoppel Certificate
- Exhibit G – Community Business Enterprises Form
- Exhibit H – Memorandum of Lease Terms
- Exhibit I – Landlord's Work Letter
- Exhibit J - New Market Tax Credits Rider

**ADDENDUM NO. 1** – Additional Terms to Lease Agreement

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE

SUBLEASE AGREEMENT

This SUBLEASE AGREEMENT ("Lease") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA, a California nonprofit public benefit corporation ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord is the Master Lessee under that certain Prime Lease Agreement dated as of March 16, 2023 (the "Prime Lease"), by and between CHILDREN'S BUREAU PALMDALE, a California nonprofit public benefit corporation ("Master Lessor") and Landlord.

Landlord and Tenant agree:

**1. BASIC LEASE INFORMATION**

1.1 Terms

The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

(a) Landlord's Address for Notices:	1910 Magnolia Avenue Los Angeles, CA 90007 213-342-0134 Ext 1134 626-524-1752 Email: <a href="mailto:gaylewhitemore@all4kids.org">gaylewhitemore@all4kids.org</a>
(b) Tenant's Address for Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate  With a copy to:  County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street, Suite 648 Los Angeles, CA 90012-2713 Attention: Property Division
(c) Premises:	Approximately 5,644 rentable square feet, in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.

(d) Building:	The Building located at 525 West Avenue P-4, Palmdale, California, which is currently assessed by the County Assessor as APN 3003-001-049 (collectively, the "Property");
(e) Term:	Ten (10) years, commencing thirty (30) days after the date of Tenant's Acceptance of the Premises, as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the 10th annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Sub-Lease" or "the Term hereof" as used in this Sub-Lease, or words of similar import, shall refer to the initial Term of this Sub-Lease together with any additional Extension Term for which an option has been validly exercised.
(f) Estimated Commencement Date:	July 1, 2024
(g) Irrevocable Expiration (see Section 33) Offer Date:	July 1, 2024
(h) Base Rent:	\$2.40 per rentable square foot per month  (i.e., \$13,545.60 per month or \$162,547.20 per year)
(i) Early Termination (see Section 4.4)	Minimum one-hundred and twenty (120) days' notice on or after the 84th month following the Commencement Date.
(j) Rentable Square Feet in the Premises:	5,644 rentable square feet
(k) Initial Departmental Use:	Department of Mental Health, subject to Section 6.
(l) Parking Spaces:	18 unreserved spaces
(m) Tenant's Hours of Operation:	8:00 a.m. to 7:00 p.m. Monday through Friday
(n) Asbestos Report:	New building built to meet most recent code requirements per certificate of occupancy

(o) Seismic Report	New building built to meet most recent code requirements per certificate of occupancy
(p) Disabled Access Survey	New building built to meet most recent code requirements per certificate of occupancy

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Landlord's TI Allowance:	\$81,273.60
(b) Tenant's TI Contribution:	\$960,782.46
(c) Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate:	Fixed 8 percent (8%) per annum over the first sixty (60) months of the lease Term
(d) Estimated Monthly Payments Attributable to Total TI Costs in Excess of Landlord's TI Allowance	Up to \$19,481.20 per month
(e) Tenant's Work Letter Representative:	An assigned staff person of the Chief Executive Office-Real Estate Division
(f) Landlord's Work Letter Representative:	Lilly Mucsi Project Manger Turner & Townsend Heery Lilly.Mucsi@turntown.com
(g) Landlord's Address for Work Letter Notices:	1910 Magnolia Avenue Los Angeles, CA 9007
(h) Tenant's Address for Work Letter Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate

<p>1.3 Exhibits to Lease</p>	<p>Exhibit A - Floor Plan of Premises  Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms  Exhibit C - HVAC Standards  Exhibit D - Cleaning and Maintenance Schedule  Exhibit E - Subordination, Non-Disturbance and Attornment Agreement  Exhibit F - Tenant Estoppel Certificate  Exhibit G - Community Business Enterprises Form  Exhibit H - Memorandum of Lease  Exhibit I - Landlord's Work Letter  Exhibit J - New Market Tax Credits Rider</p>
<p>1.4 <u>Addendum No. 1</u></p> <p>(Executed concurrently with this Lease and incorporated herein by this reference):</p>	<p>Additional Terms to Lease Agreement</p>

**2. PREMISES**

2.1 Lease of Premises

Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1.1 and depicted on Exhibit A attached hereto.

2.2 Measurement of Premises

Tenant shall have the right at any time during the Term of this Lease to field-measure and verify the exact footage of the Premises and/or the Building. All measurements shall be taken in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-2010, as promulgated by the Building Owners and Management Association ("BOMA") International, except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, then Tenant shall have the right to adjust such square footage and reduce the Base Rent in Section 1.1 accomplished by the mutual execution of an amendment to this Lease. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no increase made to the Base Rent if the measured square footage exceeds the amount represented by Landlord.

**3. COMMON AREAS**

Tenant may use the following areas ("Common Areas") in common with Landlord and any other tenants of the Building: the entrances, lobbies, corridors and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all

reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Landlord.

#### **4. COMMENCEMENT AND EXPIRATION DATES**

##### **4.1 Term**

The term of this Sub-Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Sub-Lease Terms in the form attached hereto as Exhibit B. The term "Tenant's Acceptance of the Premises" as used in this Sub-Lease shall mean the date upon which the Tenant Improvements and the Premises are Substantially Complete, Tenant has inspected the Premises, and Tenant has accepted the Tenant Improvements and the Premises in writing. The terms "Substantial Completion" or "Substantially Complete" as used in this Sub-Lease shall mean compliance with all of the following:

- (a) The shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises;
- (b) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease and Landlord's Work Letter (if any), including the installation of modular furniture systems, if so required under the Work Letter (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises;
- (c) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent;
- (d) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Sub-Lease; and
- (e) If Landlord is responsible for the installation of telecommunications systems, then such systems shall be completely operational.

##### **4.2 Termination Right**

If the Commencement Date has not occurred within sixty (60) days after the Estimated Commencement Date, subject to Tenant Delays or Force Majeure Delays, as provided in Landlord's Work Letter executed concurrently herewith and attached hereto as Exhibit I and incorporated herein by reference, then Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord, and the parties shall have no further rights or obligations to one another hereunder.

#### 4.3 Early Entry

Tenant shall be entitled to enter the Premises not less than thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures, and equipment in the Premises. Such early entry shall be subject to all provisions hereof, but shall not advance the Termination Date, and Tenant shall not pay Base Rent nor any other charges for such early entry period.

#### 4.4 Early Termination

Tenant shall have the right to terminate this Lease at any time after the Early Termination date specified in Section 1.1, by giving Landlord not less than one-hundred and twenty (120) days prior written notice, executed by Tenant's Chief Executive Officer or his/her designee.

#### 4.5 Lease Expiration Notice

No later than twelve (12) months, nor earlier than eighteen (18) months, prior to the expiration of the Lease Term, Landlord shall provide a written notice to Tenant notifying Tenant of the Termination Date.

### 5. RENT

#### 5.1 Base Rent

Tenant shall pay Landlord the Base Rent stated in Section 1.1 during the Term hereof within fifteen (15) days after (a) the Commencement Date, and (b) the first day of each calendar month thereafter, provided that at least fifteen (15) business days prior to the Commencement Date, Landlord must provide the Auditor of the County of Los Angeles with the following information: (i) name and address of Landlord or other party to whom Base Rent should be paid, (ii) Landlord's federal tax ID number; (iii) name of contact person and contact information (including phone number) for Landlord; (iv) a completed IRS form W-9, and (v) evidence of insurance in compliance with Section 20.2. If Landlord fails to timely provide the information required pursuant to this Section 5.1, or to provide updates for any changed information, then Tenant shall not be required to pay Base Rent to Landlord until fifteen (15) business days after Landlord provides such information. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month.

#### 5.2 Base Rent Adjustment

- (a) Annual Adjustments. From and after the first anniversary of the 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, Base Rent shall be adjusted by increasing Base Rent by 3.75% of the Base Rent payable in the month preceding the applicable adjustment.

### 6. USES

Landlord agrees that the demised Premises, together with all appurtenances thereto, shall be used by the Tenant for the government department set forth in Section 1.1, any other County Department the County designates, any other governmental purposes, or other



lawful purposes that do not materially adversely interfere with other uses in the Building, during Tenant's Hours of Operation, after Tenant's Hours of Operation, and on weekends and holidays.

**7. HOLDOVER**

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, Tenant shall be deemed month to month at 104% of the monthly lease payment last prevailing hereunder and such occupancy shall be a tenancy which is terminable only upon ninety (90) days written notice from Landlord or thirty (30) days written notice from Tenant's Chief Executive Officer or his/her designee at the last monthly Base Rent payable under this Lease, plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

**8. COMPLIANCE WITH LAW**

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including but not limited to the Americans with Disabilities Act ("ADA"), except if such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

**9. DAMAGE OR DESTRUCTION**

9.1 Damage

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days, then Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made unusable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant.

9.2 Tenant Termination Right

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving

Landlord written notice within ten days after Tenant's receipt of written notice from Landlord or its agents specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. If Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages.

### 9.3 Damage In Last Year

Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, then either Landlord or Tenant may terminate this Lease by giving written notice to the other not more than thirty (30) days after such destruction, in which case:

- (a) Landlord shall have no obligation to restore the Premises;
- (b) Landlord may retain all insurance proceeds relating to such destruction, and
- (c) This Lease shall terminate as of the date which is thirty (30) days after such written notice of termination.

### 9.4 Default By Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section 9, and Landlord thereafter fails to diligently prosecute said repair and restoration work to completion, as determined by Tenant in its reasonable discretion, then Tenant may, at its sole election:

- (a) Declare a default hereunder, or
- (b) Perform or cause to be performed the restoration work and deduct the cost thereof, plus interest thereon at ten percent (10%) per annum, from the next installment(s) of Base Rent due as a charge against the Landlord.

## 10. REPAIRS AND MAINTENANCE

### 10.1 Landlord Representations

- (a) Landlord represents to Tenant that, as of the date hereof and on the Commencement Date:
  - i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, and are in good working order and condition;
  - ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;

- iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
  - iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.
- (b) Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report (as defined in Section 1.1) that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos-containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

(c) CASp Inspection:

In accordance with California Civil Code Section 1938, Landlord hereby states that the Premises and the Common Areas: *[Check the appropriate box]*

Have undergone inspection by a Certified Access Specialist (a "CASp") and have been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord shall provide Tenant with a copy of the CASp inspection report and a current disability access inspection certificate for the Premises within seven (7) days after the execution of this Lease.

Have undergone inspection by a Certified Access Specialist and have not been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord has provided Tenant with a copy of the CASp inspection report at least 48 hours prior to the execution of this Lease. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

Have not undergone inspection by a Certified Access Specialist. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the

lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord's and Tenant's respective responsibilities for compliance with any design and construction related accessibility obligations as provided under this Lease or any Work Letter.

- (d) Landlord agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a material breach of Landlord's representations contained in this Section 10.1.

## 10.2 Landlord Obligations

- (a) Landlord shall keep and maintain the Property in good condition and repair and promptly make repairs to and perform maintenance upon and replace as needed:
  - i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
  - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
  - iii. the Common Areas;
  - iv. exterior windows of the Building; and
  - v. elevators serving the Building, if any.
- (b) Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to, or replacements of:
  - i. the floor covering (if such floor covering is carpeting it shall be replaced as needed);
  - ii. interior partitions;
  - iii. doors, door frames and hardware;
  - iv. the interior side of demising walls (which shall be repainted as needed but not less often than every five (5) years);

- v. signage;
  - vi. emergency exit signage and battery replacement;
  - vii. HVAC equipment dedicated to the mechanical rooms housing Tenant's computer servers and related equipment; and
  - viii. Light fixtures, bulbs, tubes and ballasts.
- (c) Landlord shall, to the best of its ability, provide all reports, maintenance records, or other documentation as may be requested from time to time.

### 10.3 Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, Tenant shall be responsible for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, and (ii) the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

- (a) be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld, conditioned or delayed;
- (b) be at least equal in quality, value and utility to the original work or installation; and
- (c) be in accordance with all applicable laws.

### 10.4 Tenant's Right to Repair

- (a) If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to provide such action within a reasonable period of time given the circumstances after the giving of such notice, but in any event not later than five (5) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) days after written notice, then Tenant shall be entitled to deduct from Base

Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.

- (b) Notwithstanding any provisions of this Lease to the contrary, Tenant, acting through the County's Chief Executive Office, may request that the Landlord perform, supply and administer any repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, not to exceed \$5,000, as part of a separate purchase order issued by the County on Tenant's behalf. Any improvements by Landlord shall be subject to (i) the Work Letter provisions regarding selection and bidding of contractors, Landlord-Tenant coordination and audit rights, and Tenant's remedies found in said Work Letter; and (ii) compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein. This Section shall not apply to any Tenant Improvements as defined in Section 24.

## 11. **SERVICES AND UTILITIES**

### 11.1 Services

- (a) Heating, Ventilation and Air Conditioning (HVAC)

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Tenant's Hours of Operations in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit C attached hereto. In addition, Landlord shall furnish HVAC at all times (i.e., twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year) to the mechanical rooms housing Tenant's computer servers and related equipment.

- (b) Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Landlord's Work Letter (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of rentable square feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

- (c) Intentionally Omitted

- (d) Water

Landlord shall make available in the Premises warm and cold water for normal lavatory and kitchen purposes and potable water for drinking purposes, all of which shall meet applicable government standards.

(e) Janitorial

Landlord, at its sole cost and expense, shall provide janitorial service five (5) nights per week, generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit D attached hereto.

(f) Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building. If required, Landlord shall provide access cards or fobs to all Tenant employees for Building entry, elevators, and/or floor access, at Landlord's sole cost and expense.

(g) Pest Control

Landlord at its sole cost and expense shall provide any and all pest control services to the Premises per the specifications set forth in Exhibit D attached hereto.

11.2 Utilities

Landlord agrees to pay, at its sole cost, when due, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, electricity, gas, heating and common area power and lighting, trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord ten (10) calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the next installments of rent due as a charge against the Landlord.

**12. TAXES**

Landlord, at its sole cost and expense, shall pay, prior to delinquency, all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or the Building during the term of this Lease or any renewal or holdover period thereof.

In the event Landlord fails or refuses to pay any or all taxes or assessments when due, Tenant may, at its sole discretion, give Landlord thirty (30) calendar days prior written notice and thereafter pay such taxes and assessments and deduct the payments from the next installments of rent due as a charge against the Landlord.

### **13. LANDLORD ACCESS**

Tenant shall permit Landlord and its agents to enter the Premises during Tenant's Hours of Operations upon prior written notice only for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or the Premises, Base Rent shall be prorated based upon the percentage of the Premises or the Building rendered unusable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency and notify Tenant immediately thereafter.

### **14. TENANT DEFAULT**

#### **14.1 Default**

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant ("Default"):

- (a) the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder) as and when due, and the failure continues for a period of ten (10) days after written notice to Tenant;
- (b) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure, within said thirty (30)-day period and thereafter diligently prosecutes such cure to completion.

#### **14.2 Termination**

Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

#### **14.3 No Effect on Indemnity**

Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

### **15. LANDLORD DEFAULT**

#### **15.1 Remedies**

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five (5) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be



cured within such five day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

- (a) to remedy such default or breach and deduct the costs thereof (including but not limited to attorney' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due;
- (b) to pursue the remedy of specific performance;
- (c) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or
- (d) to terminate this Lease.

#### 15.2 Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

#### 15.3 Emergency

Notwithstanding the foregoing cure period, Tenant may cure any default where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. In such cases, Tenant may perform the necessary work through its Internal Services Department and deduct the cost of said work from the Base Rent next due.

### **16. ASSIGNMENT AND SUBLETTING**

#### 16.1 Assignment and Subletting

Tenant may not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises, except to another Los Angeles County Department so long as such department's use of the Premises complies with the Prime Lease agreement, without first obtaining Landlord's prior written consent; and further, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

## 16.2 Sale

If Landlord sells or conveys the Property, then all liabilities and obligations of Landlord accruing under this Lease after the sale or conveyance shall be binding upon the new owner, and the transferor shall be released from all liability under this Lease accruing subsequent to such sale or conveyance, provided that the transferee assumes Landlord's remaining obligations hereunder in writing. Nothing in this Section 16.2 shall be deemed to release Landlord's successor in interest from responsibility for any condition (including but not limited to deferred maintenance) existing on the date of transfer.

Upon any sale or transfer of the Property by Landlord, Landlord shall provide thirty (30) days prior written notice of said sale or transfer to Tenant. In addition, Landlord shall provide the following information to Tenant, at Tenant's Address for Notice (set forth in Section 1.1 hereof), as a condition of Tenant's obligation to pay Base Rent to the new owner:

- (a) A letter from the Landlord confirming that the Property was transferred to the new owner, along with written evidence of the transfer of the Property (e.g., a recorded deed).
- (b) A signed letter from the new owner including the following information:
  - i. Name and address of new owner or other party to whom Base Rent should be paid
  - ii. Federal tax ID number for new owner
  - iii. Name of contact person and contact information (including phone number) for new owner
  - iv. Proof of insurance
- (c) A W-9 form for new owner.

Tenant shall not be obligated to pay any rental amounts to any party other than the Landlord named herein until such time as all the requirements of this Section 16.2 are satisfied.

## 17. ALTERATIONS AND ADDITIONS

### 17.1 Landlord Consent

Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If Landlord fails to respond in writing within thirty (30) days after Tenant's request, then Landlord shall be deemed to have approved the requested Alterations. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria:

- (a) complies with all laws;

- (b) is not visible from the exterior of the Premises or Building;
- (c) will not materially affect the systems or structure of the Building; and
- (d) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.

#### 17.2 End of Term

Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

### 18. CONDEMNATION

#### 18.1 Controlling Terms

If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

#### 18.2 Total Taking

If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

#### 18.3 Partial Taking

If any portion, but not all, of the Premises or the Common Areas is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the termination date designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated in proportion to the degree to which Tenant's use of the Premises and the Common Areas is impaired by such Condemnation.

#### 18.4 Restoration

Notwithstanding the preceding paragraph, if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord, at its sole cost, will add to the remaining Premises and/or the Common Areas so that the Premises and the space available for parking, will be substantially the same (as reasonably determined by Tenant) after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within ninety (90) days after Landlord so notifies Tenant, then this Lease shall continue in effect. In such event, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

#### 18.5 Award

The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises. Tenant shall be entitled to any awards for relocation benefits or goodwill belonging to Tenant.

#### 18.6 Waiver of Statute

Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises.

### 19. INDEMNIFICATION

#### 19.1 Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Landlord's repair, maintenance and other acts and omissions arising from and/or relating to the Landlord's ownership of the Premises.

#### 19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees) arising from or connected with the Tenant's repair, maintenance and other acts and omissions arising from and/or relating to the Tenant's use of the Premises.

### 20. INSURANCE

During the term of this Lease, the following insurance requirements will be in effect:

## 20.1 Waiver

Both the Tenant and Landlord each agree to release the other and waive their rights of recovery against the other for damage to their respective property arising from perils insured in the Causes-of-Loss Special Form (ISO form CP 10 30).

## 20.2 General Insurance Provisions – Landlord Requirements

Without limiting the Landlord's indemnification of Tenant and during the term of this Lease, and until all of its obligations pursuant to this Lease have been met, Landlord shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. 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 Landlord pursuant to this Lease. The Tenant in no way warrants that the Required Insurance is sufficient to protect the Landlord for liabilities which may arise from or relate to this Lease.

### (a) Evidence of Coverage and Notice to Tenant

- i. Certificate(s) of insurance coverage ("Certificate") satisfactory to Tenant, and a copy of an Additional Insured endorsement confirming that Tenant and its Agents (defined below) has been given insured status under the Landlord's General Liability policy, shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.
- ii. Renewal Certificates shall be provided to Tenant not less than 10 days prior to Landlord's policy expiration dates. The Tenant reserves the right to obtain complete, certified copies of any required Landlord insurance policies at any time.
- iii. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease 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 Landlord identified in this Lease. 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 twenty-five thousand (\$25,000.00) dollars, and list any Tenant-required endorsement forms.
- iv. Neither the Tenant's failure to obtain, nor the Tenant'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 Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- v. Certificates and copies of any required endorsements, and/or notices of cancellation shall be delivered to:

County of Los Angeles  
Chief Executive Office - Real Estate Division  
320 West Temple Street, 7th Floor  
Los Angeles, CA 90012  
Attention: Director of Real Estate

Landlord also shall promptly notify Tenant of any third party claim or suit filed against Landlord which arises from or relates to this Lease, and could result in the filing of a claim or lawsuit against Landlord and/or Tenant.

(b) Additional Insured Status and Scope of Coverage

The Tenant, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively, "Tenant and its Agents"), shall be provided additional insured status under Landlord's General Liability policy with respect to liability arising from or connected with the Landlord's acts, errors, and omissions arising from and/or relating to the Landlord's operations on and/or its ownership of the premises. Tenant's additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's acts or omissions, whether such liability is attributable to the Landlord or to the Tenant. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

(c) Cancellation of or Changes in Insurance

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant 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 the Tenant 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 Lease, in the sole discretion of the Tenant, upon which the Tenant may suspend or terminate this Lease.

(d) Failure to Maintain Insurance

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

(e) Insurer Financial Ratings

Insurance is to be provided by an insurance company authorized to do business in California and acceptable to the Tenant, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the Tenant.

(f) Landlord's Insurance Shall Be Primary

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

(g) Waiver of Subrogation

To the fullest extent permitted by law, the Landlord hereby waives its and its insurer(s) rights of recovery against Tenant under all required insurance policies for any loss arising from or related to this Lease. The Landlord shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

(h) Deductibles and Self-Insured Retentions ("SIRs")

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

(i) Claims Made Coverage

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

(j) Application of Excess Liability Coverage

Landlord 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.

(k) 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.

(l) Tenant Review and Approval of Insurance Requirements

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

20.3 Insurance Coverage Types And Limits

(a) Tenant Requirements: During the term of this Lease, Tenant shall maintain a program of insurance coverage as described below:

i. Commercial General Liability Insurance, providing scope of coverage equivalent to ISO policy form CG 00 01, naming Landlord 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

Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). Certificate evidencing coverage or letter evidencing self-funding will be provided to Landlord after execution of this Lease at Landlord's request.

20.4 Landlord Requirements

During the term of this Lease, Landlord shall provide and maintain the following programs of insurance coverage:

(a) Commercial General Liability Insurance, providing scope of coverage equivalent to ISO policy form CG 00 01, naming Tenant and Tenant's Agents as an additional insured, with limits of not less than:

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

(b) Commercial Property Insurance. Such insurance shall:

i. Provide coverage for Tenant's property and any tenant improvements and betterments to the Premises; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.

ii. Be written for the full replacement cost of the Property, with a deductible no greater than \$250,000 or 5% of the Property value, whichever is less. Insurance proceeds shall be payable to the Landlord and Tenant, as their interests may appear.



## **21. PARKING**

### **21.1 Tenant's Rights**

Tenant shall have the right to the number of unreserved parking spaces set forth in Section 1.1, without charge, for the Term of this Lease. No tandem parking shall be required or allowed, and Tenant shall be entitled to full in/out privileges at all times. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all unreserved parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Landlord, , shall provide Tenant with at least one (1) parking access card or key fob for each reserved or unreserved parking space if applicable set forth in Section 1.1, if applicable.

### **21.2 Remedies**

Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the parking spaces required above are not available to Tenant (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation), then Tenant may:

- (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter, or
- (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the Base Rent times the percentage of parking spaces not so provided times the number 1.5, but such deduction from Base Rent shall be not less than ten percent (10%) nor more than one hundred percent (100%) of the Base Rent.

## **22. ENVIRONMENTAL MATTERS**

### **22.1 Hazardous Materials**

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity,

phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

## 22.2 Landlord Indemnity

Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fines, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of, or in connection with, the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than those caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

## 23. ESTOPPEL CERTIFICATES

Tenant shall, within 30 business days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit F attached hereto (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest in the Premises or a holder of any mortgage upon Landlord's interest in the Premises.

## 24. TENANT IMPROVEMENTS

Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

**25. LIENS**

Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

**26. SUBORDINATION AND MORTGAGES**

26.1 Subordination and Non-Disturbance

Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit E attached hereto and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase, or right of first offer to purchase the Property included herein.

26.2 Existing Deeds of Trust

The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto, within 30 days after the execution of this Lease.

26.3 Notice of Default

If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail and requests copies of any notice of default that Tenant serves upon Landlord, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee or beneficiary a copy of any notice of default that Tenant serves upon Landlord which could permit Tenant to terminate this Lease, along with an additional ten days within which to cure such default.

**27. SURRENDER OF POSSESSION**

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

**28. SIGNAGE**

Tenant shall be allowed building standard signage on the directory located in the ground floor lobby of the Building and elevator lobbies of the floors of the Premises and suite signage, all of which shall be at Landlord's expense. Tenant shall have the right to install, at Tenant's sole cost and expense, up to two (2) lines per 1,000 rentable square feet of the Premises on the Building's directory board in the main lobby of the Building, if

applicable. Tenant shall be permitted to install signs at the Premises that conform with any and all applicable laws and ordinances.

**29. QUIET ENJOYMENT**

So long as Tenant is not in default hereunder, Tenant shall have the right to the peaceful and quiet enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

**30. GENERAL**

30.1 Headings

Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

30.2 Successors and Assigns

All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

30.3 Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Tenant shall receive from Landlord or Landlord's broker, within ten days after the execution of this Lease, an amount equal to 50% of all commissions due to Landlord's broker as a result of the execution of this Lease, as set forth in a separate written agreement between Landlord and Landlord's broker, a copy of which has been delivered by Landlord to Tenant prior to the execution of this Lease.

30.4 Entire Agreement

This Lease (including all exhibits hereto and the Landlord's Work Letter) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect, and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

30.5 Severability

Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions hereof shall nevertheless remain in full force and effect.

### 30.6 Notices

The parties shall give all notices in writing by (i) personal delivery, (ii) national-recognized, next-day courier service, or (iii) first-class registered or certified mail, postage prepaid, to the Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1.1. Without limiting the generality of the foregoing, Landlord's notices to Tenant shall not be effective if they are delivered to the Premises or to another address that is not set forth in Section 1.1(b) hereof. Any notice given under this Lease shall be deemed effective upon the date of delivery (whether accepted or refused), which, for certified mail and courier service, shall be established by U.S. Post Office return receipt or the courier's proof of delivery, respectively.

### 30.7 Governing Law and Venue

This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

### 30.8 Waivers

No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

### 30.9 Time of Essence

Time is of the essence for the performance of all of the obligations specified hereunder.

### 30.10 Consent

Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) business days after written request is made therefore, together with all necessary information.

### 30.11 Community Business Enterprises

Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit G attached hereto.

### 30.12 Memorandum of Lease

If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Exhibit H attached hereto, which Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

### 30.13 Counterparts; Electronic Signatures

This Lease and any other documents necessary for the consummation of the transaction contemplated by this Lease may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease 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 Lease had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease 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 reply on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Lease based on the foregoing forms of signature. If this Lease 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.

### 31. AUTHORITY

Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by Tenant. Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or

she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

### **32. ACKNOWLEDGEMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

#### **32.1 Consideration of GAIN Program Participants**

Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

#### **32.2 Solicitation of Consideration**

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of a lease.

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

Landlord hereby represents and warrants that it has not provided, and will not provide, any financial benefits to any County official, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of this Lease. Landlord hereby agrees that if it violates any of the terms of this Section 32.2, then the County may declare this Lease null and void, and the County reserves the right to exercise any and all other remedies available under applicable law.

#### **32.3 Landlord Assignment**

(a) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(b) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

- (c) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the Tenant. Notwithstanding the foregoing, the Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (commercial mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.
- (d) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the Tenant may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the Tenant during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the Tenant may exercise or pursue any other right or remedy it may have under this Lease or applicable law.
- (e) Landlord shall give Tenant written notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least thirty (30) days prior to the effective date thereof.
- (f) Landlord shall not furnish any information concerning Tenant or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the Tenant) to any person or entity, except with Tenant's prior written consent. Landlord shall indemnify, defend and hold Tenant and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section 32.3.
- (g) The provisions of this Section 32.3 shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.



### 32.4 Smoking in County Facilities.

The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the County has a responsibility to establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of County employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all County employees and the public. Therefore, to the greatest extent possible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made to provide smokers a place to smoke in areas open to the sky or otherwise located outside County facilities and, except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.)

### 33. IRREVOCABLE OFFER

In consideration for the time and expense that Tenant will invest in this Lease, including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, as necessary, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.1.

### 34. OPTION TO EXTEND.

#### 34.1 Option Terms.

Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised. Tenant shall have one (1) option to renew this Lease for an additional period of three (3) years each (Extension Term).

34.2 Exercise of Option.

Tenant must exercise its options to extend this Lease by giving Landlord written notice of its intention to do so (its "Notice of Intent") no later than nine (9) months prior to the end of the initial Term.

34.3 Terms and Conditions of the Extension Terms.

The Extension Terms shall be on all the terms and conditions of this Lease and Base Rent will increase by CPI adjustments capped at three percent (3%) per annum based on the rate in effect during the last year of the original Lease Term.

**35. Compliance with Prime Lease.**

35.1 Prime Lease.

Tenant acknowledges that the Premises are subject to the terms of the Prime Lease, including but not limited to the use restrictions imposed on the Premises therein.

35.2 New Market Tax Credits Compliance.

A New Market Tax Credit Rider is attached hereto as Exhibit J and incorporated herein by reference.

IN WITNESS WHEREOF this Lease has been executed the day and year first set forth above.

LANDLORD:

CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA, a California nonprofit public benefit corporation

DocuSigned by:  
*Ron Brown*  
By: \_\_\_\_\_  
Name: Ron Brown  
Its: President and CEO

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  
of the County of Los Angeles

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

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By: \_\_\_\_\_  
Senior Deputy

# EXHIBIT A

## FLOOR PLAN OF PREMISES

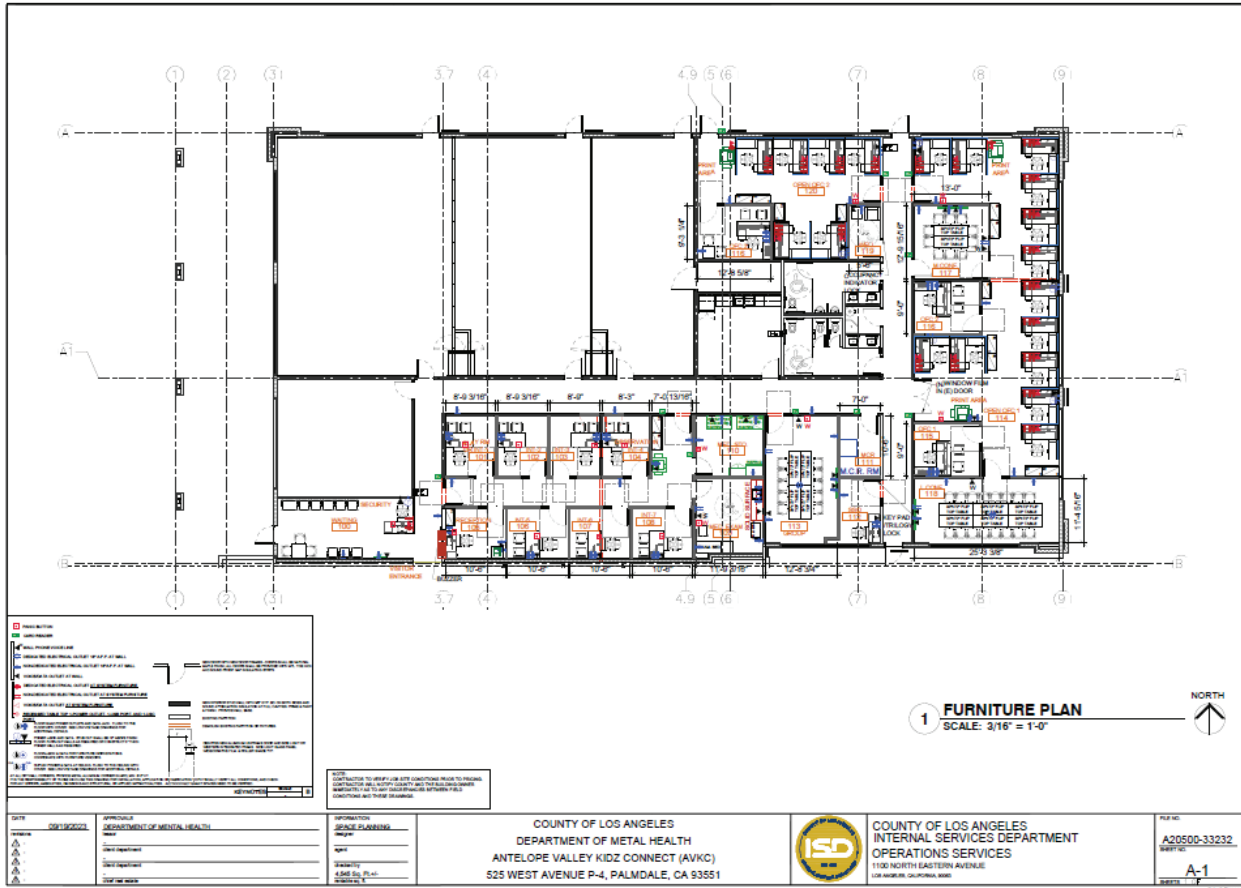


Exhibit A  
FLOOR PLAN OF PREMISES

**EXHIBIT B**

**COMMENCEMENT DATE MEMORANDUM  
AND CONFIRMATION OF SUBLEASE TERMS**

Reference is made to that certain Sublease Agreement dated \_\_\_\_\_, 2024, between County of Los Angeles, a body corporate and politic ("Tenant"), and Children's Bureau of Southern California, a California nonprofit public benefit corporation ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 525 West Avenue P-4, Palmdale, CA 93551 ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Sub-Lease commenced on \_\_\_\_\_ ("Commencement Date");
- 4) The Premises contain 5,644 rentable square feet of space.

For clarification and the purpose of calculating future rental rate adjustments:

- 5) Base Rent per month is \_\_\_\_\_.
- 6) The Base Index month is \_\_\_\_\_.
- 7) The Base Index is \_\_\_\_\_.
- 8) The first New Index month is \_\_\_\_\_.]

IN WITNESS WHEREOF, this memorandum is executed this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_.

Tenant:

Landlord:

COUNTY OF LOS ANGELES,  
a body corporate and politic

CHILDREN'S BUREAU OF SOUTHERN  
CALIFORNIA, a California nonprofit public  
benefit corporation

By: \_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

By: \_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

## **EXHIBIT C**

### **HEATING, VENTILATION AND AIR CONDITIONING**

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Tenant's Hours of Operation established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable/net square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

## EXHIBIT D

### CLEANING AND MAINTENANCE SCHEDULE

A. DAILY (Monday through Friday)

1. Carpets vacuumed.
2. Waste baskets, other trash receptacles emptied.
3. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
4. Bulb and tube replacements, as required.
5. Emergency exit signage and egress battery replacement (if applicable)
6. Graffiti expunged as needed within two working days after notice by Tenant
7. Floors washed as needed.
8. Standard restroom supplies replenished, including, but, not limited to, paper supplies and soap.

B. WEEKLY

9. Window sills, ledges and wood paneling and molding dusted.

C. MONTHLY

10. High-reach areas, door frames and tops of partitions dusted.
11. HVAC chiller water checked for bacteria, water conditioned as necessary.

D. QUARTERLY

12. Light fixtures cleaned and dusted, but not less frequently than quarterly.
13. HVAC units serviced for preventative maintenance purposes, all filters changed.

E. SEMI-ANNUALLY

14. N/A

F. ANNUALLY

15. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.



G. AS NEEDED

16. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
17. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
18. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.
19. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:
  - i. heavy traffic areas cleaned as needed, with a minimum frequency of bi-monthly [six (6) times per year];
  - ii. moderate traffic areas cleaned as needed, with a minimum of once every six (6) months [two (2) times per year]; and
  - iii. clean light traffic areas a minimum of once per year.

Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

38. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence") except for touch-up paint as provided in Paragraph 6.C. of this Exhibit D. The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.
39. All HVAC ducts cleaned as needed, but no less than every five (5) years.

H. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT E

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: )
County of Los Angeles )
Chief Executive Office )
Real Estate Division )
320 W. Temple Street, 7th Floor )
Los Angeles, California 90012 ) Space above for Recorder's Use

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the \_\_\_ day of \_\_\_, 20\_\_ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), CHILDREN'S BUREAU PALMDALE, a California nonprofit public benefit corporation, ("Borrower") and [Insert name of Lender], ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Borrower entered into a Prime Lease Agreement dated as of March 16, 2023, with Children's Bureau of Southern California, a California nonprofit public benefit corporation ("CBSC"), under which Borrower leased to CBSC a portion of the Improvements located within the Property

D. Tenant and CBSC, as landlord ("Landlord"), entered into a sublease dated \_\_\_ (the "Lease") under which Landlord leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a non-disturbance provision, all as set forth more fully below.

## Agreement

Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Property prior and superior to the Lease, except that if Tenant is granted any option to extend the Term of the Lease, right of first offer to lease additional premises or option to purchase the Property or right of first offer to purchase the Property in the Lease, such provisions shall not be affected or diminished by any such subordination.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Non-disturbance. The enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not:

(a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease, including Borrower, unless such act or omission continues after the date that Lender or Purchaser succeeds to the interest of such prior landlord; or

(b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease, unless resulting from a default or breach by such prior landlord which continues after Lender or Purchaser succeeds to the interest of such prior landlord; and provided that any offsets deducted by Tenant prior to the date that Lender or Purchaser succeeds to the interest of such prior landlord shall not be subject to challenge; or

(c) be bound by any prepayment by Tenant of more than one (1) month's installment of rent, unless the Lease expressly requires such prepayment; or

(d) be obligated for any security deposit not actually delivered to Purchaser; or

(e) be bound by any modification or amendment of or to the Lease which materially increases Landlord's obligations under the Lease or materially decreases Tenant's obligation under the Lease, unless Lender has approved such modification or amendment in writing, which approval shall not be unreasonably withheld, conditioned or delayed.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Borrower: Children's Bureau Palmdale  
1910 Magnolia Avenue  
Los Angeles, CA 90007  
Attention: Gayle Whittemore

To Landlord: Children's Bureau of Southern California  
1910 Magnolia Avenue  
Los Angeles, CA 90007  
Attention: Gayle Whittemore

To Tenant: County of Los Angeles  
Chief Executive Office  
Real Estate Division  
320 W. Temple Street, 7th Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

TENANT: COUNTY OF LOS ANGELES,  
a body corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BORROWER: CHILDREN'S BUREAU PALMDALE,  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: *[Insert name of Lender],*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_  
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared \_\_\_\_\_,  
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal)

**EXHIBIT F**

**TENANT ESTOPPEL CERTIFICATE**

To: [Insert name of party to rely on document]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

Re:   Date of Certificate:           \_\_\_\_\_

      Lease Dated:                    \_\_\_\_\_

      Current Landlord:            \_\_\_\_\_

      Located at:                     \_\_\_\_\_

      Premises:                      \_\_\_\_\_

      Commencement Date of Term: \_\_\_\_\_

      Expiration Date:              \_\_\_\_\_

      Current Rent:                 \_\_\_\_\_

County of Los Angeles ("Tenant") hereby certifies that, to its actual knowledge, as of the date hereof:

1.       Tenant is the present holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2.       (a)     A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

          (b)     The current Rent is set forth above.

          (c)     The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Tenant has no option or right to renew, extend or cancel the Lease, or to lease additional space in the Premises or Building, or to use any parking other than that specified in the Lease.

          (d)     Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

          (e)     Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession except as expressly set forth in the Lease.

3.       (a)     The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified changed, altered or amended, except as set forth in Exhibit A, and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

[(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.]

(c) Tenant's interest in the Lease has not been assigned or encumbered.

(d) Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease, except as set forth in the Lease.

(e) No rental payments have been made more than one (1) month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full, and all of Landlord's obligations with respect to tenant improvements have been fully performed, except: \_\_\_\_\_.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES,  
a body corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



## EXHIBIT G

### COMMUNITY BUSINESS ENTERPRISE FORM

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of MBE/WBE participation. The information requested below is for statistical purposes only. The final analysis and consideration of the lease will be determined without regard to race, creed, color or gender. (Categories listed below are based on those described in 49 CFR Section 23.5)

<b>I. Minority/Women Participation in Firm</b> (Partners, Associate Partners, Managers, Staff, etc.)						
1. Firm Name: _____			3. Contact Person/Telephone Number: _____			
2. Address: _____						
			4. Total number of employees in the firm: _____			
5. Provide the number of all minority employees and women in each category.	Owners, Partners and Associate Partners		Managers		Staff	
	All O,P & AP	Women	All Managers	Women	All Staff	Women
Black/African American						
Hispanic/Latin American						
Asian American						
Portuguese American						
American Indian/Alaskan Native						
All Others						
<b>II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM</b>						
1. Type of Business Structure: (Corporation, Partnership, Sole Proprietorship, Etc.) _____						
2. Total Number of Ownership/Partners, Etc.: _____			<b>III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION</b>			
3. Provide the percentage of ownership in each	All Employee	Women	Is your firm currently certified as a minority owned business firm by the:			
Black/African American			State of California? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Hispanic/Latin American			City of Los Angeles? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Asian American			Federal Government? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Portuguese American			<b>Section D. OPTION TO PROVIDE REQUESTED INFORMATION</b>			
American Indian/Alaskan Native			<input type="checkbox"/> We do not wish to provide the information required in this form.			
All Others			Firm Name: _____			
			Signature/Title: _____			
			Date: _____			

EXHIBIT H  
**MEMORANDUM OF LEASE**

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
320 W. Temple Street, 7th Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

---

**MEMORANDUM OF LEASE**

This Memorandum of Lease ("Memorandum") is made and entered into by and between \_\_\_\_\_, a \_\_\_\_\_ (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic, duly organized and existing under the laws of the State of California (the "Tenant"), who agree as follows:

Landlord and Tenant have entered into an unrecorded lease dated \_\_\_\_\_, 20\_\_ (the "Lease") of certain real property located in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, for a term commencing on \_\_\_\_\_, 20\_\_, and ending on a date \_\_\_\_\_ years after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in the Lease.

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Dated: \_\_\_\_\_, 20\_\_.

LANDLORD:

\_\_\_\_\_

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

Its: \_\_\_\_\_

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

Its: \_\_\_\_\_

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  
of the County of Los Angeles

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

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By: \_\_\_\_\_  
Senior Deputy

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

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_  
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared \_\_\_\_\_,  
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal)

**EXHIBIT I**  
**LANDLORD'S WORK LETTER**

## EXHIBIT J

### RIDER TO SUBLEASE

This Rider to Sublease (“Lease”) dated \_\_\_\_\_, 2024, made by and between Children’s Bureau of Southern California, a California nonprofit public benefit corporation (“Landlord”), and COUNTY OF LOS ANGELES, a body corporate and politic (“Tenant”), with respect to the premises (“Premises”) described in the Lease.

The Lease is hereby supplemented and modified as follows:

1. Tenant acknowledges that the Premises are comprised of real property the development of improvements on which are being financed, in part, through new markets tax credits (“NMTC”) under Section 45D of the Internal Revenue Code of 1986, as amended (the “Code”). In connection therewith, Tenant agrees as follows:

(a) Tenant shall not use, or permit the Premises or any portion thereof, to be used, in any trade or business that is an excluded business under Code regulations 1.45D-1(d)(5)(ii) or (iii)(B), including, without limitation, for any one or more of the following: (i) for the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling or any store the principal purpose of which is the sale of alcoholic beverages for consumption off premises, or (ii) in a manner that would cause the Premises to be treated as Residential Rental Property (as defined in Section 168(e)(2)(A) of the Code). Any violation of this Section 1(a) shall be a material default giving rise to an immediate right of termination of the Lease to the extent permitted by applicable law and subject to the minimum notice requirements of applicable law.

2. In the event of any conflict between the provisions of the Lease and the provisions contained in this Rider, the provisions contained in this Rider shall prevail. In all other respects the remaining non-conflicting provisions of the Lease shall continue in full force and effect. This Rider shall be construed in accordance with the laws of the State of California.

3. At such time as the loan from New Markets Community Capital XXXIV, LLC, a Delaware limited liability company, to Children’s Bureau Palmdale, a California nonprofit public benefit corporation, has been discharged and is no longer outstanding, this Rider shall terminate and shall be of no further force or effect.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the undersigned have executed this Rider to Sublease as of the date first above written.

Tenant:

Landlord:

COUNTY OF LOS ANGELES,  
a body corporate and politic

CHILDREN'S BUREAU OF SOUTHERN  
CALIFORNIA, a California nonprofit public  
benefit corporation

By: \_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

By: \_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

**LANDLORD'S WORK LETTER**

**For**

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT**

**COUNTY OF LOS ANGELES, as Tenant**

**LANDLORD: Children's Bureau-Southern CA**

**Property Address: 525 West Avenue P-4, Palmdale, CA**



## LANDLORD'S WORK LETTER

This Work Letter supplements the Sublease Agreement (the "Lease") dated \_\_\_\_\_, 2024, executed concurrently herewith, by and between Children's Bureau-Southern CA, as Landlord, and COUNTY OF LOS ANGELES, a body corporate and politic, as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

**1. Basic Work Letter Information.** The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- |     |   |  |
|-----|---|--|
| (a) | <u>Total TI Costs</u>   | \$1,042,056.06 (i.e., \$184.63 per rentable square foot of the Premises)   |
|     | (i) <u>Landlord's TI Allowance</u>                                      | \$81,273.60 (i.e., \$14.40 per rentable square foot of the Premises)   |
|     | (ii) <u>Tenant's TI Contribution</u>                                    | \$960,782.46 (i.e., \$170.23 per rentable square foot of the Premises)   |
| (b) | <u>TI Amortization Rate and Change Authorization Amortization Rate:</u> | Fixed eight percent (8%) per annum over the first sixty (60) months of the lease Term  |
| (c) | <u>Tenant's Work Letter Representative</u>                              | An assigned staff person of the Chief Executive Office-Real Estate Division  |
| (d) | <u>Landlord's Work Letter Representative</u>                            | Gayle Whittemore or an assigned staff person of the Landlord   |
| (e) | <u>Landlord's Address for Work Letter Notices</u>                       | 1910 Magnolia Avenue<br>Los Angeles, CA 90007<br>Email: <a href="mailto:gaylewhittemore@all4kids.org">gaylewhittemore@all4kids.org</a>                                     |
| (f) | <u>Tenant's Address for Work Letter Notices</u>                         | County of Los Angeles<br>Chief Executive Office - Real Estate Division<br>320 West Temple Street, 7th Floor<br>Los Angeles, CA 90012<br>Attention: Director of Real Estate |
| (g) | <u>Addenda</u>  | Addendum A: Base Building Improvements<br>Addendum B: Tenant Improvements<br><br>Exhibit A: Preliminary Project Budget Cost Summary  |

## 2. Construction of the Building

2.1 Base Building Improvements. Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall not be considered Tenant Improvements (as defined below) unless such changes or additions are specifically described in Addendum B hereto.

### 2.2 Additional Costs Not Total TI Costs.

(a) If the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the Americans with Disabilities Act of 1990 (ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred if the Building had been in compliance with such codes, then such costs shall not be included in the calculation of Total TI Costs (as defined below), and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or to make existing building systems, including but not limited to electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Total TI Costs shall not include any costs associated with (i) utility costs incurred during construction, nor (ii) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease.

(c) Upon Substantial Completion, Tenant at its sole cost and expense, shall field-measure and verify the exact footage of the Premises and/or the Building and deliver said measurement to Tenant. Should this measurement be less than the square footage stated above, then Tenant shall have the right to adjust such square footage and reduce the Base Rent in Section 1.1 of the Lease accomplished by the mutual execution of an amendment to the Lease. Landlord acknowledges the space has been marketed at the Lease indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no increase made to the Base Rent if the measured square footage exceeds the amount represented by Landlord.. All measurements shall be taken in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-2010, as promulgated by the Building Owners and Management Association ("BOMA") International, except that no penthouse mechanical room space shall be included in the measurement.

2.3 Base Building Plans. Landlord has delivered to Tenant complete and accurate "as built" plans and specifications for the Building in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via USB flash drive and set-up of a web-based download link.

2.4 Survey. Where 'as-built' plans are missing, Landlord must perform a survey of existing space, which shall include existing floor plans and mechanical, electrical, and plumbing systems. The survey shall be at Landlord's sole cost and expense. Landlord shall submit such survey to the Tenant such that the initial Space Plan (as defined in Section 5.1) can be modified to conform to the existing conditions.

3. Selection of Architect and Structural Engineer. By execution of this Work Letter Tenant acknowledges and accepts JAC Architecture as Architect, and All-Trade Engineering & Design

as Structural Engineer. Landlord at his sole cost and expense is funding all necessary A&E, soft costs through TI substantial completion.

**4. Selection of Contractor.** The Final Plans (as defined below) and a proposed construction contract accepted by Tenant shall be submitted to a sufficient number of qualified contractors, selected by Landlord, so that a minimum of three (3) bids are received. Each contractor shall be requested to submit a sealed fixed price contract bid price (on an American Institute of Architects (AIA) form) to construct the Tenant Improvements depicted on the Final Plans. Landlord shall select the most qualified bidder offering the lowest price after adjustments for inconsistent assumptions who commits to Landlord's schedule for the construction of the Tenant Improvements, and Landlord shall submit all bids, along with Landlord's recommendation, to Tenant for Tenant's review and acceptance. Following Tenant's acceptance, Landlord shall enter into a construction contract (the "Construction Contract") with the accepted bidder (the "Contractor") to construct the Tenant Improvements, consistent with the terms of the accepted bid.

**5. Preparation of Plans and Specifications and Construction Schedule**

5.1 Preparation of Space Plan. Space plans have already been completed.

5.2 Preparation and Review of Working Drawings. Upon execution of the Lease, Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary, (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times provided that a schedule to submit the Working Drawings is provided to, and approved by, the Tenant. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for ensuring that the Working Drawings fully comply with all applicable building codes and cover any expenses that result from the errors, omissions or inconsistencies in the Architect's Instruments of Service.

5.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance pursuant to Section 5.5 below.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver the Final Plans to Tenant for Tenant's review in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via a web-based download link. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports,

dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's costs and expenses arising from its review of the Space Plan, Working Drawings, Engineering Drawings, and Final Plans shall be included in the Final TI Cost Summary.

5.5 Tenant's Plan Review and Acceptance. Tenant shall accept or reject the Working Drawings, the Engineering Drawings and the Final Plans within twenty-one (21) calendar days after Tenant receives the applicable plans and drawings from Landlord. If Tenant rejects any such plans or drawings, then Tenant shall notify Landlord thereof, specifying in detail the reason for such rejection, in which case Landlord shall revise the applicable plans or drawings and deliver revised plans or drawings to Tenant within fourteen (14) calendar days after receipt of Tenant's rejection notice. This procedure shall be repeated until the applicable plans are accepted by Tenant. If, after such procedure, the parties cannot agree on the Working Drawings, the Engineering Drawings or the Final Plans, then Tenant may elect to terminate the Lease and this Work Letter by delivering a written termination notice to Landlord, whereupon all monies previously paid to Landlord shall be promptly refunded to Tenant, and the parties shall have no further obligations under the Lease and the Work Letter. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements, which shall be Landlord's sole responsibility.

5.6 Schedule. Following selection of the Contractor in accordance with Section 4 hereof, but prior to execution of the construction agreement with the Contractor and commencement of the work, Landlord shall submit to Tenant a detailed baseline construction schedule, subject to acceptance by Tenant, which shall not be unreasonably withheld, setting forth the completion dates of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, interim schedule milestone dates, and the date of Substantial Completion. The schedule shall be apportioned by construction activity and include time required for the completion of each portion of the work. As the construction continues, Landlord shall amend the construction schedule at least once each month to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. If the amended construction schedule identifies delays to the project's critical path, the Landlord shall provide a recovery schedule and/or request for a contract time extension.

5.7 Submittals. The Landlord shall submit to Tenant any Shop Drawings, Product Data Sheets / Samples or similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements, and Tenant shall respond to such submittals within no later than 5 business days. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" include drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data Sheets / Samples" include illustrations, summary performance charts, instructions, brochures, diagrams,

manufacturer specifications and other information furnished by the Landlord to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and accepted by the Architect.

## **6. Landlord's TI Cost Summary and Payment of Total TI Costs**

6.1 Cost Summary. Landlord has submitted to Tenant preliminary cost summary for tenant improvements as presented in Addendum C of this Work Letter (the "Preliminary TI Cost Summary"), which must not exceed the sum of Landlord's TI Allowance and Tenant's TI Contribution. The Preliminary TI Cost Summary shall be revised into final form within ten (10) days after the date that the Contractor is selected and will be referred to herein as the "Final TI Cost Summary"; provided, however, that any proposed increase to Tenant's TI Contribution shown on the Final TI Cost Summary shall not be effective unless approved in a separate written agreement executed by Landlord and Tenant to be executed within seven (7) calendar days following preparation of the Final TI Cost Summary.

6.2 Landlord's TI Allowance and Tenant's TI Contribution. All improvements required by the Final Plans, as further described in Addendum B hereto, shall be referred to herein, collectively, as "Tenant Improvements" or "TI." Except as otherwise provided herein, all Total TI Costs shall be paid by Landlord and deducted from Landlord's TI Allowance. If the Total TI Costs exceed Landlord's TI Allowance, then Tenant may authorize Landlord to pay the overage. If the Total TI costs exceed Landlord's TI Allowance, then Tenant may authorize Landlord to pay the overage in an amount not exceeding Tenant's TI Contribution. Thereafter, Tenant shall pay such overage to Landlord as provided in section 6.3 below.

6.3 Method of Payment. Tenant shall be obligated to pay Landlord for any Total TI Costs in excess of Landlord's TI Allowance after all of the following conditions have been met: (i) Tenant Improvements are Substantially Complete (as defined in the Lease); (ii) Landlord has provided Tenant with all documentation substantiating all Tenant Improvements' expenses, including without limitation, receipts, invoices, proof of payment, unconditional lien releases and approved changed orders; and (iii) Tenant has reconciled all Tenant Improvements' costs to determine and confirm the total Tenant Improvements amount spent and the amount of Tenant's TI Contribution owed to Landlord. Such payment shall be made in equal monthly payments, amortized over the first sixty (60) months of the term of the Lease at the TI Amortization Rate.

## **7. Construction of Tenant Improvements**

7.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto. If any work required by the Final Plans is not described on Addendum B hereto, such work shall be considered a Base Building Improvement and shall be performed by Landlord at its own cost and expense and not included in the cost of Tenant Improvements.

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall be selected only after a minimum of three (3) bids have been solicited from responsible and qualified persons. The bids shall include an itemized list of all materials and labor and shall include all

additional costs, permits, reasonable contractor's profit and overhead, and management fees project.

7.3 Permits. Landlord shall obtain the approval of all applicable governmental authorities and all permits required for the Tenant Improvements, promptly after Tenant's acceptance of the Final Plans.

7.4 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within fourteen 14 calendar days after Tenant's acceptance of the Contractor pursuant to Section 4 hereof. Contractor shall obtain the building permit for the Tenant Improvements prior to the commencement of construction. Thereafter, Landlord shall diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays (as defined below).

7.5 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Non-responsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of non-responsibility by Tenant in compliance with California Civil Code Section 8444.

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, fixtures, flooring and base, and any other decor selection efforts required by Tenant, shall be in accordance with Tenant's approved Space Plan, as may be modified with a Request for Change in accordance with Section 8 below.

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period not to exceed the warranties provided by Contractor and any subcontractors. Landlord shall require each contractor and subcontractor to provide warranties of not less than one (1) year in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects. Landlord, at Landlord's sole cost and expense, shall promptly cause such defects to be repaired following receipt of notice thereof, and Tenant shall have the same rights with respect thereto as set forth herein for all other punch-list items.

(d) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises or in other areas utilized by Landlord or its contractors, and Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of substandard work performed by Landlord's contractor or contractors (as reasonably determined by Tenant according to the usual standards of work in the Building) or as a result of inadequate clean-up.

(e) Compliance with Laws. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. **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 relating to the payment of prevailing wages on public works projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current prevailing wage scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site. Notwithstanding the foregoing or any language to the contrary contained herein, the payment of prevailing wages according to the current prevailing wage scale and compliance with applicable prevailing wage statutes shall be required where there is a Tenant's TI Contribution made towards the Total TI Costs of the Tenant Improvements to be performed.

(f) Access During Construction. Tenant shall have the right to conduct site visits to observe progress of the Tenant Improvements during the course of construction upon not less than 48 hours prior notice. Any such visit shall comply with all safety standards required by Contractor at the Premises. Additionally, pursuant to Section 4.3 of the Lease, Tenant shall be entitled to enter the Premises at least thirty (30) calendar days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work.

7.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within fourteen (14) calendar days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection. If Landlord fails to complete any of the punch-list items within such 30-day period, then Tenant, in addition to its other rights and remedies under the Lease, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, with the cost thereof plus ten percent (10%) for Tenant's overhead and supervision to be deducted from the next installment(s) of rent or other amounts payable by Tenant under the Lease.

7.7 Conformed Plans. Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted in an AutoCAD 2015 (or later version) format, along with one complete set of plans and specifications Adobe PDF electronic format via USB flash drive and set up of a web-based download link.

8. Requests for Change. Tenant and Landlord may request changes, additions, deletions or substitutions in the Final Plans (each, a "Request for Change"), provided that the requesting

party must submit a written request to the other party and that Requests for Change will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"). Only the County's Chief Executive Officer or his/her designee is authorized to execute Change Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant-Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant, provided that Tenant executes a written Change Authorization prior to the performance of the applicable work. Tenant shall be obligated to pay Landlord for the Tenant Request for Change as part of Tenant's portion of Tenant's TI Contribution used to pay for any Total TI Costs in excess of Landlord's TI Allowance as defined in Section 6.3. Landlord shall be solely responsible for the cost of any Change Authorizations or other Requests for Change that are not Tenant-Requested Changes or approved by the Chief Executive Officer or his/her designee. Landlord shall submit to the Chief Executive Officer or his/her designee with each Request for Change: (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Authorizations previously executed, and (iii) an estimate of the number of days by which the construction time will be increased or shortened if the Request for Change is approved. Each Change Authorization must be signed and dated by Landlord and the Chief Executive Officer or his/her designee in order to be effective.

**9. Furniture System.** Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"), and Landlord and Architect shall coordinate with the Contractor to incorporate the Modular Specifications into the Final Plans. Integration of the Modular Specifications into the Premises shall be change to the Final Plans and will be addressed via a Request for Change and a Change Authorization under Section 8 hereof.

**10. Total TI Costs Adjustment and Right to Audit.** Within sixty (60) calendar days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail and sorted into the same line items as the Final TI Cost Summary, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Upon approval of such statement by Tenant, payments by either party pursuant to the Lease and this Work Letter shall be adjusted as appropriate based upon such statement. Tenant shall have the right to audit the Total TI Costs at any time after the date of Tenant's Acceptance of the Premises. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant will apply the amount of any over-payment made by Tenant as a credit against the next installment(s) of Base Rent due under the Lease, and any future payments owed by Tenant shall be adjusted as appropriate based upon the audit results. Landlord shall require the Contractor to include audit provisions in all subcontracts which allow Tenant to audit the subcontractors' books and records with respect to the Tenant Improvements.

**11. Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s), including permanent power and HVAC, in compliance with the Space Plan, Low-Voltage Plan and specifications provided by Tenant, at least thirty (30) calendar days prior to the Estimated Commencement Date. Landlord shall take commercially reasonable steps to ensure the security and protection of any telephone/data equipment delivered to the Premises prior to the Commencement Date.



## 12. Delay

12.1 Tenant Delays and Force Majeure Delays. Except as set forth in this Section 12, Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 12.2, the Estimated Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals within the time periods required herein, including but not limited to the time periods set forth in Section 5.7 hereof, but only to the extent such delays delay the commencement or completion of construction of any portion of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage, pandemic, or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

### 12.2 Limitations.

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless, within ten (10) business days of the event giving rise to such claim, Landlord provides Tenant with written notice in compliance with the Lease specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction, or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred, commencing as of the date Tenant received such notice from Landlord.

(b) Mitigation. Force Majeure Delays shall delay the Estimated Commencement Date only if Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, efforts which Landlord shall be obligated to make (provided that the additional cost incurred by Landlord due to such efforts does not exceed \$1,000 on a cumulative basis, unless Tenant agrees to pay to the excess).

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if they are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if fourteen (14) calendar days of Tenant Delays and six (6) calendar days of Force Majeure Delays occur during the same fourteen (14) calendar day period, then the Estimated Commencement Date would be extended by only fourteen (14) calendar days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Estimated Commencement Date would be extended by twenty (20) calendar days.

(d) Change Authorizations. Landlord may not claim that a Tenant-Requested Change was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the executed Change Authorization and affects the Critical Path of the Construction Schedule.

(e) Work Scope Precedence. In case of conflicts or discrepancies between or among this Landlord Work Letter, plans, and specifications, plans shall supersede specifications, and this Landlord Work Letter shall supersede both plans and specifications.

**13. Tenant Remedies.** If Landlord fails to obtain the building permit to construct the Tenant Improvements within a reasonable time, taking all factors into consideration, or if the Tenant Improvements have not been Substantially Completed within one hundred and twenty (120) calendar days after the Estimated Commencement Date, then Tenant may, at its option, then Tenant may elect to terminate the Lease and this Work Letter by delivering a written termination notice to Landlord, whereupon the parties shall have no further obligations under the Lease and the Work Letter.

**14. Representatives**

14.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

14.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

**15. Intentionally Omitted.**

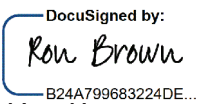
**16. Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within seven (7) calendar days after (i) the date the Contractor is selected and (ii) approval of the Board of Supervisors. Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than three (3) calendar days after the date of the construction meeting.

**17. Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant. **Miscellaneous.** This Landlord Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord Work Letter. This Landlord Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord Work Letter must be delivered in writing per the terms as set forth in Section 30.6 of the Lease. This Landlord Work Letter shall be construed as if jointly drafted by the parties. This Landlord Work Letter will not be effective unless and until signed by both Parties. Neither party may assign this Landlord Work Letter or its rights or obligations hereunder without the other party's prior written consent. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. Provisions contained in this Landlord Work Letter shall prevail in case of conflict over the terms of the Lease. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Work Letter as of the dates set forth below.

LANDLORD:

CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA, a California nonprofit public benefit corporation

By:  \_\_\_\_\_  
Name: Ron Brown  
Its: President and CEO

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

FESIA A. DAVENPORT  
CHIEF EXECUTIVE OFFICER

By: \_\_\_\_\_  
John T. Cooke  
Assistant Chief Executive Officer

**ADDENDUM A  
To Landlord's Work Letter**

**BASE BUILDING IMPROVEMENTS**

Landlord has constructed (or will construct) the Building to include the following:

(a) the Building shell and exterior, including perimeter window systems and mullions in good condition. If building has not been constructed or is still under construction, no tenant improvements work shall commence until building has been signed off by the City having jurisdiction and Certificate of Occupancy has been received.

(b) Must also include including mechanical, electrical, sprinkler, plumbing, Fire life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) toilet rooms per code, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;

(d) Drywall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows. Also included:

(e) parking facilities;

(f) ground floor lobby;

(g) exterior plazas and landscaping;

(h) water bottle filling stations/drinking fountains at the core;

(i) conduit access sufficient for Tenant's electrical wiring per the low voltage plans provided to Landlord and the TI allowance set forth therefor;

(j) two (2) 208/120 and one (1) 480/277 Volt (VAC) panels connected to the Building power system;

(k) mechanical equipment room with ducted mechanical exhaust system;

(l) concrete floors with troweled finish ready for tenants floor finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;

(m) standard window coverings;

(n) primary HVAC duct for cooling and primary HVAC duct for heating (heating is for perimeter zone only) to loop from the mechanical equipment room around the building core;

(o) hot and cold air loops located within the Premises;

(p) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;

(q) primary fire-life safety enunciation system “backbone” and panels suitable for Tenant’s secondary distribution;

(r) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and

(s) Drywall on the service core walls, columns and sills in the Premises.

(t) Demolition and removal of any existing improvements or equipment situated within the Premises, unless the Final Plans show that such improvements and/or equipment will remain in the Premises.

**ADDENDUM B**  
**To Landlord's Work Letter**  
**TENANT IMPROVEMENTS**

Tenant improvements shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises per permitted plans;
- (f) Distribution of electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (g) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers; and
- (h) Additional and/or above standard electrical capacity pursuant to approved plans.

**ADDENDUM C  
To Landlord's Work Letter**

**PRELIMINARY AND FINAL TI COST SUMMARY**

Preliminary TI Cost Summary  
 Final TI Cost Summary

Lease No. \_\_\_\_\_  
Address \_\_\_\_\_

Cost Category	
Architecture and Engineering Contract	\$
Plan Check Fees & Permits	\$
General Contractor	\$
(Profit)	\$
(Overhead)	\$
Other (Specify)	\$
Total TI Costs	\$

## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/5/2024		
<b>BOARD MEETING DATE</b>	6/25/2024		
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input checked="" type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>		
<b>DEPARTMENT(S)</b>	Mental Health (DMH)		
<b>SUBJECT</b>	8-year lease renewal of 10,212 square feet of office and clinic space and 34 on-site parking spaces at 21730 and 21732 South Vermont Avenue, Torrance, CA 90502		
<b>PROGRAM</b>	Wellness Center and Tele-Mental Health Clinical Hub		
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	If Yes, please explain why: N/A		
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable		
<b>DEADLINES/ TIME CONSTRAINTS</b>	The current lease has been on a month-to-month holdover since March 2023 with no holdover fee.		
<b>COST &amp; FUNDING</b>	Total cost:	Funding source: The rental costs will be fully funded by	
	\$4,300,000	MHSA, State and Federal funds.	
	TERMS (if applicable): The proposed lease amendment will have an annual base rental cost of \$360,000 for the first year. The landlord will be responsible for all operating expenses, including repair and maintenance, to the building. The County will be responsible for electrical and janitorial costs.		
Explanation: The rental costs will be funded 100 percent by Mental Health Services Act and other State and Federal funds that are already included in DMH's existing budget. DMH will not be requesting additional net County cost for this action.			
<b>PURPOSE OF REQUEST</b>	Approval of the recommended actions will authorize and provide continued use of office and clinic space for DMH.		
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The County has leased the subject location since April 2015. The facility adequately meets the office and clinic space and parking needs of DMH.		
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:		
<b>DEPARTMENTAL CONTACTS</b>	Alexandra Nguyen-Rivera Section Chief, Leasing CEO Real Estate Division 213-974-4189 arivera@ceo.lacounty.gov		





**Chief  
Executive  
Office.**

**COUNTY OF LOS ANGELES**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, CA 90012  
(213) 974-1101 ceo.lacounty.gov

**CHIEF EXECUTIVE OFFICER**

Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

June 25, 2024

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:

**EIGHT-YEAR LEASE AMENDMENT  
DEPARTMENT OF MENTAL HEALTH  
21730 AND 21732 SOUTH VERMONT AVENUE, TORRANCE  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of a proposed eight-year lease amendment to renew an existing lease to provide the Department of Mental Health (DMH) continued use of 10,212 square feet of office and clinic space, and 34 on-site parking spaces, for DMH's Harbor Wellness Center and Tele-Mental Health and Transcranial Magnetic Stimulation program.

**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 with Hong Kong Garden, Inc., a California corporation (Landlord), for approximately 10,212 square feet of office and clinic space, and 34 on-site parking spaces located at 21730 South Vermont Avenue, Suite 122 and 21732 South Vermont Avenue, Suite 210, Torrance (Premises), for continued occupancy by DMH. The estimated maximum first year base rental cost is \$360,000. The estimated total proposed lease amendment cost, including, electricity and janitorial costs, is \$4,300,000 over the eight-year term. The rental costs will be funded by Mental Health Services Act and other State and Federal funds that are already

included in DMH's existing budget. DMH will not be requesting additional net County cost for this action.

3. 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 any early termination rights.

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

DMH has occupied the Premises since April 1, 2015. The Premises operates as the Harbor Wellness Center and Tele-Mental Health and Transcranial Magnetic Hub (the Hub) and contains office and clinic space to supplement primary care services at Harbor-UCLA Medical Center. The proposed Premises is a client-facing office. The existing lease expired on March 31, 2023, and is currently on a month-to-month holdover basis with no holdover fee.

The Harbor Wellness Center houses approximately 38 employees, including physicians, nurses, assistants, and administrative staff. Services provided include mental health assessment, crisis intervention, medication support, disorder treatment, individual and group psychotherapy, and collaborative mental health and primary care. The Hub houses eight employees who provide psychiatric services via tele-technology to clients with critical mental health needs at selected hard-to-recruit and remote sites, or to facilities with a shortage of psychiatrists. Employees also provide medication support and psychiatric services to DMH clients in person. The Transcranial Magnetic Stimulation program provides transcranial magnetic stimulation and esketamine via both directly provided care and in-person services.

DMH provides services to approximately 40 clients per day in the Harbor Wellness Center and 30 clients per day in the Hub. The Harbor Wellness Center and the Hub promote wellness, recovery, and transitions to daily living. Services are provided in Torrance and surrounding areas of the South Bay region of the County.

The Premises is in close proximity to Harbor-UCLA Medical Center, and there is collaboration between the Wellness Center, the Hub, and Harbor-UCLA Medical Center.

DMH has requested that the existing lease be renewed so that it may continue to occupy the Premises, provide uninterrupted services to the existing community, and remain near Harbor-UCLA Medical Center.

Due to the direct health services provided, currently no employees are teleworking. Most employees work in the office at any given time while others rotate medical shifts.

The Premises is adequately served by public transportation.

Approval of the recommended actions will find that the proposed lease amendment is exempt from CEQA and will allow DMH to continue to operate at this location.

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

The Countywide Strategic Plan North Star 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. 5. – Fund Highest Priority Needs.

The proposed lease amendment supports the above goals and objective by continuing the use of an existing facility that provides proper accommodations for office, clinic, and ancillary space in a centrally located facility that is accessible for employees and patients.

The proposed lease amendment conforms with the Asset Management Principles outlined in Enclosure A.

### **FISCAL IMPACT/FINANCING**

The estimated maximum first year base rental cost is \$360,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease amendment over the entire term, including electrical and janitorial costs, is \$4,300,000 as shown in Enclosure B-1, which will be funded by Mental Health Services Act and other State and Federal funds that are already included in DMH’s existing budget. DMH will not be requesting additional net County cost for this action.

Sufficient funding to cover the proposed rent for the first year of the proposed lease amendment term is included in the Fiscal Year 2023-24 Rent Expense budget and will be billed back to DMH. DMH has sufficient funding in its Fiscal Year 2023-24 Operating Budget to cover the proposed rent, electrical, and janitorial costs for the first year. Future funding for the costs associated with the proposed lease amendment will be addressed through the annual budget process for DMH.

### **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 proposed lease amendment, the annual rental rate will decrease from \$37.77 per square foot, per year to \$35.25 per square foot, per

year. This proposed base rental rate is subject to fixed annual increases of 3 percent.

- The Landlord is responsible for the operating and maintenance costs of the proposed Premises. The County is responsible for electrical and janitorial costs. The County is not subject to property tax increases.
- The 34 on-site, unreserved parking spaces are included at no additional cost.
- A comparison of the existing lease and the proposed lease amendment is shown in Enclosure B-2.
- The County has the right to terminate the proposed lease amendment early any time after the 60th month, with six months' prior written notice.
- Holdover at the proposed lease amendment expiration is permitted on the same lease terms and conditions, except the monthly base rent during the holdover period will be at the then current base rent amount paid in the last month of the lease, for a period not to exceed six months. If holdover continues for longer than six months, at the beginning of the seventh month, base rent will be increased by the annual 3 percent with no further increases up to an additional 12 months.
- The proposed lease amendment will be effective upon approval by the Board and the term and new rent shall commence upon the first day of the month following Board approval and full execution of the proposed lease amendment by both parties.

The Chief Executive Office 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 \$30.60 and \$50.52 per square foot, per year. The base annual rental rate of \$35.25 per square foot, per year for the proposed lease amendment represents a rate that is within the market range for the area. The proposed rent is lower than the current existing rent. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

Based on DMH requiring office and clinic space to serve medical clients, and provide administrative services, co-working is not appropriate due to the nature of this use.

Enclosure C shows County-owned or leased facilities within the surveyed area, and there are no suitable County-owned or leased facilities available for this space requirement.

The Department of Public Works has confirmed the facility is post-2000 construction and suitable for the County's continued occupancy. The required notification letter to the City of Torrance 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 amendment is authorized by Government Code Section 25351, which allows the County to enter into leases and agreements for the leasing of buildings as necessary to carry out the work of the county government.

The proposed lease amendment will continue to provide a suitable location for DMH, 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 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.

The Honorable Board of Supervisors  
June 25, 2024  
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**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease amendment will adequately provide the necessary office and clinic space and parking for this County requirement. DMH concurs with the proposed lease amendment and recommendations.

Respectfully submitted,

FESIA A. DAVENPORT  
Chief Executive Officer

FAD:JMN:JTC  
JLC:HD:ANR:CB:gb

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Mental Health

**DEPARTMENT OF MENTAL HEALTH  
21730 AND 21732 SOUTH VERMONT AVENUE, TORRANCE  
Asset Management Principles Compliance Form<sup>1</sup>**

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>			X
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup> <b>This facility supplements services of the Harbor-UCLA Medical Center.</b>		X	
C	Does this lease centralize business support functions? <sup>2</sup>			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>The ratio is approximately 222 sf per person due to required ancillary space which includes interview, clinic, conference and group room spaces.</b>		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>Parking ratio is 3.4/1,000.</b>		X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>	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?			X
F	Is Building Description Report attached as Enclosure C?	X		
G	Was build-to-suit or capital project considered? <sup>2</sup>		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?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> 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? <sup>2</sup> <b>This is a modified gross lease; County is paying base rent, electrical and janitorial costs.</b>		X	
F	Has growth projection been considered in space request?	X		
G	<sup>1</sup> Has the Dept. of Public Works completed seismic review/approval? <b>The building was built in 2007, and is deemed suitable for County occupancy.</b>			N/A
<sup>1</sup> As adopted by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

**OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS**

**21730 and 21732 South Vermont Avenue**

**Department of Mental Health**

<b>Basic Lease Assumptions</b>									
<b>Leased Area (sq.ft.)</b>	10,212								
	<b>Monthly</b>	<b>Annual</b>							
<b>Rent (per sq. ft.) <sup>(1)</sup></b>	\$2.94	\$35.25							
<b>Rent Amount (\$)</b>	\$ 30,000								
<b>Term (Month/Years)</b>	96 mos/8 yrs								
<b>Annual Rent Adjustment</b>	3%								
	<b>Monthly</b>	<b>Annual</b>							
<b>Electricity Estimate <sup>(2)</sup></b>	\$1,261	\$15,132							
<b>Janitorial Estimate <sup>(3)</sup></b>	\$8,490.00	\$101,880							
	<b>1<sup>st</sup> Year</b>	<b>2<sup>nd</sup> Year</b>	<b>3<sup>rd</sup> Year</b>	<b>4<sup>th</sup> Year</b>	<b>5<sup>th</sup> Year</b>	<b>6<sup>th</sup> Year</b>	<b>7<sup>th</sup> Year</b>	<b>8<sup>th</sup> Year</b>	<b>Total 8 Year Rental Costs</b>
<b>Annual Base Rent Costs <sup>(1)</sup></b>	\$360,000	\$370,800	\$381,924	\$393,382	\$405,183	\$417,339	\$429,859	\$442,755	<b>\$3,202,000</b>
<b>Total Base Rent Paid to</b>	\$360,000	\$370,800	\$381,924	\$393,382	\$405,183	\$417,339	\$429,859	\$442,755	<b>\$3,202,000</b>
<b>Electricity Costs <sup>(2)</sup></b>	\$15,132	\$15,132	\$15,132	\$15,132	\$15,132	\$15,132	\$15,132	\$15,132	<b>\$122,000</b>
<b>Janitorial Costs <sup>(3)</sup></b>	\$101,880	\$106,974	\$112,323	\$117,939	\$123,836	\$130,028	\$136,529	\$143,355	<b>\$973,000</b>
<b>Total Annual Lease Costs</b>	<b>\$478,000</b>	<b>\$493,000</b>	<b>\$510,000</b>	<b>\$527,000</b>	<b>\$545,000</b>	<b>\$563,000</b>	<b>\$582,000</b>	<b>\$602,000</b>	<b>\$4,300,000</b>
<b>Footnotes</b>									

<sup>(1)</sup> The Base Rent is subject to fixed three percent (3%) increases per annum.

<sup>(2)</sup> Electricity costs shown above are based on an estimation and subject to change.

<sup>(3)</sup> Janitorial costs include 5% annual increases. The figures shown above are based on 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 AMENDMENT TO EXISTING LEASE**

	<b>Existing Lease:</b> <b>21730 and 21732 South Vermont Avenue, Torrance</b>	<b>Proposed Lease Amendment:</b> <b>21730 and 21732 South Vermont Avenue, Torrance</b>	<b>Change</b>
Area (Square Feet)	10,909 sq. ft.	10,212 sq. ft.	-697 sq. ft. <sup>(1)</sup>
Term (years)	8 years	8 years	No Change
Annual Base Rent	\$412,075	\$360,000	-\$52,075 annually
Parking (included in Base Rent)	34	34	No Change
Total Annual Lease Costs Payable to Landlord	\$412,075	\$360,000	-\$52,075
Rental Rate Annual Adjustment	Annual CPI adjustments capped at 4 percent	Annual fixed rental adjustments at 3 percent	Fixed at 3 percent

Footnote:

<sup>(1)</sup> Due to different BOMA standards, the same space measures differently.

**DEPARTMENT OF MENTAL HEALTH  
21730 AND 21732 SOUTH VERMONT AVENUE, TORRANCE  
SPACE SEARCH- WITHIN 3-MILE RADIUS**

<b>LACO</b>	<b>Name</b>	<b>Address</b>	<b>Ownership Type</b>	<b>Gross Sq Ft</b>	<b>Vacant</b>
T531	Harbor – Patient Financial Services 3- South	1000 W. Carson Street, Torrance 90502	Owned	9,770	None
2095	Harbor – REI Pediatrics/Emergency Medicine Office	1000 W. Carson Street, Torrance 90502	Owned	10,051	None
2101	Harbor – Hospital Planning & Arch/Mechanical	1000 W. Carson Street, Torrance 90502	Owned	5,804	None
2063	Harbor – REI Administrative Building N-14	1124 W. Carson Street, Torrance 90502	Owned	11,802	None
A074	CSSD – Division V Headquarters/Torrance Health Center	20221 S. Hamilton Avenue, Torrance 90502	Leased	66,825	None
A414	DCFS – Torrance (SPA 8)	2325 Crenshaw Boulevard, Torrance 90501	Leased	60,804	None
11516	Harbor-D-5.5	1000 West Carson Street, Torrance 90502	Owned	6,296	None
10984	Harbor-D-3.5	1000 West Carson Street, Torrance 90502	Owned	8,804	None

## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease:** Eight-year lease amendment for DMH – 21730 and 21732 South Vermont Avenue, Torrance – Second District.

**A. Establish Service Function Category –** DMH Harbor Wellness Center and Tele-Mental Health and Transcranial Magnetic Stimulation

**B. Determination of the Service Area –** The existing office and clinic space has been occupied since April 1, 2015. The proposed lease amendment term will provide DMH with continued use of 10,212 square feet of office and clinic space and 34 on-site parking spaces.

### C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: This location meets the needs of DMH and remains in an appropriate area close to Harbor-UCLA Medical Center.
- Need for proximity to existing County facilities: The location allows physicians to work between the Harbor Wellness Center, Hub, and Harbor-UCLA Medical Center
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is on South Vermont Avenue, with adequate access to public transit services.
- Availability of affordable housing for County employees: The surrounding area provides for affordable rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There is no space available in existing County-owned buildings to meet the department's service needs.
- Compatibility with local land use plans: The City of Torrance has been notified of the proposed County use which is consistent with its use and zoning for office and clinic space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease amendment over the entire term is approximately \$4,300,000.

**D. Analyze results and identify location alternatives**

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 \$30.60 and \$50.52 per square foot, per year. The base annual rental rate of \$35.25 per square foot, per year for the proposed lease amendment represents a rate that is within the market range for the area. The proposed rent is lower than the current existing rent. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed facility as the most suitable to meet the County's space requirements.

**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 a total of 46 DMH employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012. There are currently no available buildings in the area that meet the Department's requirements.

REINSTATEMENT AND AMENDMENT NO. 2 TO COUNTY LEASE NO. 78234  
21730 AND 21732 SOUTH VERMONT AVENUE, TORRANCE  
DEPARTMENT OF MENTAL HEALTH

This REINSTATEMENT AND AMENDMENT NO. 2 TO LEASE No. 78234 ("Amendment No. 2") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2024 ("Effective Date"), by and between HONG KONG GARDEN INC., a California corporation ("Landlord"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("County" or "Tenant").

RECITALS:

A. WHEREAS, Landlord and Tenant entered into that certain Lease No. 78234 dated July 8, 2014 ("Original Lease"), as amended by that certain Amendment No. 1 to Lease No. 78234 dated March 4, 2016 ("Amendment No. 1"). Collectively the Original Lease, as amended by Amendment No. 1, shall be referred to herein as the "Lease."

B. WHEREAS, Landlord leased to Tenant and Tenant agreed to lease from Landlord approximately ten thousand nine hundred nine (10,909) rentable square feet of office space and 34 parking spaces at 21730 and 21732 South Vermont Avenue, Torrance, California ("Premises").

C. WHEREAS, the Lease term expired on March 31, 2023 and the County has been in a holdover tenancy under the Lease ever since.

D. WHEREAS, Landlord and Tenant now wish to further amend the Lease to provide for among other matters, a reduction in the square footage of the Premises, an extension of the Term, adjustment to the rent, modification of the early termination right, all upon and subject to each of the terms, conditions, and provisions set forth herein.

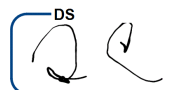
E. WHEREAS, all capitalized terms that are used in this Amendment No. 2 but are not defined herein, shall have the meanings given to them in the Lease.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree and amend the Lease as follows:

1. REINSTATEMENT OF LEASE; WITHDRAWAL OF NOTICES; AND RESTATEMENT OF LEASE.

Landlord and Tenant hereby covenant and agree that, effective as of the Effective Date, the Lease is hereby reinstated in its entirety and by this reference is restated in its entirety, incorporated herein and made a part hereof. Landlord and Tenant hereby further covenant and agree that, contemporaneously with the foregoing reinstatement and restatement of the Lease, any Notice of Termination, if any, is hereby withdrawn, revoked, cancelled and rendered null, void and of no further force or effect.



2. NOTICE.

Section 1.1(b) of the Lease, "TENANT'S ADDRESS FOR NOTICE," is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

1.1(b). Tenant's Address for Notice:

County of Los Angeles  
Chief Executive Office-Real Estate Division  
320 West Temple Street, 7th Floor  
Los Angeles, CA 90012  
Attention: Director of Real Estate

3. PREMISES.

Section 1.1(c) of the Lease, "PREMISES" is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

Premises A (Wellness Center): Approximately 6,887 rentable square feet in the in the space known as Suite 210 in the Building (defined below) as shown on Exhibit A attached hereto.

Premises B (Tele-Mental Clinical Health): Approximately 3,325 rentable square feet in the space known as Suite 122, inclusive of Suites 122-124, in the Building (defined below) as shown on Exhibit A attached hereto.

4. PREMISES BASIC RENT.

As of the Extension Commencement Date, Section 1.1(h) of the Lease, "PREMISES BASIC RENT" is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

Base Rent for Premises A and Premises B will be THIRTY THOUSAND AND NO/100 Dollars (\$30,000.00) ("Base Rent") per month (i.e., \$360,000.00 yearly).

5. RENTABLE SQUARE FEET.

Section 1.1(j) of the Lease, "RENTABLE SQUARE FEET IN THE PREMISES", is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

10,212 rentable square feet (rsf) office space

6. DEFINED TERMS RELATING TO WORK LETTER.

Section 1.2 of the Lease is deleted in its entirety.

7. TERM AND COMMENCEMENT. Section 4 of the Lease, "COMMENCEMENT AND EXPIRATION DATES" is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. Notwithstanding anything to the contrary in the Lease, the Lease is hereby amended to extend the Lease term for an additional eight years or ninety-six (96) months commencing upon the Commencement Date of this Amendment No. 2 to the Lease (the "Extension Commencement Date") and terminating at the end of the eighth year or 96<sup>th</sup> month of the Extension Commencement Date ("Lease Expiration Date"). The period of time commencing on the Extension Commencement Date and terminating on the Lease Expiration Date shall be referred herein as the "Extension Term". The Extension Commencement Date will commence upon the first of the month following approval of the Board of Supervisors and full execution of the Lease Amendment by both parties.

(b) Early Termination. Tenant shall have the right to terminate the Lease for any reason any time after the sixtieth (60) month following the Extension Commencement Date. Such right may be exercised by Tenant upon six (6) months' written notice to Landlord.

8. RENT. Section 5 of the Lease, "RENT" is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

5. RENT. Tenant shall pay Landlord the Base Rent stated in Section 1 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 (the "County") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month.

All amounts owed pursuant to this Lease, shall be consider Rent hereunder.

On the first anniversary of Extension Commencement Date, the Base Rent shall be adjusted as defined below:

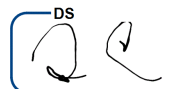
(a) Rental Adjustment: On the first and each subsequent anniversary of the Extension Commencement Date, Base Rent shall be adjusted by a fixed three percent (3%) per annum.

9. USES. Section 6 of the Lease, "USES," is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

6. USES. County may use and occupy the Premises for the Department of Mental Health office or for any other lawful use. The County can replace the initial occupant with any County of Los Angeles Department or Division or associated agency at its sole discretion.

10. HOLDOVER. Section 7 of the Lease, "HOLDOVER," is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

7. HOLDOVER. If this Lease expires, Tenant can remain in the Premises on a holdover basis subject to the same terms and conditions of the Lease and rent during the holdover period will be at the same base rent at the time the Lease expired, for a period not to exceed six months. If Holdover continues for longer



than six months, at the beginning of the seventh month, Base Rent shall be increased by three percent (3%) with no further increases up to an additional twelve months.

11. PARKING. Section 20 of the Lease, "PARKING," is hereby amended, and the following language in the first sentence is inserted in substitution thereof:

(a) Tenant's Rights. Tenant shall have the right to use thirty-four (34) non-exclusive reserved parking stalls, including the reserved, secure parking area beneath the Building, at no additional cost to Tenant.

12. TENANT IMPROVEMENTS. Section 23 of the Lease is hereby deleted in entirety.

13. OPTION TO EXTEND. Section 33 of the Lease is hereby deleted in entirety.

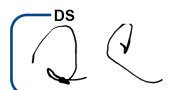
14. CASP INSPECTION. The Lease is hereby amended to insert as a new Section 34 the following paragraphs:

"34. CASP INSPECTION. In accordance with California Civil Code Section 1938, Landlord hereby states that the Premises and the Common Areas: [Check the appropriate box]

Have undergone inspection by a Certified Access Specialist (a "CASp") and have been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord shall provide Tenant with a copy of the CASp inspection report and a current disability access inspection certificate for the Premises within seven (7) days after the execution of this Lease.

Have undergone inspection by a Certified Access Specialist and have not been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord has provided Tenant with a copy of the CASp inspection report at least 48 hours prior to the execution of this Lease. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

Has not undergone inspection by a Certified Access Specialist. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor





may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, and Tenant shall pay the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord's and Tenant's respective responsibilities for compliance with any design and construction related accessibility obligations as provided under the Lease."

15. SMOKING IN COUNTY FACILITIES

The Lease is hereby amended to insert as a new Section 35 the following paragraph:

"35. SMOKING IN COUNTY FACILITIES. The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the County has a responsibility to establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of County employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all County employees and the public. Therefore, to the extent reasonably feasible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made by Tenant to provide smokers a place to smoke in areas open to the sky or otherwise located outside County facilities in a location reasonably proposed by Tenant and subject to the reasonable approval of Landlord, and, except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated by Tenant as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County premises and within 25 feet of any access ramp or handicap path; (2) Within any County-owned parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any County driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126). All signs required by this Section 35 shall be prepared,

posted and maintained by Tenant, subject to Landlord's approval of such signs, including the location thereof, which approval shall not be unreasonably withheld."

16. BROKERS. Landlord warrants that it has dealt with only the following real estate broker(s), agent(s), and/or finder(s) in connection with this letter or the transaction contemplated by this letter: Saddleback Realty & Mortgage DRE #00102873 (Allen P. Kirschbaum DRE #01102874) represents Landlord. Tenant warrants that it has not dealt with any real estate broker(s), agent(s), and/or finder(s) in connection with this letter or the transaction contemplated by this letter except for CBRE, Inc. DRE #00409987 (Timothy Vaughan DRE #00902652). Upon full execution of the Lease, Landlord will pay a brokerage commission under separate agreement to Tenant's broker in connection with leasing to the County of Los Angeles.

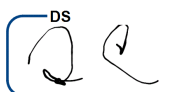
17. RATIFICATION AND CONFIRMATION OF LEASE. Except as modified herein, all other terms and conditions of the Lease remain in full force and effect. In the event that the terms and conditions of this Amendment No. 2 conflict with the terms and of the Lease, as amended by that certain Amendment No. 1, then the terms and conditions of this Amendment No. 2 shall prevail and control.

18. ENTIRE AGREEMENT. The Lease, as amended by this Amendment No. 2, contains the entire agreement of the parties hereto with respect to the subject matter hereof. No representations, inducements, or agreements, oral or otherwise, between the parties not contained in the Lease shall be of any force or effect. The Lease, as amended by this Amendment No. 2, may not be modified, changed or terminated, in whole or in part, in any manner other than by an agreement in writing signed by duly authorized representatives of the parties hereto. Effective as of the Effective Date, all references to the "Lease" shall refer to the Lease as amended by this Amendment No. 2.

19. ELECTRONIC SIGNATURES. This Lease Amendment and any other document necessary for the consummation of the transaction contemplated by this Lease Amendment may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease Amendment and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease Amendment had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease Amendment 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 Lease Amendment based on the foregoing forms of signature. If this Lease Amendment has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA") (Cal. Civ. Code § 1633.1, et seq.), that a signature by fax,

email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

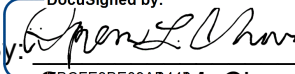
*[Signature Page Immediately Follows]*



IN WITNESS WHEREOF, the Landlord has executed this Amendment No. 2 or caused it to be duly executed and this Amendment No. 2 has been executed on behalf of the County by the Chief Executive Officer of the Chief Executive Office of the County, or her designee, on the day, month, and year first above written.

LANDLORD:

HONG KONG GARDEN, INC.,  
a California corporation

DocuSigned by:  
By:   
Spencer L.M. Chun, President

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  
Recorder/County Clerk  
of the County of Los Angeles

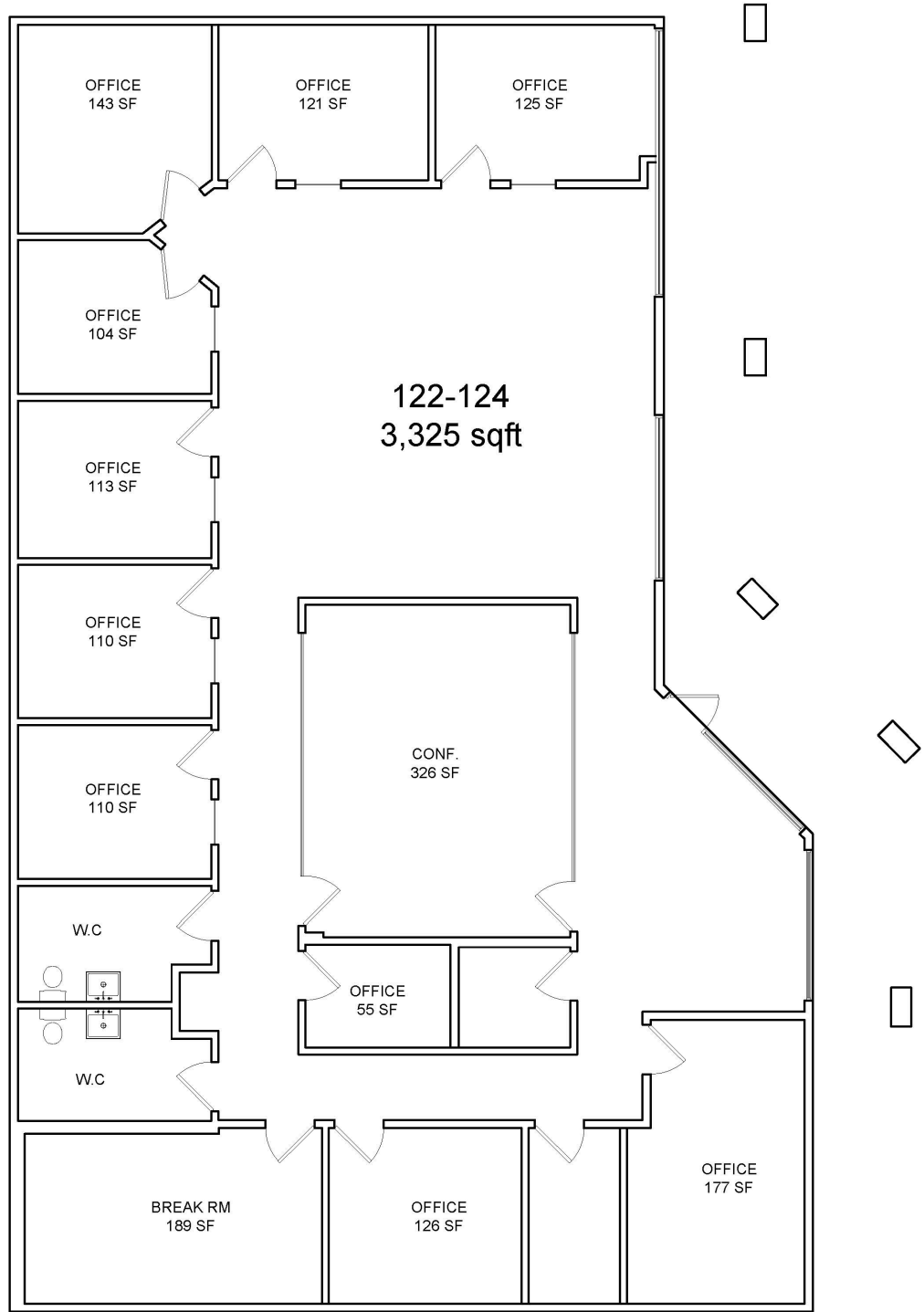
By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By: \_\_\_\_\_  
Senior Deputy

# EXHIBIT A



DS

ALL DIMENSIONS ARE SUBJECT TO FIELD VERIFICATION



www.MeasureUpCorp.com

## Suite 122 Ground Floor

21732 S Vermont Ave., Torrance, CA 90502

N

SCALE 5' 10'

$\frac{3}{32}'' = 1'-0''$

DATE:	05.31.2023	Drafted By:	Aa
SHEET:	1 OF 1		

FL-01

# EXHIBIT A



DS

ALL DIMENSIONS ARE SUBJECT TO FIELD VERIFICATION



www.MeasureUpCorp.com

## Suite 210 Second Floor

21732 S Vermont Ave., Torrance, CA 90502

N

SCALE 5' 10'

3/32" = 1'-0"

DATE:	05.31.2023	Drafted By:	Aa
SHEET:	1 OF 1		

FL-01