



Board of Supervisors Operations Cluster Agenda Review Meeting

DATE: September 25, 2024

TIME: 2:00 p.m. – 4:00 p.m.

MEETING CHAIR: John Leonard, 3rd 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

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 TO EXECUTE A SOLE SOURCE AGREEMENT WITH RDE SYSTEMS SUPPORT GROUP, LLC FOR E2LOSANGELES SYSTEM AND RELATED SERVICES
DPH/CIO – David Cardenas, Deputy Director,
Mike Janson, Senior Information Systems Analyst and
Marshall Ramsay, Chief Information Officer

- B) Board Letter:
CONVEYANCE OF COUNTY OF LOS ANGELES-OWNED REAL PROPERTY TO THE CITY OF SANTA CLARITA
ASSESSOR'S IDENTIFICATION NUMBERS:
2812-008-900 (PORTION) AND 2812-008-901 (PORTION)
28700 BOUQUET CANYON ROAD, SANTA CLARITA
CEO/RE – Michael G. Rodriguez, Section Chief, County-owned

- C) Board Letter:
FIVE-YEAR LEASE AMENDMENT
DEPARTMENT OF MENTAL HEALTH
17707 STUDEBAKER ROAD, CERRITOS
CEO/RE – Alexandra Nguyen-Rivera, Section Chief, Leasing

- D) Board Letter:
CHIEF EXECUTIVE OFFICE
LA PLAZA DE CULTURA Y ARTES ROOF AND EXTERIOR WALL REPAIR
CATEGORICAL EXEMPTION
ESTABLISH AND APPROVE CAPITAL PROJECT NO. 8A069
APPROVE PROJECT BUDGET AND APPROPRIATION ADJUSTMENT
AUTHORIZE USE OF JOB ORDER CONTRACT (FY 2024-25)
ISD/CEO-CP – Thomas DeSantis, P&PM Division Manager

4. PRESENTATION ITEM(S):

- A) OFFICE OF THE COUNTY HEARING OFFICER RULES AND PROCEDURES
COUNTY COUNSEL – Joyce Aiello, Assistant County Counsel and
David Ruan, Administrative Deputy

5. ADJOURNMENT

UPCOMING ITEM(S) FOR OCTOBER 2, 2024:

- A) CEO/RE – THIRTEEN-YEAR AND SIX-MONTH LEASE
SHERIFF'S DEPARTMENT
100 UNIVERSAL CITY PLAZA, UNIVERSAL CITY

- B) CEO/RE – NINE YEAR LEASE
DEPARTMENT OF MENTAL HEALTH
39115 TRADE CENTER DRIVE, PALMDALE

- C) TTC – RECOMMENDATION TO AWARD A CONTRACT FOR INVESTMENT
CUSTODY SERVICES TO STATE STREET BANK AND TRUST COMPANY

- D) LASD/CIO – ADVANCE NOTIFICATION OF INTENT TO ENTER INTO
NEGOTIATIONS FOR A SOLE SOURCE CONTRACT WITH N. HARRIS
COMPUTER CORPORATION AND SYSCON JUSTICE SYSTEMS, INC. FOR
AN INTEGRATED JAIL INFORMATION SYSTEM

- E) LASD/CIO – APPROVAL OF USER AGREEMENT FOR SUBSCRIBERS WITH
THE LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS
SYSTEM AUTHORITY FOR USE OF THE LAND MOBILE RADIO SYSTEM

- F) LACoFD/CIO – APPROVAL OF USER AGREEMENT FOR SUBSCRIBERS
WITH THE LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS
SYSTEM AUTHORITY FOR USE OF THE LAND MOBILE RADIO SYSTEM
AND APPROPRIATION ADJUSTMENT FOR FISCAL YEAR 2024-25

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	9/25/2024	
BOARD MEETING DATE	10/8/2024	
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Public Health	
SUBJECT	Approval to execute a sole source Agreement with RDE Systems Support Group, LLC (RDE) for the provision of e2LosAngeles System, a software as a service (SaaS) solution that will serve as a data management system for HIV/STD services, and related services, and to delegate authority to the Director of Public Health, or designee, to execute the Agreement and various amendments, as needed.	
PROGRAM	Division of HIV and STD Programs (DHSP)	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: RDE's e2LosAngeles System is the only system that features a comprehensive centralized eligibility and enrollment module for required reporting that complies with federal program requirements.	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable Supplemental Disclosure Form uploaded in the Levine Act Portal on 8/2/24.	
DEADLINES/ TIME CONSTRAINTS	As soon as possible to begin process of migrating data over to the new system.	
COST & FUNDING	Total cost: Not to exceed \$11,083,913, which includes \$1,007,628 in requested Pool Dollars	Funding source: Health Resources and Services Administration (HRSA) Ending the HIV Epidemic (EHE), HRSA Ryan White HIV/AIDS Program Part A and Centers for Disease Control EHE funds
	TERMS (if applicable): Initial term – five years from date of execution: Optional term - up to five additional one-year periods or for a single five-year period after initial term	
	Explanation:	
PURPOSE OF REQUEST	Public Health is requesting approval to execute a new sole source contract with RDE for the provision of e2LosAngeles System and related services for various HIV/STD services contracts.	
BACKGROUND (include internal/external issues that may exist including any related motions)	A new data system is needed to ensure compliance with applicable County of Los Angeles information system regulatory provisions, as well as with State and federal grant and programmatic reporting requirements.	
EQUITY INDEX OR LENS WAS UTILIZED	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain how: 2) Develop and implement strategies that identify, prioritize and effectively support the most disadvantaged geographies and populations. Clients who access Ryan White Program Funded services, are people living with HIV and who also have no other source of medical coverage and have income 400 percent below of the most current Federal Poverty Level.	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: 2. Alliance for Health Integration; services integrate services across health services and public health to assist client's access to care and address mental health. This contract will support the data system which will be used to collect client-level data for clients living with HIV who access medical, mental health and supportive health services at DHSP funded community-based sites in Los Angeles County.	
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Joshua Bobrowsky, Public Health Director Government Affairs, (213) 288-7871, jbobrowsky@ph.lacounty.gov ; Truc Moore, Principal Deputy County Counsel, (213) 972-5719, tmoore@counsel.lacounty.gov ; Mario Perez, Division of HIV and STD Programs, (213) 351-8001, mjperez@ph.lacounty.gov	



BARBARA FERRER, Ph.D., M.P.H., M.Ed.
Director

MUNTU DAVIS, M.D., M.P.H.
County Health Officer

ANISH P. MAHAJAN, M.D., M.S., M.P.H
Chief Deputy Director

313 North Figueroa Street, Room 806
Los Angeles, California 90012
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www.publichealth.lacounty.gov

October 8, 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

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

Dear Supervisors:

**APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT WITH
RDE SYSTEMS SUPPORT GROUP, LLC FOR E2LOSANGELES SYSTEM AND
RELATED SERVICES
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

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

SUBJECT

Approval to execute a sole source Agreement with RDE Systems Support Group, LLC for the provision of e2LosAngeles System, a software as a service (SaaS) solution that will serve as a data management system for HIV/STD services, and related services, and to delegate authority to the Director of Public Health, or designee, to execute the Agreement and various amendments, as needed.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Director of Department of Public Health (Public Health), or designee, to execute a sole source agreement, substantially similar to Attachment A (Agreement), with RDE Systems Support Group, LLC (RDE) for the provision of e2LosAngeles System (e2LAS) and related services to support client services data collection and reporting for various HIV/STD services contracts, effective upon execution, for an initial term of five years, with an option to extend the term of the Agreement for up to five additional one-year periods or for a single five-year period,

with a Maximum Agreement Sum not to exceed \$11,083,913 for the entire term of the Agreement, including the optional extensions. Of the \$11,083,913 in the current Maximum Contract Sum, \$1,007,628 is for Pool Dollars, \$2,113,000 is for one-time implementation fees, whereas \$7,963,285 is for subscription fees to use the System following successful acceptance.

2. Delegate authority to the Director of Public Health, or designee, to approve and execute: (a) change notices to the Agreement for: (i) changes to project schedule; and (ii) changes that are clerical or administrative in nature and/or do not affect any term or condition to the Agreement; and (b) change orders or amendments that require additional costs or expenses using Pool Dollars to acquire Optional Work, provided the amounts payable under such change orders or amendments do not exceed the available amount of Pool Dollars.
3. Delegate authority to the Director, or designee, to: (a) issue written notice(s) of partial or total termination of the Agreement for convenience without further action by the County Board of Supervisors (Board); and (b) execute amendments to the Agreement to: (i) make changes to the scope of work; (ii) add, delete, and/or change certain terms and conditions as mandated by federal or State law or regulation, Los Angeles County (County) policy, the Board and/or Chief Executive Office (CEO); (iii) reallocate the components comprising the Maximum Agreement Sum; (iv) reduce the Services and the Maximum Agreement Sum; (v) extend the term of the Agreement by exercising optional years in the Agreement; (vi) assign and delegate the Agreement, resulting from acquisitions, mergers, or other changes in ownership; (vii) approve Cost of Living Adjustments (COLAs) requested by RDE for the optional extensions, at the Director's discretion, limited to the fixed hourly rates for professional services, with any such COLAs, consistent with the Board's COLA policy, with all actions subject to prior review and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background:

Public Health's Division of HIV and STD Programs (DHSP) has approximately 208 HIV and STD services contracts that require the collection and reporting of client services data. These data help DHSP understand service delivery and performance trends and are used to meet State and federal funder requirements. A new data system is needed to ensure compliance with applicable County of Los Angeles (County) information system regulatory provisions, as well as with State and federal grant and programmatic reporting requirements.

Over the past seven years, DHSP has been working with Public Health Information Systems (PHIS) to modernize the current data system infrastructure and assess data

system improvement opportunities, that include a multi-phased initiative to replace DHSP's legacy data systems.

In February 2018, Phase I of the data system modernization effort began with the implementation of the On-line Real-Time Centralized Health Information Database (ORCHID) to track clinical services such as STD screening, diagnosis and treatment and pre-exposure prophylaxis (PrEP) services provided in Public Health sexual health clinics.

Phase II, which is currently in progress, involves the implementation of Public Health's Integrated Reporting, Investigation and Surveillance (IRIS) system, which will replace the current STD Casewatch system, one of two DHSP data management systems currently provided by Automated Case Management Systems, Inc. (ACMS). IRIS will manage HIV/STD surveillance, disease investigation, and partner services.

HIV Casewatch, the other ACMS system currently used by DHSP, has been in place since January 1995, and does not meet the County CIO's security requirements. ACMS does not intend to provide an upgrade that would meet these security requirements. HIV Casewatch is built on Massachusetts General Hospital Utility Multi-Programming System (MUMPS)/Cache architecture language that is no longer supported. The user interface is outdated resulting in challenges with user experience that have impeded service delivery. HIV Casewatch does not have the ability to exchange data with other data systems using current data standards including XML, HL7, and FHIR. It does not allow user logging, which tracks every user's actions through the system, including page views, entry, edits, among other steps.

Public Health is requesting approval to begin the final phase of this effort to implement a new data system called e2LAS to conform to the County's data system requirements and replace HIV Casewatch. The new data system, e2LAS, will improve DHSP's ability to meet reporting requirements, improve reporting efficiency, and add new data system functionality and security elements. e2LAS will be used by all DHSP contracted HIV service providers for client case management, outcome monitoring and reporting, contracting, invoicing, and other critical programmatic and financial functions. E2LAS will include functions to improve contract administration, services delivery, client/patient portals, IT security (e.g., data encryption), as well as data interoperability with other systems including Electronic Health Record (EHR), Practice Management, Laboratory and Pharmacy systems.

Jurisdictions that are currently successfully using a comparable data system to E2LAS to meet federal and State requirements include the counties of Hillsborough, Fulton, Miami-Dade, the cities of Dallas and Boston, as well as the States of New Jersey, Hawaii, Nebraska, New Mexico, Connecticut, and the Commonwealth of Puerto Rico. The required data system components include centralized eligibility screening, case management, medical care coordination, contract management, billing and reimbursement for fee-for-service contracts, as well as reporting for all State and

federal data reporting requirements. e2LAS is the only data system that can provide the required built-in components that DHSP has identified as critical to the federal Health Resources and Services Administration (HRSA) Ending the HIV Epidemic (EHE) initiative, including client portals for accessing PrEP navigation and engagement in HIV care. Moreover, e2LAS is the only data system found to ensure data interoperability with EHR, practice management, laboratory and pharmacy systems, and features a comprehensive centralized eligibility and enrollment module. The module can track eligibility for Ryan White Program (RWP) services as well as MediCal/Medicaid and other public insurance. The system provides automated eligibility determinations which notify both the provider and client when eligibility changes. It also allows for easy registration and recertification for RWP services by allowing clients to upload eligibility documentation using a computer or smart phone. e2LAS can track service delivery across the entire spectrum of DHSP's HIV services portfolio and across multiple federal and State funding sources. It is the only system that: allows for tracking contracted service delivery across all DHSP services while linking with grant expenditures; offers an end-to-end automated billing module which fully integrates contract management, client eligibility, bill/claim submission and adjudication; and includes robust and customizable messaging/alerting.

With e2LAS, Public Health will continue to provide uninterrupted HIV services and billing support to DHSP contracted HIV service providers and ensure compliance with the State and federal data collection and reporting requirements associated with the delivery of HIV services to County residents. e2LAS will promote improved accountability and productivity among contracted providers and will capture valuable clinical outcome data for clients served by DHSP.

Recommendations:

Approval of Recommendation 1 will allow Public Health to execute a new sole source Agreement with RDE for use of e2LAS. This replacement system is necessary for Public Health to meet and comply with current applicable County requirements, State, and federal programmatic requirements.

The e2LAS system will provide greater efficiencies, such as:

1. Increase access to services through centralized service eligibility and registration for clients and patients across service modalities and agencies, thereby reducing significant documentation burdens on the clients;
2. Improve patient case management and service coordination, including linkage to clinical and support services;
3. Provide accurate and efficient data collection that reduces reporting burden for contracted agencies;
4. Improve the efficiency of contract management to allow contract managers more time for providing technical assistance to agencies providing services;
5. Improve timeliness of billing and reimbursement;

6. Streamline data reporting to meet grant requirements;
7. Allow for greater capacity to use data in real-time to support monitoring and evaluation, planning and resource allocation, and quality improvement efforts; and,
8. Mitigate data breaches on cloud-hosted server as it uses zero-knowledge encryption.

Approval of Recommendation 2 will allow Public Health to amend the Agreement via Change Notices and Change Orders, as set forth in the Agreement. Change Notices are for alterations to the project schedule and for changes that do not require any additional costs or expenses or that do not affect any term of or condition of the Agreement. Change Orders are for the acquisition of Optional Work within the allocated Pool Dollars amount included within the Maximum Agreement Sum. This includes work in the form of professional services and/or new software.

Approval of Recommendation 3 will allow Public Health to execute Amendments to the Agreement to make changes to the scope of work and Maximum Agreement Sum; add, delete, and/or change certain terms and conditions, as required under federal or State law or regulation, County policy, Board and/or CEO; reallocate the cost components comprising the Maximum Agreement Sum; issue written notices of partial or full termination for default; execute amendments to reduce the Agreement's scope of work and the Maximum Agreement Sum; and for assignment and delegations resulting from acquisitions, mergers, or other changes in ownership, as necessary. In accordance with Board Policy No. 5.070, multi-year services contract cost of living adjustments, the County, upon a future request from Contractor, would have the discretion to grant a COLA as specified in the Contract. The COLA will not be automatic and is further limited to the lesser of movement in County salaries or any increase in the Consumer Price Index of the Department of Labor Bureau of Labor Statistics. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in the County employee salaries, no COLA will be granted. COLA provision is included in the RDE Agreement limited to the fixed hourly rates for professional services.

This recommendation also delegates authority to amend the Agreement to exercise the five optional one-year or the single five-year period extensions.

Implementation of Strategic Plan Goals

The recommended actions support North Star 1, Make Investments that Transform Lives, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The Maximum Agreement Sum with RDE is \$11,083,913. The costs will be 100 percent funded by Health Resources and Services Administration (HRSA) Ending the HIV

Epidemic (EHE), HRSA Ryan White HIV/AIDS Program Part A and Centers for Disease Control EHE funds.

Funding is included in Public Health's Adopted Budget for fiscal year (FY) 2024-25 and will be included in future FYs, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

To determine what data system could meet the needs of DHSP's data requirements, a thorough review of available data systems was conducted between 2021 and 2023, by first conducting an electronic survey of all jurisdictions in the United States funded by the HRSA RWP utilizing Listserv, an electronic mailing list database provided by HRSA. This survey was followed by interviews with other large jurisdictions, including county health departments in Fulton County (Atlanta), Alameda County, Riverside County, Hillsborough County (Tampa/St. Petersburg), and Miami Dade County. Interviews were also conducted in cities such as Chicago, Boston, and Dallas, as well as the States of California, Illinois, Texas and Connecticut. These jurisdictions provide HIV services funded by both the CDC and HRSA.

The vast majority of State and local health departments are using either CAREWare or a locally-developed solution. Some jurisdictions are using a traditional EHR solution such as eClinical Works, while others are using a combination of RDE's Electronic Comprehensive Outcomes Measurement Program for Accountability and Success System (eCOMPAS) or Provide.

Many state and local jurisdictions rely on CAREWare, the system provided by the federal government for grantee jurisdictions providing RWP services; however, CAREWare does not have contract management, fee-for-service billing, or a client portal. While Provide has many of the components needed for the County, it is missing key functionality including not having a centralized eligibility and enrollment module, patient portal, or integrated training platform. Other systems developed by State or local jurisdictions have most, if not all, of the requirements but those systems are not available for purchase by other jurisdictions. Although California developed its own system, which is used by local counties throughout the State, it does not meet the system requirements for the County, including covering HIV testing and EHE activities.

County Counsel retained Drukker Law, Inc., to assist in the negotiation of this Agreement. Accordingly, Drukker Law, Inc., in conjunction with County Counsel, reviewed the Agreement.

As required under Board Policy 5.100, your Board was notified on September 22, 2023, of Public Health's intent to enter into negotiations for a new sole source contract with RDE.

The Agreement contains all the terms and conditions in compliance with the Board's ordinances, policies, and programs including, but not limited to, Compliance with County's Zero Tolerance Human Trafficking Policy, Time Off for Voting, Consideration of Hiring Greater Avenues for Independence/General Opportunities for Work Program Participants, Contractor Responsibility and Debarment, Compliance with Jury Service Program, Safely Surrendered Baby Law, County's Child Support Compliance Program, and County's Defaulted Property Tax Reduction Program.

RDE will provide all required levels of insurance, including for professional liability/errors and omissions and cyber-crime incidents. In addition, the Agreement also contains applicable information technology and software provisions to protect the County in the event of RDE's deficient performance and/or breach of warranties, including assessment of liquidated damages for late delivery, failure to correct deficiencies timely, and termination for default. DPH has also included service credits in the service level requirements, which will be applied to the subscription fees for unscheduled downtime and other unachieved service levels, as prescribed in the Agreement. Likewise, very specific deficiency levels have been identified for deficiencies and system availability.

County Counsel has reviewed and approved Attachment A as to form. Attachment B is the Sole Source Checklist signed by the CEO. The CIO has reviewed and recommends approval. Attachment C, CIO Analysis is attached.

CONTRACTING PROCESS

RDE is recommended for this sole source contract to ensure the County can meet all State and federal data reporting requirements, in addition to meeting the CIO security requirements for the County.

Based on our market research, e2LAS, based on RDE's eCOMPAS SaaS Solution, is the only data system available in the United States that provides all the requirements for a comprehensive HIV services data system for a large health jurisdiction such as the County.

During this transition process of data systems, Public Health's current contract with ACMS is in place through February 28, 2025. ACMS's HIV Casewatch system includes a significant amount of historical information and requires for it to be in place until the full transition to RDE's e2LAS is complete. Public Health will be requesting approval under a separate Board action to extend the ACMS contract beyond February 28, 2025.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will allow Public Health to continue providing uninterrupted HIV data system and billing support to Public Health-contracted HIV/AIDS Care and treatment providers and ensure compliance with State and federal data collection and reporting requirements associated with the delivery of HIV/AIDS Care services to LAC residents.

Respectfully submitted,

Reviewed By:

Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director

Peter Loo
Chief Information Officer

BF:lc
BL #07143

Enclosures

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



**Chief
Information
Office**

Peter Loo
CHIEF INFORMATION OFFICER

DRAFT

Attachment

CIO

ANALYSIS

BOARD AGENDA DATE:

10/8/2024

SUBJECT:

APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT WITH RDE SYSTEMS SUPPORT GROUP, LLC FOR E2LOSANGELES SYSTEM AND RELATED SERVICES

CONTRACT TYPE:

New Contract Sole Source Amendment to Contract #: Enter contract #

SUMMARY:

Description:

The Department of Public Health is requesting the Board’s approval to execute a sole source Agreement with RDE Systems Support Group, LLC for the provision of e2LosAngeles, a software as a service (SaaS) solution that will serve as a data management system for HIV/STD services. The initial term of the Agreement will be five years, with an option to extend the Agreement for up to five additional one-year periods or for a single five-year period, with a Maximum Agreement Sum not to exceed \$11,083,913 for the entire term of the Agreement, including the optional extensions. Of the \$11,083,913 in the Maximum Contract Sum, \$1,007,628 is for Pool Dollars, \$2,113,000 is for one-time implementation fees and \$7,963,285 is for subscription fees.

DPH is also requesting delegated authority to approve and execute: (a) change notices to the Agreement for: (i) changes to the project schedule; and (ii) changes that are clerical or administrative in nature and/or do not affect any term or condition to the Agreement; and (b) change orders or amendments that require additional costs or expenses using Pool Dollars to acquire Optional Work, provided the amounts payable under such change orders or amendments do not exceed the available amount of Pool Dollars.

DPH is also requesting delegated authority to (a) issue written notice(s) of partial or total termination of the Agreement for convenience without further action by the Board; and (b) execute amendments to the Agreement to: (i) make changes to the scope of work; (ii) add, delete, and/or change certain terms and conditions as mandated by federal or State law or regulation, County policy and/or the CEO; (iii) reallocate the components comprising the Maximum Agreement Sum; (iv) reduce the Services and Maximum Agreement Sum; (v) extend the Term of the Agreement by exercising optional years in the Agreement; (vi) assign and delegate the Agreement, resulting from acquisitions, mergers, or other changes in ownership; (vii) approve Cost of Living Adjustments (COLA)

requested by RDE for the optional extensions, at the Director’s discretion, limited to the fixed hourly rates for professional services, with any such COLA’s, consistent with the Board’s COLA policy, with all actions subject to prior review and approval as to form by County Counsel.

Contract Amount: \$11,083,913

FINANCIAL ANALYSIS:

Contract costs:

One-time costs

Implementation..... \$ 2,113,000

Ongoing costs:

Subscription Fees (10 years) \$ 7,963,285

Pool Dollars..... \$ 1,007,628

Total costs: \$ 11,083,913

Notes:

The costs will be 100 percent funded by Health Resources and Services Administration (HRSA) Ending the HIV Epidemic (EHE), HRSA Ryan White HIV/AIDS Program Part A and Centers for Disease Control EHE funds. Funding is included in DPH’s Adopted Budget for Fiscal Year 2024-25 and will be included in future Fiscal Years, as necessary.

RISKS:

- Quality of Services:** The purpose of this sole source Contract is to procure and implement a SaaS solution that will serve as a data management system for HIV/STD services. DPH’s Division of HIV and STD Programs (DHSP) has approximately 208 HIV and STD services contracts that require the collection and reporting of client services data. This data helps DHSP understand service delivery and performance trends and is used to meet State and federal funder requirements. Based on DPH’s market survey and analysis, RDE’s e2LosAngeles System is the only system that features an existing comprehensive centralized eligibility and enrollment module required for reporting that complies with State and federal program requirements. The new system will increase access to services through centralized service eligibility and registration for clients and patients, improve patient case management and service coordination, provide accurate and efficient data collection, improve efficiency of contract management, improve timeliness of billing and reimbursement, streamline data reporting, allow greater capacity to use data in real time and mitigate data breaches.

As with any large information technology project, there are risks related to quality,

schedule and cost. DPH has mitigated these risks by developing a well-structured contract and related Statement of Work (SOW). The system will be implemented in six phases and the implementation will include 206 individual deliverables, each with its own payment schedule and 10% holdback requirement. The tasks and deliverables are split up into key areas including: Project Plan, Security Plan, Incident Response Plan, System Requirements Validation, Test Plan and Legacy Data Migration. Based on the Contract, no off-shore work will be permitted, and all services will be rendered within the continental United States. A fixed hourly rate for optional work has been negotiated at \$250. The contractor will be required to maintain for a Business Continuity Plan and Disaster Recovery Plan for its hosting environment.

2. **Project Management and Governance:** The County’s Office of the CIO recommends strong project governance practices and a dedicated Project Manager to adhere to schedule, budget and scope, and to manage vendor practices. Based on the SOW, the Contractor will provide a Project Manager and Project Director, and utilize a Quality Control Plan to ensure consistently high level of services throughout the term of the Contract. DPH will also assign a Project Manager and Project Director.
3. **Information Security:** The County’s Office of the Chief Information Security Officer (OCISO) reviewed the security components of this Contract and did not identify any issues. The OCISO also confirmed that the Contract contains the latest approved Information Security and Privacy Requirements Exhibit. The Contract includes Cyber Liability insurance with limits of \$2 million per occurrence and \$5 million in the aggregate.
4. **Contract Risks:** No Contract risks were identified. The Contract contains all Board required terms and conditions and was heavily negotiated by a team consisting of County Counsel and outside counsel (Drukker Law, Inc.). The Contract includes Commercial General Liability insurance with limits of \$1 million per occurrence and \$2 million in the aggregate. The Contract also includes provisions for Liquidated Damages and Professional Liability/Errors and Omissions.

PREPARED BY:

(NAME) DEPUTY CHIEF INFORMATION OFFICER

DATE

APPROVED:

PETER LOO, CHIEF INFORMATION OFFICER

DATE

CONTRACT NUMBER: PH-XXXXX



**AGREEMENT BY AND BETWEEN
COUNTY OF LOS ANGELES AND
RDE SYSTEM SUPPORT GROUP, LLC
FOR
E2LOSANGELES SYSTEM
AND RELATED SERVICES**

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**AGREEMENT BY AND BETWEEN COUNTY OF LOS ANGELES
AND
RDE SYSTEM SUPPORT GROUP, LLC
FOR
E2LOSANGELES SYSTEM
AND RELATED SERVICES**

This Agreement for the e2Los Angeles System and Related Services (as further defined below, “**Agreement**”), is made and entered into this __ day of _____, 2024, by and between the County of Los Angeles (“**County**”) and RDE System Support Group, LLC (“**Contractor**”), a New Jersey limited liability company, with its principal place of business at 275 Paterson Ave, Little Falls, New Jersey, 07424 (each of County and Contractor a “**Party**” and together the “**Parties**”).

RECITALS

WHEREAS, the County’s Department of Public Health (“**DPH**”) Division of HIV and STD Program (“**DHSP**”) leads work within Los Angeles County to control the spread of HIV and STDs through epidemiological surveillance; implementation of evidence-based programs; coordination of prevention, care, and treatment services; and the creation of policies that promote public health; and

WHEREAS, in furtherance of its mission, DHSP manages hundreds of contracts with service providers to provide HIV patient outreach and care, and requires an updated data management system to allow DHSP to meet programmatic, security, and reporting requirements, as well as provide new data management system functionality; and

WHEREAS, the County may contract with private businesses for an HIV data management system and related services when certain requirements are met; and

WHEREAS, the Contractor is a private firm specializing in providing data management systems developed on the software platform commercially known as electronic Comprehensive Outcomes Measurement Program for Accountability and Success™ (as further defined below “**eCOMPAS™**”) and related services pursuant to a Software as a Service (SaaS) licensing model to meet the aforementioned requirements and functionality; and

WHEREAS, the Contractor warrants that it possesses the necessary special skills, experience, knowledge, technical competence and sufficient staffing to perform under this Agreement; and

WHEREAS, the Contractor agrees to furnish the software system commercially known as eCOMPAS™, configured to meet the requirements provided by the County as detailed in the e2LosAngeles Solution Requirements, attached hereto as Exhibit A.1, and the Statement of Work, attached hereto as Exhibit A, and other Licensed Software, to be known in the Agreement as the e2LosAngeles System (as further defined below), and related services described herein, which will be provided pursuant to a Software as a Service (SaaS) license, subject to the terms of the Agreement, which the e2LosAngeles System may be renamed by the County; and

WHEREAS, County is authorized by California Government Code Section 31000 and otherwise to contract for the work contemplated herein.

NOW THEREFORE, in consideration of the foregoing Recitals (which are incorporated herein), and the mutual covenants and agreements contained herein, and for good and valuable consideration, the Parties agree to the following:

1.0 APPLICABLE DOCUMENTS

When used herein, the term “Agreement” includes the body of this Agreement and any Statement of Work entered into by the Parties hereunder and such other exhibits (“**Exhibit(s)**”), attachments (“**Attachment(s)**”), schedules (“**Schedule(s)**”) appended to this Agreement and additional documents that the Parties identify and agree to incorporate herein by reference, as well as Amendments, Change Orders, and Change Notices entered into in accordance with this Agreement.

This Agreement constitutes the complete and exclusive statement of understanding between the Parties, and supersedes all previous agreements, written and oral, and all communications between the Parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Section 15.0 (Changes to Agreement) and signed by both Parties.

2.0 INTERPRETATION AND DEFINED TERMS

2.1 Interpretation

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. Use of the words “including,” “including but not limited to,” and words of similar import shall be interpreted to provide examples and not to be limiting. 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 or among any of the body of this Agreement , Statements of Work, Exhibits, Attachments, and Schedules, such conflict or inconsistency shall be resolved by giving precedence first to the body of this Agreement, and then to the Statements of Work, Exhibits, Attachments, and Schedules according to the following descending priority:

- Exhibit A (Statement of Work);
- Exhibit B (Service Level Agreement);
- Exhibit C (Payment Schedule);
- Exhibit I (Information Security and Privacy Requirements); and

All other Exhibits, Attachments and Schedules.

2.2 Defined Terms

Capitalized terms not otherwise defined in this section shall have the meanings ascribed to them in the body of the Agreement or in other Exhibits, Attachments, or Schedules. Unless otherwise specified herein, all references in this section to Sections shall refer to the respective Sections of this Agreement as specified in the body of the Agreement (rather than the Exhibits, Attachments, or Schedules thereto).

2.2.1 Acceptance

The County's written approval of any tasks, Deliverables, goods, Services, or other work, including the System and other Solution components, in accordance with Paragraph 5.0 (Acceptance).

2.2.2 Acceptance Certificate

The acceptance certificate, substantially similar to the Acceptance Certificate provided in Exhibit A.6 (Acceptance Certificate).

2.2.3 Acceptance Criteria

Shall have the meaning specified in Section 5.1 (Acceptance Criteria) of the Agreement.

2.2.4 Agreement

Shall have the meaning specified in the Preamble and Section 1.0 (Applicable Documents) to the Agreement.

2.2.5 Agreement Term; Term

The term of the Agreement commencing upon the Effective Date until its expiration or termination as provided herein. The phrase "term of the/this Agreement" and phrases of similar import shall mean the Agreement Term.

2.2.6 Amendment

Shall have the meaning specified in Section 15.1 (Amendments) of the Agreement.

2.2.7 Approval (Approve or Approved)

The written acceptance or other required approval by DPH's Chief Information Officer (or his or her designee) or the County's Project Director (or his or her designee) of a specifically identified Deliverable or any other item requiring County approval.

2.2.8 Attachment(s)

Shall have the meaning specified in Section 1.0 (Applicable Documents).

2.2.9 Availability (Available)

Shall have the meaning specified in Exhibit B (Service Level Agreement).

2.2.10 Background Intellectual Property

Any intellectual property, including, without limitation, concepts, ideas, methods, methodologies, procedures, processes, know-how, techniques, inventions, analysis frameworks, software, models, documentation, templates, the generalized features of the structure, sequence and organization of software, user interfaces and screen designs, utilities, routines, and tools, which may constitute or be contained in Work Product that was developed by Contractor prior to performance or independent of this Agreement.

2.2.11 Business Associate Agreement

Shall have the meaning specified in the Preamble to Exhibit G (Business Associate Agreement).

2.2.12 Business Continuity Plan

Shall have the meaning specified in Section 4.9 (Disaster Recovery/Business Continuity) of the Agreement.

2.2.13 Business Day

Shall mean each of Monday through Friday, excluding County holidays.

2.2.14 C.F.R

Shall have the meaning specified in Section 14.1.9 (Compliance with Federal and State Confidentiality Requirements) of the Agreement.

2.2.15 Change Notice

Shall have the meaning specified in Section 15.2 (Change Notice) of the Agreement.

2.2.16 Change Order

Shall have the meaning specified in Section 15.3 (Change Order) of the Agreement.

2.2.17 Confidential Information

Shall have the meaning specified in Section 14.1.1 (Confidential Information Defined) of the Agreement.

2.2.18 Contract Year

The twelve (12) month period commencing on the Effective Date, and each subsequent twelve (12) month period thereafter during the Term.

2.2.19 Contracted Agency

Third party agencies with which the County contracts to provide HIV health care providers.

2.2.20 Contractor

Shall have the meaning specified in the Preamble to the Agreement.

2.2.21 Contractor's Project Director

The individual designated by the Contractor to administer the Agreement operations after the Agreement award.

2.2.22 Contractor's Project Manager

The individual designated by the Contractor to administer the Agreement operations after the Agreement award.

2.2.23 County

Shall have the meaning specified in the Preamble to the Agreement.

2.2.24 County Data

All of the County information, data, and records of County to which Contractor has access, or is otherwise provided to Contractor under this Agreement, during the use and/or provisioning of the Solution, including any data entered/stored/accessed during use of the Solution by users of the Solution.

2.2.25 County Indemnitees

Shall have the meaning specified in Section 23.1 (General Indemnification) of the Agreement.

2.2.26 County's Project Director

Person designated by County with authority for County on contractual or administrative matters relating to this Agreement that cannot be resolved by the County's Project Manager.

2.2.27 County's Project Manager

Person designated by County's Project Director to manage the operations under this Agreement.

2.2.28 Customized Modules

To the extent Contractor develops source code and related object code for its Licensed Software (or its successor products), utilizing the Customized Modules Requirements, Customized Modules are (1) the source code and related object code, documentation of the source code and related object code, user descriptions and other collateral materials relating to the source code and related object code, and (2) modifications, enhancements, or further derivatives Contractor and its subcontractors make to the source code and related object code, user descriptions and other collateral materials relating to the source code and related object code. Customized Modules shall become part of, and be deemed, Licensed Software for the purpose of this Agreement.

2.2.29 Customized Modules Requirements

All non-public information and unpublished intellectual property submitted by County related to any functions to be developed by Contractor for County under this Agreement. Customized Modules Requirements shall be County's (or the owner of such submitted intellectual property) Confidential Information.

2.2.30 Day(s)

Calendar day(s) unless otherwise specified.

2.2.31 Deficiency

With respect to the Solution, Services, or Deliverables, a failure of the Solution, Services, or Deliverables to conform to Specifications, or with respect to the Solution, a failure that impairs the performance of the Solution when operated in accordance with the Agreement.

2.2.32 Deliverable(s)

Whether singular or plural, shall mean software, items and/or Services provided or to be provided by Contractor under this Agreement identified as a deliverable, by designation, number, in the Statement of Work, Exhibit, Attachment, Schedule, or as an obligation expressly set forth in any document incorporated into the Agreement.

2.2.33 DHSP

Shall have the meaning specified in the Recitals.

2.2.34 Disabling Device

Shall have the meaning specified in Section 9.6 (Disabling Device) of the Agreement.

2.2.35 Disaster Recovery Plan

Shall have the meaning specified in Section 4.9 (Disaster Recovery/Business Continuity) of the Agreement.

2.2.36 Disclosing Party

Shall have the meaning specified in Section 14.1.1 (Confidential Information Defined) of the Agreement.

2.2.37 Displaced Product

Shall have the meaning specified in Section 3.2.2 (Replacement Products) of the Agreement.

2.2.38 Dispute Resolution Procedure

Shall have the meaning specified in Section 27.0 (Dispute Resolution Procedure) of the Agreement.

2.2.39 Documentation

All of Contractor's training course materials, and technical manuals, and all other user instructions prepared or made available by or through Contractor regarding the capabilities, operation, and use of the Solution.

2.2.40 DPH

Shall have the meaning specified in the Recitals.

2.2.41 DPH CIO

Shall mean the Chief Information Officer of DPH.

2.2.42 DR/BC Plan

Shall have the meaning specified in Section 4.9 (Disaster Recovery/Business Continuity) of the Agreement.

2.2.43 Due Date

Shall have the meaning specified in Section 6.3 (Late Delivery Credits to County) of the Agreement.

2.2.44 eCOMPAS, eCOMPAS™, eCOMPAS Platform, eCOMPAS™ Platform

Contractor's eCOMPAS™ software platform, including all components and Documentation, collectively comprising the electronic Comprehensive Outcomes Measurement Program for Accountability and Success System, as specified in the Agreement.

2.2.45 Effective Date

The date of approval and execution of this Agreement by County and authorized representative(s) of Contractor following approval by the County's Board of Supervisors.

2.2.46 Encryption Standards

Shall have the meaning specified in Section 14.3 (Protection of Electronic County Information – Data Encryption Standards) of the Agreement.

2.2.47 Exhibit(s)

Shall have the meaning specified in Section 1.0 (Applicable Documents).

2.2.48 Existing Environment

Shall have the meaning specified in Section 9.10 (System Configuration Warranty) of the Agreement.

2.2.49 Extended Term

Shall have the meaning specified in Section 7.2 (Extended Agreement Term) of the Agreement.

- 2.2.50 Final Acceptance**
Shall have the meaning specified in Section 5.4.4 (Final Acceptance) of the Agreement.
- 2.2.51 Fiscal Year**
The twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.2.52 Fixed Hourly Rate**
The hourly rate as specified in Exhibit C (Payment Schedule) for Professional Services that Contractor may provide in the form of Optional Work if requested by County.
- 2.2.53 Force Majeure Events**
Shall have the meaning specified in Section 28.3 (Force Majeure) of the Agreement.
- 2.2.54 HIPAA**
Shall have the meaning specified in Section 14.1.9 (Compliance with Federal and State Confidentiality Requirements) of the Agreement.
- 2.2.55 HIV**
Shall mean the human immunodeficiency virus.
- 2.2.56 Holdback Amount**
Shall have the meaning specified in Section 8.3 (Holdbacks) of the Agreement.
- 2.2.57 Hosting Environment**
All facilities, personnel, Hosting Hardware and Hosting Software required to provide the Hosting Services in accordance with this Agreement, including all requirements specified in Exhibit B (Service Level Agreement).
- 2.2.58 Hosting Hardware**
Hardware and equipment of any nature (e.g., Servers, networking equipment, switches, routers, power infrastructure), utilized in the Hosting Environment to provide the Hosting Services in accordance with this Agreement.
- 2.2.59 Hosting Services**
Shall have the meaning specified in Exhibit B (Service Level Agreement).
- 2.2.60 Hosting Software**
Software of any nature (e.g. operating systems, presentation layer software, applications, utilities, tools, firmware and security) utilized in the Hosting Environment to provide the Hosting Services in accordance with this Agreement.

2.2.61 Implementation Fees

Shall have the meaning specified in Section 4.2.3 of the Agreement.

2.2.62 Implementation Services

Shall mean the Services as set forth in Section 4.2 (Implementation Services) of the Agreement and as further specified in Exhibit A (Statement of Work). The Implementation Services are also sometimes referred to as the “Project.”

2.2.63 Indemnified Items

Shall have the meaning specified in Section 23.2 (Intellectual Property Indemnification) of the Agreement.

2.2.64 Infringement Claim(s)

Shall have the meaning specified in Section 23.2 (Intellectual Property Indemnification) of the Agreement.

2.2.65 Initial Term

Shall have the meaning specified in Section 7.1 (Initial Agreement Term) of the Agreement.

2.2.66 Interfaces

Either a computer program developed by, or licensed to, County or Contractor to (a) translate or convert data from a County or Contractor format into another format used at County; or (b) translate or convert data in a format used by County, Contractor or a third-party to a format supported at County or vice versa, as specified in Exhibit A-3 or as Optional Work in accordance with this Agreement.

2.2.67 Jury Service Program

Shall have the meaning specified in Section 29.13.1 (Jury Service Program) of the Agreement.

2.2.68 Launch

Deployment of the System for Production Use in the Production Hosting Environment.

2.2.69 Launch Ready

All testing of the Licensed Software and the components thereof has been successfully completed and County has approved the System delivered as ready for Launch under the Statement of Work.

2.2.70 License

Shall have the meaning specified in Section 3.1.1 (License Grant) of the Agreement.

2.2.71 License Term

Shall have the meaning specified in Section 3.1.2 (License Term) of the Agreement.

2.2.72 Licensed Software

Individually each, and collectively all, of the computer programs and software components which comprise the e2LosAngeles System provided by Contractor under this Agreement (including Third-Party Products), including as to each such program and component, the machine generated instructions, processes and routines used in the processing of data, the object code, Interfaces to be provided hereunder by Contractor, Interfaces, Customized Modules, New Software, Revisions, and any and all software programs otherwise provided by Contractor under this Agreement which comprise the e2LosAngeles System. All Launch Ready Licensed Software and the components thereof shall be release versions and not be test versions (e.g., alpha or beta test version), unless otherwise agreed to in writing by County.

2.2.73 Maintenance Services

Any goods and/or services provided by Contractor under this Agreement for maintaining the Solution, including but not limited to Revisions, modifications to maintain reporting and regulatory compliance, and other Software Updates to the System in accordance with Exhibit B (Service Level Agreement).

2.2.74 Maximum Agreement Sum

The total monetary amount payable by County to Contractor hereunder, as specified in Section 8.1 (Maximum Agreement Sum) of the Agreement.

2.2.75 Maximum Fixed Price

Shall have the meaning specified in Section 4.4 (Optional Work) of the Agreement.

2.2.76 Medical Information or MI

Shall have the meaning specified in Section 14.3 (Protection of Electronic County Information – Data Encryption Standards) of the Agreement.

2.2.77 Minimum System Requirements

Shall have the meaning specified in Section 9.10 (Minimum System Requirements Warranty).

2.2.78 New Software

Shall mean any function or module of software that is not included in the Licensed Software as described in the Statement of Work, attached hereto as Exhibit A; and fulfills a different primary function or is delivered on a different end-user platform than the Licensed Software; and is not otherwise to be provided to County under this Agreement as a Revision to the Licensed

Software.

2.2.79 Optional Work

New Software and/or Professional Services, which may be provided by Contractor to County upon County’s request and approval and execution of an Amendment or Change Order in accordance with Paragraph 4.4 (Optional Work).

2.2.80 Part 2 Regulations

Shall have the meaning specified in Section 14.1.9 (Compliance with Federal and State Confidentiality Requirements) of the Agreement.

2.2.81 Party or Parties

Shall have the meaning specified in the Preamble to the Agreement.

2.2.82 Personal Data

Shall have the meaning specified in Section 14.1.5 (Personal Data) of the Agreement.

2.2.83 Personal Health Information or PHI

Shall have the meaning specified in Section 14.3 (Protection of Electronic County Information – Data Encryption Standards) of the Agreement.

2.2.84 Personal Information or PI

Shall have the meaning specified in Section 14.3 (Protection of Electronic County Information – Data Encryption Standards) of the Agreement.

2.2.85 Phase

The tasks, subtasks and Deliverables provided by Contractor to complete any of portion of work identified in Exhibit A (Statement of Work) as a “Phase,” including Phase 1 and Phase 2.

2.2.86 Phase Acceptance

County’s final Acceptance and written approval of work under each project Phase, as further specified in Exhibit A (Statement of Work) and Section 5.4.3 (Phase Acceptance) of the Agreement.

2.2.87 Pool Dollars

Absent an Amendment in accordance with Paragraph 14.0 (Changes to Agreement), the maximum amount allocated under this Agreement for the provision by Contractor of Optional Work, including New Software and/or Professional Services, approved by County in accordance with the terms of this Agreement.

2.2.88 Privacy and Security Laws

Shall have the meaning specified in Section 14.1.9 (Compliance with Federal

and State Confidentiality Requirements) of the Agreement.

2.2.89 Production Use

The actual use of the Solution in the production environment to process actual live data in County's day-to-day operations.

2.2.90 Professional Services

Services, including but not limited to, consulting services, additional training, customizations, Customized Modules, and/or Optional Work which Contractor may provide upon County's request therefore in accordance with Paragraph 4.4 (Optional Work).

2.2.91 Project Schedule

Shall have the meaning specified in Section 6.1 (Project Schedule) of the Agreement.

2.2.92 Provider

Providers shall include Contracted Agencies and County entities providing HIV health care services.

2.2.93 Receiving Party

Shall have the meaning specified in Section 14.1.1 (Receiving Party) of the Agreement.

2.2.94 Remedial Act(s)

Shall have the meaning specified in Section 23.2 (Intellectual Property Indemnification) of the Agreement.

2.2.95 Renamed Product

Shall have the meaning specified in Section 3.2.2 (Replacement Products) of the Agreement.

2.2.96 Replacement Product

Shall have the meaning specified in Section 3.2.2 (Replacement Products) of the Agreement.

2.2.97 Required Insurance

Shall have the meaning specified in Section 25.0 (General Provisions for All Insurance Coverage) of the Agreement.

2.2.98 Revisions

Changes to the Licensed Software required by this Agreement, including as set forth in Section 4.1 of Exhibit B (Service Level Agreement).

2.2.99 Schedule(s)

Shall have the meaning specified in Section 1.0 (Applicable Documents) to

the Agreement.

2.2.100 Server

The server(s) on which the Hosting Services will be hosted.

2.2.101 Severity Level

The applicable severity level of a Deficiency identified in Exhibit B (Service Level Agreement) (also referred to in Exhibit B as “Priority Levels”) used to define service levels for provision of Subscription Services under the Agreement.

2.2.102 Service Credit

Shall have the meaning specified in Exhibit B (Service Level Agreement).

2.2.103 Service Level(s)

Shall have the meaning specified in Section 9.4 (Service Levels) of the Agreement.

2.2.104 Services

Collectively, all functions, responsibilities, tasks, subtasks, Deliverables, goods, and other services: (a) identified in the Specifications; (b) identified in this Agreement as being Contractor’s responsibility; and (c) otherwise necessary to comply with the terms of this Agreement. Without increasing the scope of the Services, if any component task, subtask, service, or function is: (i) an inherent or necessary part of the Services defined in subparts (a), (b), or (c) of this Paragraph; or (ii) a customary part of the Services defined in subparts (a), (b), or (c) of this Paragraph, and not in conflict with Contractor’s established methods of providing services; and, as to a service(s) within either subpart (i) and (ii) of this sentence above, is not specifically described in this Agreement, then such service or function shall be deemed to be part of the Services. Any hardware and/or software provided to County by Contractor as part of the Hosting Services pursuant to this Agreement shall be deemed part of the Services. There are several subsets of the Services, including “Implementation Services,” “Subscription Services,” and “Professional Services” that are included within this definition of “Services,” even though they are sometimes referenced by the Service grouping name (e.g., “Implementation Services” and “Subscription Services”). Each of these Service groupings includes both the broad definition of Services above, and the specific Services associated with the Service grouping and described in Exhibits, Attachments, or Schedules and related documents incorporated into the definition of that Service grouping.

2.2.105 Software Updates

Any additions to and/or replacements to the Licensed Software, available or made available subsequent to Final Acceptance, including all (a) Revisions provided under Section 4.1 of Exhibit B (Service Level Agreement); and (b)

updates, upgrades, improvements, and enhancements to the Licensed Software provided as Optional Work.

2.2.106 Solution

The System, including Licensed Software, Subscription Services, Optional Work, all related services, equipment, hosting, and any other item required for the Contractor to deploy and provide the Licensed Software from its facilities and to County as a "software as a service" in accordance with this Agreement.

2.2.107 Specifications

All specifications, requirements, and standards described in Exhibit A (Statement of Work) or subsequent Statements of Work; all performance requirements and standards specified in this Agreement, including, but not limited to, the requirements identified in Exhibit B (Service Level Agreement); the Documentation; and System capabilities as of Final Acceptance.

2.2.108 Statement of Work; SOW

Exhibit A (Statement of Work) together with its Exhibits and Attachments, and any other Statement of Work issued under and in accordance with this Agreement, or a statement of work that is attached to any future Change Order or Amendment entered into in accordance with this Agreement.

2.2.109 Status Meeting

Shall have the meaning specified in Section 13.1 (Reports) of the Agreement.

2.2.110 Status Report

Shall have the meaning specified in Section 13.1 (Reports) of the Agreement.

2.2.111 Subscription Fees

Shall have the meaning specified in Section 8.4.2 (Subscription Fees) of the Agreement.

2.2.112 Subscription Services

Collectively, Maintenance Services, Support Services, and Hosting Services.

2.2.113 Support Services

Any goods or services provided under this Agreement in support of the Solution, including but not limited to customer support, correction of Deficiencies, System Availability, data security, reports and Revisions required under Section 4.1 of Exhibit B (Service Level Agreement).

2.2.114 System, e2LosAngeles, e2LosAngeles System

The e2LosAngeles software system, consisting of the eCOMPAS Platform configured to meet the requirements provided by the County as detailed in the e2LosAngeles Solution Requirements, attached hereto as Exhibit A.1 and the

Statement of Work, attached hereto as Exhibit A, and delivered to the County under this this Agreement pursuant to a Software as a Service (SaaS) license, including all components and Documentation, collectively comprising the e2LosAngeles System.

2.2.115 System Requirements

Any of County's requirements regarding the System set forth in the Agreement, including Exhibit A.1 (e2LosAngeles Solution Requirements) or any SOW agreed to by the Parties.

2.2.116 System Test

Any of the tests of the System conducted by County or Contractor, as applicable, under Exhibit A (Statement of Work).

2.2.117 Third Party Product

All software and content licensed, leased or otherwise obtained by Contractor from a third party and used with the Solution or used for the provision of work under the Agreement and which is expressly identified as Third Party Product in Exhibit A.4 (Third Party Products).

2.2.118 Transition Services

Shall have the meaning specified in Section 10.9 (Termination Transition Services) of the Agreement.

2.2.119 U.S.C.

Shall have the meaning specified in Section 14.1.5 (Personal Data) of the Agreement.

2.2.120 User

“User” shall be defined as any party, including physicians, other health care providers, and other health care facilities, patients, Providers, Federal, State, and local agencies, and business partners, authorized by the County to use the System.

2.2.121 Warranty Period

For each Phase, the period from Production Use of the System for such Phase through the applicable Phase Acceptance.

2.2.122 Work Product

Work Product expressly excludes Licensed Software (the license to which is provided in Section 3.1.1 (License Grant)), Customized Modules (the license to which is provided in Section 3.3.3 (Customized Modules)), and Background Intellectual Property (the license to which is provided in Section 3.4.1 (Background Intellectual Property)), and shall mean: all Deliverables and all concepts, inventions (whether or not protected under patent laws), works of authorship, information, new or useful art, combinations,

discoveries, formulae, algorithms, specifications, manufacturing techniques, technical developments, systems, computer architecture, artwork, software, programming, applets, scripts, designs, procedures, processes, and methods of doing business, regardless of form or media, materials, plans, reports, project plans, work plans, Documentation, training materials, and other tangible objects, and shall include any derivatives or modifications to any of the foregoing, developed or produced by Contractor under this Agreement, whether acting alone or in conjunction with County or its employees, users, affiliates or others.

3.0 LICENSED SOFTWARE AND INTELLECTUAL PROPERTY

3.1 License

3.1.1 License Grant

Subject to the provisions of Section 3.3 (Ownership), Contractor hereby grants to County an irrevocable, non-exclusive, royalty-free, fully paid license to use the Licensed Software, including any related Documentation (“**License**”), for the duration of the License Term by all Users in accordance with the scope set forth in Section 3.1.3 (Scope of License) and subject to any restrictions that may be specified herein.

3.1.2 License Term

The License granted under this Agreement shall commence upon the earlier of the delivery of a first Licensed Software component to County or the Effective Date and shall continue for the Term, unless otherwise specified herein (“**License Term**”).

3.1.3 Scope of License

Subject to the terms and conditions of this Agreement, the License granted by Contractor under this Agreement provides County and Providers, including Contracted Agencies, with the following rights:

- a) To use, test, access, the Licensed Software via the Hosting Environment from an unlimited number of computers, servers, local area networks and wide area networks, including web connections, by an unlimited number of Users (subject to the terms of Exhibit C (Payment Schedule)) for the business of the County and use by Providers in connection with the business of the County, including Contracted Agencies, including in connection with treatment services and/or transfer of data relating to such treatment services, as provided in the Agreement. It is understood that County will not sell, resell, re-license or sublicense the Licensed Software. It is understood by the

Parties that, in accordance with the terms of this Agreement, County may choose to use as many or as few of the Licensed Software modules or functions (including Customized Modules and New Software) as it may desire and may add or eliminate such modules or functions from its implementation of the Licensed Software at any time.

- b) During the term of this Agreement, to be entitled to receive Revisions from Contractor at no additional cost to County (except as expressly provided in Exhibit C (Payment Schedule)).
- c) To use, configure, copy and display the Documentation provided to Users for training and instruction, including but not limited to System and user manuals, in electronic form, as necessary or appropriate for County to enjoy and exercise fully the rights granted under this Agreement and the License.
- d) To permit access to the Licensed Software and the Documentation to Users, including Providers.

Without limitation of the above, County's business purposes and activities will also include making the Solution available to County users, as well as healthcare providers contracted by DHSP to provide HIV prevention and treatment services.

3.1.4 Documentation

At no additional charge to County, Contractor shall provide or make available to County all Documentation and other written instructions relating to the Licensed Software and the System, including all Documentation created for training and all Documentation that is reasonably necessary for County and Providers, including Contracted Agencies, to use and take advantage of the full functionality of the Licensed Software

In addition to the Documentation for Licensed Software, Contractor may, during the term of the Agreement, produce other Documentation for the Licensed Software. Such Documentation may be updated periodically by Contractor, at no additional cost to County, as Revisions or other material modifications are made to the Licensed Software.

Contractor shall provide or make available to County all Documentation, and all updates thereto, in electronic form.

County may, at any time during the License Term, reproduce copies of all Documentation and other materials provided or made available by Contractor, distribute such copies to County personnel or County designees, Providers,

and other Users of the Solution, and incorporate such copies into its own technical and user manuals, provided that such reproduction relates to County's and Users' use of the Solution as permitted in this Agreement, and all copyright and trademark notices, if any, are reproduced thereon.

3.2 Revisions and New Software

3.2.1 Revisions

Contractor may from time to time make material Software Updates to the Licensed Software, including Revisions provided pursuant to Section 4.1 of Exhibit B (Service Level Agreement). In the event of such Revisions, unless otherwise specified in and in addition to the provisions of Exhibit B (Service Level Agreement) with respect to Software Updates, (a) the Revision of the Licensed Software will include at least the functionality, level or quality of services that County previously received and shall continue to comply with all of the requirements of this Agreement, including all System Requirements, and (b) County shall be provided, at least sixty (60) Days in advance of any such changes, written notice and a demonstration of such changes, unless a shorter notice period is agreed to in advance by the parties. If such advanced demonstration reveals material adverse effects on functionality or operation of the Licensed Software and/or the Solution, including, but not limited to, a failure to comply with the requirements of this Agreement, or compatibility with County's technical, business or regulatory requirements, including, without limitation, hardware, software, or browser configurations, then County may in its sole discretion reject such changes, and remain on the current Revision of the Licensed Software and continue to receive Subscription Services as required hereunder for the remainder of the term of the Agreement. Notwithstanding the foregoing, Contractor represents, warrants, covenants and agrees that throughout the term of this Agreement Contractor shall provide Subscription Services for the current configuration of Licensed Software and that Contractor will retain the County's ability to access at minimum the most recent prior two (2) configurations of the Licensed Software.

During the Term of this Agreement, all Revisions as specified in Section 4.1 of Exhibit B (Service Level Agreement) shall be provided to County at no additional charge beyond the Subscription Fees payable hereunder for Subscription Services.

3.2.2 New Software

From time to time during the term of this Agreement, Contractor may, at its sole discretion, inform County of the existence of New Software. County shall have, at its sole discretion, the option to license such New Software in accordance with the terms contained herein. Terms as to the cost and

implementation of the New Software shall be set forth in an applicable Statement of Work.

3.3 Ownership

3.3.1 Hosted Environment

Contractor or its applicable subcontractor providing Hosting Services shall own (or have the right to operate for the purposes of this Agreement) all Hosting Environment components, including any Hosting Hardware and Hosting Software.

3.3.2 Licensed Software

All Licensed Software provided by Contractor to County pursuant to this Agreement, including Customized Modules, New Software, Revisions, and any Third Party Products, and related Documentation, is and shall remain the property of Contractor or any rightful third party owner.

3.3.3 Customized Modules

County shall retain all right, title and interest in and to the Customized Modules Requirements. County grants to Contractor a limited, fully paid-up, non-exclusive right and license to reproduce, perform, display, and transmit the Customized Modules Requirements solely to the extent necessary to make the Customized Modules. The foregoing license is subject to revocation only in the event of (a) a material breach by Contractor to deliver the Customized Modules in accordance with the applicable Change Order, Amendment, or this Agreement; and/or (b) a material breach by Contractor of the license provided herein.

Contractor shall own all right, title, and interest, including all intellectual property rights, in and to all Customized Modules. In the event Contractor obtains a patent with regard to Customized Modules, Contractor shall not assert any claim of infringement of such patent against County, its affiliates, and their respective customers with regard to their use of the Customized Modules.

Contractor hereby grants to County an irrevocable, fully paid up, royalty free, nontransferable, non-exclusive right and license to use, and otherwise fully exploit in connection with County's business, the Customized Modules for the duration of the License Term.

3.4 Proprietary Considerations

3.4.1 Background Intellectual Property

Contractor retains all right, title and interest in and to any such Background Intellectual Property (including any modifications thereto made by Contractor). However, to the extent Background Intellectual Property constitutes or is incorporated into any Deliverables or Services or needed for the use of the Deliverables or Services, Contractor hereby grants to County an irrevocable, fully paid up, royalty free, nontransferable, non-exclusive right and license to use, in connection with County's business for the duration of the License Term, the Background Intellectual Property, provided that the Background Intellectual Property is not separately commercially exploited by County. Notwithstanding the foregoing, to the extent the Background Intellectual Property is incorporated into any Deliverable provided in a reproducible medium ("**Hardcopy Deliverable**"), the County's license is perpetual for County's internal and grant compliance purposes, with applicable portions of such Deliverables treated as Contractor's Confidential Information under and in accordance with Section 14.0 (Confidentiality and Security).

Notwithstanding any other provision of this Agreement, County shall not be obligated in any way under this Agreement for:

- a) Any disclosure of any such materials which County is required to make under the California Public Records Act or otherwise by law; or
- b) Except as to the Licensed Software or Contractor provided Specifications, any disclosure of Contractor's proprietary and/or confidential materials not plainly and prominently marked with restrictive legends.

3.4.2 Work Product

Unless otherwise specifically provided in an agreement between County and Contractor, all Work Product is the sole and exclusive property of Contractor, and Contractor retains all rights, title and interest, including intellectual property rights and all other rights, in the Work Product. Contractor may use such Work Product for internal purposes as well as for other clients so long as Contractor does not use any Confidential Information belonging to County or otherwise breach this Agreement. However, to the extent Work Product constitutes or is incorporated into any Deliverables or Services or needed for the use of the Deliverables or Services, Contractor hereby grants to County an irrevocable, fully paid up, royalty free, nontransferable, non-exclusive right and license to use, in connection with County's business, the Work Product for the duration of the License Term, provided that the Work Product is not separately commercially exploited by County. Notwithstanding the foregoing, to the extent the Work Product constitutes a Hardcopy Deliverable, the County's license is perpetual for County's internal and grant compliance

purposes, with applicable portions of such Deliverables treated as Contractor's Confidential Information under and in accordance with Section 14.0 (Confidentiality and Security the County's license is perpetual.

3.4.3 Other Proprietary Rights

Contractor represents and warrants that it has the full right and authority to license the Licensed Software, including any Revisions, New Software, or Customized Modules, and all Documentation, for use by County, and Providers, and other Users, in connection with such Licensed Software.

The Licensed Software, and all Documentation, is protected by applicable copyright, patent, trademark or trade secret laws. County acknowledges that Contractor and/or any co-creator of the Licensed Software, as applicable and in accordance with this Agreement, own all right, title and interest in and to the Licensed Software.

County agrees to take any reasonable steps necessary to protect the proprietary rights of Contractor and to avoid the infringement, direct or indirect, of such rights and to ensure that all of its employees, contractors, officers and agents using the Licensed Software are familiar with and abide by the terms and conditions of this Agreement.

The obligations under this Section 3.4 (Proprietary Considerations) shall survive the termination of this Agreement.

3.5 Third Party Product

In the event the Licensed Software includes, or the Contractor otherwise provides, any Third Party Product to County in connection with this Agreement, such Third Party Products shall be identified on Exhibit A.4 (Third Party Products). Contractor shall obtain, at Contractor's sole cost and expense, a fully paid-up, royalty-free, license for County and its Users that will enable the County and its Users to use the Third Party Product for County to fully enjoy the License granted by Contractor to all Contractor-owned components of the Licensed Software. Contractor shall support and maintain, at no additional charge to County, all Third Party Products in accordance with the terms of this Agreement as Licensed Software.

4.0 WORK

In exchange for County's payment to Contractor of the applicable fees set forth herein, Contractor shall (a) on a timely basis provide, complete, deliver and implement all tasks, Deliverables, goods, Services, and other work set forth in this Agreement, including Exhibit A (Statement of Work) and Exhibit B (Service Level Agreement), including but not limited to components of the Solution, Implementation Services, Subscription Services, and any Optional Work; and (b) grant to County a License to the Licensed Software, as specified in

Section 3.1 (License). Contractor shall perform all such tasks, subtasks, Deliverables, goods, Services and other work in accordance with Exhibit A (Statement of Work) with all attachments thereto and Exhibit B (Service Level Agreement) with all attachments thereto at the applicable rates and prices specified in Exhibit C (Payment Schedule) with all attachments thereto.

4.1 System Components

Contractor shall provide the License to all Licensed Software, including Customized Modules, New Software, and Revisions, in order to meet the System Requirements, all in accordance with the provisions of Section 3.0 (Licensed Software and Intellectual Property) and the Agreement.

4.2 Implementation Services

4.2.1 Contractor shall provide Implementation Services, which are also sometimes referred to as the Project. The Implementation Services aggregate all elements of activity, product, and service provided by Contractor prior to Final Acceptance including Licensed Software, Third Party Products, and Solution and System hosting, testing, training and other services required for successful implementation of the System, including the Solution, as provided in this Agreement and specified in Exhibit A (Statement of Work).

4.2.2 Contractor shall provide to County the Implementation Services described in Exhibit A (Statement of Work), in accordance with the Project Schedule. Contractor shall provide the Implementation Services without materially (a) disrupting or adversely impacting the business or operations of County, (b) degrading the Services being provided, or (c) interfering with the ability of County to obtain the benefit of the Services, except as may be otherwise provided in Exhibit A (Statement of Work). Unless otherwise stated in the Agreement, the Implementation Services shall not adversely impact or delay any obligations or liabilities of Contractor under this Agreement.

4.2.3 Contractor shall provide Implementation Services in accordance with Exhibit A (Statement of Work) and the Agreement in exchange for County's payment of the applicable Implementation Fees. The "**Implementation Fees**" shall include any and all fees and costs to be paid by County for the Implementation Services, including all Services as that term is defined and the subset of those Services described in Exhibit A (Statement of Work), as specified in Exhibit C (Payment Schedule). The Implementation Fee shall be a fixed fee amount specified in such Exhibit C (Payment Schedule).

4.2.4 Contractor shall deliver all Implementation Services Deliverables by the date(s) specified in Exhibit D (Project Schedule) unless extended by County in writing prior to the Deliverables due date. Should Contractor anticipate that the Contractor resources assigned to provide the Services, or any segment of Services (e.g., data

conversion, building the test environment, or another work segment as set forth in the Statements of Work), subject to the Implementation Fees, are not sufficient to timely complete the Services, Contractor shall supplement such with Contractor resources at no additional cost to County as needed to timely complete all Services, or any segment thereof within the time set forth in Exhibit A (Statement of Work).

4.2.5 As part of the Implementation Services, Contractor shall provide the training to County and its personnel set forth in Exhibit A (Statement of Work) at no additional charge to County beyond the applicable Implementation Fees.

4.3 Subscription Services

In exchange for County's payment of Subscription Fees in Exhibit C (Payment Schedule), Contractor shall provide to County Subscription Services for the System in accordance with this Agreement, including Exhibit B (Service Level Agreement). Subscription Services obligations shall commence upon Production use of the System for Phase 1 and shall continue through the term of this Agreement. There shall be no additional charge to County for on-site Subscription Services to remedy a breach of warranty, to correct a failure of the System to conform to the Specifications, or to fulfill Contractor's obligations pursuant to this Section 4.3 (Subscription Services).

During the term of this Agreement, Contractor shall provide the Licensed Software by hosting the Licensed Software on its hardware, equipment or applicable tools and providing the Maintenance and Support Services as set forth in this Agreement and Exhibit A (Statement of Work). In providing the Hosting Services for the Solution, Contractor shall achieve the Service Levels and performance standards set forth in Exhibit B (Service Level Agreement) and this Agreement. Contractor represents and warrants that in connection with this Agreement Contractor shall not deliver for installation on County's systems any software or programming, whether created or developed by Contractor or a third party, unless required for installation on Provider-operated workstations with County approval.

Contractor shall not change its subcontractor for Hosting Services from the subcontractor used as of the Effective Date without prior written consent of the County, which shall be granted or withheld in County's sole discretion. In the event Contractor proposes a change to its subcontractor for Hosting Services, it shall provide County with no less than thirty-six (36) calendar months prior written notice, unless a shorter notice period is approved in writing by the County, which notice shall identify the proposed replacement subcontractor for Hosting Services, and shall provide documentation sufficient to demonstrate the proposed replacement subcontractor meets all requirements of Hosting Services under this Agreement, including those set forth in Section 14.3, the Statement of Work, and/or in Exhibit B (Service Level Agreement).

4.4 Optional Work

Upon County's written request and execution of an Amendment or Change Order pursuant to the terms of this Agreement, Contractor shall provide Optional Work, including New Software and Professional Services, in accordance with the applicable Amendment or Change Order and this Section 4.4 (Optional Work) at the applicable pricing terms set forth in Exhibit C (Payment Schedule).

Upon County's request and Contractor's agreement to provide the Optional Work, Contractor shall provide to County within ten (10) Business Days of such request, or such longer period as agreed to by the Parties, a proposed Amendment or Change Order, Statement of Work, and a quote for a not-to-exceed fixed price ("**Maximum Fixed Price**") calculated in accordance with the applicable pricing terms set forth in Exhibit C (Payment Schedule), including the Fixed Hourly Rate. Contractor's quotation shall be valid for at least ninety (90) Days from submission. Contractor shall commence the Optional Work following agreement by the Parties with respect to such Change Order or Amendment, Statement of Work, and the Maximum Fixed Price. Upon completion by Contractor, and approval by County in accordance with the terms of this Agreement, of such Optional Work, Exhibit C.8 (Optional Work) shall be updated accordingly to add such items of Optional Work by Change Notice executed in accordance with Section 15.0 (Changes to Agreement).

4.4.1 New Software

Upon County's written request, Contractor shall provide to County New Software as part of Optional Work using Pool Dollars, in accordance with any applicable Change Order or Amendment. Any enhancements and/or modifications to the Licensed Software resulting from New Software shall be incorporated into, and become part of, the Licensed Software and the Solution.

All New Software, once Approved in writing by County (including if applicable in accordance with Section 5.0 (Acceptance)), shall become part of the Licensed Software, and shall be subject to the terms and conditions of this Agreement.

4.4.2 Professional Services

Upon County's written request, Contractor shall provide to County, Professional Services as part of Optional Work using Pool Dollars, including consulting services and/or additional training, in accordance with any applicable Change Order or Amendment. Specifically, County may from time to time, during the term of this Agreement, submit to Contractor for Contractor's review written requests for Professional Services using Pool Dollars, including consulting services and/or additional training, for services not then-included in Implementation Services, Maintenance and Support Services, Hosting Services, or other Services to be provided by Contractor under the Agreement. County may require that Professional Services be provided on a (1) fixed fee basis, (2) not to exceed basis, or (3) a combination

of the above. In response to County's request, Contractor shall submit to County for approval a proposed Change Order or Amendment and Statement of Work describing the particular Professional Services and providing a response consistent with the payment method required by County to provide such Professional Services, calculated based on the Fixed Hourly Rate and other pricing terms set forth in Exhibit C (Payment Schedule) and elsewhere in the Agreement. County and Contractor shall agree on the Change Order or Amendment and Statement of Work, which shall at a minimum include the tasks and Deliverables to be performed, System Tests, as applicable, and the pricing for such Professional Services. Any enhancements and/or modifications to the Licensed Software or Specifications, resulting from Professional Services shall be incorporated into, and become part of, the Licensed Software or Specifications, as applicable. Any Professional Services once Approved in writing by County shall become a part of the Services, and any products of Professional Services, once Approved in writing by County, shall become part of the System, and shall be subject to the terms and conditions of this Agreement.

4.5 Standard of Services

Contractor's Services and other work required by this Agreement shall during the term of the Agreement conform to industry best practices as they exist in Contractor's profession or field of practice. If Contractor's Services and other work provided under this Agreement fail to conform to such practices, upon notice from County specifying the failure of performance, Contractor shall, at Contractor's sole expense, provide the applicable remedy as specified in this Agreement, including Exhibit A (Statement of Work) and Exhibit B (Service Level Agreement). In addition to any other remedies set forth herein, Contractor shall, at its own expense, correct any data in which (and to the extent that) errors have been caused by Contractor or malfunctions of the Solution, including the Licensed Software, or by any other tools introduced by Contractor into the System for the purpose of performing Services or other work under this Agreement or otherwise.

4.6 Approval of Work

All tasks, Deliverables, goods, Services and other Work provided by Contractor under this Agreement must have the written Approval of County's Project Director or designee prior to submission of an invoice. Such approval will not be withheld or delayed by County in bad faith and without a written articulation of the issues giving rise to County withholding its approval. In no event shall County be liable or responsible for any payment prior to such written approval. Furthermore, County reserves the right to reject any Services not Approved by County.

If the Contractor provides any tasks, Deliverables, goods, Services, or other work, other than as specified in this Agreement, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever

against the County.

4.7 Time Is of the Essence

Time is of the essence with regard to Contractor's performance of the Services and provision of other Work under this Agreement.

4.8 No Offshore Work

All Services shall be performed and rendered within the continental United States. In particular, Contractor warrants that it will not transmit, allow access to, store, or make available any County Data or other County Confidential Information, County's intellectual property or any County property to any entity or individual outside the continental United States.

4.9 Disaster Recovery/Business Continuity

Contractor shall maintain for its Hosting Environment a business continuity plan (the "**Business Continuity Plan**") and a disaster recovery plan (the "**Disaster Recovery Plan**") (collectively the "**DR/BC Plan**"), and implement such plan in the event of any unplanned interruption to the Hosting Environment. On or before the Effective Date, Contractor shall provide County with a copy of Contractor's current DR/BC Plan. Contractor shall actively test, review, and update the DR/BC Plan on an annual basis using Trust Services Criteria for security as set forth by the American Institute of Certified Public Accountants (AICPA) for SOC 2 reporting. Contractor shall promptly provide County with copies of all such updates to the DR/BC Plan. All updates shall be subject to the requirements of this Section 4.9 (Disaster Recovery/Business Continuity). In any event, any future updates or revisions to the DR/BC Plan shall be no less protective than the plan in effect as of the Effective Date. Contractor shall notify County of the completion of any audit of the DR/BC Plan and promptly provide County with such information with regards to such audit as set forth in this Agreement. Contractor shall also promptly provide County with a summary of all reports resulting from any testing of the DR/BC Plan. Contractor shall maintain disaster avoidance procedures designed to safeguard County's data and the data processing capability, and Availability of the Hosting Environment, throughout the Term of this Agreement. Contractor shall immediately notify County of any disaster or other event in which the DR/BC Plan is activated. Without limiting Contractor's obligations under this Agreement, whenever a disaster causes Contractor to allocate limited resources between or among Contractor's customers, County shall receive at least the same treatment as comparable Contractor customers with respect to such limited resources. The provisions of Section 28.3 (Force Majeure) shall not limit Contractor's obligations under this Section 4.9 (Disaster Recovery/Business Continuity).

4.10 Grant Requirements

Contractor acknowledges that County is using Federal, State, and/or local grants to fund Contractor's work under this Agreement, and County's continued good standing with the Federal, State, and local grant makers and receipt of such grant funds is of the utmost importance to continuation of this Agreement. To this end, Contractor shall fully and timely comply with County's request for information so that it may timely meet its reporting requirements for Ryan White HIV/AIDS Program Services Report (RSR) and Export to EvaluationWeb for CDC (Data on National HIV Prevention Program Monitoring and Evaluation). Further, Contractor shall be responsible for any loss of grant funds, funding disallowance, or repayment obligations imposed upon County by its grant makers, but only to the extent resulting from Contractor's failure to fully or timely comply with any such requests or other acts or omissions of Contractor. Any such loss, disallowance, or repayment obligation shall be paid by Contractor in the form of a commensurate credit to fees payable by County to Contractor under this Agreement against any invoice due to Contractor under this Agreement, and if there are no outstanding fees due at the time the credit is owed, Contractor shall immediately reimburse County such amounts.

5.0 ACCEPTANCE

5.1 Acceptance Criteria

The System, Services, Deliverables, and milestones (if applicable) may be subject to acceptance testing by County, in its sole discretion, to verify that they satisfy the acceptance criteria mutually agreed to by the Parties, as developed in accordance with Exhibit A (Statement of Work) and this Section 5.0 (Acceptance) (the "**Acceptance Criteria**"). For Launch-ready and Launch Deliverables, such Acceptance Criteria shall be based on conformance of the System, Services, Deliverables, milestones and other work to the Specifications. In the event the Parties fail to agree upon Acceptance Criteria, the acceptability of the System, Services, Deliverables, milestones or other work, and Solution as a whole, shall be based solely on County's reasonable satisfaction therewith.

5.2 System Tests

Contractor, with County's assistance where applicable, shall conduct all quality assurance System Tests for each Phase, based on the applicable Acceptance Criteria, as specified in Exhibit A (Statement of Work) to ensure the System's compliance with all System Requirements set forth in the Agreement, including but not limited to Exhibit A (Statement of Work), Exhibit A.1 (e2LosAngeles Solution Requirements) and Exhibit B (Service Level Agreement) with all attachments thereto. Such System Tests shall test, among others, the System's functionality, integration and interfacing, and volume endurance. County, with Contractor's assistance where applicable as described in Exhibit A (Statement of Work), shall conduct all User acceptance testing to ensure the System's conformance to the System Requirements and Specifications. It is understood by the parties that User acceptance testing shall be the responsibility of the County, subject to Contractor's provision of assistance where applicable as

described in Exhibit A (Statement of Work).

For each phase of User Acceptance testing, Contractor shall assist County in developing testing scenarios consistent with Contractor's best practices for the applicable System, Service, and/or Deliverable, and/or milestone.

5.3 Production Use

The Solution shall be ready for Production Use of the System for each Phase when the County Project Director, or designee, receives the System for that Phase as provided in Exhibit A (Statement of Work) following (a) successful completion of all System Tests leading to Production Use for that Phase; (b) Contractor's transition of the Solution to the Production Hosting Environment; and (c) documented results provided by Contractor certifying successful transition of the Solution to the Production Hosting Environment and operation of the Solution in accordance with the Specifications.

5.4 Phase Acceptance

5.4.1 Conduct Performance Verification

Following successful transitioning of the Solution to Production Use for a Phase, County will monitor for Deficiencies and Contractor shall maintain the Solution in Production Use for a minimum of ninety (90) consecutive Days (in this Section 5.4, "**Performance Verification Period**") without the occurrence of Deficiencies of Priority Level 1 or 2, as defined in Exhibit B (Service Level Agreement). Upon occurrence of a Deficiency of Priority Level 1 or 2, the Performance Verification Period shall re-start until such time as an entire Performance Verification Period has run without the occurrence of a Deficiency of Priority Level 1 or 2. When a Deficiency of any priority level is discovered, Contractor shall provide County with a diagnosis of the Deficiency and proposed solution(s), and Contractor shall correct such Deficiency by re-performance pursuant to, and subject to, the provisions of this Agreement. County and Contractor shall agree upon each such proposed solution to be used to correct any Deficiency prior to its implementation. Commencing with Phase Acceptance and continuing through the Warranty Period, any problems encountered by County in the use of the Solution shall be subject to the applicable terms under the Agreement as more fully described in the Statement of Work and Exhibit B (Service Level Agreement).

5.4.2 Phase Verification Report

Contractor shall provide to County the performance verification report for each Phase (in this Section 5.4, "**Phase Verification Report**"), including supporting Documentation that the Solution complies with the Specifications under full production load for an entire Performance Verification period

without the occurrence of Deficiencies of Priority Level 1 or 2, as defined in Exhibit B (Service Level Agreement). The Phase Verification Report shall include:

- a) Summary of activities, results, and outcomes;
- b) Summary of each Deficiency identified by Contractor or County. The summary shall include for each Deficiency:
 - 1) Description of each Deficiency and its root cause,
 - 2) Business processes, Solution functions, and/or Interfaces impacted,
 - 3) Description of all potential risks to the Solution and mitigation strategy for the Solution,
 - 4) Corrective action plan, test scenarios, and implementation approach,
 - 5) Schedule for completion of each corrective action and resources required or assigned,
 - 6) Status of each corrective action,
 - 7) Date of completion of each correction, and
 - 8) Date of the County Project Director's approval of each correction;
- c) Summary of lessons learned; and
- d) Recommendations for any improvements to the Solution.

For each Phase, Contractor shall deliver to County a draft Phase Verification Report, and shall conduct a review with County at a meeting scheduled by County and provide any County-requested demonstrations of the Solution described in the draft Phase Verification Report. Following completion of the review, Contractor shall provide the Phase Verification Report for each Phase, certifying that the Solution complies with the Specifications, the Solution has operated for an entire Performance Verification Period without the occurrence of Deficiencies of Priority Level 1 or 2, and documenting the review with County under Section 5.4.2 (Phase Verification Report), including review agenda and attendees, action items, and supporting documentation.

5.4.3 Phase Acceptance

The Solution shall achieve Phase Acceptance for each Phase when (a) County's Project Director, or designee, approves in writing the Phase Acceptance Test set forth in Exhibit A (Statement of Work) applicable to that Phase; (b) Contractor's Project Director provides County a signed Acceptance Certificate and applicable Phase Verification Report which meets the requirements of Section 5.4 (Phase Acceptance); and (c) County's Project Director provides Contractor with written approval, as evidenced by the

County Project Director's countersignature on such Acceptance Certificate.

5.4.4 Final Acceptance

The Solution shall achieve "**Final Acceptance**" of the Solution upon Phase Acceptance by County of the last implemented Phase, in accordance with Exhibit A (Statement of Work).

5.5 Failed Testing

5.5.1 If the County's Project Director makes a good faith determination at any time that the System (as a whole, or any component thereof), Services, Deliverables, and/or milestones (if applicable) has not successfully completed a System Test or has not achieved applicable Phase Acceptance (collectively referred to for purposes of this Section 5.5 (Failed Testing) as "**Designated Test**"), the County's Project Director shall promptly notify Contractor in writing of such failure, specifying with as much detail as possible the manner in which the Solution, Services, Deliverables, and/or milestones failed to pass the applicable Designated Test. Contractor shall immediately commence all reasonable efforts to complete, as quickly as possible, such necessary corrections, repairs, and modifications to the Services, Deliverables, milestones, and/or System as will permit the Services, Deliverables, milestones, and/or System to be ready for retesting. Contractor shall notify the County's Project Director in writing when such corrections, repairs, and modifications have been completed, and the applicable Designated Test shall begin again. If, after the applicable Designated Test has been completed for a second time, the County's Project Director makes a good faith determination that the Services, Deliverables, milestones, and/or System again fails to pass the applicable Designated Test, the County's Project Director shall promptly notify Contractor in writing, specifying with as much detail as possible the manner in which the Services, Deliverables, milestones, and/or System failed to pass the applicable Designated Test. Contractor shall immediately commence efforts to complete, as quickly as possible, such necessary corrections, repairs, and modifications to the Services, Deliverables, milestones, and/or System as will permit the Services, Deliverables, milestones, and/or System to be ready for retesting.

5.5.2 Such procedure shall continue, subject to County's rights under Section 6.3 (Late Delivery Credits to County) in the event Contractor fails to timely complete any Deliverable, until such time as County notifies Contractor in writing either: (i) of the successful completion of such Designated Test or (ii) that County has concluded that satisfactory progress toward such successful completion of such Designated Test is not being made, in which latter event, County shall have the right to make a determination, which shall be binding and conclusive on Contractor, subject to the provisions of Section 27.0 Dispute Resolution Procedure, that either (a) the Service or Deliverable which

failed to pass the Designated Test has been eliminated from the Project, or (b) a non-curable default has occurred and to terminate this Agreement in accordance with Section 10.2 (Termination for Default) on the basis of such non-curable default.

Such a termination by County may be, subject to Section 27.0, Dispute Resolution Procedure, as determined by County in its sole judgment: (i) a termination with respect to one or more of the components of the Solution; (ii) a termination of any part of Exhibit A (Statement of Work) relating to the System, Service(s), Deliverables(s), and/or milestone(s) that is (are) not performing or conforming as required herein; or (iii) if County believes the failure to pass the applicable Designated Test materially affects the functionality, performance, of the Solution as a whole, the entire Agreement. In the event of a termination under this Section 5.5 (Failed Testing), County shall have the right to seek to receive from Contractor reimbursement of all payments made to Contractor by County under this Agreement for the component(s), Service(s), Deliverables(s), milestone(s), and/or System as to which the termination applies, or, if the entire Agreement is terminated, all amounts paid by County to Contractor under this Agreement. The foregoing is without prejudice to any other rights that may accrue to County or Contractor under the terms of this Agreement or by law.

5.6 System Use

Subject to County's obligations of Acceptance set forth in Exhibit A (Statement of Work) and the Agreement, following the System implementation by Contractor and prior to any Phase Acceptance by County, County shall have the right to use, in a Production Use mode, any completed portion of the System including any portion of Licensed Software and related Documentation, without any additional cost to County where County determines that it is necessary for County's operations. Such Production Use shall not restrict Contractor's performance under this Agreement and shall not be deemed Final Acceptance or Phase Acceptance of the System.

6.0 PROJECT IMPLEMENTATION

6.1 Project Schedule

Contractor shall implement the System in accordance with the schedule set forth in Exhibit D (Project Schedule) ("**Project Schedule**"), which may be updated from time to time under, and in accordance with, the Statement of Work.

6.2 Late Delivery Credits to County

Contractor agrees that delayed performance by Contractor may cause damages to County, which are uncertain and would be impracticable or extremely difficult to ascertain in advance. Contractor further agrees that, in conformity with California

Civil Code Section 1671, Contractor shall be liable to County for liquidated damages in the form of credits, as specified in this Section 6.3 (Late Delivery Credits to County), as a fair and reasonable estimate of such damages. Any amount of such damages is not and shall not be construed as penalties and, when assessed, will be deducted from County's payment that is due.

For each and every occasion upon which a Deliverable identified in Exhibit A (Statement of Work) as a "Key Deliverable" ("**Key Deliverable**") has not been completed by Contractor within fifteen (15) Days after the date scheduled for completion thereof as set forth in such Exhibit D (Project Schedule) (hereinafter for each Key Deliverable "**Due Date**"), other than as a result of delays caused in whole or in part by County Delay (as defined below), and unless otherwise approved in writing by County's Project Manager or designee in his/her discretion exercised in good faith, County shall be entitled to receive credit against any or all amounts due to Contractor under this Agreement or otherwise in the total amount of Five Hundred Dollars (\$500) for each Day after the fifteenth (15th) day following the Due Date that the Key Deliverable is not completed as a fair and reasonable estimate of the harm caused by the delay. All of the foregoing credits shall apply separately, and cumulatively, to each Key Deliverable in the Project Schedule. A determination whether County shall assess credits due to it pursuant to this Section 6.3 (Late Delivery Credits to County) shall be made by County's Project Manager in his/her reasonable discretion. If the failure to complete any Key Deliverable by the Due Date is due to County Delay (as defined below), then provided Contractor has timely submitted a notice of delay under Section 28.4 (Notice of Delays) with respect to the County Delay, (a) the Due Date for that Key Deliverable will be postponed by the cumulative number of days by which the County Delays delayed the schedule for the Key Deliverable, and (b) the due dates for all subsequent Key Deliverables within the Phase, including the subject Key Deliverable, will be postponed by the same number of days, and County Delay with respect to multiple Key Deliverables will be cumulative. In the case of a County Delay described in (i) or (ii) of the definition of "County Delay" below which delays completion of Specifications for a cycle, and for which Contractor has timely submitted a notice of delay under Section 28.4 (Notice of Delays) for such County Delay, (A) the due date for the task entitled the equivalent of Delivery of Prototype Deliverable for that cycle under Exhibit A (Statement of Work) will be further postponed by an additional thirty (30) days to enable the Contractor to reschedule the production window for the affected cycle and (B) all subsequent Subtasks and Deliverables within the Phase, including the subject Key Deliverable, will be postponed accordingly.

As used in this Section 6.2, "**County Delay**" means (i) the County's failure to deliver any information or materials required to be provided by the County by the date specified in the Project Schedule, (ii) any delay in the County's sign-off on detailed Specifications for any cycle or component included in the Phase, (iii) any failure of the County to complete User acceptance testing (UAT) on any component in the Phase and provide feedback to the Contractor during the period assigned for UAT in the Project Schedule, (iv) any failure or delay by the County to provide additional

information in response to the Contractor's questions relating to the County's UAT feedback, or (v) any other Project delays not within the control of the Contractor which contribute to the failure to complete any Key Deliverable by the Due Date, excluding, in the case of each of clauses (i) through (v), County Delay to the extent it is caused by Contractor's failure to perform its obligations under this Agreement, including Exhibit A (Statement of Work), or Contractor's acts or omissions.

A Key Deliverable for a Phase shall be deemed completed for purposes of this Section 6.3 (Late Delivery Credits to County) on the earliest date that all of the tasks, Deliverables, goods, Services and other work required for the completion of such Key Deliverable are completed and, provided that all of such tasks, Deliverables, goods, Services and other work required for the completion of such Key Deliverable have been or are thereafter approved in writing by County pursuant to Section 4.6 (Approval of Work) without prior rejection by County or significant delay in County's approval thereof, which delay is the result of Contractor's failure to deliver such tasks, Deliverables, goods, Services and other work in accordance with the terms hereof. For purposes of this Section 6.3 (Late Delivery Credits to County), the determination of whether a Key Deliverable for a Phase has been so completed and is so approved, and of the date upon which such Key Deliverable was completed, shall be made by County's Project Director as soon as practicable after County is informed by Contractor that such Deliverable has been completed and is given all the necessary information, data and documentation to verify such completion.

6.3 Repayment of Late Delivery Credits to Contractor

If Final Acceptance occurs on or before the date specified for Final Acceptance in the Project Schedule, as adjusted for cumulative County Delay over the period prior to Launch of the last implemented Phase, any Late Delivery Credits paid to or withheld by the County and not previously repaid, shall be repaid to the Contractor upon Final Acceptance.

7.0 TERM OF AGREEMENT

7.1 Initial Agreement Term

The term of this Agreement shall commence upon the Effective Date and shall continue for five (5) years, unless sooner terminated or extended, in whole or in part, as provided in this Agreement (hereinafter "**Initial Term**").

7.2 Extended Agreement Term

At the end of the Initial Term, County may, at its sole option, extend this Agreement for up to five (5) additional one-year periods or for a single five-year period (hereinafter "**Extended Term**," and together with the Initial Term the "**Term**") in each case by an Amendment to the Agreement executed by the Director of DPH and

Contractor's authorized representative(s) in accordance with Section 15.1 (Amendments), subject to, among others, County's right to terminate as provided in this Agreement. If County elects not to exercise its option to extend at the end of the Initial Term, or the Extended Term, as applicable, the remaining option(s) shall automatically lapse.

Each option to exercise the County's right to extend the Agreement shall be exercised at the sole discretion of the Director of DPH as authorized by the Board of Supervisors.

7.3 Contractor Alert Reporting Database

The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise an Agreement term extension option.

7.4 Notice of Expiration

The Contractor shall notify County when this Agreement is within six (6) months from the expiration of the Initial Term and each Extended Term. Upon occurrence of this event, the Contractor shall send written notification to County at the address herein provided in Exhibit E.1 (County's Administration).

8.0 AGREEMENT SUM

8.1 Maximum Agreement Sum

The Maximum Agreement Sum under this Agreement shall be the total monetary amount payable by County to Contractor for supplying all the tasks, Deliverables, goods, Services and other work, including the Solution, required or requested by County under and during the term of this Agreement. If County does not approve work in writing, no payment shall be due Contractor for that work. The Maximum Agreement Sum, including all applicable taxes and allocated Pool Dollars, authorized by County hereunder shall not exceed _____ (\$ _____) as further detailed in Exhibit C (Payment Schedule), unless the Maximum Agreement Sum is modified pursuant to a duly approved Amendment to this Agreement by County's and Contractor's authorized representative(s) pursuant to Section 15.0 (Changes to Agreement). The Maximum Agreement Sum under this Agreement shall cover the authorized payments for all elements of the System, Services, and any Optional Work. The Maximum Agreement Sum shall not be adjusted for any costs or expenses whatsoever of Contractor. 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 total Agreement authorization under this Agreement. Upon occurrence of this event, the Contractor shall send written notification to County's Project Director at the address herein

provided in Exhibit E.1 (County's Administration).

8.2 No Payment for Services Provided Following Expiration/Termination of Agreement

Subject to the provisions of Section 10.9 Termination Transition Services, and except as may be agreed to in writing by the parties, the Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any work provided by the Contractor after the expiration or other termination of this Agreement. Should the Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Agreement.

8.3 Holdbacks

8.3.1 Upon Contractor's completion and County's Acceptance of each Deliverable set forth in Exhibit C (Payment Schedule), ninety percent (90%) of the amount due and payable for such Deliverable will be paid by County for the Deliverable in accordance with this Agreement. The remaining ten percent (10%) of the payment associated with such deliverable (each a "**Holdback Amount**," cumulatively for all deliverables, the "**Holdback Amounts**") will be retained by County and the Holdback Amounts for all Deliverables within each Phase may be invoiced by Contractor upon Phase Acceptance for that Phase pursuant to Section 5.4.3 (Phase Acceptance), subject to adjustment for any amounts arising under this Contract owed to the County by the Contractor. To account for such Holdback Amounts, Contractor will only invoice County for ninety percent (90%) of the amount due and payable for each Deliverable.

8.3.2 A Deliverable shall be deemed completed for purposes of this Section 8.3 (Holdbacks) on the earliest date that all of the tasks, Deliverables, goods, Services and other work required for the completion of such Deliverable are completed and delivered to County, provided that all of such tasks, Deliverables, goods, Services and other work required for the completion of such Deliverable are thereafter approved in writing by County pursuant to Section 4.6 (Approval of Work) without prior rejection by County or significant delay in County's approval thereof, which delay is the result of Contractor's failure to deliver such tasks, Deliverables, goods, Services and other work in accordance with the terms hereof. For purposes of this Section 8.3 (Holdbacks), the determination of whether a Deliverable has been so completed and is so approved, and of the date upon which such Deliverable was completed, shall be made by County's Project Director as soon as practicable after County is informed by Contractor that such Deliverable has been completed and is given all the necessary information, data and documentation to verify such completion.

8.4 Invoices and Payments

The Contractor shall invoice the County only for providing the work specified in Exhibit A (Statement of Work) and elsewhere in this Agreement. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the County under the terms of this Agreement, and shall include supporting documentation (including identification of the specific work for which payment is claimed; copies of fully executed Acceptance Certificates evidencing County Project Director's approval of such work and the payment amount; indication of the applicable Holdback Amount and the cumulative Holdback Amount accrued under this Agreement; indication of any credits or withholds accrued under this Agreement; and any other supporting documentation reasonably requested by County's Project Director). The Contractor's payments shall be as provided in Exhibit C (Payment Schedule), and the Contractor shall be paid only for the work Approved in writing by the County. The making of any payment or payments by County, or receipt thereof by the Contractor, shall in no way affect the responsibility of Contractor to furnish the tasks, Deliverables, goods, Services, and other work, including the Solution, in accordance with this Agreement, or the waiver of any warranties or requirements of this Agreement. The Contractor shall not be entitled to payment or reimbursement for any work performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein.

Contractor shall invoice County in accordance with Exhibit C (Payment Schedule) (1) for Implementation Services, based on the Deliverable amounts due, upon Contractor's completion and County's written approval of billable Deliverables; (2) for Subscription Services in accordance with Section 4.3 (Subscription Services) and Section 8.4.2 (Subscription Fees); and (3) for all Optional Work, on a per Change Order/Amendment basis by payment of the actual price expended by Contractor for the provision of Optional Work, not to exceed the Maximum Fixed Price quoted for such Optional Work following Contractor's completion and County's written Approval thereof.

The Contractor's invoices shall be priced in accordance with Exhibit C (Payment Schedule).

The Contractor's invoices shall contain the information set forth in Exhibit A (Statement of Work) describing, as applicable, the tasks, Deliverables, goods, Services, and/or other work for which payment is claimed.

All invoices under this Agreement shall be submitted to the County's Project Manager identified in and at the address set forth in Exhibit E.1 (County's Administration).

8.4.1 Implementation Fees

Contractor shall be paid Implementation Fees in accordance with Section 4.2 (Implementation Services), Exhibit C (Payment Schedule), and this Agreement.

8.4.2 Subscription Fees

Contractor shall, during the term of this Agreement, provide to County Subscription Services in exchange for County's payment of the applicable fees for such Subscription Services (hereinafter "**Subscription Fees**") set forth in Exhibit C (Payment Schedule), with all attachments thereto. The initial support term for Subscription Services shall commence, and Subscription Fees will be paid by County to Contractor for Subscription Services beginning on Phase Acceptance for each Phase of the System up to the amounts specified in Exhibit C (Payment Schedule). Unless otherwise agreed to by the Parties, Subscription Fees applicable to each Phase will be paid by County to Contractor monthly in advance, subject to any prorating adjustments to align co-termination of Subscription Fees for all completed Phases under the Agreement. The Subscription Fees shall be fixed during the Term of this Agreement.

8.4.3 Optional Work

Upon County's request for Optional Work and mutual agreement on a Change Order or Amendment, Contractor shall provide to County Optional Work using Pool Dollars in accordance with the agreed upon Maximum Fixed Price and the applicable Change Order or Amendment. Contractor's rates for Optional Work shall be subject to the applicable pricing terms set forth in Exhibit C (Payment Schedule) for the term of this Agreement, including the Fixed Hourly Rate. Any Optional Work provided by Contractor shall not cause an increase in the Maintenance and Support Fees under this Agreement. Absent an Amendment in accordance with Section 15.0 (Changes to Agreement), the Pool Dollars are the aggregate amount available during the term of this Agreement for Optional Work.

Contractor's Fixed Hourly Rate for Professional Services, as of the Effective Date, specified in Exhibit C (Payment Schedule), shall be fixed during the Term of this Agreement with cost of living increases permitted. If requested by Contractor, the Fixed Hourly Rate may, at the sole discretion of the County, be increased annually based on the most recent published percentage change in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index for Urban Consumers (CPI-U) (CPI) for the Los Angeles-Long Beach-Anaheim Area for the 12-month period preceding the Agreement commencement anniversary date, which will be the effective date for any Cost of Living Adjustment (COLA). However, any increase must not exceed the general salary movement granted to County employees as determined by the Chief Executive Officer as of each July 1, for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries, no COLA will be granted. Further, before any COLA increase will take effect and become part of this Agreement, a written amendment to this Agreement first must be formally approved and executed by the parties. Optional Work may include, but is not limited to, New Software provided at a fixed cost ~~with Professional Services to implement the New Software.~~

8.5 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the County's Project Director and must contain all information as required by County's Project Director prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld and in the event of a rejection or failure to Approve, County will provide its reasons in writing to Contractor.

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

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

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

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

8.6.4 At any time during the Agreement, 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 DPH, shall decide whether to approve exemption requests.

8.7 Invoice Discrepancies

The County's Project Director will review each invoice for any discrepancies and will, within thirty (30) Days of receipt thereof, notify Contractor in writing of any discrepancies found upon such review and submit a list of disputed charges. Contractor shall review the disputed charges and send a written explanation detailing the basis for the charges within sixty (60) Days of receipt of County's notice of discrepancies and disputed charges. If the County's Project Director does not receive a written explanation for the charges within such sixty (60) Day period, Contractor shall be deemed to have waived its right to justify the original invoice amount, and County, in its sole discretion, exercised in good faith, shall determine the amount due, if any, to Contractor and pay such amount in satisfaction of the disputed invoice, subject to the Dispute Resolution Procedure in Section 27.0 (Dispute Resolution Procedure).

8.8 Most Favored Public Entity

If the Contractor's prices decline, or should the Contractor at any time during the term of this Agreement 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 Agreement, then such lower prices shall be immediately extended to the County.

8.9 Budget Reductions

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the work to be provided by the Contractor under this Agreement shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) 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 work set forth in this Agreement.

8.10 Record Retention and Inspection/Audit Settlement

8.10.1 Records Retention:

The Contractor must maintain accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. The Contractor must also maintain accurate and complete records relating to its performance of this Agreement. The Contractor agrees that the County, will have the right to examine any pertinent transaction, activity, or record relating to this Agreement. Financial records directly relating to the subject matter of this Agreement will be kept and maintained by the Contractor and will be made available to the County during the term of this Agreement 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.

8.10.2 Audit Reports:

In the event that an audit of the Contractor is conducted specifically regarding this Agreement by any Federal or State auditor, then the Contractor must 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 Agreement. Subject to applicable

law and Contractor's compliance with Section 21.2 (Public Records Act), the County will maintain the confidentiality of such audit report(s) in accordance with this Agreement. For the avoidance of doubt, this provision does not limit Contractor's obligations to provide for audits as specified elsewhere in this Agreement, including Exhibit I (Information Security and Privacy Requirements).

8.10.3 Audit Settlement:

If, at any time during the term of this Agreement or within five (5) years after the expiration or termination of this Agreement, representatives of the County conduct an audit of the Contractor regarding the work performed under this Agreement, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference must be deducted from any amounts due to the Contractor from the County, whether under this Agreement 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 Agreement exceed the funds appropriated by the County for the purpose of this Agreement.

8.10.4 Failure to Comply:

Failure of Contractor to comply with the terms of this Section 8.10 shall constitute a material breach of contract upon which Director of DPH may suspend or County may immediately terminate this Agreement.

8.11 Taxes

The Maximum Agreement Sum shown in Section 8.1 (Maximum Agreement Sum) shall be deemed to include all amounts necessary for County to reimburse Contractor for all applicable California and other State and local sales/use taxes on the Solution provided by Contractor to County pursuant to or otherwise due as a result of this Agreement, including, but not limited to, the product of Maintenance and Support Services and any Optional Work, to the extent applicable. All California sales/use taxes shall be paid directly by Contractor to the State or other taxing authority. Contractor shall be solely liable and responsible for, and shall indemnify, defend, and hold harmless County from, any and all such California and other State and local sales/use taxes. Further, Contractor shall be solely liable and responsible for, and shall indemnify, defend, and hold harmless County from, all applicable California and other State and local sales/use tax on all other items provided by Contractor pursuant to this Agreement and shall pay such tax directly to the State or other taxing authority. In addition, Contractor shall be solely responsible for all taxes based on Contractor's income or gross revenue, or personal property taxes levied or assessed on Contractor's personal property to which County does not hold title.

8.12 County's Right to Withhold Payment

In addition to, and cumulative to all other remedies in law, at equity and provided under this Agreement, County may, without waiving any other rights under this Agreement, elect to withhold moneys from the payments due to Contractor under this Agreement at any time during which Contractor is in breach of its obligations under this Agreement.

9.0 REPRESENTATIONS AND WARRANTIES

9.1 Authorization Warranty

The Contractor represents and warrants that the person executing this Agreement 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 Agreement and that all requirements of the Contractor have been fulfilled to provide such actual authority.

9.2 Performance of Service

The Services will be performed and the Deliverables developed in a professional, competent and timely manner by appropriately qualified Contractor personnel in accordance with this Agreement and consistent with Contractor's best practices. Furthermore, Contractor shall comply with the description and representations (including, but not limited to, Deliverable documentation, performance capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, functions and requirements applicable to professional software design meeting industry standards) set forth in this Agreement, including but not limited to Exhibit A (Statement of Work) including all attachments thereto and Exhibit B (Service Level Agreement) including all attachments thereto.

9.3 Conformance to Specifications

The System, Services, and Deliverables, where applicable, shall conform to the Specifications, System Requirements, and this Agreement without material deviations for the period commencing upon the Effective Date of the Agreement and continuing through the expiration or termination of Maintenance and Support Services. Contractor shall institute quality controls, including suitable testing procedures if any, to ensure that the System, Services, and Deliverables comply with the Specifications and Service Levels. Upon the County's reasonable request, the County shall have the right to review Contractor's quality controls in order to verify and/or improve the quality of the Solution, Services and Deliverables. County, with Contractor's assistance where applicable as described in Exhibit A (Statement of Work), shall conduct all User acceptance testing to ensure the System's conformance to System Requirements and Specifications. It is understood by the parties that User Acceptance Testing shall be the responsibility of the County, subject to Contractor's

provision of assistance where applicable as described in Exhibit A (Statement of Work). There is no existing pattern or repetition of customer complaints regarding the System, Services, or Deliverables, including functionality or performance issues, and that Contractor's engineers have not currently identified any repeating adverse impact on the System, Services, or Deliverables, including functionality or performance, for which the root cause is believed to be a flaw or defect in the System, Services, or Deliverables.

9.4 Service Levels

9.4.1 Contractor represents and warrants that when operated in conformance with the terms of this Agreement, the System and/or Services (as applicable) shall achieve the service levels ("**Service Levels**") set forth in Exhibit B (Service Level Agreement), Exhibit A (Statement of Work) and in this Agreement, as applicable. Furthermore, the level of service provided for Maintenance and Support Services and Hosting Services shall not degrade during the term of the Agreement.

9.4.2 The System shall meet the System performance requirements within Contractor's control, including but not limited to those relating to System Availability and response time and, as further specified in Exhibit B (Service Level Agreement) with all attachments thereto.

9.5 System Warranties

Contractor hereby warrants to County that the System shall be free from any and all Deficiencies commencing from Production Use of the System through the term of the Agreement. All Deficiencies reported or discovered shall be corrected in accordance with Exhibit B (Service Level Agreement). During the Warranty Period, Contractor shall correct all Deficiencies at no cost to County, and thereafter at no additional cost beyond the applicable Subscription Fees. Contractor also represents, warrants, covenants and agrees that throughout the term of this Agreement:

9.5.1 The Solution components are capable of interconnecting and/or interfacing with each other and each of the County systems listed in Exhibit A.3 (Interfaces), either through integration or, as applicable, the industry standard interface protocols specified in Exhibit A.3 (Interfaces), and when taken together, the Solution components will be capable of delivering the functionality set forth in this Agreement, the Specifications, the System Requirements, Exhibit A.1 (e2LosAngeles Solution Requirements) and any applicable Statement of Work. The Solution must be interoperable with respect to each interface listed in Exhibit A.3 (Interfaces), at the time it is provided to County and at all times thereafter during the term of this Agreement.

9.5.2 The System shall be fully compatible with the rest of the Solution; and any

enhancements or upgrades shall be backward compatible with any County browser(s) and operating system version(s) compliant with Contractor's minimum required configuration (Exhibit A.2 (Minimum System Requirements)) operated on County workstations.

9.6 Disabling Device

Contractor represents and warrants that Contractor shall not intentionally cause any unplanned interruption of the operations of, or accessibility to the System or any component through any device, method or means including, without limitation, the use of any "virus", "lockup", "time bomb", or "key lock", "worm", "back door" or "Trojan Horse" device or program, or any disabling code, which has the potential or capability of compromising the security of County Confidential Information or of causing any unplanned interruption of the operations of, or accessibility of the System or any component to County or any user or which could alter, destroy, or inhibit the use of the System or any component, or the data contained therein (collectively, "**Disabling Device(s)**"), which could block access to or prevent the use of the System or any component by County or users. Contractor represents, warrants, and agrees that it has not purposely placed, nor is it aware of, any Disabling Device in any System component provided to County under this Agreement, nor shall Contractor knowingly permit any subsequently delivered or provided System component to contain any Disabling Device. In addition, Contractor shall prevent viruses from being incorporated or introduced into the System or Revisions thereto prior to the installation onto the System and shall prevent any viruses from being incorporated or introduced in the process of Contractor's performance of on-line support. Except if and to the extent expressly necessary for performance of Maintenance and Support Services or any other servicing or support expressly authorized in writing by County, during the Term of this Agreement, and any period of use of the system pursuant to Section 10.9 (Termination Transition Services, in no event shall Contractor or anyone acting on its behalf, disable or interfere, in whole or in part, with County's use of the Solution or any software, hardware, systems or data owned, utilized, or held by County without the written permission of the Director of DPH, whether or not the disablement is in connection with any dispute between the Parties or otherwise. Contractor understands and acknowledges that a breach of this Section 9.6 could cause substantial harm to County and to numerous third parties having business relationships with County. No limitation of liability, whether contractual or statutory, will apply to a breach of this Section 9.6.

9.7 Pending Litigation

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

9.8 Non-Infringement Warranties

Contractor represents and warrants: (i) that Contractor has the full power and authority to grant the License, and all other rights granted by this Agreement to County; (ii) that no consent of any other person or entity is required by Contractor to grant such rights other than consents that have been obtained and are in effect; (iii) that County, Provider, and other Users are entitled to use the System without interruption, subject only to County's obligation to make the required payments and observe the License terms under this Agreement; (iv) that this Agreement and the System licensed or acquired herein, are neither subject to any liens, encumbrances, or pledges nor subordinate to any right or claim of any third party, including Contractor's creditors; (v) that during the term of this Agreement, Contractor shall not subordinate this Agreement or any of its rights hereunder to any third party without the prior written consent of County, and without providing in such subordination instrument for non-disturbance of County's use of the System (or any part thereof) in accordance with this Agreement; and (vi) that neither the performance of this Agreement by Contractor, nor the License to and use by County, Providers, and other Users of the System in accordance with this Agreement will in any way violate any non-disclosure agreement, nor constitute any infringement or other violation of any copyright, trade secret, trademark, service mark, patent, invention, proprietary information, or other rights of any third party.

9.9 Continuous Product Support

9.9.1 Contractor shall provide Subscription Services the Licensed Software, including but not limited to Revisions, for the License Term. Contractor shall not replace the License Software in Contractor's product line by another product containing substantially similar functionality to the Licensed Software under a different trade or service name, even if the replacement product contains additional features, functionality, or other capabilities throughout the Term of the Agreement, without providing County a license to such replacement product and maintenance, support, and hosting for such replacement or renamed product, all at no additional costs beyond the then-remaining fees payable to Contractor hereunder with respect to the Licensed Software.

9.9.2 In the event any or all components of the Licensed Software are migrated to a replacement product as a result of an acquisition, sale, assignment, transfer or other change in control of Contractor, then any assignee or successor, by taking benefit (including, without limitation, acceptance of any payment under this Agreement), shall be deemed to have ratified this Agreement. All terms and conditions of this Agreement with respect to the Licensed Software shall continue in full force and effect for the replacement product.

9.10 Minimum System Requirements

Contractor has provided County the Minimum System Requirements to use the e2LosAngeles System as set forth on Exhibit A.2 (Minimum System Requirements) providing performance and capacity specifications for:

- a) Network infrastructure;
- b) Connectivity;
- c) Supported browsers; and
- d) Supported operating system.

for the Existing Environment for use in connection with the System.

Provided County operates its Existing Environment in substantial conformance with the Minimum System Requirements, Contractor believes that the Existing Environment and the System are sufficient in size, capacity, and processing capability for the use by the County of the System in accordance with this Agreement.

9.11 Assignment and Warranty Pass-Through

To the extent permissible under the applicable third party agreements, Contractor hereby assigns to County all representations and warranties received by Contractor from its third party licensors and suppliers. Additionally, to the extent permissible under the applicable warranty terms, Contractor shall assign to County to the fullest extent permitted by law or by this Agreement, and shall otherwise ensure that the benefits of any applicable warranty or indemnity offered by any manufacturer of any System component or any other product or service provided hereunder shall fully extend to and be enjoyed by County.

9.12 Remedies and Breach of Warranty

County's remedies under the Agreement for the breach of the warranties set forth in this Agreement will include, but not be limited to, the repair or replacement by Contractor, at its own expense, of the non-conforming Solution, the specific remedies set forth in Exhibit B (Service Level Agreement) and other corrective measures afforded to County by Contractor under such Exhibit B (Service Level Agreement) and this Agreement, including assessment of Service Credits.

Failure by Contractor to timely perform its obligations set forth in this Section 9.0 (Representations and Warranties) shall constitute a material breach, upon which, in addition to County's other rights and remedies set forth herein, County may terminate this Agreement in accordance with Section 10.2 (Termination for Default).

9.13 Disclaimer of Warranties

Other than as set forth in this Agreement, Contractor disclaims all other warranties, expressed or implied, written or oral, in connection with the Licensed Software,

including without limitation any implied warranties of title, merchantability or fitness for a particular purpose.

10. TERMINATION

10.1 Termination for Convenience

This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than thirty (30) Days after the notice is sent.

10.2 Termination for Default

10.2.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Agreement, if, in the reasonable judgment of the Director of DPH:

- a) Contractor has materially breached this Agreement; or
- b) Contractor fails to timely and/or satisfactorily provide and/or perform any task, Deliverable, good, Service, or other work required either under this Agreement, unless such failure is due in whole or in part to the failure of the County or its agents or employees to perform any tasks required under this Agreement including Exhibit A (Statement of Work) in a timely manner, provided Contractor has timely submitted a notice of delay under Section 28.4 (Notice of Delays); or
- c) Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Agreement, or of any obligations of this Agreement, unless such failure is due in whole or in part to the failure of the County or its agents or employees to perform any tasks required under this Agreement including Exhibit A Statement of Work in a timely manner, and in either case, fails to demonstrate convincing progress toward a cure within ten (10) Business Days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure, and, unless a shorter cure period is expressly provided in this Agreement, does not cure such failure or fails to correct such failure or breach within sixty (60) Days (or such longer period as County may authorize in writing) of receipt of written notice from County specifying such failure or breach, except that Contractor shall not be entitled to any cure period, and County may terminate immediately, in the event that Contractor's failure to perform or comply is not reasonably capable of being cured.

10.2.2 Reserved.

10.2.3 Except with respect to defaults of any subcontractor, the Contractor shall not be considered in default under Section 10.2 (Termination for Default) if its failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be considered in default under Section 10.2 (Termination for Default) , 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 Section 10.2 (Termination for Default), the term “subcontractor(s)” means subcontractor(s) at any tier.

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

10.3 Termination for Improper Consideration

10.3.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement 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 the Agreement or securing favorable treatment with respect to the award, amendment, or extension of the Agreement or the making of any determinations with respect to the Contractor’s performance pursuant to the Agreement. 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.

10.3.2 The Contractor must immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report must be

made to the Los Angeles County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

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

10.4 Termination for Insolvency

10.4.1 The County may terminate this Agreement 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.

10.5 Termination for Non-Appropriation of Funds

Notwithstanding any other provision of this Agreement, the County will not be obligated for the Contractor's performance hereunder or by any provision of this Agreement during any of the County's future fiscal years unless and until the County's Board appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement 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.

10.6 Termination for Non-Adherence of County Lobbyist Ordinance

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

10.7 Termination for Regulatory Non-Compliance

In the event Contractor's relationship with County under this Agreement is identified in writing by any regulator (including any governmental body or accreditation/certification organization (e.g., Joint Commission)) having jurisdiction over County, to present a risk to County or its customers that requires correction, County shall notify Contractor of such identification. In the event the Parties are unable for any reason through reasonable efforts to resolve the identified issue(s) to the satisfaction of the relevant regulator within the timeframe mandated by the regulator, County may terminate this Agreement for convenience and without obligation to pay any termination fee or penalty to Contractor.

10.8 Effect of Termination

10.8.1 In the event County terminates this Agreement in whole or in part as provided hereunder or upon the expiration of the Agreement, as applicable, then, unless otherwise specified by County in writing:

- a) Contractor shall continue the performance of this Agreement to the extent not terminated.
- b) In the event of a partial termination, Contractor shall cease provision of all Services and other work being terminated on the date and to the extent specified in such notice and provide to County all completed Services/other work and Services/other work in progress, in a media reasonably requested by County, if applicable.
- c) County will pay to Contractor all sums due and payable to Contractor for Services and other work provided in accordance with this Agreement through the effective date of such expiration or termination (prorated as appropriate).
- d) Contractor shall return to County all monies paid by County, yet unearned by Contractor, including the prorated amount of any prepaid Maintenance and Support Fees and/or other fees, if applicable.
- e) Contractor shall (a) promptly return to County any and all of the County's Confidential Information that relates to the portion of the Agreement, Services, or other work terminated by County, including all County Data, information, and other materials in a media reasonably requested by County and (b) destroy all such Confidential Information, County Data, and information and materials as required in and in accordance with the requirements of this Agreement, including those set forth in Exhibit I (Information Security and Privacy Requirements);

- f) If this Agreement is terminated in its entirety or expires, the Software as a Service (SaaS license for the use of the System and Services will terminate, and subject to the obligations of the Parties under Section 10.8.4 and Section 10.9 (Termination Transition Services), County will cease its use of the System and Services and will return to Contractor all products of the terminated Services, subject to continued use as needed to maintain operations and otherwise mitigate damages during an orderly transition to an alternative system and subject to the County's continued use of the Hardcopy Deliverables as specified in Sections 3.4.1 (Background Intellectual Property) and 3.4.2 (Work Product), compensation for which will be negotiated by the Parties in good faith; and
- f) The rights and remedies of the County provided in this Section and elsewhere in this Agreement shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

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

10.8.3 Contractor understands and agrees that County has obligations that it cannot satisfy without use of the System provided to County hereunder or an equivalent system, and that a failure to satisfy such obligations could result in irreparable damage to County and the entities it serves. Therefore, Contractor agrees that in the event of any expiration or termination of this Agreement, Contractor shall fully cooperate with County in the transition of County to a new system, toward the end that there be no interruption of County's day-to-day operations due to the System not being Available during such transition, as provided in Section 10.9 (Termination Transition Services).

10.9 Termination Transition Services

10.9.1 Contractor shall assist the County in transitioning from the System by providing Transition Services, as provided below.

10.9.2 Upon the expiration or termination of this Agreement, County may require Contractor to provide services in the form of Optional Work to assist County to transition its operations from the System to a replacement system. ("**Transition Services**"). Upon County's request for Transition Services,

County and Contractor agree to negotiate in good faith the scope of work and the price for such Transition Services. Contractor shall provide County with all of the Transition Services as provided in this Section 10.9 (Termination Transition Services). The duty of Contractor to provide such Transition Services shall be conditioned on County continuing to comply with its obligations under the Agreement, including payment of all applicable fees. Contractor shall have no right to withhold or limit its performance or any of such Transition Services on the basis of any alleged breach of this Agreement by County, other than a failure by County to timely pay the amounts due and payable hereunder. County shall have the right to seek specific performance of this Section 10.9 (Termination Transition Services) in any court of competent jurisdiction and Contractor hereby waives any defense that damages are an adequate remedy. Compliance with this Section 10.9 (Termination Transition Services) by either Party shall not constitute a waiver or estoppel with regard to any rights or remedies available to the Parties.

11.0 ADMINISTRATION OF AGREEMENT - COUNTY

A listing of all County Administration referenced in the following Sections are designated in Exhibit E.1 (County's Administration). The County shall notify the Contractor in writing of any change in the names or addresses shown.

11.1 County's Project Director

Responsibilities of the County's Project Director include: a) confirming that the objectives of this Agreement are met; and b) providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

11.2 County's Project Manager

The responsibilities of the County's Project Manager include: a) meeting with the Contractor's Project Manager on a regular basis; b) inspecting any and all tasks, Deliverables, goods, Services, or other work provided by or on behalf of the Contractor; and c) overseeing the day-to-day administration of this Agreement.

The County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement except as expressly provided with respect to the Project Schedule, and is not authorized to further obligate County in any respect whatsoever.

12.0 ADMINISTRATION OF AGREEMENT – CONTRACTOR

12.1 Contractor's Project Director

12.1.1 The Contractor's Project Director is designated in Exhibit E.2 (Contractor's

Administration). The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Director.

12.1.2 The Contractor's Project Director shall be responsible for the Contractor's activities as related to this Agreement and shall coordinate with County's Project Director and County's Project Manager on a regular basis.

12.2 Contractor's Project Manager

12.2.1 The Contractor's Project Manager is designated in Exhibit E.2 (Contractor's Administration. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.

12.2.2 The Contractor's Project Manager shall be responsible for the Contractor's day-to-day activities as related to this Agreement and shall coordinate with County's Project Director and County's Project Manager on a regular basis.

12.3 Approval of Contractor's Staff

County has the right to reasonably 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 subject only to applicable laws prohibiting discrimination and retaliation, provided that the County will permit revision of the Project Plan to allow sufficient time for Contractor to assign replacement staff and adequately transition responsibilities, in a manner that will not adversely impact the project.

12.4 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.

12.4.1 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 to leave a County facility by a County representative if they do not have the proper County ID badge on their person.

12.4.2 Contractor shall notify the County within one Business Day when staff is terminated from working under this Agreement. Contractor shall retrieve and return an employee's ID badge to the County on the next Business Day after the employee has terminated employment with the Contractor.

12.4.3 If County requests the removal of Contractor's staff, Contractor shall retrieve and return an employee's ID badge to the County on the next Business Day after the employee has been removed from working on the Agreement.

12.5 Background and Security Investigations

- 12.5.1** At the discretion of the County, all Contractor staff performing work at County locations under this Agreement may be required to undergo and pass, to the satisfaction of County, a background investigation as a condition of beginning and continuing to work under this Agreement. County shall use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor's staff passes or fails the background clearance investigation. County may perform the background check and bill Contractor for the cost or deduct such amount from funds owed by County to Contractor.
- 12.5.2** Subject to the requirements of law, County may request that the Contractor's staff be immediately removed from working on the County Agreement at any time during the Term of this Agreement based upon the results of a background check. County will not provide to the Contractor nor to the Contractor's staff any information obtained through the County conducted background clearance.
- 12.5.3** Subject to the requirements of law, County may immediately, at the sole discretion of the County, deny or terminate facility access to the Contractor's staff that do not pass such investigation(s) or whose background or conduct is, in the opinion of the County, incompatible with County facility access.
- 12.5.4** Disqualification of any member of Contractor's staff pursuant to this Section 12.5 (Background and Security Investigations) shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

12.6 Employment Eligibility Verification

- 12.6.1** 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 Agreement 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.

12.6.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement. Any legal defense pursuant to Contractor's indemnification obligations under this Section 12.6 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County exercising its reasonable judgment, County shall be entitled to retain its own counsel and shall be entitled to seek reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

13. REPORTS, MEETINGS, AND GOVERNANCE

13.1 Reports

The Contractor Project Manager and County Project Manager shall communicate at least once every calendar week (the "**Status Report**") about the work in progress. The communications shall include a conference call or an in-person meeting as mutually agreed upon (the "**Status Meeting**") and a report from the appropriate Contractor personnel regarding:

- a) Period covered by the report;
- b) Tasks, Deliverables, goods, Services, and other work scheduled for the reporting period which were completed;
- c) Tasks, Deliverables, goods, Services, and other work scheduled for the reporting period which were not completed;
- d) Tasks, Deliverables, goods, Services, and other work not scheduled for but completed in the reporting period;
- e) Tasks, Deliverables, goods, Services, and other work scheduled to be completed in the next reporting period;
- f) Summary of project status as of reporting date;
- g) Updated Deliverable chart;
- h) New issues, if any;
- i) Issues to be resolved;
- j) Issues resolved;
- k) Updates on any scheduling and milestones (if applicable);
- l) Decision made and decisions pending during the reporting period;
- m) Risk management;
- n) Any other information that County or Contractor may, from time-to-time,

reasonably request in writing that Contractor or County, as the case may be, may deem appropriate.

13.2 Quarterly Review Meetings

Contractor and County shall, at quarterly intervals or such other time periods mutually agreed to by the Parties, hold a review meeting via videoconferencing, to review the performance of the Licensed Software, System, Solution, Third Party Products, Services, and Service Levels; discuss fee and expense issues; and address such other issues as may be relevant at the time. The Contractor's Project Manager (and senior executive personnel from the Contractor who attend) and Contractor's subject matter experts as determined by the meeting agenda shall attend at the sole cost of Contractor.

13.3 Alert Reports

Contractor shall promptly notify County in writing (i.e., e-mail or facsimile transmission) on becoming aware of any change or problem that would negatively impact completion or performance of the Licensed Software, System, Third Party Products, Services, other Solution components, and/or Deliverables, the progress of tasks assigned under a Statement of Work, or any schedule in a Statement of Work. The written notice shall include a detailed description of the relevant change or problem and shall be provided to the County's Project Director.

14.0 CONFIDENTIALITY AND SECURITY

14.1 Confidentiality

14.1.1 Confidential Information Defined

Except as provided in Section 14.1.2 (Exclusions) below, and in the case of County subject to Section 21.2 (Public Records Act), each Party agrees that all information supplied by one Party and its affiliates and agents (collectively, the "**Disclosing Party**") to the other ("**Receiving Party**") including, without limitation, (a) trade secrets; (b) any information relating to County's customers, patients, business partners, or personnel; (c) County Data, including Personal Data (as defined below) and Protected Health Information (as defined below), and (d) any information related to the Contractor's designs, computer software, source code, object code, information technology, infrastructure, system architecture, security practices and procedures, documentation (other than Documentation), business, business partners, customers, personnel, or Personal Data (as defined below) will be deemed confidential and proprietary to the Disclosing Party, in the case of County as Disclosing Party, regardless of whether such information was disclosed intentionally or unintentionally or marked as "confidential" or "proprietary" ("**Confidential Information**"). The foregoing definition shall also include any Confidential Information provided by either Party's contractors, subcontractors, agents, or vendors. To be deemed

“Confidential Information” all must be plainly and prominently marked with restrictive legends. Subject to the licenses provided by Contractor to County and the other terms set forth in this Agreement (e.g. a Statement of Work specifically setting forth other ownership rights), all Confidential Information shall be and remain the property of the Disclosing Party and the Disclosing Party shall retain exclusive rights and ownership thereto.

14.1.2 Exclusions

Confidential Information will not include any information or material, or any element thereof, whether or not such information or material is Confidential Information for the purposes of this Agreement, to the extent any such information or material, or any element thereof: (a) has previously become or is generally known, unless it has become generally known through a breach of this Agreement or a similar confidentiality or non-disclosure agreement, obligation, or duty; (b) was already rightfully known to the Receiving Party prior to being disclosed by or obtained from the Disclosing Party as evidenced by written records kept in the ordinary course of business or by proof of actual use by the Receiving Party, (c) has been or is hereafter rightfully received by the Receiving Party from a third-party (other than the Disclosing Party) without restriction or disclosure and without breach of a duty of confidentiality to the Disclosing Party; or (d) has been independently developed by the Receiving Party without access to Confidential Information of the Disclosing Party. It will be presumed that any Confidential Information in a Receiving Party’s possession is not within exceptions (b), (c) or (d) above, and the burden will be upon the Receiving Party to prove otherwise by records and documentation.

14.1.3 Treatment of Confidential Information

Each Party recognizes the importance of the other Party’s Confidential Information. In particular, each Party recognizes and agrees that the Confidential Information of the other is critical to their respective businesses and that neither Party would enter into this Agreement without assurance that such information and the value thereof will be protected as provided in this Section 14.1 (Confidentiality) and elsewhere in this Agreement. Accordingly, each Party agrees as follows: (a) the Receiving Party will hold any and all Confidential Information it obtains in strictest confidence and will use and permit use of Confidential Information solely for the purposes of this Agreement. Without limiting the foregoing, the Receiving Party shall use at least the same degree of care, but no less than reasonable care, to avoid disclosure or use of this Confidential Information as the Receiving Party employs with respect to its own Confidential Information of a like importance; (b) the Receiving Party may disclose or provide access to its responsible employees, agents, and consultants who have a need to know and may make copies of Confidential Information only to the extent reasonably necessary to carry out its obligations hereunder; and (c) the Receiving Party currently has, and in the future will maintain in effect and enforce, rules and policies to protect against access to or use or disclosure of Confidential Information other than in accordance with this Agreement, including without limitation written

instruction to and agreements with employees, agents, or consultants who are bound by an obligation of confidentiality no less restrictive than set forth in this Agreement to ensure that such employees, agents, and consultants protect the confidentiality of Confidential Information, including this Section 14.1 (Confidentiality). The Receiving Party will require its employees, agents, and consultants not to disclose Confidential Information to third- parties, including without limitation customers, subcontractors, or consultants, without the Disclosing Party's prior written consent, will notify the Disclosing Party immediately of any unauthorized disclosure or use, and will cooperate with the Disclosing Party to protect all proprietary rights in and ownership of its Confidential Information. The Receiving Party will be responsible for compliance of its employees, agents, and consultants with the confidentiality obligations under this Agreement and shall be liable for breaches of same by its employees, agents, and consultants.

14.1.4 Non-Exclusive Equitable Remedy

Each Party acknowledges and agrees that due to the unique nature of Confidential Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach or threatened breach may allow a Party or third-parties to unfairly compete with the other Party resulting in irreparable harm to such Party, and therefore, that upon any such breach or any threat thereof, each Party 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 either of them might have at law or equity. Any breach of this Section 14.1 (Confidentiality) shall constitute a material breach of this Agreement and be grounds for immediate termination of this Agreement in the exclusive discretion of the non-breaching Party.

14.1.5 Personal Data

“Personal Data” shall 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, Personal Data shall include, but not be limited to, all “nonpublic personal information,” as defined under the Gramm-Leach-Bliley Act (15 United States Code (“U.S.C.”) §6801 et seq.), Protected Health Information as defined under the Health Information Portability and Accountability Act and regulations promulgated thereunder, including 45 C.F.R. 160 and 164, “personal information” as defined in the Information Practices Act of 1977 (California Civil Code Section 1798.29(g)), and “Personal Data” as that term is defined in EU Data Protection Directive (Directive 95/46/EEC) on the protection of individuals with regard to processing of personal data and the free movement of such data, all of the foregoing as amended from time to time.

In connection with this Agreement and performance of the Services and other work,

Contractor may be provided or obtain, from County or otherwise, Personal Data pertaining to County's current and prospective personnel, directors and officers, agents, subcontractors, investors, patients, and customers and may need to access, transmit, use, or store such Personal Data and/or transfer it, all subject to the restrictions set forth in this Agreement and otherwise in compliance with all applicable domestic laws and regulations for the sole purpose of performing the Services and providing the other work under this Agreement.

14.1.6 Treatment of Personal Data

Without limiting any other warranty or obligation specified in this Agreement, and in particular the confidentiality provisions of this Section 14.1 (Confidentiality), during the Term of this Agreement and thereafter in perpetuity, Contractor will not gather, store, log, archive, use, or otherwise retain any Personal Data in any manner, and will not disclose, distribute, sell, share, rent, or otherwise transfer any Personal Data to any third-party, except as expressly required to perform its obligations in this Agreement or as Contractor may be expressly directed in advance in writing by County. Contractor represents and warrants that it will access, transmit, use, and store Personal Data only in compliance with (a) this Agreement, and (b) all applicable local, State, and Federal laws and regulations (including, but not limited to, current and future laws and regulations relating to spamming, privacy, confidentiality, data security, and consumer protection).

14.1.7 Retention of Personal Data

Contractor will not retain any Personal Data for any period longer than necessary for Contractor to fulfill its obligations under this Agreement. As soon as Contractor no longer needs to retain such Personal Data in order to perform its duties under this Agreement, Contractor will promptly return or securely and permanently destroy or erase all originals and copies of such Personal Data in accordance with this Agreement.

14.1.8 Compelled Disclosures

To the extent required by applicable law or by lawful order or requirement of a court or governmental authority having competent jurisdiction over the Receiving Party, the Receiving Party may disclose Confidential Information in accordance with such law or order or requirement, subject to the following conditions: as soon as possible after becoming aware of such law, order, or requirement and prior to disclosing Confidential Information pursuant thereto, the Receiving Party will so notify the Disclosing Party in writing and, if possible, the Receiving Party will provide the Disclosing Party notice not less than five (5) Business Days prior to the required disclosure. The Receiving Party will use reasonable efforts not to release Confidential Information pending the outcome of any measures taken by the Disclosing Party to contest, otherwise oppose, or seek to limit such disclosure by the Receiving Party and any subsequent disclosure or use of Confidential Information that may result from

such disclosure. The Receiving Party will cooperate with and provide assistance to the Disclosing Party regarding such measures. Notwithstanding any such compelled disclosure by the Receiving Party, such compelled disclosure will not otherwise affect the Receiving Party's obligations hereunder with respect to Confidential Information so disclosed.

14.1.9 Compliance with Federal and State Confidentiality Requirements

County is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d through d-8 and as amended from time to time (“**HIPAA**”), and 42 U.S.C. § 290dd-2. Under this Agreement, Contractor provides services to County and Contractor receives Protected Health Information and confidential substance abuse patient records in order to provide those services. Contractor acknowledges and agrees that all patient records and Protected Health Information shall be subject to the confidentiality and disclosure provisions of HIPAA, HITECH Act, ARRA, 42 U.S.C. § 290dd-2, and the regulations promulgated thereunder by the U.S. Department of Health and Human Services, including the Standards for Privacy of Individually Identifiable Health Information and the Security Standards for Electronic Protected Health Information at 45 Code of Federal Regulations (“**C.F.R.**”), parts 142, 160, and 164, as the same may be amended from time to time, 42 Code of Federal Regulations Part 2 (Confidentiality of Alcohol and Drug Abuse Patient Records regulations or “**Part 2 Regulations**”), as the same may be amended from time to time, and any other applicable Federal and State laws (including California Civil Code Sections 56.00 et. seq. (the Confidentiality of Medical Information Act) and California Health and Safety Code 1280.15) (collectively, the “**Privacy and Security Laws**”) and shall maintain the confidentiality of all such records and information and otherwise comply in accordance with such laws. The Parties further agree and shall abide by the provisions of Exhibit G (Business Associate Agreement) hereto, including all obligations therein with respect to information subject to HIPAA. Should County amend Exhibit G (Business Associate Agreement) as is necessary to comply with the requirements of the Privacy and Security Laws, County will execute a Change Notice in accordance with Section 15.2 (Change Notice), which shall replace Exhibit G (Business Associate Agreement) with the updated Business Associate Agreement.

14.1.10 County Data

All County Data shall be and remain the property of County and County shall retain exclusive rights and ownership thereto. The data of County shall not be used by Contractor for any purpose other than as required under this Agreement, nor shall such data or any part of such data be disclosed, sold, assigned, leased, or otherwise disposed of, to third- parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, or agents.

14.1.11 Return of Confidential Information

On County's written request or upon expiration or termination of this Agreement for any reason, Contractor will promptly: (a) return or securely and permanently destroy, at County's option, all originals and copies of all documents and materials it has received containing County's Confidential Information in accordance with this Agreement; (b) if return or secure and permanent destruction is not permissible under applicable law, continue to protect such information in accordance with the terms of this Agreement; and (c) deliver or securely and permanently destroy, at County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection 14.1.11(a), in accordance with this Agreement, and provide a notarized written statement to County certifying that all documents and materials referred to in Subsections 14.1.11(a) and (b) have been delivered to County or securely and permanently destroyed, as requested by County. On termination or expiration of this Agreement, County shall return or destroy all Contractor Confidential Information and all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials prepared by or for County from Contractor's Confidential Information, (excluding items to be retained by the County pursuant to an agreement negotiated by the Parties under Section 10.9 Termination Transition Services and subject to the County's continued use of the Hardcopy Deliverables as specified in Sections 3.4.1 (Background Intellectual Property) and 3.4.2 (Work Product)) at Contractor's option.

14.2 Security

14.2.1 System Security

Notwithstanding anything to the contrary herein, Contractor shall provide all Services and other work in compliance with Exhibit I (Information Security and Privacy Requirements) and utilizing security technologies and techniques in accordance with the industry standards, Contractor's best practices and applicable County security policies, procedures and requirements provided by County to Contractor in writing or otherwise as required by law, including those relating to the prevention and detection of fraud or other inappropriate use or access of systems and networks. Without limiting the generality of the foregoing, Contractor shall implement and use network management and maintenance applications and tools and fraud prevention and detection and encryption technologies and prevent the introduction of any Disabling Device into the System, as further specified in Exhibit I (Information Security and Privacy Requirements). In no event shall Contractor's actions or inaction result in any situation that is less secure than the security that Contractor then provides for its own systems and data.

14.2.2 System Data Security

Contractor hereby acknowledges the right of privacy of all persons whose information is stored in the System. Contractor shall protect, secure and keep confidential all System data in compliance with all applicable Federal, State and local laws, rules, regulations, ordinances, and publicly known guidelines and directives, relating to confidentiality and information security (including any breach of the security of the System, such as any unauthorized acquisition of System data that compromises the security, confidentiality or integrity of personal information) and provisions of Exhibit I (Information Security and Privacy Requirements). Further, Contractor shall take all reasonable actions necessary or advisable to protect all System data in its possession, custody or control from loss or damage by any cause, including fire, theft or other catastrophe. In addition, if requested by County's Project Director, Contractor shall provide notification to all persons identified by the County's Project Director whose unencrypted personal information was, or is reasonably believed to have been, acquired by any unauthorized person, and the content, method and timing of such notification shall be subject to the prior approval of County's Project Director. Contractor shall not use System data for any purpose or reason other than to fulfill its obligations under this Agreement.

14.2.3 Security Scan

Contractor shall provide security scans for the System as described in Task 14 of Exhibit A (Statement of Work) prior to System Launch and annually thereafter and shall provide the results of the scans to the County.

14.2.4 Security Audits

By no later than September 1, 2025 and annually thereafter, Contractor shall cause an independent, registered public accounting firm that is nationally recognized in the United States to perform an audit or series of audits of the control activities, systems and processes established and maintained by Contractor. Each such annual audit or series of audits shall conform to the requirements necessary to produce a SOC 2, Type II Report and Contractor shall provide the SOC 2, Type II Report for each such audit to the County.

14.3 Protection of Electronic County Information – Data Encryption Standards

Contractor acknowledges that it electronically transmits or stores County Data constituting Personal Information (hereinafter "**PI**"), Protected Health Information (hereinafter "**PHI**"), and/or Medical Information (hereinafter "**MI**") under this Agreement. Contractor therefore represents, warrants, and covenants that all transmission and storage of County Data hereunder shall at all times be encrypted in transit and at rest, and all PHI other than certain client service dates shall be additionally encrypted using the zero-knowledge encryption model, meaning the System will be designed so that no other person or entity, including Contractor, its subcontractors, and their respective officers, employees, and agents, other than

County and its authorized Users, shall have access to unencrypted County Level One Data (as defined in Exhibit A.5, Local Key Module Description). Contractor further, represents, warrants, and covenants that the encryption model, processes, and procedures set forth in Exhibit A.5 (Local Key Module Description) constitutes a zero-knowledge encryption model, and Contractor's transmission and storage of County Data shall at all times comply with Exhibit A.5 (Local Key Module Description). As applicable to zero-knowledge encryption model, Contractor shall additionally comply with the following requirements:

14.3.1 Encryption Standards – Stored Data

Contractor's and subcontractors' workstations and portable devices that are used to access, store, receive and/or transmit County PI, PHI or MI (e.g., mobile, wearables, tablets, thumb drives, external hard drives) require encryption (i.e. software and/or hardware) in accordance with: (a) Federal Information Processing Standard Publication (FIPS) 140-2; (b) National Institute of Standards and Technology (NIST) Special Publication 800-57 Recommendation for Key Management – Part 1: General (Revision 3); (c) NIST Special Publication 800-57 Recommendation for Key Management – Part 2: Best Practices for Key Management Organization; and (d) NIST Special Publication 800-111 Guide to Storage Encryption Technologies for End User Devices. Advanced Encryption Standard (AES) with cipher strength of 256-bit is minimally required.

14.3.2 Encryption Standards – Transmitted Data

All transmitted (e.g. network) County PI, PHI and/or MI require encryption in accordance with: (a) NIST Special Publication 800-52 Guidelines for the Selection and Use of Transport Layer Security Implementations; and (b) NIST Special Publication 800-57 Recommendation for Key Management – Part 3: Application-Specific Key Management Guidance. Secure Sockets Layer (SSL) is minimally required with minimum cipher strength of 128-bit. Notwithstanding the foregoing, this encryption requirement does not apply to communications to and from Contractor's Servers that occur over a network dedicated exclusively to Contractor's use and isolated from third-party communications at the physical layer (OSI layer 1).

14.3.3 Definition References

a) As used in this Agreement and the Policy, the phrases:

“Personal Information” shall have the same meaning as set forth in subdivision (g) of California Civil Code section 1798.29.

“Protected Health Information” shall have the same meaning as set forth in the Health Insurance Portability and Accountability Act of

1996 (HIPAA), and implementing regulations.

“Medical Information” shall have the same meaning as set forth in subdivision (j) of California Civil Code section 56.05.

“Substance Abuse Information” shall have the same meaning as set forth in 42 C.F.R. Part 2 and Health and Safety Code section 11845.5

- b) All of the foregoing references to Federal and State legislation are as amended from time to time.

14.3.4 Compliance

Contractor shall certify its compliance with this Section 14.3 prior to being awarded the Agreement with County and/or shall maintain compliance with this Section 14.3 and for as long as Contractor maintains or is in possession of County’s PI, PHI and/or MI. In addition to the foregoing certification, Contractor shall maintain any validation or attestation reports that the data encryption product generates, and such reports shall be subject to audit in accordance with the Agreement. County requires that, if non-compliant, Contractor develop and execute a corrective action plan. Contractor, for failing to comply with this Section 14.3, may be subject to suspension or termination of the Agreement, denial of access to County information technology resources, and/or other actions as deemed appropriate by the County.

14.4 Data Destruction

Contractor(s) that have maintained, processed, or stored the County of Los Angeles’ 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. More information is available at: <http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88Rev.%201>

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., Servers, workstations) that are geographically located within the County, or external to the County’s boundaries. The County must receive within ten (10) Business Days, a signed document from contractor(s) and vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

Contractor must certify that any County Data and County Confidential Information 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. Contractor must provide County with written certification, within ten (10) Business Days of removal of any electronic storage equipment and devices that validates that any and all County Confidential Information was destroyed and is unusable, unreadable, and/or undecipherable.

14.5 Intentionally Omitted

14.6 Indemnification

Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Section 14.0 (Confidentiality and Security). Any legal defense pursuant to Contractor's indemnification obligations under this Section 14.0 (Confidentiality and Security) shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County exercising its reasonable judgment, County shall be entitled to retain its own counsel, and shall be entitled to seek reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

14.7 Remedies

Contractor acknowledges that a breach by Contractor of this Section 14.0 (Confidentiality and Security) may result in irreparable injury to County that may not be adequately compensated by monetary damages and that, in addition to County's other rights under this Section 14.0 (Confidentiality and Security) and at law and in equity, County shall have the right to seek injunctive relief to enforce the provisions of this Section 14.0 (Confidentiality and Security). The provisions of this Section 14.0 (Confidentiality and Security) shall survive the expiration of termination of this Agreement.

Contractor shall take all reasonable actions necessary or advisable to protect the System from loss or damage by any cause. Contractor shall bear the full risk of loss or damage to the System and any System data by any cause other than resulting from Force Majeure Events or County's fault.

15.0 CHANGES TO AGREEMENT

15.1 Amendments

15.1.1 No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations, or conditions of this Agreement, except through the procedures set forth in this Section 15.0 (Changes to Agreement). County reserves the right to change any portion of the Services or other work required under this Agreement and to change any other provisions of this Agreement. All such changes shall be accomplished only as provided in this Section 15.0 (Changes to Agreement).

15.1.2 Except as otherwise provided in this Agreement, for any change which affects the scope of work, term, Maximum Agreement Sum, payments, or any term or condition included under this Agreement, a written amendment (“**Amendment**”) shall be prepared, agreed to and executed by the Contractor and by the Board of Supervisors or its authorized designee.

15.1.3 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 Agreement during the term of this Agreement. 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 Agreement shall be prepared, agreed to and executed by the Contractor and by Contractor’s authorized representative(s).

15.1.4 Notwithstanding the foregoing provisions of this Section 15.1 (Amendments), the Director of DPH, may at his/her sole discretion, authorize extensions of time as defined in Section 7.0 (Term of Agreement). The Contractor agrees that such extensions of time shall not change any other term or condition of this Agreement during the period of such extensions. To implement an extension of time, an Amendment to the Agreement shall be prepared and executed by the County and by Contractor’s authorized representative(s).

15.2 Change Notice

For any change which is clerical or administrative in nature and/or does not affect any term or condition of this Agreement, a written change notice (“**Change Notice**”) may be prepared and executed by the Director of DPH or designee.

15.3 Change Order

For any change which requires Contractor to incur any additional costs or expenses using Pool Dollars, including for Optional Work, a written change order (“**Change Order**”) may be prepared and executed by the Director of DPH or designee and Contractor’s authorized representative(s). County is specifically authorized to execute Change Orders for expenditure of Pool Dollars for acquisition of Optional Work

under the Agreement. Any requests for the expenditure of Pool Dollars must be approved in writing by the Director of DPH or designee.

15.4 Changes to the Project Schedule

Changes to Exhibit D (Project Schedule), which do not affect the Term of the Agreement, shall be made upon mutual agreement, in writing, by the County's Project Manager or designee and the Contractor's Project Manager by Change Notice or otherwise, provided that the County's Project Manager or designee and the Contractor's Project Manager agreement to alter the Project Schedule shall not prejudice either Party's right to claim that such alterations constitute an Amendment to this Agreement that shall be governed by the terms of Section 15.1 (Amendments) above.

16.0 SUBCONTRACTING

The requirements of this Agreement 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 Agreement. If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County'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 County.

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

The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. The Contractor is responsible to notify its subcontractors of this County right. The Director of DPH or designee is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, Contractor shall forward a fully executed subcontract to the County for their files.

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 County's consent to subcontract.

The Contractor shall obtain certificates of insurance, which establish that the subcontractor

maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to the address set forth in Exhibit E.1 (County's Administration) for DPH's Contracts & Grants Section before any subcontractor employee may perform any work hereunder.

17.0 ASSIGNMENT AND DELEGATION/MERGERS OR ACQUISITIONS

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

The Contractor must not assign, exchange, transfer, or delegate its rights or duties under this Agreement, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment, delegation, or otherwise transfer of its rights or duties, without such consent will be null and void. For purposes of this paragraph, County consent will require a written Amendment to the Agreement, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Agreement will be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, will be a material breach of the Agreement which may result in the termination of this Agreement. 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.

18.0 COMPLIANCE WITH APPLICABLE LAW

In the performance of this Agreement, 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 Agreement are hereby incorporated herein by reference.

Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures. Any legal defense pursuant to Contractor's indemnification obligations under this Section 18.0

(Compliance with Applicable Law) shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own outside counsel and shall be entitled to seek 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.

19.0 USERS' FEEDBACK AND COMMENTS

The Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to feedback and comments related to Contractor's obligations or performance under this Agreement. Within twenty (20) Business Days after Agreement Effective Date, the Contractor shall provide the County with the Contractor's policy for receiving, investigating and responding to user feedback and comments. The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes. If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within ten (10) Business Days for County approval. If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the County for approval before implementation.

The Contractor shall preliminarily investigate all feedback and comments and notify the County's Project Manager of the status of the investigation within 10 Business Days of receiving the feedback and comments. When feedback and comments cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines. Copies of all written responses shall be sent to the County's Project Manager within five (5) Business Days of mailing to the user.

20.0 COUNTY'S QUALITY ASSURANCE PLAN

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

21.0 DISCLOSURE OF INFORMATION

21.1 Publicity

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

- a) The Contractor shall develop all publicity material in a professional manner; and
- b) During the Term of this Agreement, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Project Director. The County shall not unreasonably withhold written consent.

The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this Section 21.1 (Publicity) shall apply.

Notwithstanding any other provision of this Agreement, either Party may disclose information about the other that: (i) is lawfully in the public domain at the time of disclosure; (ii) is disclosed with the prior written approval of the Party to which such information pertains; or (iii) is required by law to be disclosed.

21.2 Public Records Act

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 Section 8.9 (Record Retention and Inspection/Audit Settlement) of this Agreement become a matter of public record and shall be regarded as public records. Exceptions will be those elements which are exempted under the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

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. Any legal defense pursuant to Contractor's indemnification obligations under this Section 21.2 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding

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

22.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

22.1 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 Agreement. It is the County's policy to conduct business only with responsible Contractors.

22.2 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 Agreement, 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.

22.3 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.

22.4 Contractor Hearing Board

22.4.1 If there is evidence that the Contractor may be subject to debarment, DPH 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.

22.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative 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 DPH shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

22.4.3 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

22.4.4 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.

22.4.5 The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

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

Contractor Hearing Board.

22.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of County contractors.

23.0 INDEMNIFICATION

23.1 General Indemnification

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (“**County Indemnitees**”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as County exercising its reasonable judgment, County shall be entitled to retain its own counsel and shall be entitled to seek 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 on behalf of County without the County’s prior written approval.

23.2 Intellectual Property Indemnification

23.2.1 Notwithstanding any provision to the contrary, whether expressly or by implication, Contractor shall indemnify, hold harmless, and defend County Indemnitees from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, but not limited to, defense costs and legal, accounting, and other expert, consulting, or professional fees and attorney’s fees, as such are incurred, for or by reason of any actual or alleged infringement of any third party’s patent, copyright, or other intellectual property right, or any actual or alleged unauthorized trade secret disclosure or misappropriation, arising from or related to the County’s use of the Solution in accordance with the terms of this Agreement, including all Licensed Software, Third Party Products, Services, Background Intellectual Property, Work Product, and/or Deliverables (collectively, the “**Indemnified Items**”) (collectively referred to for purposes of this Section 23.2 (Intellectual Property Indemnification) as “**Infringement Claim(s)**”). Any legal defense pursuant to Contractor’s indemnification obligations under this Section 23.2 (Intellectual Property Indemnification) shall be conducted by Contractor and performed by counsel selected by Contractor. Notwithstanding the foregoing, County shall have the right to participate in any such defense at its sole cost and expense.

23.2.2 County shall notify Contractor, in writing, as soon as practicable of any claim

or action alleging such infringement or unauthorized disclosure. If any Indemnified Item hereunder becomes the subject of an Infringement Claim under Section 23.2 (Intellectual Property Indemnification), or in the County's judgment, having its access and use of the System impaired as a result of a pending or threatened Infringement Claim, prior to adjudication of the claim, then, in addition to defending the claim and paying any damages and attorneys' fees as required above in Section 23.2 (Intellectual Property Indemnification), Contractor shall, at its option and in its sole discretion and at no cost to County, as remedial measures, either: (i) procure the right, by license or otherwise, for County to continue to use the Indemnified Items or affected component(s) thereof, pursuant to this Agreement; or (ii) replace or modify the Indemnified Items or component(s) thereof with another software, service, item, or component(s) thereof of at least equivalent quality and performance capabilities, in County's determination, until it is determined by County that the Indemnified Items and all components thereof become non-infringing, non-misappropriating, and non-disclosing (hereinafter collectively for the purpose of this Section 23.2 (Intellectual Property Indemnification), "**Remedial Act(s)**").

23.2.3 If Contractor fails to complete the Remedial Acts described in Section 23.2.2 above within forty-five (45) Days of the determination by County that its use and access will be impaired as above, or immediately following Final Determination of the claim (and such time has not been extended by County in writing) then, County shall have the right, at its sole option, to elect to (i) terminate this Agreement with regard to the infringing Indemnified Items for default pursuant to Section 10.2 (Termination for Default), in which case, Contractor shall reimburse County for all Implementation Fees paid by County to Contractor for the infringing Indemnified Items under the Agreement.

24.0 DAMAGE TO COUNTY FACILITIES BUILDINGS, OR GROUNDS

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

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

25.0 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 25.0 (General Provisions for All Insurance Coverage) and 26.0 (Insurance Coverage) of this Agreement. These minimum insurance coverage terms,

types and limits (the “**Required Insurance**”) also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Agreement. 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 Agreement.

25.1 Evidence of Coverage and Notice to County

Certificate(s) of insurance coverage (Certificate) on a standard ACORD form validated by County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given insured status under the Contractor’s General Liability policy, shall be delivered to County at the address referenced below and provided prior to commencing services under this Agreement.

Renewal Certificates shall be provided to County not less than 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.

Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.

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

Certificates and copies of any required endorsements shall be sent to the addresses set forth in Exhibit E.1 (County’s Administration) for DPH’s Contracts & Grants Section.

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

25.2 Additional Insured Status and Scope of Coverage

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

25.3 Cancellation of or Changes in Insurance

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

25.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Agreement. 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.

25.5 Insurer Financial Ratings

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

25.6 Contractor’s Insurance Shall Be Primary

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

25.7 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 Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

25.8 Subcontractor Insurance Coverage Requirements

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

25.9 Deductibles and Self-Insured Retentions (SIRs)

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

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

25.11 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.

25.12 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.

25.13 Alternative Risk Financing Programs

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

25.14 Compensation for County Costs

In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

25.15 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.

26.0 INSURANCE COVERAGE

26.1 Commercial General Liability

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

26.2 Automobile Liability

If during the term of this Agreement, Contractor uses autos in order to carry out its obligations under this Agreement, Contractor will secure 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 Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

26.3 Workers Compensation and Employers' Liability

Contractor shall maintain insurance, or qualified self-insurance, satisfying statutory requirements; including employers' liability coverage with limits of not less than \$1 Million per accident. If Contractor will provide leased employees, or, is: (1) an employee leasing temporary staffing firm; or (2) a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer. Written notice shall be provided to the 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 shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

26.4 Technology Errors and Omissions

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

26.5 Privacy and Network Security (Cyber) Liability

The Contractor shall secure and maintain cyber liability insurance coverage with limits of \$2 million per occurrence and \$5 million in the aggregate during the term of the Agreement, 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 Agreement. The Contractor shall add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, shall not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for

unencrypted portable devices/media may be on the policy.

27.0 DISPUTE RESOLUTION PROCEDURE

It is the intent of the Parties that all disputes arising under this Agreement be resolved expeditiously, amicably, and at the level within each Party's organization that is most knowledgeable about the disputed issue. The Parties understand and agree that the procedures outlined in this Section 27.0 (Dispute Resolution Procedure) are not intended to supplant the routine handling of inquiries and complaints through informal contact with their respective Project Managers. Accordingly, for purposes of the procedures set forth in this Section 27.0 (Dispute Resolution Procedure), a "dispute" shall mean any action, dispute, claim, or controversy of any kind, whether in Agreement or tort, statutory or common law, legal or equitable, now existing or hereafter arising under or in connection with, or in any way pertaining to this Agreement.

Contractor and County agree to act with urgency to mutually resolve any disputes which may arise with respect to this Agreement. All such disputes shall be subject to the provisions of this Section 27.0 (Dispute Resolution Procedure) (such provisions shall be collectively referred to as the "**Dispute Resolution Procedure**"). Time is of the essence in the resolution of disputes.

Notwithstanding any other provision of this Agreement, County's right to terminate this Agreement or to seek injunctive relief to enforce the provisions of Section 14.1 (Confidentiality) shall not be subject to this Dispute Resolution Procedure. The preceding sentence is intended only as a clarification of County's rights and shall not be deemed to impair any claims that County may have against Contractor or County's rights to assert such claims after any such termination or such injunctive relief has been obtained.

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

In the event of the occurrence of any dispute arising out of or relating to this Agreement or any SOW or any services performed hereunder, either party may, by written notice to the other, have such dispute referred to the respective senior management of each Party. If they shall be unable to resolve the dispute by good faith negotiations by their senior management within thirty (30) days of the disputing party's notice, then the parties may agree to pursue mediation, or seek all available remedies at law or pursuant to this Agreement. Notwithstanding the foregoing, each Party shall be entitled to seek injunctive relief and specific performance in any court or arbitral tribunal without waiting for the expiration of any such thirty (30) day period.

28.0 MISCELLANEOUS

28.1 Prohibition Against Inducement or Persuasion

Notwithstanding the above, the Contractor and the County agree that, during the term of this Agreement 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.

28.2 Conflict of Interest

28.2.1 No County employee whose position with the County enables such employee to influence the award of this Agreement or any competing Agreement, 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 Agreement. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

28.2.2 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 Agreement. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Section 28.2 (Conflict of Interest) shall be a material breach of this Agreement.

28.3 Force Majeure

28.3.1 Subject to this Section 28.3 (Force Majeure), neither Party shall be liable for such Party's failure to perform its obligations under and in accordance with this Agreement, 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 Section 28.3 (Force Majeure) as "**Force Majeure Events**").

28.3.2 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 Section 28.3 (Force Majeure), the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

28.3.3 In the event Contractor's failure to perform arises out of a Force Majeure Event, Contractor agrees to use commercially reasonable 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.

28.3.4 In the event a Force Majeure Event continues for more than five (5) Business Days, County may terminate this Agreement by providing written notice to Contractor. Notwithstanding the foregoing, a Force Majeure Event will not relieve Contractor of its obligations under Exhibit B (Service Level Agreement), Section 4.9 (Disaster Recovery/Business Continuity) and will not relieve either Party of its respective obligations under Section 14.1 (Confidentiality).

28.4 Notice of Delays

Except as otherwise provided under this Agreement, when either Party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that Party shall, promptly give notice thereof, (and without limiting Contractor's obligation of prompt notification, in any event no later than fifteen (15) Days following such determination) including all relevant information with respect thereto, to the other Party.

28.5 Notices

All notices or demands required or permitted to be given or made under this Agreement 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 Exhibit E (Administration of Agreement). Addresses may be changed by either Party giving ten (10) Days' prior written notice thereof to the other Party.

28.6 Governing Law, Jurisdiction, and Venue

This Agreement 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 Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

28.7 Independent Contractor Status

28.7.1 This Agreement is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one Party shall not be, or be construed to be, the employees or agents of the other Party for any purpose whatsoever.

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

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

28.7.4 The Contractor shall adhere to the provisions stated in Section 14.1 (Confidentiality).

28.8 Validity

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

28.9 Waiver

No waiver by the County of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this Section 28.9 (Waiver) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

28.10 Non Exclusivity

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

28.11 Counterparts and Electronic Signature and Representations

This Agreement 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 Agreement. The facsimile, email or electronic signature of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be

deemed to constitute duplicate originals. 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 Section 15.0 (Changes to Agreement) and received via communications facilities, (e.g., facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Amendments to this Agreement.

28.12 Severability

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

28.13 Agreement Drafted by All Parties

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

28.14 No Third Party Beneficiaries

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

28.15 Contractor Performance During Civil Unrest or Disaster

The Contractor recognizes that emergency systems such as the System are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this Agreement, including Section 28.3 (Force Majeure), full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible. Failure to comply with this requirement shall be considered a material breach by Contractor for which County may immediately terminate this Agreement.

29.0 ADDITIONAL TERMS

29.1 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 Section 14000.

29.2 Recycled Bond Paper

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

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

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business located within Los Angeles County. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business located within Los Angeles County.

Information as to how to receive the poster can be found on the Internet at: <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>.

29.4 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees located within Los Angeles County, and shall require each subcontractor to notify and provide to its employees located within Los Angeles County, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit H (Safely Surrendered Baby Law) of this Agreement and is also available on the Internet at <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/> for printing purposes.

29.5 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.

29.6 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 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. Any legal defense pursuant to Contractor's indemnification obligations under this Section 29.6 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County exercising its reasonable judgment, County shall be entitled to retain its own counsel and shall be entitled to seek reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

29.7 Compliance with Civil Rights Laws

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 Agreement or under any project, program, or activity supported by this Agreement.

29.8 Warranty Against Contingent Fees

29.8.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement 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.

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

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

29.9.1 The Contractor acknowledges that the County has established a goal of

ensuring that all individuals who benefit financially from the County 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 County and its taxpayers.

29.9.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Agreement 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).

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

Failure of the Contractor to maintain compliance with the requirements set forth in Section 29.9 (Contractor's Warranty of Adherence to County's Child Support Compliance Program), shall constitute default under this Agreement. Without limiting the rights and remedies available to the County under any other provision of this Agreement, failure of the Contractor to cure such default within ninety (90) Days of written notice shall be grounds upon which the County may terminate this Agreement pursuant to Section 10.2 (Termination for Default) and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

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

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 Agreement will maintain compliance, with Los Angeles County Code Chapter 2.206.

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

Failure of Contractor to maintain compliance with the requirements set forth in Section 29.11 (Warranty of Compliance with County's Defaulted Property Tax

Reduction Program) shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 10 Days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

29.13 Compliance with the County’s Jury Service Program

29.13.1 Jury Service Program

This Agreement 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, which is incorporated by reference into and made a part of this Agreement.

29.13.2 Written Employee Jury Service Policy.

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

For purposes of this Section 29.13 (Compliance with the County’s Jury Service Program), “Contractor” means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. “Employee” means any California resident who is a full-time employee of the Contractor. “Full- time” means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 Days or less within a 12- month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall also be subject to the provisions of this Section 29.13 (Compliance with the County’s Jury Service Program). The provisions of this Section 29.13 (Compliance with the County’s Jury Service Program) shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

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

29.13.4 Contractor’s violation of this Section 29.13 (Compliance with the County’s Jury Service Program) of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

29.14 Restrictions on Lobbying

If any Federal funds are to be used to pay for Contractor’s services under this Agreement, Contractor shall fully comply with all certification and disclosure requirements prescribed by Section 319 of Public Law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully complies with all such certification and disclosure requirements.

29.15 Consideration of Hiring County Employees Targeted for Layoff or are on a County Re- Employment List

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

29.16 Consideration of Hiring GAIN/START Participants

29.16.1 Should the Contractor require additional or replacement personnel after the Effective Date of this Agreement, the Contractor will give consideration for any such employment openings to participants in the County’s Department of Public Social Services Greater Avenues for Independence (GAIN) Program or Skills and Training to Achieve Readiness for Tomorrow (START) Program who meet the contractor’s

minimum qualifications for the open position. For this purpose, consideration will mean that the Contractor will interview qualified candidates. The County will refer GAIN/START participants by job category to the Contractor. Contractors must report all job openings with job requirements to: gainstart@dpss.lacounty.gov and BSERVICES@OPPORTUNITY.LACOUNTY.GOV and DPSS will refer qualified GAIN/START job candidates.

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

29.17 Nondiscrimination and Affirmative Action

29.17.1 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.

29.17.2 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.

29.17.3 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.

29.17.4 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 Agreement or under any project, program, or activity supported by this Agreement.

29.17.6 If the County finds that any provisions of this Section 29.17 (Nondiscrimination and Affirmative Action) have been violated, such violation shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been

violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Agreement.

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

29.18 Federal Access to Records

If, and to the extent that, Section 1861(v) (1) (I) of the Social Security Act [42 United States Code (“U.S.C.”) Section 1395x(v) (1) (I)] is applicable, Contractor agrees that for a period of seven (7) years following the furnishing of services under this Contract, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, the contracts, books, documents, and records of Contractor which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of ten thousand dollars (\$10,000) or more over a 12-month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents, and records of the subcontractor.

29.19 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions (45 C.F.R. Part 76)

Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, directors, other principals, are currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director, or other principal, of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of its subcontractors or any principals of either being suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

29.20 Contractor's Exclusion from Participating in a Federally Funded Program

29.20.1 Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director within 30 calendar days in writing of: (1) any event that would require Contractor or a staff member's mandatory exclusion from participation in a federally funded health care program; and, (2) any exclusionary action taken by any agency of the federal government against Contractor or one or more staff members barring it or the staff members from participation in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

29.20.2 Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any federal exclusion of Contractor or its staff members from such participation in a federally funded health care program.

29.20.3 Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Contract.

29.21 Compliance with County's Zero Tolerance Human Trafficking

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

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

29.21.3 Disqualification of any member of the Contractor's staff pursuant to this Section 29.22 (Compliance with County's Zero Tolerance Human Trafficking) shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

29.22 Compliance with Fair Chances Employment Practices

If applicable, Contractor, and its subcontractors, must comply with fair chance employment hiring practices set forth in California Government Code Section 12952. Contractor's violation of this Section of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

29.23 Compliance with County's Policy of Equity

Contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity ("CPOE") (<https://ceop.lacounty.gov/>). 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. Contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of 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 Contractor to termination of contractual agreements as well as civil liability.

29.24 Prohibition from Participation in Future Solicitations

A proposer, or a contractor or its subsidiary or subcontractor (in this Section 29.24, "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 Agreement.

29.25 Campaign Contribution Prohibition Following Final Decision in Agreement Proceeding

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

29.26 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.

29.27 Survival

In addition to any provisions of this Agreement which specifically state that they will survive the termination or expiration of this Agreement and any rights and obligations under this Agreement which by their nature should survive, the following Sections shall survive any termination or expiration of this Agreement:

Section 3.0 (Licensed Software and Intellectual Property)

Section 8.2 (No Payment for Services Provided Following Expiration/Termination of Agreement)

Section 8.10 (Record Retention and Inspection/Audit Settlement)

Section 10.8 (Effect of Termination)

Section 10.9 (Termination Transition Services)

Section 12.6.2

Section 14.1 (Confidentiality)

Section 14.4 (Data Destruction)

Section 14.6 (Indemnification)

Section 14.7 (Remedies)

Section 16.0 (Subcontracting)

Section 18.0 (Compliance with Applicable Law)

Section 21.2 (Public Records Act)

Section 23.0 (Indemnification)

Section 25.0 (General Provisions for All Insurance Coverage)

Section 26.0 (Insurance Coverage)

Section 27.0 (Dispute Resolution Procedure)

Section 28.0 (Miscellaneous)

29.4 (Prohibition from Participation in Future Solicitations)

29.7 (Survival)

[Signature Page Follows]

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be executed by the County's Director of the Department of Public Health and Contractor has caused this Agreement to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director

RDE SYSTEM SUPPORT GROUP, LLC

By _____
Signature

Printed Name

Title

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
DAWYN R. HARRISON

County Counsel

By _____
Truc L. Moore, Principal Deputy County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Public Health

By _____
Contracts and Grants Division Management

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	9/25/2024	
BOARD MEETING DATE	10/22/2024	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input checked="" type="checkbox"/> 5 th	
DEPARTMENT(S)	Probation Department	
SUBJECT	Sale of a 9.93-acre portion of County-owned Probation Camp Joseph Scott (Property)	
PROGRAM		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	If Yes, please explain why: City of Santa Clarita requested to purchase portion of Camp Scott from County for a residential development project adjacent to Camp Scott. Sale is subject to terms included in purchase and sale agreement.	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
DEADLINES/ TIME CONSTRAINTS	City has requested completion of this sale as soon as possible so they may begin construction of residential project improvements the portion of Camp property sold to them.	
COST & FUNDING	Total cost: No cost to County. County to receive \$180,000 as purchase price plus construction of improvements on Camp Scott property at City's cost.	Funding source: N/A City responsible for payment for Property and construction of improvements to serve the Camp property at their cost.
	TERMS (if applicable): City to pay fair market value for the Property. As additional consideration for the sale, on behalf of the City, residential developer Lennar will complete the installation of improvements requested by County consisting of fencing, lighting improvements, access road, and relocation of sewer lateral line to Camp Scott	
	Explanation:	
PURPOSE OF REQUEST	Approval of the recommended actions will authorize sale of the County Property and authorize CEO to execute purchase and sale agreement and deed conveying Property to City.	
BACKGROUND (include internal/external issues that may exist including any related motions)		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	Michael G. Rodriguez Section Chief, County-owned CEO Real Estate Division 213-974-4246 mgrodriguez@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) 973-1101 ceo.lacounty.gov

CHIEF EXECUTIVE OFFICER

Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

October 22, 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:

**CONVEYANCE OF THE COUNTY OF LOS ANGELES-OWNED REAL PROPERTY
TO THE CITY OF SANTA CLARITA
ASSESSOR'S IDENTIFICATION NUMBERS:
2812-008-900 (PORTION) AND 2812-008-901 (PORTION)
28700 BOUQUET CANYON ROAD, SANTA CLARITA
(FIFTH DISTRICT) (4 VOTES)**

SUBJECT

Approve necessary findings under the California Environmental Quality Act and authorize the sale of approximately 9.93 acres of County -owned real property (Property), which is a portion of the 29.89-acre land commonly known as Probation Camp Joseph Scott (Camp Scott), thus reducing Camp Scott to approximately 19.96 acres, located in the City of Santa Clarita (City), to the City for use by the City for roadway, highway, and drainage purposes and associated uses.

IT IS RECOMMENDED THAT THE BOARD:

1. Acting as a responsible agency for the City-proposed and City-approved Bouquet Canyon Residential and Roadway Realignment Project:
 - (1.A) Consider the Final Environmental Impact Report (EIR) for the Bouquet Canyon Project (Project) and Addendum No. 2 to the Bouquet Canyon Residential and Roadway Realignment Project EIR (Addendum No. 2) prepared and certified by the City as lead agency, which describes the sale

"To Enrich Lives Through Effective And Caring Service"

of the Property to the City, and the site improvements to Camp Scott site consisting of a sewer relocation, security perimeter fencing and lighting, and an access road along said perimeter fencing (Improvements) to be provided by the City which will be constructed and installed by the Project's residential developer, Lennar Homes of California, Inc. (Lennar), as part of the sale agreement;

- (1.B) Certify that the Board, on behalf of the County, has independently reviewed and considered the information contained in the EIR and Addendum No. 2 and reached its own conclusions regarding the environmental effects of the County's approvals related to the Project as shown in the Final EIR and Addendum No. 2;
 - (1.C) Review and adopt the City's Mitigation Monitoring and Reporting Program as applicable to the Project;
 - (1.D) Find that the City's Mitigation Monitoring and Reporting Program is adequately designed to ensure compliance with the mitigation measures related to the County's approvals during Project implementation;
 - (1.E) Determine that the significant adverse effects of the Project have been reduced to an acceptable level, as outlined in the Environmental Findings of Fact, which findings are adopted and incorporated herein by reference, as applicable to the County's approvals; and
 - (1.F) Find that the sale and related recommendations herein and construction and installation of the Improvements to Camp Scott are within the scope of the City's EIR and Addendum No 2.
2. Find that the Property proposed to be conveyed to the City for use by the City for roadway, highway, and drainage purposes is exempt surplus land, pursuant to Government Code Section 54221(f)(1)(D), and therefore, not subject to the requirements for the disposition of surplus land pursuant to the California Surplus Land Act.
 3. Approve the sale and transfer of the County's right, title, and interest in the Property to the City pursuant to Government Code Section 25365 for the amount of \$180,000 and delegate authority to the Chief Executive Officer, or her designee, to execute the Purchase and Sale Agreement, Quitclaim Deed; and any other documents, including escrow documents and amendments, approved as to form by County Counsel, which are necessary to complete the conveyance. including the Covenant and Agreement with the City to use the Property for roadway, highway, and drainage purposes only.
 4. Approve the construction of the Improvements to be constructed and installed by the City's developer, Lennar (Lennar) at Camp Scott, and to be accepted by the County upon completion and approval of the Improvements by the County.

PURPOSE OF RECOMMENDED ACTION/JUSTIFICATION

The purpose of the recommended actions is to comply with the California Environmental Quality Act (CEQA) as a responsible agency and to determine that the proposed land sale and related actions, and the Improvements to be constructed by the City's developer, Lennar, at Camp Scott, are within the scope of the EIR and Addendum No 2 prepared by the City, as lead agency under CEQA; and approve the sale of the Property to the City and the Improvements to be constructed at the County's Camp Scott as a condition of the sale to the City. Said Improvements to Camp Scott are a component of the City's Project. The purpose of the recommended actions is to authorize the sale of the Property to the City for the construction of roadway, highway, storm, and drainage basins to serve the City and its residents. Additionally, as a condition of the sale of the land and in addition to the purchase price, the City will be required to construct the Improvements at Camp Scott to the County's Probation Department's (Probation) specifications.

The Property proposed to be sold to the City totals approximately 9.93 acres and consists of vacant land located between the northerly, exterior perimeter fence of the existing and operating Camp Scott and southerly of the City-owned, two-lane Bouquet Canyon Road. The City approved a Project to improve the existing Bouquet Canyon Road into a four-lane road, and construct storm drainage/retention basins and a flood control channel as mitigation measures for a proposed residential tract map development. The proposed residential tract map development was approved by the City on November 10, 2020, and is to be constructed by Lennar on the northerly side of Bouquet Canyon Road. The widening of the two-lane Bouquet Canyon Road and associated channel and basins would be constructed on the Property after it has been sold to the City. As additional consideration for the proposed sale of the Property, the City has agreed to construct the Improvements to serve Camp Scott that will belong to the County following completion of construction and approval of the Improvements by Probation.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposed conveyance supports North Star 1 – Make Investments that Transform Lives and North Star 3 – Realize Tomorrow's Government Today. This conveyance is also consistent with the Strategic Asset Management Goal – Maximize use of County space and achieve cost savings – and Key Objective No. 3 – Optimize Real Estate Portfolio. The conveyance of the Property will eliminate County exposure to any potential liability, reduce maintenance costs related to the ownership of the Property, provide infrastructure Improvements to Camp Scott at the City's cost, reduce traffic at the entrance to Camp Scott, and will allow the City to proceed with providing housing to the local community.

FISCAL IMPACT/FINANCING

The conveyance of the Property to the City will have no fiscal impact. The Property will be maintained and operated by the City upon conveyance and will be transferred to the City for its purchase price of \$180,000 based on an appraisal performed by a County-contracted appraiser, with no cost to the County for the conveyance.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed conveyance of the Property to the City is authorized by section 25365(a) of the California Government Code, which authorizes the conveyance of real County property to a city upon the terms and conditions as are agreed upon and without complying with any other provisions of this code.

As required by Government Code Section 65402, notification of the proposed conveyance was submitted to the City's Planning Department, which has jurisdiction for determining conformance with the adopted general plan. No objection to this conveyance was received within the 40 days after the notification was provided.

The parcel is exempt from the provisions of the Surplus Land Act because it is being transferred to another local agency, as defined in Government Code Section 54221(f)(1)(D).

County Counsel has reviewed the Purchase and Sale Agreement, Covenant and Agreement (Covenant), and Quitclaim Deed (Deed) related to the proposed conveyance and has approved it as to form.

If the transaction is approved, the Covenant and the Deed for the Property will contain restrictions, including but not limited to the following: that (1) the Property is to be used for road, highway, and drainage purposes and associated uses; (2) at no time and under no circumstances shall habitable structures be constructed on the Property; (3) upon completion of the City roadway, highway, and drainage improvements on the Property, the City shall hire a licensed surveyor who will set permanent corners for the new property line; (4) prior to the one-year anniversary of the close of escrow, as described herein, the City shall commence construction of the Improvements, as approved by the County; and (5) in the event that the County determines that the City or its successor is not complying with these restrictions, then the City or its successor, shall execute a grant deed, and all right, title, and interest in and to the Property shall revert back to the County upon providing a thirty day notice to City or its successor of its failure to comply with these restrictions and without any necessity of any other affirmative action on the part of the County. Furthermore, the City would be responsible for obtaining a performance bond to ensure the Improvements on the Camp Scott property are completed.

ENVIRONMENTAL DOCUMENTATION

The City, as lead agency for the Bouquet Canyon Project, certified an EIR on November 10, 2020. The County is acting as responsible agency for the Bouquet Canyon Residential and Roadway Realignment Project, which consists of the sale of 9.93 acres of County land within the County's Camp Scott property to the City; and approving the construction of Improvements at Camp Scott, to be constructed by Lennar on behalf of the City. The City, as lead agency under CEQA, certified an Addendum No. 2 to the EIR for the Project on June 25, 2024, by the City Council. Environmental impacts of the proposed sale of land and the Improvements at Camp Scott were analyzed and are within the scope of the City's EIR and Addendum No 2. No further findings are necessary under CEQA. The Findings and Mitigation Monitoring and Reporting Program adopted by the City are adopted as applicable to the County's actions.

The location of documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter is the Chief Executive Office Real Estate Division and can be found at the following link: <https://santaclarita.gov/planning/environmental-impact-reports-completed/bouquet-canyon-project-master-case-no-18-089/>.

The custodian of documents and materials in this matter is the Chief Executive Office, Real Estate Division located at the Hall of Records 320 West Temple Street 7th Floor, Los Angeles, CA 90012

Upon the Board's approval of the recommended actions, a Notice of Determination will be filed with the Registrar-Recorder/County Clerk and with the State Clearinghouse in the Governor's Office of Planning and Research in accordance with Section 21092.2.

The Honorable Board of Supervisors
October 22, 2024
Page 6

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Property will be maintained by the City upon transfer. This conveyance will eliminate the County's potential need to maintain the Property and reduce the cost of the County's potential liabilities.

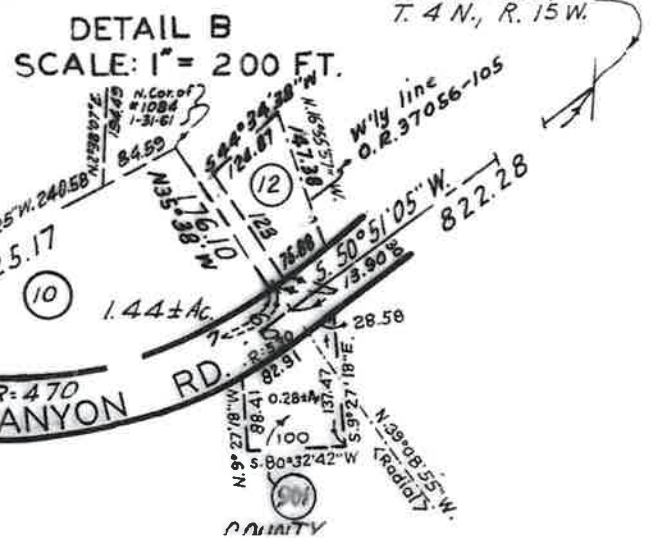
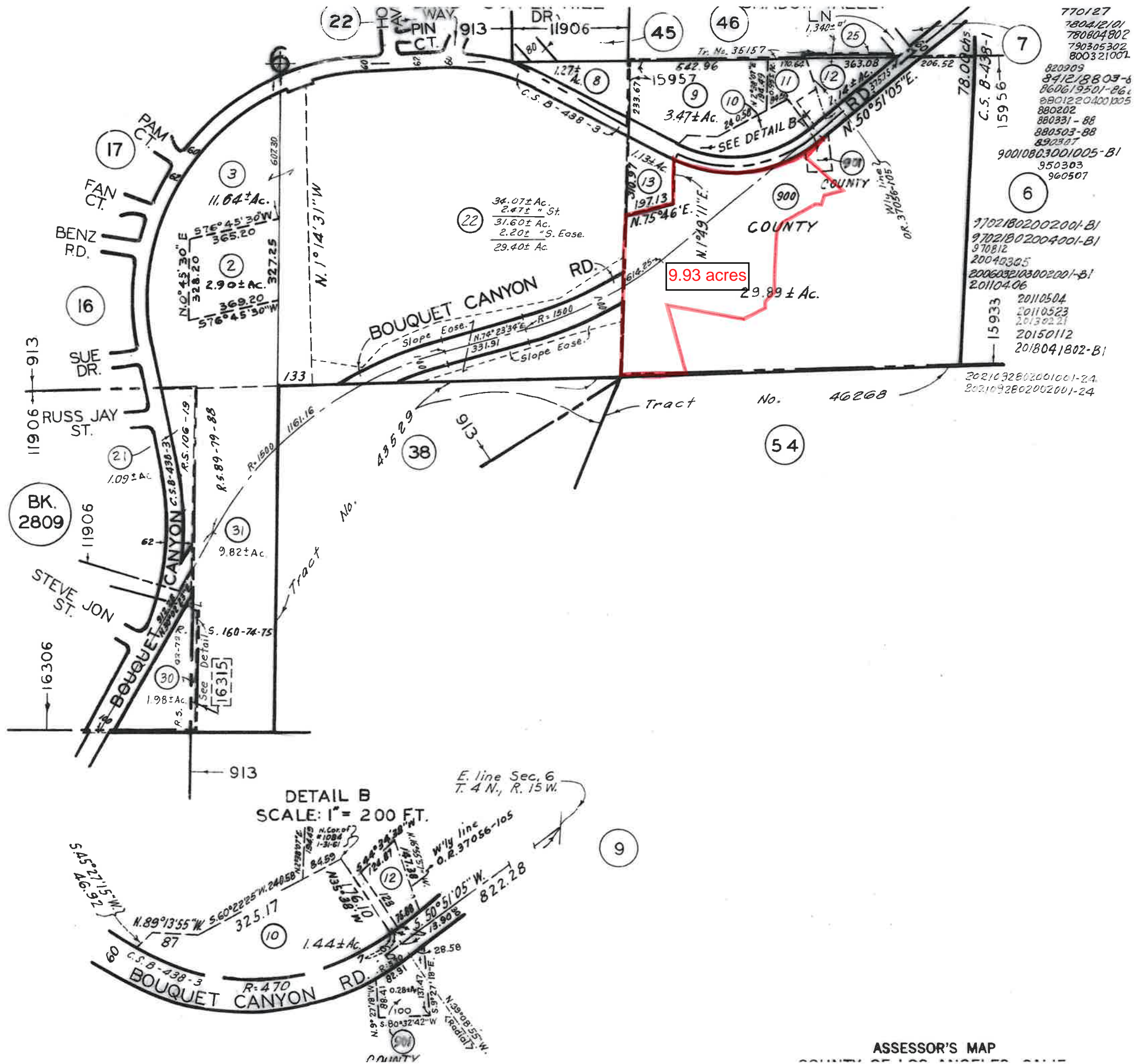
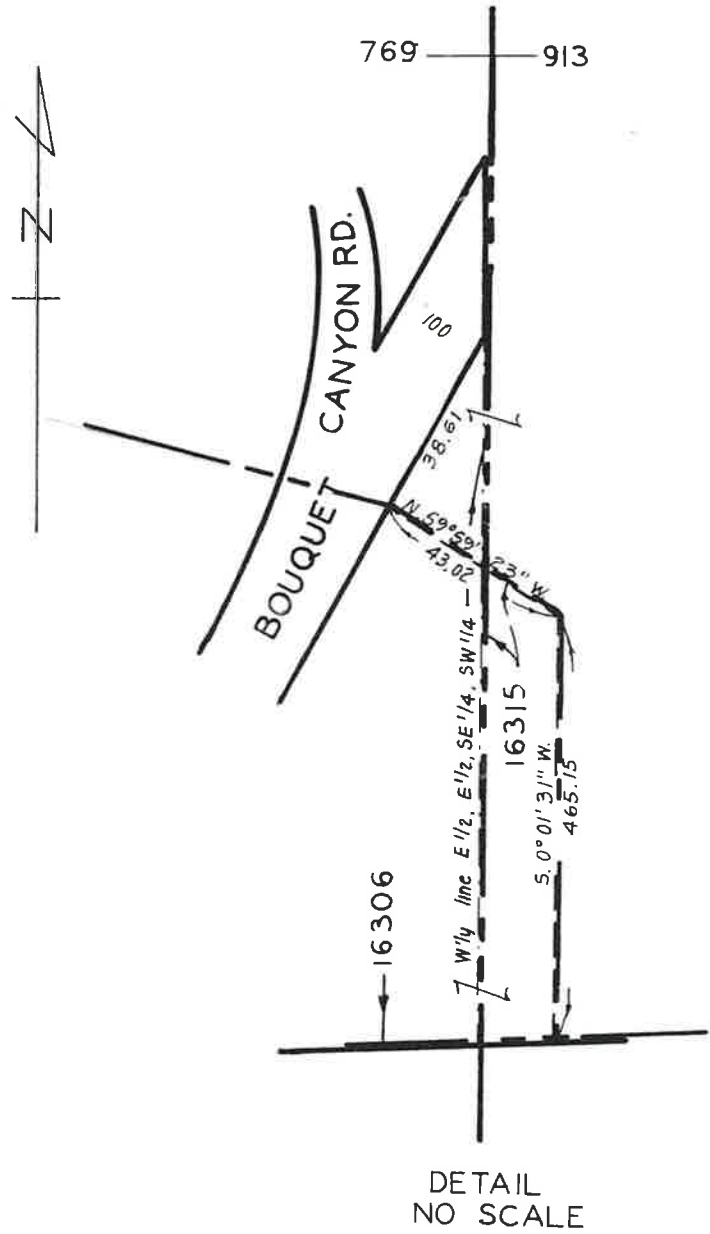
Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Probation

2022



CODE
 913 16306
 11906 16315
 15933
 15957

769
 FOR PREV. ASSM'T SEE:
 3232 - 25

T. 4 N., R. 15 W.

SALE AND PURCHASE AGREEMENT

This Sale and Purchase Agreement ("Agreement") is made and entered into this ____ day of _____, 2024, by and between the City of Santa Clarita, a municipal corporation ("City" or "Buyer"), and the County of Los Angeles, a body corporate and politic ("Seller" or "County"). Each of County and Buyer are occasionally referred to herein as a "Party" and collectively as the "Parties."

RECITALS

A. WHEREAS, County is the owner of a certain parcel of real property which is located within the County's Probation Camp Scott ("Camp"), located at 28700 Bouquet Canyon Road, Santa Clarita, CA 91390. The Camp is operated by the County's Probation Department ("Probation") and is currently active and used by the County Probation Department for incarceration of probationers and related functions.

B. WHEREAS, such parcel of real property, legally described on the attached Exhibit "A" and depicted in Exhibit "B" ("Property"), consists of approximately 9.93 acres identified as portions of Assessor Parcel Numbers 2812-008-900 and 2812-008-901, located in the City of Santa Clarita, County of Los Angeles. Exhibit "A" and Exhibit "B" are each incorporated herein by this reference.

C. WHEREAS, Buyer has expressed interest in purchasing the Property for the purposes of constructing a four-lane highway and drainage improvements to serve the residents of the City and the County, and to alleviate traffic concerns as a result of a proposed adjacent residential development.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and the promises, conditions, and mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by County and Buyer, the Parties hereto agree as follows:

AGREEMENT

1. Use. Buyer covenants that it will acquire the property for roadway, highway and drainage purposes and associated uses. Buyer shall incorporate the road and highway improvements into Buyer's road and highway system and in compliance with all deed restrictions, covenants and conditions as further described in Section 6 and Section 7 of this Agreement. Buyer shall incorporate the drainage improvements into the City's drainage system or into the Los Angeles County Flood Control District's system.

2. Sale and Purchase of Property. County agrees to sell and convey to Buyer, and Buyer agrees to purchase from County, at the price and upon the terms, provisions and conditions set forth in this Agreement, the Property (as previously defined).

3. Purchase Price. The purchase price for the Property is One Hundred Eighty Thousand and NO/100 Dollars (\$180,000.00) ("Purchase Price").

4. Transfer of Property Interest.

4.1 Escrow. Within ten (10) business days following County's execution of this Agreement, the Parties shall open an escrow account ("Escrow") with Commonwealth Land Title Company ("Escrow Holder"). This Agreement shall constitute the basic Escrow instructions for the purpose of consummating the transaction contemplated by this Agreement.

4.1.1 Escrow Holder is authorized to, when conditions of Escrow have been fulfilled by County and Buyer: (a) record the Quitclaim Deed, (b) disburse the Purchase Price to County by wire transfer of immediately available funds to an account specified by County or as otherwise specified by County, (c) deliver copies of the Escrow closing statements to both Parties, and (d) deliver, as instructed, any items or documents given to Escrow Holder to hold on behalf of both Parties.

5. Costs. All costs and expenses related to this transaction shall be paid by Buyer, including, but not limited to, escrow fees, the cost of any title insurance policy, and all documentary transfer taxes (to the extent applicable to a conveyance of land by the County), the cost of an updated preliminary title report and copies of all documents referenced therein (all of which shall be shared with County at no cost to County), the cost of environmental review and filing fees, including compliance with CEQA (as hereinafter defined) and CEQA's required posting fees at the County's Registrar-Recorder, a Certificate of Compliance (if Buyer in its discretion elects to obtain a Certificate of Compliance), recording fees, any costs and expenses related to compliance with the Subdivision Map Act, and any other miscellaneous customary charges and fees.

6. Sewer Lateral Line Replacement. Concurrently with construction of Bouquet Canyon, Buyer shall cause the removal of the existing sewer lateral line that serves the Camp property, as shown on Exhibit "C", and install a new 18" sewer lateral line to serve the Camp property. Said existing sewer lateral will be abandoned and removed and relocated in a scope of work and time schedule to be reviewed and approved by the County before City commencing work on said lateral sewer line relocation. Said sewer lateral line relocation work is to be completed per plan No. CC 8435-R reviewed and approved by the County's Department of Public Works ("DPW") on February 14, 2022 and approved by the County's Probation Department ("Probation"). Prior to commencing sewer lateral line relocation work, Buyer shall coordinate with Probation to ensure the work does not interfere with Camp operations. The work shall be deemed complete upon acceptance of the sewer later line improvements by the County.

7. Conveyance and Closing Date. The date on which the Quitclaim Deed, attached hereto as Exhibit "D", and incorporated herein by this reference, for the Property is recorded shall be referred to hereinafter as the "Closing Date." The Closing Date is to occur within thirty (30) days following the opening of Escrow, or at such other time as the parties may agree to in writing. The Quitclaim Deed, duly executed and authorized by County, shall be subject to:

7.1 All non-delinquent taxes, interest, penalties and assessments of record, if any;

7.2 Covenants, conditions, restrictions, reservations, easements, licenses, rights, and rights-of-way of record, if any.

7.3 County's reservation to itself and exception from the conveyance contemplated herein of all oil, gas, hydrocarbons, or other minerals in and under the Property, without the use of the surface or subsurface to a depth of 500 feet, measured vertically, from the surface of the Property.

7.4 At no time and under no circumstances shall Habitable Structures, as that term is defined herein, be constructed on the Property.

7.5 Upon completion of the City improvements on the Property, Buyer shall hire a licensed surveyor who will set permanent corners for the new property line.

7.6 Buyer shall consult with the County prior to the design or construction of any changes or improvements that would have any potential impacts on the drainage system or the adjoining Camp property located at 28700 Bouquet Canyon Road, Santa Clarita. Buyer shall not make any changes or improvements to its operation and maintenance of the Property that increases storm water or any other run-off onto the Camp property. In the event any damage is caused to the Camp property as a result of Buyer's increased storm water and/or run-off, Buyer will be responsible for the cost of County repairing and or replacing any and all damage caused to the Camp property.

7.7 Prior to the one (1) year anniversary of the close of escrow, as described herein, Buyer shall commence construction of Camp property improvements ("Improvements") consisting of a sewer line relocation, as described above in Section 6, new fence, an access road, and lighting fixtures and equipment as approved by the County. Commencement of construction of Improvements shall be defined as issuance of building permits by DPW. Said fencing and lighting improvements will be constructed on the new property line between the Property and the County-owned Camp property. Said details of the lighting and fencing plan including the material, road width, location, height specification, and electrical and lighting specifications will be reviewed and approved by the County prior to commencement of construction. Buyer is responsible for obtaining all necessary County approvals, local jurisdiction approvals, and CEQA approvals prior to commencing work. Upon obtaining said approvals, and before commencing said fencing and lighting work, Buyer shall coordinate with Probation to ensure the work does not interfere with Camp operations. The work shall be deemed complete upon acceptance of the fencing, access road, and lighting improvements by the County.

7.8 If County determines that the record owner of the Property is not complying with the restrictions in Section 7 of this Agreement ("Default Condition"), the County will give written notice to the record owner of the Property and the record owner shall have thirty (30) days from the date of the notice to cure the Default Condition. If the Default Condition is not so cured within the thirty (30) day timeframe, County may elect, at its sole discretion, to: (a) cure said Default at record owner's cost, or (b) file an action seeking specific performance of the record owner's restrictions/obligations.

7.9. For purposes of both this Agreement and the related Quitclaim Deed, the following terms shall have the following definitions:

7.7.1 "Habitable Structure" is any enclosed structure having any type of electrical and/or plumbing fixtures or food preparation area, including, but not limited to, (1) kitchen facilities such as sinks, dishwashers, refrigerators, microwaves, or other equipment for the purpose of preparing food; and/or (2) bathroom facilities including toilets, sinks, tubs, and showers.

7.7.2 "Record Owner" means the Buyer and any successor or assign, including without limitation any future buyers or owners of the Property.

8. Camp Property Improvement Construction Budget, Payment and Performance Bonds. Upon request by County, City shall provide to County a construction budget for said improvements

to be constructed by the City to the Camp property. Said construction budget shall include an itemized list of costs for all labor, improvements, materials, and contingencies for the sewer line relocation, access road construction, fencing and lighting installation, and any other construction items requested by County. City, at its own cost and expense, shall also furnish County with Payment Bond and Performance Bond for the cost of the improvements to be constructed for the Camp property, as set forth below in Sections 8.1 and 8.2 below. Both the Payment Bond and Performance Bond must (a) be in form and content reasonably satisfactory to County and (b) have a General Policyholders Rating (as defined in the A.M. Best's Key Ratings Guide) equal to or better than A-VII.

8.1 Performance Bond. City, or City's contractor performing the Camp property improvements ("General Contractor"), shall have delivered to County (a) a corporate surety performance bond ("Performance Bond") issued by a surety company licensed to transact business as such in the State of California and reasonably acceptable to County, with General Contractor as principal, said issuer as surety, and County as obligees, in an amount not less than one hundred percent (100%) of the projected cost to complete the improvements, and (b) a written certification from City, or its General Contractor, that all contracts for labor and materials related to the Project shall be provided by the General Contractor. The written certification, Performance Bond, and its issuer shall be in all material respects reasonably satisfactory to County. The Performance Bond shall assure full and satisfactory completion by the General Contractor of the Camp property improvements.

8.2 Payment Bond. City, or the General Contractor, shall have delivered to County (a) a corporate surety payment bond ("Payment Bond"), issued by a surety company licensed to transact business as such in the State of California, and reasonably acceptable to County, with General Contractor as principal, said issuer as surety, County as obligees, in a sum equal to one hundred percent (100%) of the total construction cost anticipated to be incurred in connection with completion of the Camp property improvements as outlined in the construction budget, and (b) a written certification from City or its General Contractor that all contracts for labor and materials related to the Camp property improvements shall be provided by the General Contractor that is providing such Payment Bond. The Payment Bond shall guarantee payment for all materials, provisions, supplies and equipment used in, upon, for or about the completion of the Camp property improvements, or for labor done thereon of any kind whatsoever, and shall protect County from any and all liability, loss or damages arising out of or in connection with any failure to make any such payments. The written certification, Payment Bond, and its issuer shall be in all material respects reasonably satisfactory to County.

9. Indemnification.

9.1 Hold Harmless and Indemnification. Buyer waives any and all claims, and agrees to indemnify, defend, save, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents (collectively, "County Indemnified Parties"), from and against any and all liability, expense (including without limitation defense costs and legal fees), and claims for damages of any nature whatsoever, related to the Property arising out of events or conditions first occurring during Buyer's period of ownership of the Property and/or at any time that Buyer has or had any use of or interest in the Property whether by license, permit, fee title or leasehold. Additionally, and without limiting the foregoing sentence, Buyer shall defend, indemnify, and hold County Indemnified Parties free and harmless from and against any and all liabilities, damages, claims, costs, losses and expenses (including without limitation, attorneys'

fees, legal expenses and consultants' fees) arising from (i) any breach of any covenant or other obligation of Buyer under this Agreement or the Quitclaim Deed, (ii) Buyer's use, operation or maintenance of the Property, and (iii) any alleged noncompliance with or violation of any Applicable Laws by Buyer relating to the Property.

9.2 "Hazardous Materials. Buyer shall indemnify, protect, defend, and hold harmless the County Indemnified Parties from and against any and all claims, actions, liabilities, losses, fines, penalties, civil liabilities, costs and expenses (including reasonable attorneys' fees and costs of defense) incurred by the County Indemnified Parties, or any of them, to the extent resulting from (i) the discovery and/or introduction by Buyer or any of its employees, agents, invitees, guests or contractors (collectively, "Buyer Parties") into or about the Property of hazardous materials, (ii) the usage, storage, maintenance, generation, production, or disposal, release, or discharge of hazardous materials in or about the Property by Buyer or Buyer Parties, and (iii) any injury to or death of persons or damage to or destruction of the Property or remediation requirement or duty resulting from the use, introduction, production, storage, generation, disposal, disposition, release or discharge of hazardous materials by Buyer or Buyer Parties. and (iv) any failure of Buyer to observe the covenants of this Agreement and/or County, City and State covenants. From and after the Closing Date, Buyer shall bear sole responsibility for compliance at its cost with all Applicable Laws pertaining to the Property, including without limitation, in respect of any investigation, cleanup or remediation order issued by any Federal, California or other governmental or quasi-governmental agency or body with respect to the existence of hazardous materials in, on, under or beneath the Property. Buyer shall bear sole responsibility for the removal of all contaminated materials, toxic or hazardous substances, and asbestos.

9.3 Intentionally deleted.

9.4 Property Inspection Indemnification. In the event Buyer, its agents, or assignees access the Property at any time prior to the Closing Date to conduct such Property inspections as it deems appropriate, and without limiting any of Buyer's other indemnification obligations under this Agreement, Buyer shall indemnify, defend, protect and hold County Indemnified Parties harmless from and against any and all claims, losses, liabilities, suits, actions, costs or expenses (including reasonable attorneys' fees) arising out of any hazardous materials uncovered, exposed, and/or released, used, stored or brought onto the Property during such inspections.

9.5 Definition. The term "hazardous materials" includes, but is not limited to, asbestos, all petroleum products and all hazardous materials, pesticide contamination including but not limited to herbicides, arsenic, thallium, and warfarin, hazardous wastes and hazardous or toxic substances as defined or designated in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §§ 9601, et seq.) (including specifically any element, compound, mixture or solution); the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 6901, et seq.); the Toxic Substances Control Act, as amended (15 U.S.C. §§ 2601, et seq.); and California Health and Safety Code Section 25316, including such hazardous or toxic substances or wastes as are identified, defined, or listed elsewhere where such identifications, definitions or lists are incorporated into such acts or code section by reference, as well as all products containing such hazardous substances. In addition, the term "hazardous materials" includes, but is not limited to, any substance designated pursuant to the Clean Water Act (33 U.S.C. §§ 1321 et seq.); any hazardous waste having the characteristics identified under or listed pursuant to the Solid Waste Disposal Act (42 U.S.C. §§ 1317(a), et seq.); any hazardous air pollutant listed under Section 112 of the Clean Air Act (42 U.S.C. §§ 7412, et seq.); any imminently hazardous chemical substance or mixture with respect

to which the Administrator of the Environmental Protection Agency has taken action pursuant to Section 7 of the Toxic Substances Control Act (15 U.S.C. §§ 2606, et seq.); and any hazardous waste identified in Chapter 11 of Title 22 of the California Code of Regulations (22 C.C.R. §§ 66261.1 et seq.) The term "hazardous materials" also includes, but is not limited to, any substance, material or compound generally referred to as such by commonly accepted industry practices or standards. "Applicable Laws" means all present and future laws, statutes, requirements, ordinances, orders, judgments, regulations, resolutions, covenants, restrictions, or administrative or judicial determinations of every governmental authority and of every court or agency claiming jurisdiction over County, Buyer or the Property, whether enacted or in effect as of the date of this Agreement or thereafter.

9.6 The indemnities provided by this Section 8 and elsewhere in this Agreement shall survive past the Closing Date.

10. Contingencies for Closing.

10.1 Buyer's Contingencies for Closing. Buyer's obligation to consummate the transaction set forth in this Agreement is contingent upon: (i) County's delivery of a Quitclaim Deed substantially in the form of Exhibit "D" attached hereto to the Title Company as provided in Section 11; and (ii) County's representations, warranties and covenants being true and correct as of the Closing Date. Upon non-satisfaction of any one of the above conditions, Buyer shall allow County a reasonable opportunity to cure by a reasonable method; if County fails to cure, Buyer may, in writing, terminate this Agreement, and thereafter the Parties shall have no further obligations pursuant to this Agreement. If Buyer does not object to County's non-satisfaction of said conditions, they shall be deemed satisfied as of the Closing Date.

10.2 County's Contingencies for Closing. County's obligation to consummate the transaction set forth in this Agreement is contingent upon: (i) the County Board of Supervisors' ("Board") approval of this Agreement and the sale of the Property; (ii) the Board's completion of all required review and determinations in compliance with CEQA, which may include the filing of a Notice of Exemption or Notice of Determination with the County Recorder's office; (iii) Buyer's deposit of the Purchase Price into Escrow no later than two (2) business days prior to the Closing Date; (iv) Buyer shall have paid, or deposited into Escrow, all costs described in Section 5 of this Agreement; (v) Buyer's delivery of Covenant for Maintenance of Drainage, and Covenant for Use Restrictions substantially in the form of Exhibit "E" attached hereto to Escrow Holder; and (vi) true and correct representations, warranties and covenants by Buyer as of the Closing Date. Upon non-satisfaction of any one of the above conditions, County shall allow Buyer a reasonable opportunity to cure by a reasonable method; if Buyer fails to cure, County may, in writing, terminate this Agreement, and thereafter the Parties shall have no further obligations pursuant to this Agreement. If County does not object to Buyer's non-satisfaction of said conditions, they shall be deemed satisfied as of the Closing Date.

10.3 Buyer's and County's Remedies. In the event of Buyer's or County's failure for any reason to consummate the transaction contemplated by this Agreement, the Parties' sole remedy shall be termination of this Agreement, return by Escrow Holder of the Purchase Price to Buyer if it has been delivered into escrow, and return of all other items or documents held in escrow by Escrow Holder to the originating Party. Neither Party shall have any further obligations or liabilities to the other Party, except for obligations that expressly survive termination of this Agreement. Buyer and County hereby waive, as to each other, any right to recover any and all damages as a result of the other Party's default in its obligation to proceed to Closing in accordance with this Agreement or as a result of any condition to Closing not being satisfied.

11. Title. Buyer understands that the Property is being sold "as is" without any warranty regarding the condition of title to the Property; Buyer accepts all matters of record and understands that County will not provide a policy of title insurance and makes no representations or warranties as to condition of title. County recommends that Buyer retain, at Buyer's sole cost and expense, a licensed title company to issue a policy of title insurance. Buyer has engaged the Title Company to prepare a preliminary title report (which Buyer has heretofore received) and to issue a policy of title insurance in favor of Buyer effective as of the Closing. Buyer agrees that the condition of title shall not be cause for Buyer's cancellation of this Agreement.

12. Recording. County shall prepare the Quitclaim Deed indicating title to the Property to be vested in the name of the Buyer as follows: City of Santa Clarita, a municipal corporation, and County shall deliver the Quitclaim Deed to the Title Company to be recorded in the official records of the Registrar/Recorder, County of Los Angeles ("Recorder").

13. Delivery of Deed. County shall transmit to Buyer a copy of the Quitclaim Deed stamped by the Los Angeles County Recorder. The original Quitclaim Deed shall be mailed to the Buyer by the Recorder at the address for notice to Buyer as set forth in Section 17 hereof.

14. Condition of the Property.

14.1 Buyer acknowledges that Buyer is purchasing the Property "AS IS," "WHERE IS" AND "WITH ALL FAULTS" solely in reliance on Buyer's own investigation, and that no representation or warranty of any kind whatsoever, express or implied or otherwise, has been made by County or County's agents, including without limitation, as to the Property's uses, safety or fitness for any particular purpose. Any information given or disclosure made to Buyer by County or County's agents concerning the Property shall not constitute a representation or warranty made by County. Buyer is currently in possession of the Property and has been provided the full opportunity to inspect the Property prior to execution of this Agreement. Buyer shall assume the cost and expense for the removal of all contaminated materials, toxic or hazardous substances, and asbestos, if any, on the Property, if required to do so under Applicable Law. Furthermore, Buyer shall assume responsibility for compliance with and assume the cost and expense for all regulatory compliance and compliance with all Applicable Laws related to the former use of the Property.

14.2 County has disclosed to Buyer the following information that impacts Buyer's use of the Property:

14.2.1 Inadequate maintenance of the existing drainage system, overwatering and/or poor irrigation system maintenance would potentially result in adverse impacts to the adjacent County Camp property.

14.2.2 Such disclosures are not exhaustive and do not imply that no other conditions impact Buyer's use of, or the value of, the Property or that other conditions are not known to County.

14.3 Buyer also acknowledges that it is aware of all zoning regulations, conditional use permits other governmental requirements, site and physical conditions, and all other matters affecting the use and condition of the Property, and Buyer agrees to purchase the Property in said condition. Buyer acknowledges that the Property may not be a legal lot and Buyer shall be responsible for complying with the Subdivision Map Act and all other Applicable Laws and waives any and all claims related thereto and indemnifies the County Indemnified Parties from and

against any and all liability, expense (including defense costs and legal fees), and claims for damages caused by or related to the Subdivision Map Act.

14.4 Without limiting the generality of Section 13.5 below, Buyer waives any and all claims, caused by any soil contaminants known by Buyer to exist at, in, or on the Property at the time of purchase, and Buyer agrees to indemnify, defend, save and hold harmless the County Indemnified Parties from and against any and all liability, expense (including defense costs and legal fees), and claims for damages caused by or related to any soil contaminants known by Buyer to exist at, in, or on the Property at the time of purchase.

14.5 Upon the Closing Date, Buyer shall assume the risk that adverse matters, including but not limited to, adverse physical, environmental, hazardous materials, safety, zoning, access or other conditions, may not have been revealed by Buyer's investigations. Buyer releases the County Indemnified Parties from, and waives any and all liability, claims, demands, damages and costs (including attorneys' fees and expenses) of any and every kind or character, known or unknown, for, arising out of, or attributable to, any latent or patent issue or condition at the Property, including without limitation, claims, liabilities and contribution rights relating to the presence, discovery or removal of any hazardous materials in, at, about or under the Property, or for, connected with or arising out of any and all claims or causes of action based thereon. It is the intention of the Parties that the foregoing release shall be effective with respect to all matters, past and present, known and unknown, suspected and unsuspected. Buyer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to losses, damages, liabilities, costs and expenses which are presently unknown, unanticipated and unsuspected, and City further agrees that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that City nevertheless hereby intends to release, discharge and acquit County Indemnified Parties from any such unknown losses, damages, liabilities, costs and expenses. City acknowledges that the foregoing acknowledgments, releases and waivers were expressly bargained for, are material consideration for Seller's sale of the Property to City, and shall survive the Closing Date.

City does hereby knowingly waive any and all rights and protections under California Civil Code Section 1542 which provides: "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

15. Possession/Risk of Loss. All risk of loss or damage with respect to the Property shall pass from Seller to City upon recordation of the Quitclaim Deed.

16. Brokerage Commission. City and Seller hereby acknowledge and represent there are no broker's commission or finder's fees due in connection with the transaction contemplated by this Agreement. Each Party shall indemnify and hold the other Party harmless from any claim of any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of either Party with respect to the transaction contemplated hereunder.

17. Conflicts. In the event of a conflict between the provisions of this Agreement and the provisions of any other documents executed or agreement made or purported to be executed or made between the Parties prior to the date hereof, the provisions contained in this Agreement shall in all instances govern and prevail.

18. Notices. All notices, demands and requests required or desired to be given pursuant to this Agreement by either Party shall be sent by United States Mail, registered or certified postage prepaid, and addressed to the Parties as follows:

Seller: County of Los Angeles
Chief Executive Office - Real Estate Division
County of Los Angeles
320 West Temple Street, 7th Floor
Los Angeles, CA 90012
Attention: Joyce Chang, Senior Manager

City: City of Santa Clarita
Attention: City Manager
23920 Valencia Boulevard, Suite 120
Santa Clarita, CA 91355

Notices, demands and requests served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice, demand or request is postmarked to the addresses shown above.

19. Time is of the Essence. Time is of the essence for each and every term, condition, covenant, obligation and provision of this Agreement.

20. County Lobbyist Ordinance. City is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as such are defined in Section 2.160.010 of said Code, and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which County may terminate or suspend this Agreement.

21. Severability. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal, or unenforceable, such portion shall be severed from the Agreement, and the remaining parts hereof shall remain in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of the Agreement, provided the remaining Agreement can be reasonably and equitably enforced.

22. Binding on Successors. Subject to the limitations set forth herein, the Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the respective Parties hereto.

23. California Law. This Agreement shall be construed in accordance with the internal laws of the State of California.

24. Waivers. No waiver by either Party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by either Party of the same or any other provision.

25. Captions. The captions and the section and subsection numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Agreement nor in any way affect this Agreement.

26. No Presumption Regarding Drafter. The Parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the Parties and their attorneys, and this Agreement reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any Party to be the drafter of this Agreement, and therefore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.
27. Assistance of Counsel. Each Party hereto either had the assistance of counsel or had counsel available to it, in the negotiation for, and the execution of, this Agreement, and all related documents.
28. Required Actions of City and Seller. City and Seller agree to execute all such instruments and documents and to take all action as reasonably may be required in order to consummate the purchase and sale herein contemplated.
29. Power and Authority. The Parties hereto have the legal power, right, and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby. The individuals executing this Agreement and the instruments referenced herein on behalf of any legal entity comprising City or Seller, have the legal power, right and actual authority to bind the entity to the terms and conditions of this Agreement and the instruments referenced herein.
30. Assignments. Neither this Agreement nor any interest herein shall be assignable by either Party without prior written consent of the other.
31. Survival of Certain Provisions. Except as otherwise provided in this Agreement, the Parties acknowledge and agree that the covenants, indemnities and liabilities herein shall survive the consummation of the sale of the Property and recordation of the Quitclaim Deed.
32. Interpretation. Unless the context of this Agreement clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.
33. Entire Agreement. This Agreement contains the entire agreement between the Parties herein, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both Seller and City.

[Signature Page Immediately Follows.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

BUYER:

CITY OF SANTA CLARITA,
a municipal corporation

By: _____
City Manager

SELLER:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:

DEAN C. LOGAN
Registrar-Recorder/ County Clerk

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: _____
Deputy

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Assistant Chief Executive Officer

ATTEST:

DEAN C. LOGAN
Registrar-Recorder/ County Clerk

By:

Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By:

Deputy

EXHIBIT "A"

LEGAL DESCRIPTION

APNs: 2812-008-900 (PORTION) and 2812-008-901

EXHIBIT " A "
LEGAL DESCRIPTION

GRANT DEED
IN THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 4 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 6; THENCE

1. ALONG THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6 NORTH $01^{\circ}56'28''$ EAST 705.26 FEET TO THE SOUTHWESTERLY CORNER OF THE LAND DESCRIBED AS PARCEL 3 IN DEED TO LENNAR HOMES OF CALIFORNIA, INC. RECORDED JANUARY 5, 2021 AS INSTRUMENT NO. 20210011374, OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE
2. ALONG THE SOUTHERLY LINE OF SAID PARCEL 3 NORTH $78^{\circ}07'43''$ EAST 197.13 FEET TO EASTERLY TERMINUS THEREOF; THENCE
3. ALONG THE EASTERLY LINE SAID PARCEL 3 NORTH $04^{\circ}10'54''$ EAST 170.58 FEET TO A POINT ON THE SOUTHERLY LINE OF BOUQUET CANYON ROAD, 60 FEET WIDE, AS DESCRIBED IN DEED RECORDED IN BOOK 9677 PAGE 116, OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, ON A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 530.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH $26^{\circ}17'32''$ EAST; THENCE
4. EASTERLY ALONG SAID SOUTHERLY LINE OF BOUQUET CANYON ROAD AND SAID CURVE THROUGH A CENTRAL ANGLE OF THE $65^{\circ}21'39''$ AN ARC DISTANCE OF 604.60 FEET; THENCE
5. TANGENT TO SAID CURVE AND ALONG THE SOUTHEASTERLY LINE OF SAID BOUQUET CANYON ROAD NORTH $50^{\circ}55'53''$ EAST 76.10 FEET TO A POINT OF CUSP AT THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 725.00 FEET; THENCE
6. LEAVING SAID SOUTHEASTERLY LINE AND SOUTHWESTERLY ALONG LAST SAID CURVE THROUGH A CENTRAL ANGLE OF $5^{\circ}26'57''$ AN ARC DISTANCE OF 68.95 FEET; THENCE
7. TANGENT TO LAST SAID CURVE SOUTH $45^{\circ}28'56''$ WEST 76.88 FEET; THENCE
8. SOUTH $48^{\circ}48'27''$ EAST 218.24 FEET; THENCE
9. SOUTH $75^{\circ}34'31''$ WEST 79.68 FEET; THENCE
10. SOUTH $29^{\circ}23'24''$ WEST 38.13 FEET; THENCE
11. SOUTH $69^{\circ}20'45''$ WEST 22.39 FEET; THENCE
12. SOUTH $89^{\circ}22'17''$ WEST 12.99 FEET; THENCE
13. SOUTH $56^{\circ}08'08''$ WEST 26.43 FEET; THENCE
14. SOUTH $66^{\circ}56'20''$ WEST 38.04 FEET; THENCE
15. SOUTH $74^{\circ}41'15''$ WEST 34.10 FEET; THENCE

EXHIBIT " A "
LEGAL DESCRIPTION
(CONTINUED)

16. SOUTH 64°38'39" WEST 33.33 FEET; THENCE
17. SOUTH 43°29'36" WEST 24.22 FEET; THENCE
18. SOUTH 25°22'24" WEST 31.59 FEET; THENCE
19. SOUTH 22°29'05" WEST 13.44 FEET; THENCE
20. SOUTH 13°38'43" WEST 16.55 FEET; THENCE
21. SOUTH 08°11'01" WEST 18.02 FEET; THENCE
22. SOUTH 00°36'57" EAST 197.79 FEET; THENCE
23. SOUTH 38°59'38" WEST 75.29 FEET; THENCE
24. SOUTH 10°17'30" WEST 26.48 FEET; THENCE
25. SOUTH 66°28'19" WEST 87.15 FEET; THENCE
26. NORTH 77°33'24" WEST 148.88 FEET; THENCE
27. NORTH 82°40'32" WEST 176.11 FEET; THENCE
28. SOUTH 14°13'37" EAST 322.58 FEET TO THE SOUTHERLY LINE OF SAID
NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6; THENCE
29. ALONG LAST SAID SOUTHERLY LINE SOUTH 89°34'48" WEST 252.89 FEET
TO THE POINT OF BEGINNING.

CONTAINING 9.93 ACRES, MORE OR LESS.

Scale: 1"=300'

EXHIBIT "B"

EXHIBIT MAP GRANT DEED

IN THE CITY OF SANTA CLARITA
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

 CITY OF SANTA CLARITA FEE
PARCELS AREA = 10.45 ACRES

(A) PARCEL 3 OF THE LAND DESCRIBED IN DEED RECORDED
JANUARY 5, 2021 AS INSTRUMENT NO. 20210011374, O.R.

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	65°21'39"	530.00'	604.60'
C2	5°26'57"	725.00'	68.95'

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N78°07'43"E	197.13'
L2	N4°10'54"E	170.58'
L3	N50°55'53"E	76.10'
L4	S45°28'56"W	76.88'
L5	S48°48'27"E	218.24'
L6	S75°34'31"W	79.68'
L7	S29°23'24"W	38.13'
L8	S69°20'45"W	22.39'
L9	S89°22'17"W	12.99'
L10	S56°08'08"W	26.43'
L11	S66°56'20"W	38.04'
L12	S74°41'15"W	34.10'
L13	S64°38'39"W	33.33'
L14	S43°29'36"W	24.22'
L15	S25°22'24"W	31.59'
L16	S22°29'05"W	13.44'
L17	S13°38'43"W	16.55'
L18	S8°11'01"W	18.02'
L19	S0°36'57"E	197.79'

LINE TABLE		
LINE	DIRECTION	LENGTH
L20	S38°59'38"W	75.29'
L21	S10°17'30"W	26.48'
L22	S66°28'19"W	87.15'
L23	N77°33'24"W	148.88'
L24	N82°40'32"W	176.11'
L25	S14°13'37"E	322.58'
L26	S89°34'48"W	252.89'

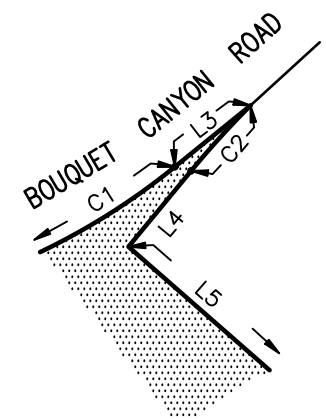
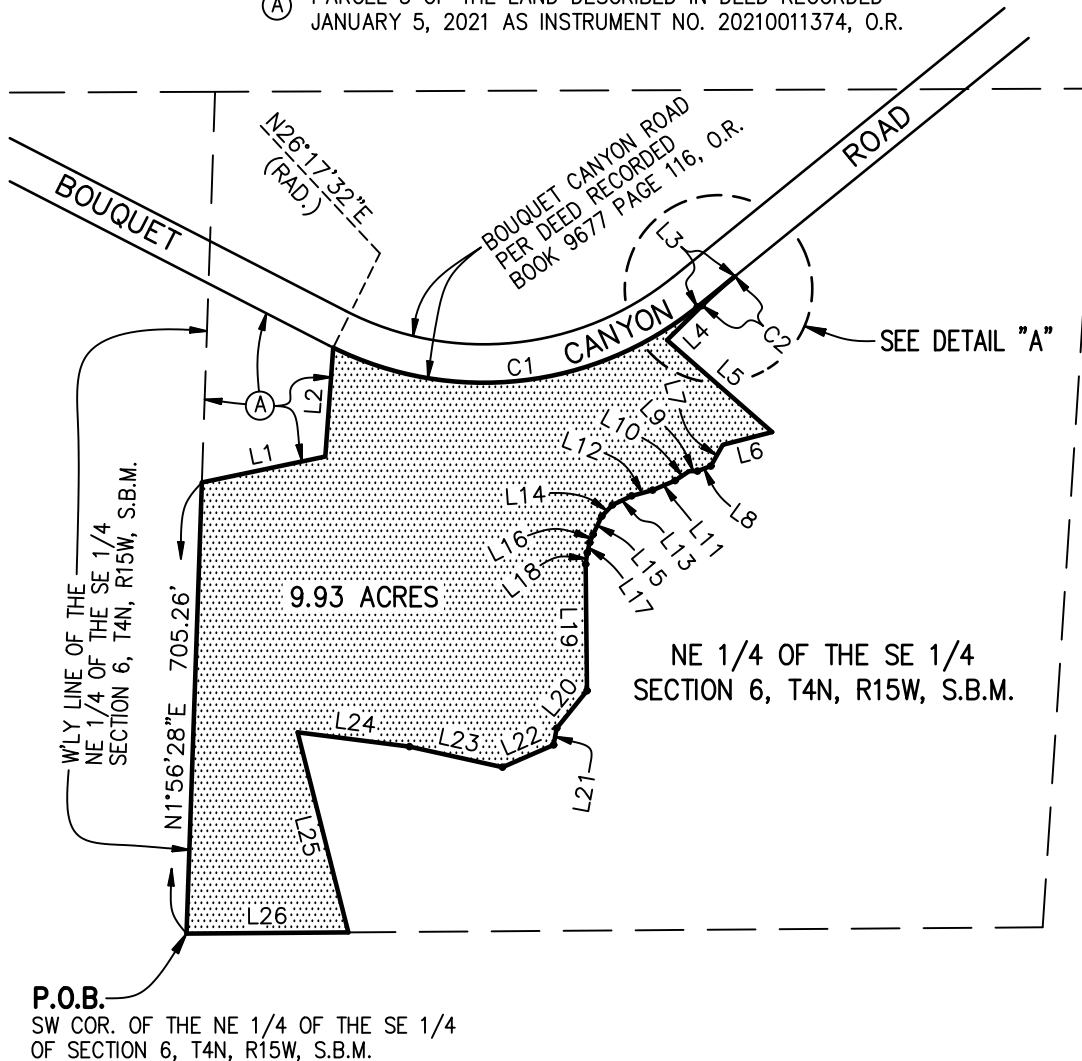
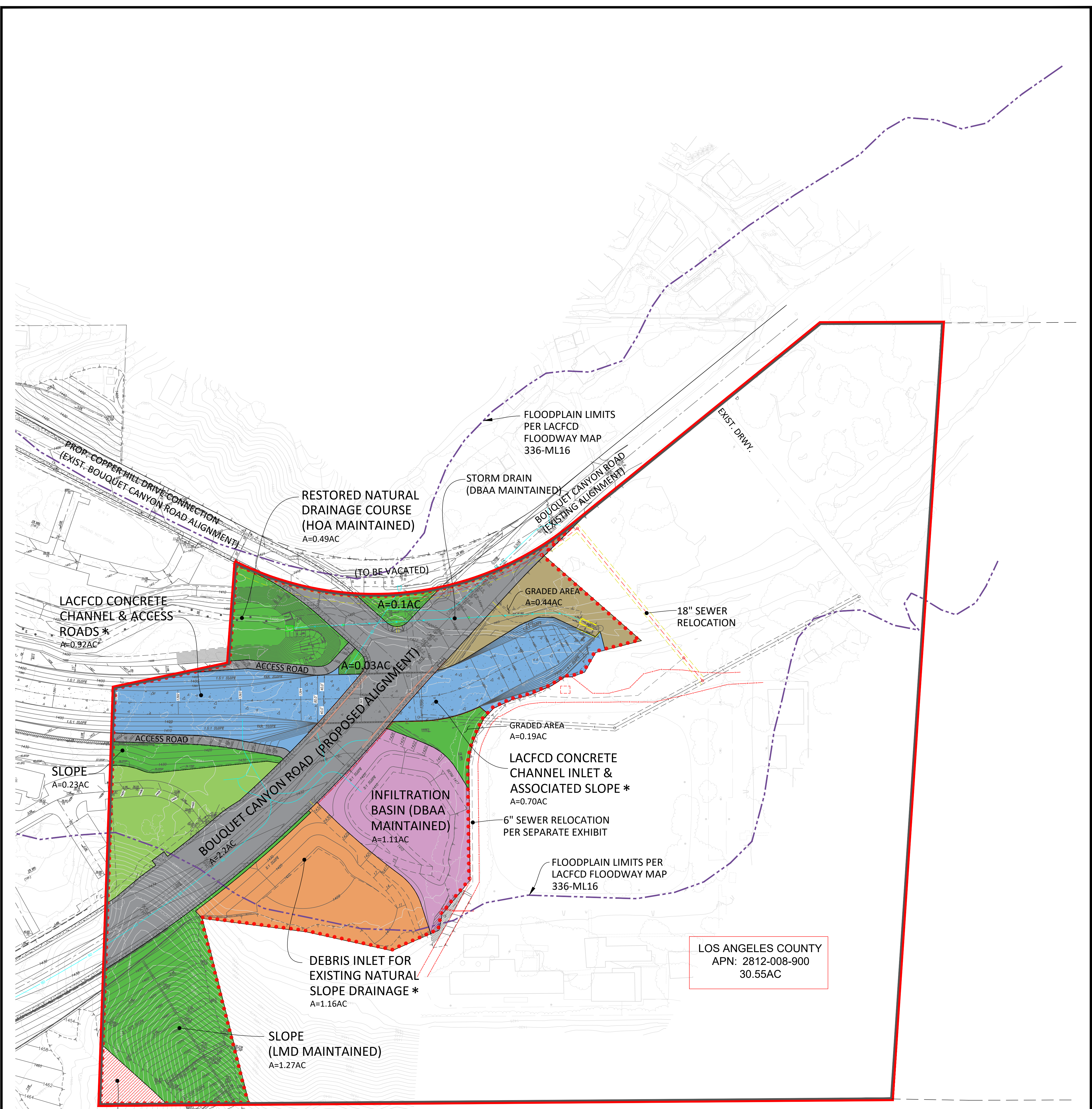


EXHIBIT "B"

MAP OF PROPERTY TO BE SOLD



LOS ANGELES COUNTY
 APN: 2812-008-900
 30.55AC

LENNAR HOMES OF CA
 APN: 2812-054-025

DESIGNATED REMAINDER (OPEN SPACE)
 A=0.13AC

*ULTIMATE LACFCF FEE

— COUNTY OWNERSHIP
 LIMITS OF ACQUISITION
 TOTAL : 9.92 ACRES

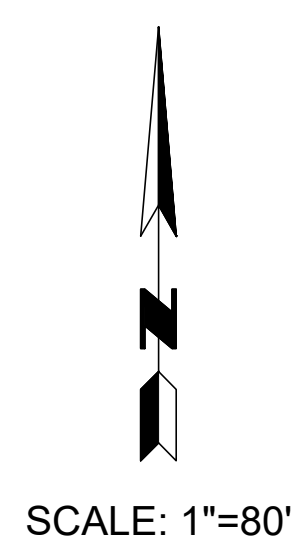
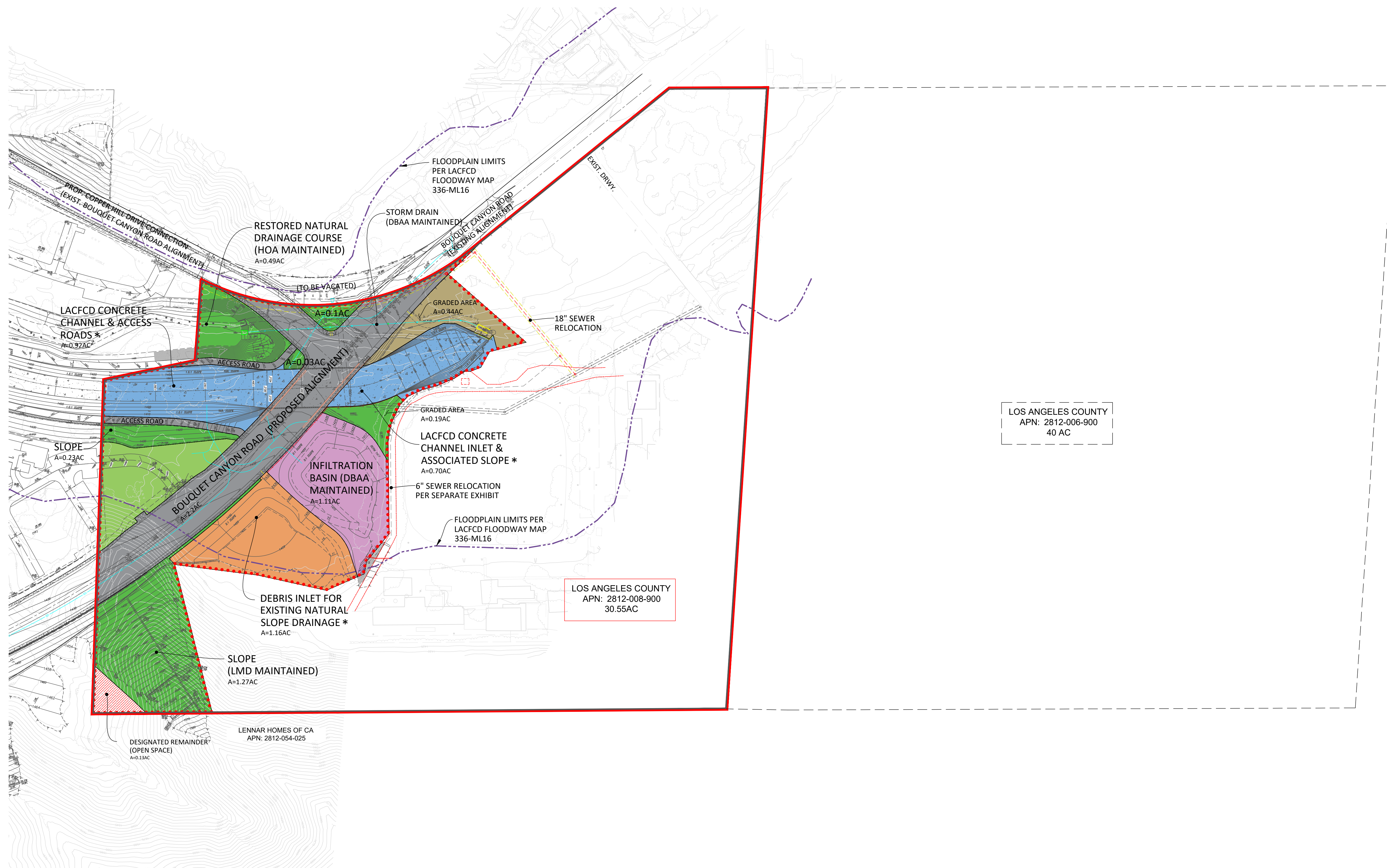


EXHIBIT "C"

DEPICTION OF SEWER LINE TO BE REPLACED



LOS ANGELES COUNTY
 APN: 2812-006-900
 40 AC

LOS ANGELES COUNTY
 APN: 2812-008-900
 30.55AC

LENNAR HOMES OF CA
 APN: 2812-054-025

DESIGNATED REMAINDER
 (OPEN SPACE)
 A=0.13AC

— COUNTY OWNERSHIP
 LIMITS OF ACQUISITION
 TOTAL : 9.92 ACRES

08-21-2024

PREPARED FOR:
INTEGRAL COMMUNITIES
 888 SAN CLEMENTE DR., STE 100
 NEWPORT BEACH, CA 92660
 (949) 999-5714



PREPARED BY:



15230 Burbank Blvd.
 Van Nuys, CA 91411
 Tel: (818) 787-8550
 Fax: (818) 901-7451
 info@sikand.com

**BOUQUET CANYON PROJECT
 ENCROACHMENT EXHIBIT
 TENTATIVE TRACT NO. 82126**

SHEET 2 OF 2

EXHIBIT "D"
QUITCLAIM DEED

RECORDING REQUESTED BY: *
City of Santa Clarita *
Engineering Services Division *
23920 Valencia Boulevard, Suite 140 *
Santa Clarita, CA 91355 *

AND MAIL TO: *
Mary Cusick, City Clerk *
City of Santa Clarita *
23920 Valencia Boulevard, Suite 120 *
Santa Clarita, CA 91355 *

Space above this line for Recorder's use _____

DOCUMENTARY TRANSFER TAX: Exempt (Revenue and Taxation Code Section 11922)
RECORDING FEE: EXEMPT: (Government Code Section 27383)

TAX PARCELS: APN: 2812-008-900 (Portion)
APN: 2812-008-901 (Portion)

QUITCLAIM DEED

The **COUNTY OF LOS ANGELES, a body corporate and politic**, ("County of Los Angeles") for valuable consideration, receipt of which is hereby acknowledged, does hereby surrender, quitclaim and release to:

THE CITY OF SANTA CLARITA, A MUNICIPAL CORPORATION ("Grantee")

all of the County's right, title and interest in and to the described real property ("Property").

The Property is located in the City of Santa Clarita, County of Los Angeles, State of California and is more particularly described in the attached Exhibit A and depicted in Exhibit B, incorporated herein by reference as though set forth in full.

SUBJECT TO AND BUYER TO ASSUME:

- a. All taxes, interest, penalties, and assessments of record, if any.
- b. Covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way of record, if any.
- c. County's reservation to itself and exception from the conveyance contemplated herein of all oil, gas, hydrocarbons, or other minerals in and under the Property, without the use of the surface or subsurface to a depth of 500 feet, measured vertically, from the surface of the Property.
- d. At no time and under no circumstances shall Habitable Structures, as that term is defined herein, be constructed on the Property.
- e. Property to be used for roadway, highway, drainage purposes, and associated uses only.
- f. Upon completion of the City improvements on the Property, Buyer shall hire a licensed surveyor who will set monument/set boundaries and/or permanent corners, to the County's satisfaction, for the new property line.
- g. Buyer shall consult with the County prior to the design or construction of any changes or improvements that would have any potential impacts on the drainage system or the adjoining Camp property located at 28700 Bouquet Canyon Road, Santa Clarita. Buyer shall not make any changes or improvements to its operation and maintenance of the Property that increases storm water or any other run-off onto the Camp property. In the event any damage is caused to the Camp property as a result of Buyer's increased storm water and/or run-off, Buyer will be responsible for the cost of County repairing and or replacing any and all damage caused to the Camp property.
- h. Prior to the one (1) year anniversary of the City acquiring title to the Property, as described herein, Buyer shall commence construction of Camp property improvements ("Improvements") consisting of a sewer line relocation, new fence, an access road, and lighting fixtures and equipment as approved by the County. Commencement of construction of Improvements shall be defined as issuance of building permits by DPW. Said fencing and lighting improvements will be constructed on the new property line between the Property and the County-owned Camp property. Said details of the lighting and fencing plan including the material, road width, location, height

specification, and electrical and lighting specifications will be reviewed and approved by the County prior to commencement of construction. Buyer is responsible for obtaining all necessary County approvals, local jurisdiction approvals, and CEQA approvals prior to commencing work. Upon obtaining said approvals, and before commencing said fencing and lighting work, Buyer shall coordinate with Probation to ensure the work does not interfere with Camp operations. The work shall be deemed complete upon acceptance of the fencing, access road, and lighting improvements by the County.

- i. If County determines that the record owner of the Property is not complying with the restrictions set forth in the Purchase and Sale Agreement entered into by the County of Los Angeles and Grantee and/or as set forth herein ("Default Condition"), the County will give written notice to the record owner of the Property and the record owner shall have thirty (30) days from the date of the notice to cure the Default Condition. If the Default Condition is not so cured within the thirty (30) day timeframe, County may elect, at its sole discretion, to: (a) cure said Default at record owner's cost, or (b) file an action seeking specific performance of the record owner's restrictions/obligations.
- j. For purposes of both this Agreement and the related Quitclaim Deed, the following terms shall have the following definitions:
 - 1. "Habitable Structure" is any enclosed structure having any type of electrical and/or plumbing fixtures or food preparation area, including, but not limited to, (1) kitchen facilities such as sinks, dishwashers, refrigerators, microwaves, or other equipment for the purpose of preparing food; and/or (2) bathroom facilities including toilets, sinks, tubs, and showers.
 - 2. "Record Owner" means the Buyer and any successor or assign, including without limitation any future buyers or owners of the Property.

Dated _____

COUNTY OF LOS ANGELES
a body politic and corporate

FESIA A. DAVENPORT
Chief Executive Officer

By _____

John T. Cooke
Assistant Chief Executive Officer

APPROVED AS TO FORM:
DAWYN R. HARRISON
County Counsel

Deputy

EXHIBIT " A "
LEGAL DESCRIPTION

GRANT DEED
IN THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 4 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 6; THENCE

1. ALONG THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6 NORTH $01^{\circ}56'28''$ EAST 705.26 FEET TO THE SOUTHWESTERLY CORNER OF THE LAND DESCRIBED AS PARCEL 3 IN DEED TO LENNAR HOMES OF CALIFORNIA, INC. RECORDED JANUARY 5, 2021 AS INSTRUMENT NO. 20210011374, OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE
2. ALONG THE SOUTHERLY LINE OF SAID PARCEL 3 NORTH $78^{\circ}07'43''$ EAST 197.13 FEET TO EASTERLY TERMINUS THEREOF; THENCE
3. ALONG THE EASTERLY LINE SAID PARCEL 3 NORTH $04^{\circ}10'54''$ EAST 170.58 FEET TO A POINT ON THE SOUTHERLY LINE OF BOUQUET CANYON ROAD, 60 FEET WIDE, AS DESCRIBED IN DEED RECORDED IN BOOK 9677 PAGE 116, OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, ON A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 530.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH $26^{\circ}17'32''$ EAST; THENCE
4. EASTERLY ALONG SAID SOUTHERLY LINE OF BOUQUET CANYON ROAD AND SAID CURVE THROUGH A CENTRAL ANGLE OF THE $65^{\circ}21'39''$ AN ARC DISTANCE OF 604.60 FEET; THENCE
5. TANGENT TO SAID CURVE AND ALONG THE SOUTHEASTERLY LINE OF SAID BOUQUET CANYON ROAD NORTH $50^{\circ}55'53''$ EAST 76.10 FEET TO A POINT OF CUSP AT THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 725.00 FEET; THENCE
6. LEAVING SAID SOUTHEASTERLY LINE AND SOUTHWESTERLY ALONG LAST SAID CURVE THROUGH A CENTRAL ANGLE OF $5^{\circ}26'57''$ AN ARC DISTANCE OF 68.95 FEET; THENCE
7. TANGENT TO LAST SAID CURVE SOUTH $45^{\circ}28'56''$ WEST 76.88 FEET; THENCE
8. SOUTH $48^{\circ}48'27''$ EAST 218.24 FEET; THENCE
9. SOUTH $75^{\circ}34'31''$ WEST 79.68 FEET; THENCE
10. SOUTH $29^{\circ}23'24''$ WEST 38.13 FEET; THENCE
11. SOUTH $69^{\circ}20'45''$ WEST 22.39 FEET; THENCE
12. SOUTH $89^{\circ}22'17''$ WEST 12.99 FEET; THENCE
13. SOUTH $56^{\circ}08'08''$ WEST 26.43 FEET; THENCE
14. SOUTH $66^{\circ}56'20''$ WEST 38.04 FEET; THENCE
15. SOUTH $74^{\circ}41'15''$ WEST 34.10 FEET; THENCE

EXHIBIT " A "
LEGAL DESCRIPTION
(CONTINUED)

16. SOUTH 64°38'39" WEST 33.33 FEET; THENCE
17. SOUTH 43°29'36" WEST 24.22 FEET; THENCE
18. SOUTH 25°22'24" WEST 31.59 FEET; THENCE
19. SOUTH 22°29'05" WEST 13.44 FEET; THENCE
20. SOUTH 13°38'43" WEST 16.55 FEET; THENCE
21. SOUTH 08°11'01" WEST 18.02 FEET; THENCE
22. SOUTH 00°36'57" EAST 197.79 FEET; THENCE
23. SOUTH 38°59'38" WEST 75.29 FEET; THENCE
24. SOUTH 10°17'30" WEST 26.48 FEET; THENCE
25. SOUTH 66°28'19" WEST 87.15 FEET; THENCE
26. NORTH 77°33'24" WEST 148.88 FEET; THENCE
27. NORTH 82°40'32" WEST 176.11 FEET; THENCE
28. SOUTH 14°13'37" EAST 322.58 FEET TO THE SOUTHERLY LINE OF SAID
NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6; THENCE
29. ALONG LAST SAID SOUTHERLY LINE SOUTH 89°34'48" WEST 252.89 FEET
TO THE POINT OF BEGINNING.

CONTAINING 9.93 ACRES, MORE OR LESS.

Scale: 1"=300'

EXHIBIT "B"

EXHIBIT MAP GRANT DEED

IN THE CITY OF SANTA CLARITA
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

 CITY OF SANTA CLARITA FEE
PARCELS AREA = 10.45 ACRES

(A) PARCEL 3 OF THE LAND DESCRIBED IN DEED RECORDED
JANUARY 5, 2021 AS INSTRUMENT NO. 20210011374, O.R.

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	65°21'39"	530.00'	604.60'
C2	5°26'57"	725.00'	68.95'

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N78°07'43"E	197.13'
L2	N4°10'54"E	170.58'
L3	N50°55'53"E	76.10'
L4	S45°28'56"W	76.88'
L5	S48°48'27"E	218.24'
L6	S75°34'31"W	79.68'
L7	S29°23'24"W	38.13'
L8	S69°20'45"W	22.39'
L9	S89°22'17"W	12.99'
L10	S56°08'08"W	26.43'
L11	S66°56'20"W	38.04'
L12	S74°41'15"W	34.10'
L13	S64°38'39"W	33.33'
L14	S43°29'36"W	24.22'
L15	S25°22'24"W	31.59'
L16	S22°29'05"W	13.44'
L17	S13°38'43"W	16.55'
L18	S8°11'01"W	18.02'
L19	S0°36'57"E	197.79'

LINE TABLE		
LINE	DIRECTION	LENGTH
L20	S38°59'38"W	75.29'
L21	S10°17'30"W	26.48'
L22	S66°28'19"W	87.15'
L23	N77°33'24"W	148.88'
L24	N82°40'32"W	176.11'
L25	S14°13'37"E	322.58'
L26	S89°34'48"W	252.89'

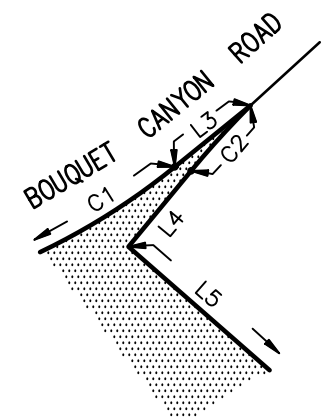
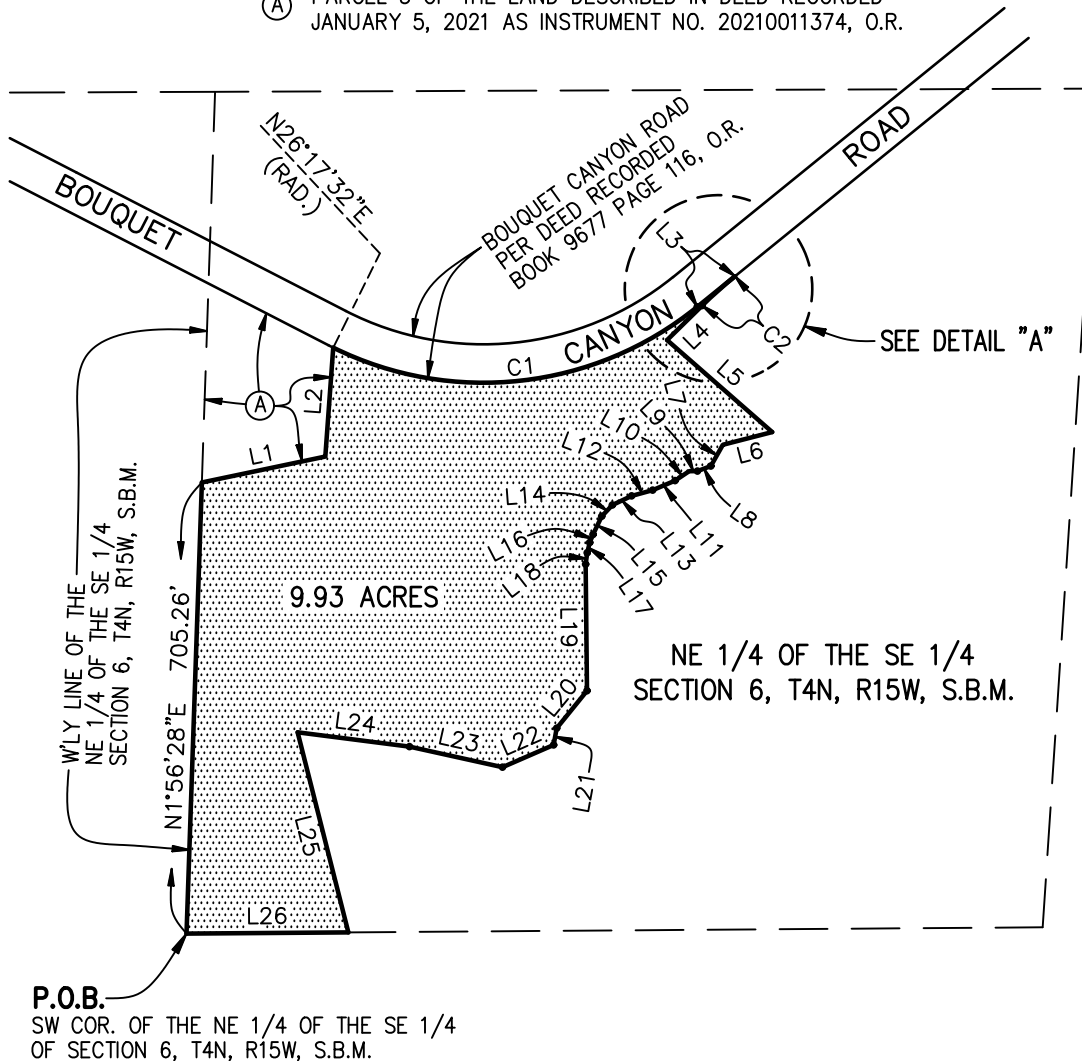


EXHIBIT "E"

COVENANT AND AGREEMENT

RECORDING REQUESTED BY & MAIL TO:

County of Los Angeles
Chief Executive Office - Real Estate Division
County of Los Angeles
320 West Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Joyce Chang, Senior Manager

APNs: 2812-008-900_(Portion) and 2812-008-901 (Portion)

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

COVENANT FOR MAINTENANCE OF DRAINAGE, AND COVENANT OF USE RESTRICTIONS

THIS COVENANT FOR MAINTENANCE OF DRAINAGE, AND COVENANT OF USE RESTRICTIONS (hereinafter collectively referred to as the "Agreement") is made by and between the COUNTY OF LOS ANGELES, a body corporate and politic, (hereinafter "County"), and the CITY OF SANTA CLARITA, a municipal corporation (hereinafter "City") as of the ____ day of _____, 2024. County and City may be referred to herein individually as a "Party" or collectively as the "Parties."

I. COVENANT FOR MAINTENANCE OF DRAINAGE

City covenants and agrees that:

1. City acknowledges that inadequate maintenance of the drainage system, at that certain parcel of real property legally described in Exhibit A and depicted in Exhibit B (the "Property") would potentially result in adverse impacts to the adjacent County property.
2. City shall maintain the drainage system on the Property to prevent erosion, remove sediment and collect debris so that it does not impact the drainage system on adjacent County property.
3. City shall submit design plans to the County prior to the construction of any changes or improvements at the Property that would have any potential impacts on the drainage system or the adjoining County property.
4. City shall not make any changes or improvements or changes to its operation and maintenance of the Property that increases storm water or any other run-off onto immediately adjacent County property over existing baseline conditions.
5. City further covenants that City shall not in any way interfere with the Established Drainage, as that term is defined herein, on the adjacent County property, commonly known as Probation Camp Scott (Camp Property) located at 28700 Bouquet Canyon Road, Santa Clarita, CA 91390 and known as APN: 2812-008-900 and 2812-008-901, without prior written approval of County. In the event it is necessary to change the Established Drainage over Camp Property, the City will be responsible for providing proper drainage in accordance with approved plans, applicable governmental codes and requirements. For the purpose hereof "Established Drainage"

is defined as the drainage that existed at the time of the overall grading of the Camp Property, including the landscaping existing or to be placed by the undersigned.

6. City makes the aforementioned covenant to maintain drainage on behalf of itself and its successors and assigns and the covenant to maintain drainage shall run with the Property and shall be binding upon City, and future owners, encumbrances, their successors, heirs or assignees and shall continue in effect in perpetuity.

II. COVENANT OF USE RESTRICTIONS

City covenants and agrees that:

7. City will continue to operate and maintain the Property for road, highway and drainage purposes and associated uses only, in perpetuity, and as part of City's street and highway systems, and Los Angeles County Flood Control District systems, in compliance with all applicable laws and all good and accepted engineering practices. City makes the aforementioned covenant on behalf of itself and its successors and assigns and the covenant shall run with the Property and shall be binding upon City, and future owners, encumbrances, their successors, heirs or assignees and shall continue in effect in perpetuity.

8. At no time and under no circumstances shall Habitable Structures, as that term is defined herein, be constructed on the Property. "Habitable Structure" is any enclosed structure having any type of electrical and/or plumbing fixtures or food preparation area, including, but not limited to, (1) kitchen facilities such as sinks, dishwashers, refrigerators, microwaves, or other equipment for the purpose of preparing food; and (2) bathroom facilities including toilets, sinks, tubs, and showers. City makes the aforementioned covenant on behalf of itself and its successors and assigns and the covenant shall run with the Property and shall be binding upon City, and future owners, encumbrances, their successors, heirs or assignees and shall continue in effect in perpetuity.

9. Upon completion of the City improvements on the Property, Buyer shall hire a licensed surveyor who will set permanent corners for the new property line of that certain parcel of real property legally described in Exhibit A.

10. Prior to the one (1) year anniversary of the City acquiring title to the Property described in Exhibit A, City shall commence construction of Camp property improvements ("Improvements") consisting of a sewer line relocation, new fence, an access road, and lighting fixtures and equipment as approved by the County. Commencement of construction of Improvements shall be defined as issuance of building permits by DPW. Said fencing and lighting improvements will be constructed on the new property line between the Property and the County-owned Camp property. Said details of the lighting and fencing plan including the material, road width, location, height specification, and electrical and lighting specifications will be reviewed and approved by the County prior to commencement of construction. Buyer is responsible for obtaining all necessary County approvals, local jurisdiction approvals, and CEQA approvals prior to commencing work. Upon obtaining said approvals, and before commencing said fencing and lighting work, Buyer shall coordinate with Probation to ensure the work does not interfere with Camp operations. The work shall be deemed complete upon acceptance of the fencing, access road, and lighting improvements by the County.

III. MISCELLANEOUS

11. During City's ownership of the Property, City covenants and agrees that City shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents ("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 or connected with the City's failure to perform its obligations under this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

12. Upon City's sale or other transfer of any portion of the Property, any subsequent owner of any such transferred portion of the Property shall, for itself, its heirs, successors and assigns, indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the City's acts and/or omissions arising from and/or relating to this Agreement from and after the date of any such transfer, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

13. If County determines that the City is not complying with this Agreement ("Default Condition"), the County will give written notice to the City of the Default Condition and the City shall have thirty (30) days from the date of the notice to cure the Default Condition or to dispute the County's determination. If the Default Condition is not so cured or disputed within the 30-day timeframe, County may elect, at its sole discretion, to: (a) cure said Default Condition at City's sole cost and expense, or (b) file an action seeking specific performance of the City's restrictions and/or obligations.

14. This Agreement and its Exhibits contain the entire agreement of the Parties and supersedes all prior agreements or understandings of the Parties, whether written or oral, regarding the subject matter of this Agreement.

15. Captions and section headings are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the provisions hereof, and shall have no effect upon the construction or interpretation of any part hereof.

16. Time is and shall be of the essence as to each and every provision contained in this Agreement.

17. Each Party represents and warrants that all persons executing this Agreement on its behalf have the authority to execute this Agreement on behalf of that Party.

18. This Agreement shall be interpreted and constructed in accordance with California law.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, County and City have caused this instrument to be duly executed on their behalf by their authorized representative as of the date set forth above.

CITY:

CITY OF SANTA CLARITA

By:



City Manager

COUNTY:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By:

John T. Cooke
Assistant Chief Executive Officer

ATTEST:

DEAN C. LOGAN
Registrar-Recorder/ County Clerk

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: _____
Deputy

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	9/25/2024	
BOARD MEETING DATE	10/22/2024	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input checked="" type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Mental Health	
SUBJECT	Five-year lease for 27,924 square feet of office space and 117 on-site parking spaces at 17707 Studebaker Road, Cerritos, 90703	
PROGRAM	Rio Hondo Mental Health Center (RHMHC)/Psychiatric Mobile Response Team (PMRT)/American Indian Counseling Center (AICC)	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
DEADLINES/ TIME CONSTRAINTS		
COST & FUNDING	Total cost: \$3,902,000	Funding source: Funded by Mental Health Services Act and other State and Federal funds
	TERMS (if applicable): The proposed lease amendment will have an annual first year cost of \$735,000 where the landlord will be responsible for all operating expenses, including water, repair and maintenance to the building. County is responsible for janitorial including supplies, all electricity, gas, and other lighting, heating, and power to the Premises.	
	Explanation: DMH has sufficient funding in its Fiscal Year 2024-25 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease will be addressed through the annual budget process for DMH.	
PURPOSE OF REQUEST	Approval of the recommended actions will authorize use of office space for DMH.	
BACKGROUND (include internal/external issues that may exist including any related motions)	Lease has been in holdover since March 28, 2023, with no holdover fee. The Board recently adopted the lease at 10330 Pioneer Blvd., Santa Fe Springs and construction is anticipated to be complete winter 2025. The proposed second location will be presented at a future Board date. Upon completion of tenant improvements at both sites, DMH will exercise its early terminate and terminate the proposed lease amendment.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	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"

October 22, 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:

**FIVE-YEAR LEASE AMENDMENT
DEPARTMENT OF MENTAL HEALTH
17707 STUDEBAKER ROAD, CERRITOS
(FOURTH DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed five-year lease amendment to renew an existing lease to provide the Department of Mental Health (DMH) continued use of 27,924 square feet of office space and 117 on-site parking spaces for the Rio Hondo Mental Health Center (RHMHC), Psychiatric Mobile Response Team (PMRT), and American Indian Counseling Center (AICC).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease amendment with Studebaker-Cerritos Project, LLC (Landlord), for approximately 27,924 square feet of office space and 117 on-site parking spaces located at 17707 Studebaker Road, Cerritos (Premises) to be occupied by DMH. This proposes a lease for a term of five years. The estimated maximum first year base rental cost is \$735,000. The estimated total proposed lease cost is \$3,902,000 over the five-year term. In addition, the County is responsible for the costs for utility and janitorial paid directly to each respective service provider. The rental costs will be funded by the 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 proposed Premises since 1986 and has been in holdover without additional fees since its lease expiration on March 28, 2023. DMH uses this space for RHMHC, PMRT, and AICC which all share the space to provide various mental health and wellness services for clients in the surrounding areas. Currently, the programs assist approximately 100 clients per day. On average, clients are at the clinic anywhere between 30 minutes to three hours each visit, depending on the types of services being rendered. Due to these in-person visits from clients who see clinicians or psychiatrists, interviews, and group therapy activities at the proposed Premises, there are no immediate plans for extensive teleworking.

The Premises houses 159 employees with 95 workstations. The total number of employees includes 16 employees who spend about 70 percent of their time in the field. There are no growth positions planned during the proposed lease term due to the limited capacity at the Premises. Due to the programs' growth and limited size of the current Premises, DMH intends to relocate to two other sites to better meet the programs' needs.

The first location at 10330 Pioneer Boulevard, Santa Fe Springs was adopted by the Board on June 25, 2024, and the premises is currently undergoing the build-out process for the AICC program. The estimated completion of construction is anticipated to be winter 2025. The second proposed location is currently under lease negotiations and will be presented to the Board for adoption soon which will be for placement of the RHMHC and the PMRT program. DMH will remain at the current proposed Premises while the two relocation sites are built out. Upon completion, DMH will vacate the proposed Premises and terminate the proposed lease amendment.

The proposed lease amendment will enable DMH to remain in the current Premises on a temporary basis while replacement space is being constructed and continue providing services to clients within Service Area 7, which includes Cerritos, Santa Fe Springs, Commerce, Downey, and Norwalk among other areas. In addition, the proposed Premises has ample parking and has freeway access and near public transportation such as the Cerritos Transit System, Norwalk Transit System and Long Beach Transit System.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 1 – *“Make Investments That Transform Lives”* – provides that LA County is a highly responsive organization investing in solutions that address our most complex societal challenges (health, jobs, housing, food insecurity, and recidivism) affecting our most vulnerable communities – one person at a time.

The proposed lease amendment is also consistent with the Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions, and Key Objective No. 4. – Guide Strategic Decision Making.

The proposed lease amendment supports the above goals and objective by providing DMH’s RHMHC, PMRT, AICC with adequate space in the appropriate service area.

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 \$735,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease amendment over the entire term, is \$3,902,000 as shown in Enclosure B-1. In addition, the County is responsible for utilities and janitorial costs directly to each utility provider. The proposed lease amendment costs will be fully funded by the 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 2024-25 Rent Expense budget and will be billed back to DMH. DMH has sufficient funding in its Fiscal Year 2024-25 Operating Budget to cover the proposed rent 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 increase from \$25.55 per square foot, per year to \$26.31 per square foot, per year. Base rent is subject to annual increases based on fixed annual increases of 3 percent.

- The Landlord is responsible for the operating and maintenance cost of the building, and the County is responsible for electric/gas utilities and janitorial costs for the Premises. The County is not subject to the building's operating expense increases.
- There are 117 on-site parking spaces included in the base rent 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 24 months, with 90 days' 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 increase by the standard annual 3 percent of the base rent at the time of the lease expiration.
- The proposed lease amendment will be effective upon approval by the Board and full execution of the proposed lease amendment, but the term and rent will commence on the first day of the month following full execution of the lease amendment by both parties.

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 \$23.40 and \$36 per square foot, per year. The base annual rental rate of \$26.31 per square foot, per year for the proposed lease amendment represents a rate that is within the market range for the area. We recommend the proposed Premises as the most suitable to meet the County's space requirements on a short-term basis while the new, permanent sites are being built out and prepared for occupancy.

Co-working space is not a suitable option for DMH's program due to the high volume of clients who need in-person services each day and the highly confidential nature of the program's services.

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 inspected this facility and found it suitable for the County's occupancy. The required notification letter to the City of Cerritos 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's programs, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure D.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease amendment, which involves the leasing of existing office space with minor 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 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
October 22, 2024
Page 6

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary office 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:EG:gb

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Mental Health

**DEPARTMENT OF MENTAL HEALTH
17707 STUDEBAKER ROAD
Asset Management Principles Compliance Form¹**

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ² DMH programs that share the space provide mental health services and cannot co-locate with other functions		X	
C	Does this lease centralize business support functions? ² RHMHC, PMRT, and AICC provide mental health and wellness services at this site		X	
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² Based on 159 employees, it is 175 SF per person which is too small for the programs that have outgrown the current premises. Thus, the proposed lease amendment is a short-term renewal until the new, permanent locations are ready for occupancy.		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² Based on 117 parking spaces parking ratio is 4.19/1000 SF		X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ² Cerritos Transit, Norwalk Transit, and Long Beach Transit	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? ²			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 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? ² County is responsible for electric/gas and janitorial costs		X	
F	Has growth projection been considered in space request?	X		
G	¹ Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As adopted by the Board of Supervisors 11/17/98				
² If not, why not?				

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

17707 STUDEBAKER ROAD, CERRITOS
DEPARTMENT OF MENTAL HEALTH

Basic Lease Assumptions

Leased Area (sq.ft.)	27,924	
Parking Spaces	117	
	Monthly	Annual
Rent (per sq. ft.)	\$2.19	\$26.31
Term (Months)	60	
Annual Rent Adjustment	3%	

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total 5 Year Rental Costs
Annual Base Rent Costs	\$735,000	\$756,816	\$780,000	\$803,000	\$827,000	\$3,902,000
Total Annual Lease Costs Paid to Landlord⁽¹⁾	\$735,000	\$756,816	\$780,000	\$803,000	\$827,000	\$3,902,000

Footnotes

⁽¹⁾ County is responsible for paying utilities and janitorials costs directly and not part of the costs shown here

***Calculation note: All numbers are rounded up to ensure sufficient funds available to pay the specified expense.**

COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE AMENDMENT

	Existing Lease Amendment (No. 2): 17707 Studebaker Rd.	Proposed Lease Amendment (No. 3) 17707 Studebaker Rd.	Change
Area (Square Feet)	27,924 sq.ft.	27,924 sq.ft.	No change
Term (years)	Seven years	Five years	- Two years
Annual Base Rent*	\$714,000	\$735,000	+\$21,000 annually
Janitorial/Utility/Maintenance Costs	DMH pays the janitorial and electrical/gas directly and not reimbursed to Landlord.	DMH pays the janitorial and electrical/gas directly and not reimbursed to Landlord.	No change
Total Annual Lease Costs payable to Landlord*	\$714,000	\$735,000	+\$21,000 annually
Rental rate adjustment	Annual CPI adjustments capped at four percent but not less than the rent payable the previous year.	Annual adjustments fixed at three percent.	Annual adjustments fixed at three percent.

*All numbers are rounded up.

DEPARTMENT OF MENTAL HEALTH

SPACE SEARCH – 3 MILE RADIUS FROM 17707 STUDEBAKER ROAD

LAC O	Name	Address	Ownership	Gross SQFT	Vacant
A126	DA - Criminal Justice Information System/ISAB	12750 Center Court Dr, Cerritos, CA 90703	Leased	7469	No
A126	DA - Criminal Justice Information System/ISAB	12750 Center Court Dr, Cerritos, CA 90703	Leased	3432	No
A126	DA - Criminal Justice Information System/ISAB	12750 Center Court Dr, Cerritos, CA 90703	Leased	9286	No
6445	Alternate Public Defender - Legal Defense	9928 E Flower St., Bellflower, CA 90706	Leased	900	No
4401	DHS - Bellflower Health Center	10005 E Flower St., Bellflower, CA 90706	Owned	15524	No
10350	BOS - 4th District Office	11911 Artesia Blvd, Cerritos, CA 90701	Leased	1249	No
10350	BOS - 4th District Office	11911 Artesia Blvd, Cerritos, CA 90701	Leased	1249	No
A403	DMH - Rio Hondo Mental Health Services	17707 Studebaker Rd, Cerritos, CA 90701	Leased	27924	No
A403	DMH - Rio Hondo Mental Health Services	17707 Studebaker Rd, Cerritos, CA 90701	Leased	27924	No
B600	Public Library - George Nye, Jr. Library	6600 Del Amo Blvd, Lakewood, CA 90713	Leased	7100	No

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease for the Department of Mental Health – 17707 Studebaker Road – Fourth District.

A. Establish Service Function Category – DMH's Rio Hondo Mental Health Center, Psychiatric Mobile Response Team, and American Indian Counseling Center.

B. Determination of the Service Area – Service Area 7 (SA7) which includes Santa Fe Springs, Commerce, Downey, and Norwalk areas.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Services provided in SA7 which includes Artesia, Bellflower, Bell Gardens, Cerritos, Commerce, Cudahy, Downey, East Los Angeles, Hawaiian Gardens, Huntington Park, Lakewood, La Mirada, Maywood, Norwalk, Pico Rivera, Santa Fe Springs, South Gate, Whittier, and others.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e., Cerritos Transit System, Norwalk Transit System, and Long Beach Transit System.
- 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: There are no alternative existing County buildings available to meet DMH's needs before relocation.
- Compatibility with local land use plans: The City of Cerritos 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 lease over the entire term is \$3,902,000.

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 \$23.50 and \$36 per square foot, per year. The base annual rental rate of \$26.31 per square foot, per year for the proposed lease amendment represents a rate that is within the market range for the area.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria

The proposed lease amendment will provide adequate and efficient office space for 159 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

AMENDMENT NO. 3 TO LEASE NO. 67852
COUNTY OF LOS ANGELES
DEPARTMENT OF MENTAL HEALTH
17707 STUDEBAKER ROAD, CERRITOS

This AMENDMENT NO. 3 TO LEASE NO. 67852 ("Amendment No. 3") is made and entered into this _____ day of _____, 2024 by and between STUDEBAKER-CERRITOS PROJECT, LLC, a California limited liability company, hereinafter referred to as "Lessor," and the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "Lessee" or "County".

RECITALS

WHEREAS, Lessor's predecessor in interest, STUDEBAKER-CERRITOS PROJECT, LTD., a California limited partnership, and Lessee, entered into that certain Lease No. 67852 dated October 18, 1994 (the "Original Lease"), whereby Lessee leased from Lessor approximately 27,640 rentable square feet of space located at 17707 Studebaker Road, Cerritos, California (the "Original Premises").

WHEREAS, STUDEBAKER-CERRITOS PROJECT, LTD., a California limited partnership and Lessee agreed to amend the Original Lease and entered into that certain Amendment No. 1 to Lease No. 67852 dated January 18, 2005 ("Amendment No. 1"), whereby amongst certain amendments the Original Lease Term was extended until January 21, 2015 (the "Premises").

WHEREAS, Lessor and Lessee agreed to further amend the Original Lease and entered into that certain Amendment No. 2 to Lease No. 67852 dated March 29, 2016 ("Amendment No. 2"), whereby amongst certain amendments the Original Lease Term was extended until March 29, 2023, and a Lessee option to purchase the was added to the Original Lease.

WHEREAS, the Original Lease, as amended by that certain Amendment No. 1 and Amendment No. 2, shall collectively be referred to as the "Lease."

AGREEMENT

NOW, THEREFORE, inconsideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants, and agreements herein contained and intended to be legally bound hereby, Lessor and Lessee hereby covenant and agree to amend the Lease as follows:

1. TERM: Effective upon execution of this Amendment No. 3 by the parties herein, Paragraph 2, TERM, is hereby amended such that the term of this Lease shall be for five (5) years ("Amendment No. 3 Extended Term"), commencing on the first (1st) day of the month following approval of the Board of Supervisors and upon full execution of Amendment No. 3 by both parties (such commencement date being the "Renewal Commencement Date"), and terminating at midnight on the day before the fifth (5th) anniversary of the Renewal Commencement Date (the "Renewal Termination Date").
2. RENT: Effective upon Renewal Commencement Date, Paragraph 3, RENT of Amendment No. 1, is hereby deleted in its entirety and the following is substituted therefor:

The Rent shall be on a Modified Gross basis. Lessee is responsible for janitorial services and supplies, all electricity, gas, and other lighting, heating, and power to the premises. Rental payments shall be payable within fifteen days after the first day of each and every month of the term hereof. The Lessee hereby agrees to pay as rent for said demised Premises during the term as scheduled below:

Amendment No. 3 Extended Term Year	Monthly Base Rent	Annual Base Rent
1	\$61,231.00 (\$2.19 per RSF)	\$734,772.00 (\$26.31 per RSF)
2	\$63,067.93 (\$2.26 per RSF)	\$756,815.16 (\$27.10 per RSF)
3	\$64,959.97 (\$2.33 per RSF)	\$779,519.61 (\$27.92 per RSF)
4	\$66,908.77 (\$2.40 per RSF)	\$802,905.20 (\$28.75 per RSF)
5	\$68,916.03 (\$2.47 per RSF)	\$826,992.36 (\$29.62 per RSF)

3. **CANCELLATION:** Effective upon Renewal Commencement Date, Paragraph 5, CANCELLATION, is hereby deleted in its entirety and the following is substituted therefor:

Lessee shall have the right to cancel this Lease at or any time after the twenty-fourth (24th) month following the Renewal Commencement Date by giving the Lessor not less than ninety (90) days prior written notice by Chief Administrative Office.

4. **RATIFICATION:** Except as amended by the provisions of this Amendment No. 3, the terms and provisions of the Lease remain in full force and effect. Lessee and Lessor ratify and affirm the Lease, as amended by this Amendment No. 3.

5. **CHOICE OF LAW:** The terms and provisions of this Amendment No. 3 shall be construed in accordance with, and governed by, the laws of the State of California without application of any choice of laws provisions.

6. **ENTIRE AGREEMENT AND MODIFICATION:** The Lease as modified by this Amendment No. 3 constitutes the final, complete and exclusive statement of the terms of the agreement of Lessee and Lessor, and is binding on and inures to the benefit of the respective heirs, representatives, successors and assigns of Lessee and Lessor. This Amendment No. 3 shall be deemed to be incorporated into the Lease and made a part thereof. All references to the Lease in any other document shall be deemed to refer to the Lease as modified by this Amendment No. 3. Except as modified by this Amendment No. 3, all of the terms and conditions of the Lease shall remain in full force and effect. In the event that the terms of this Amendment No. 3 conflict with the terms of the Lease and its schedules, the terms of this Amendment No. 3 shall control. Neither Lessee nor Lessor has been induced to enter into this Amendment No. 3 by, nor is Lessee or Lessor relying upon, any representation or warranty other than those set forth in this Amendment No. 3. Any agreement made after the date of this Amendment No. 3 shall be ineffective to amend this Amendment No. 3, in whole or in part, unless such agreement is in writing, is signed by Lessee and Lessor, and

specifically states that the agreement amends or modifies this Amendment No. 3 (or the Lease, as amended by this Amendment No. 3).

7. **NO DRAFTING PRESUMPTION**: The doctrine or rule of construction that ambiguities in a written instrument or agreement shall be construed against the party drafting the same shall not be employed in connection with this Amendment No. 3.
8. **PARTIAL INVALIDITY**: If any term, covenant or provision of this Amendment No. 3 is, to any extent, held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Amendment No. 3, or the application of that term, covenant or provision to persons or circumstances other than those as to which it is held to be invalid or unenforceable, will not be affected by such invalidity or unenforceability, and all other terms, covenants and conditions of this Amendment No. 3 will be valid and enforceable to the fullest extent permitted by law.
9. **CONSTRUCTION**: Unless the context clearly requires otherwise, in this Amendment No. 3 (a) the plural and singular numbers shall each be deemed to include the other; (b) the masculine, feminine and neuter genders shall each be deemed to include the others; (c) "shall," "will," "must," "agrees," and "covenants" are each mandatory; (d) "may" is permissive; (e) "or" is not exclusive; and (f) "includes" and "including" are not limiting. Each covenant, agreement, obligation or other provision of this Amendment No. 3 shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making the same, not dependent on any other provision of this Amendment No. 3, unless otherwise expressly provided in this Amendment No. 3.
10. **CAPITALIZED TERMS; PARAGRAPH REFERENCES**: Capitalized terms used herein without definition (including in the recitals hereto), have the meanings given to such terms in the Lease, unless otherwise defined in this Amendment No. 3. Unless otherwise noted, section references in this Amendment No. 3 refer to sections in Lease, as amended by this Amendment No. 3.
11. **CAPTIONS**: The captions to the sections in this Amendment No. 3 are included for convenience of reference only and do not modify or define any of the provisions of this Amendment No. 3.
12. **COUNTERPARTS**: This Amendment No. 3 may be executed in separate counterparts, each of which shall constitute an original and all of which together shall constitute one and the same document. The parties contemplate that they may be executing counterparts of this Amendment No. 3 transmitted by facsimile or email in PDF format and agree and intend that a signature by either facsimile machine or email in PDF format shall bind the party so signing with the same effect as though the signature were an original signature.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, Lessor has executed this Amendment No. 3 or caused it to be duly executed and County of Los Angeles, pursuant to Chapter 2.08 of the Los Angeles County Code, has caused this Amendment No. 3 to be executed on its behalf by the Chief Executive Officer, the day, month and year first above written.

LESSEE:


COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

LESSOR:

STUDEBAKER-CERRITOS PROJECT, LLC,
a California limited liability company

By: 
Print Name: Carole Glewis
Its: CEO

ATTEST:

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: 
Senior Deputy

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	9/25/2024		
BOARD MEETING DATE	10/8/2024		
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th		
DEPARTMENT(S)	Chief Executive Office		
SUBJECT	LA Plaza De Cultura Y Artes Roof and Exterior Wall Repair		
PROGRAM			
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:		
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable		
DEADLINES/ TIME CONSTRAINTS			
COST & FUNDING	Total cost:	\$3,288,000	Funding source:
			Extraordinary Maintenance budget
	TERMS (if applicable):		
	Explanation: Pre-construction costs of approximately \$78,000 were previously paid and funded through the Extraordinary Maintenance budget in FY 2023-24. Approval of the enclosed appropriation adjustment (Enclosure B) will transfer \$3,210,000 from the Extraordinary Maintenance budget to the LA Plaza De Cultura Y Artes Roof and Exterior Wall Repair, Capital Project No. 8A069, to fully fund the proposed Project.		
PURPOSE OF REQUEST	Approval of the recommendations will find the LA Plaza De Cultura Y Artes Roof and Exterior Wall Repair Project exempt from the California Environmental Quality Act, establish and approve Capital Project No. 8A069, approve the project budget and appropriation adjustment, and authorize the Director of the Internal Services Department, or designee, to deliver the proposed project using a Board-approved Job Order Contract.		
BACKGROUND (include internal/external issues that may exist including any related motions)	The proposed project will repair the existing roof and exterior wall façade of the LA Plaza De Cultura Y Artes (LA Plaza) plaza house, Vickrey-Brunswig, and shop buildings located at 501 N Main St, Los Angeles, CA 90012. LA Plaza is a community hub which celebrates and promotes Latinx culture through various exhibitions and programs. Water has been leaking into the LA Plaza building which will be addressed by replacing the existing roofing assemblies and patching up the exterior walls.		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:		
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Thomas DeSantis, P&PM Division Manager, (323) 267-3467, TDesantis@isd.lacounty.gov		



County of Los Angeles
INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue
Los Angeles, California 90063

MICHAEL OWH
Director

Telephone: (323) 267-2101
FAX: (323) 264-7135

Speed. Reliability. Value.

October 8, 2024

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:

**CHIEF EXECUTIVE OFFICE
LA PLAZA DE CULTURA Y ARTES ROOF AND EXTERIOR WALL REPAIR
CATEGORICAL EXEMPTION
ESTABLISH AND APPROVE CAPITAL PROJECT NO. 8A069
APPROVE PROJECT BUDGET AND APPROPRIATION ADJUSTMENT
AUTHORIZE USE OF JOB ORDER CONTRACT
(FY 2024-25)
(SUPERVISORIAL DISTRICT 1)
(3-VOTES)**

SUBJECT

Approval of the recommendations will find the LA Plaza De Cultura Y Artes Roof and Exterior Wall Repair Project exempt from the California Environmental Quality Act, establish and approve Capital Project No. 8A069, approve the project budget and appropriation adjustment, and authorize the Director of the Internal Services Department, or designee, to deliver the proposed project using a Board-approved Job Order Contract.

IT IS RECOMMENDED THAT THE BOARD:

1. Find the proposed LA Plaza De Cultura Y Artes Roof and Exterior Wall Repair exempt from the California Environmental Quality Act for the reasons stated in this letter and in the record of the project.
2. Establish and approve the proposed LA Plaza De Cultura Y Artes Roof and Exterior Wall Repair Project, Capital Project No. 8A069 with a total budget of \$3,288,000.

3. Approve an appropriation adjustment to transfer \$3,210,000 from the Extraordinary Maintenance budget to the LA Plaza De Cultura Y Artes Roof and Exterior Wall Repair, Capital Project No. 8A069.
4. Authorize the Director of the Internal Services Department, or designee, to deliver the LA Plaza De Cultura Y Artes Roof and Exterior Wall Repair using a Board-approved Job Order Contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommendations will find the proposed LA Plaza De Cultura Y Artes Roof and Exterior Wall Repair Project (Project) exempt from the California Environmental Quality Act (CEQA), establish and approve Capital Project No. 8A069, approve the project budget and appropriation adjustment, and authorize the Internal Services Department (ISD) to deliver the proposed Project using a Board-approved Job Order Contract (JOC).

The proposed project will repair the existing roof and exterior wall façade of the LA Plaza De Cultura Y Artes (LA Plaza) plaza house, Vickrey-Brunswick, and shop buildings located at 501 N Main St, Los Angeles, CA 90012. LA Plaza is a community hub which celebrates and promotes Latinx culture through various exhibitions and programs. Water has been leaking into the LA Plaza building which will be addressed by replacing the existing roofing assemblies and patching up the exterior walls.

The proposed repair work includes the removal and replacement of the existing roof assembly, structural deck, drains, sheathing, flashing, coping, curbs, window sealant, doors with associated door hardware and frames, door headers, painting, window sealant, bricks, mortar, and waterproof brick sealer.

The estimated project duration will be approximately two (2) months which includes construction and project completion.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: North Star 3: Realize Tomorrow's Government Today, Focus Area Goal G: Internal Controls and Processes, Strategy ii. Manage and Maximize County Assets by investing in public infrastructure that will improve the operational effectiveness of an existing County asset.

Green Building/Sustainable Design Program

The proposed Project will support the Board's Green Building/Sustainable Design Program by incorporating design features that will optimize energy efficiency.

The project would be designed and constructed to comply with Title 24 of the California Code of Regulations. Title 24 contains building standards to conserve electricity and natural gas in new and existing buildings within the State. When possible, ISD will document all Title 24 related improvements

that qualify for Leadership in Energy and Environmental Design (LEED) building points to apply toward future LEED certification for the County building.

FISCAL IMPACT/FINANCING

The total cost for the proposed Project is currently estimated at \$3,288,000, which includes design, construction, change order allowance, inspection/testing, civic art allocation, and ISD county services (Enclosure A). Pre-construction costs of approximately \$78,000 were previously paid and funded through the Extraordinary Maintenance budget in FY 2023-24.

Approval of the enclosed appropriation adjustment (Enclosure B) will transfer \$3,210,000 from the Extraordinary Maintenance budget to the LA Plaza De Cultura Y Artes Roof and Exterior Wall Repair, Capital Project No. 8A069, to fully fund the proposed Project.

Operating Budget Impact

The proposed scope of work consists of repairs and remodeling made to an existing space. Therefore, following the completion of the proposed project, if approved, ISD does not anticipate any one-time start-up or additional ongoing costs as a result of the proposed project.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Local and Targeted Worker Hire Policy, updated on May 17, 2023, the proposed Project will have a mandatory hiring requirement of at least thirty percent (30%) Local Workers and 10 percent (10%) Targeted Workers.

In accordance with the Board's Civic Art Policy, adopted on December 7, 2004, and last amended on August 4, 2020, the proposed Project budget includes one percent (1%) of eligible design and construction costs, in the amount of \$8,000, to be allocated to the Civic Art Fund.

ENVIRONMENTAL DOCUMENTATION

The proposed Project is categorically exempt from CEQA. The scope of work consists of repairs to an existing roofing assemblies and exterior walls. Therefore, the work is within certain classes of projects that have been determined not to have a significant effect on the environment in that it will meet the criteria set forth in Sections 15301(d), 15302, 15303, and 15331 of the State CEQA Guidelines and Classes 1(c), 2, and 3 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G because it includes repairs and minor alterations to existing public facilities with negligible or no expansion of use, replacement of features with the same purpose and capacity, placement of small equipment and accessory structures, installation of equipment at existing facilities, and the project will comply with the Secretary of the Interior's Standards for Rehabilitation standards to ensure that the project would not adversely affect character defining elements of the Plaza House, Vickrey-Brunswig Building, and shop buildings.

In addition, based on the records of the proposed project, it will comply with all applicable regulations, it is not in a sensitive environment 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 historic resource that would make the exemptions inapplicable.

Upon the Board's approval of the proposed project, ISD will file a Notice of Exemption with the Registrar-Recorder/County Clerk and with the State Clearinghouse in the Office of Planning and Research in accordance with section 21152 of the California Public Resources Code and will post the Notice to its website in accordance with section 21092.2.

CONTRACTING PROCESS

The proposed Project will be delivered using an ISD Board-approved JOC for the construction. The standard Board-directed clauses, including those that provide for contract termination and hiring qualified displaced county employees, are included in all JOCs.

The JOCs contain the Board's required provisions including those pertaining to consideration of qualified County employees targeted for layoffs, as well as qualified GAIN/GROW participants for employment openings, compliance with the Jury Service Ordinance, Safely Surrendered Baby Law, and the Child Support program.

The JOC contractor who will perform the work is required to fully comply with applicable legal requirements, which among other things, include Chapters 2.200 (Child Support Compliance Program) and 2.203 (Contractor Employee Jury Service Program) of the Los Angeles County Code, and Section 1774 of the California Labor Code pertaining to payment of prevailing wages.

For this Project, ISD has made the determination that the use of a JOC is the most appropriate contracting method to perform the tasks involved. Specifically, to the extent the project entails repair, remodeling, refurbishment, or alteration, and the cost of such project exceeds \$50,000, such project would have to be performed via a competitively-procured construction contract, such as a JOC, not by county employees, due to the "Force Account" limitations set forth in the Public Contract Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will have minimal impact on current county services. The project will be phased accordingly to minimize disruptions to current services during the construction phase.

CONCLUSION

Please return one adopted copy of the board letter to ISD Operations Service and the Chief Executive Office – Capital Programs Division.

Respectfully submitted,

Michael Owh
Director

MO:ME:TD:sy

Enclosures

C: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel
Arts and Culture (Civic Art Division)

DRAFT

**PROJECT INFORMATION SHEET
SCHEDULE AND BUDGET SUMMARY**

PROJECT :	LA Plaza De Cultura Y Artes Roof and Exterior Walls Repair
CAPITAL PROJECT NO. :	8A069

I. PROJECT SCHEDULE		
Project Activity	Duration	Scheduled Completion Date
Complete Construction Documents	Complete	July 2024
Jurisdictional Approval	In progress	Aug 2024
Award Construction Contract	1 months following Board approval	Oct 2024
Substantial Completion	3 months following Board approval	Jan 2025
Project Acceptance	4 months following Board approval	Feb 2025

II. BUDGET SUMMARY	
Budget Category	Proposed Budget
Construction	
Construction	\$ 2,185,000.00
Change Orders (Contingency)	\$ 242,000.00
Subtotal	\$ 2,427,000.00
Civic Art (if not exempt)	\$ 8,000.00
Plans and Specifications	\$ -
Jurisdictional Review/Plan Check/Permits	\$ 108,000.00
County Services (ISD Indirect)	\$ 745,000.00
Total Project Budget	\$ 3,288,000.00

PINK(1)

BOARD OF SUPERVISORS
OFFICIAL COPY

BA FORM 10142022

September 24, 2024

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

**ADJUSTMENT REQUESTED AND REASONS THEREFORE
FY 2023-24
3 - VOTES**

SOURCES		USES	
EXTRAORDINARY MAINTENANCE A01-CF-2000-12810 SERVICES & SUPPLIES DECREASE APPROPRIATION	3,210,000	CHIEF EXECUTIVE OFFICE LA PLAZA DE CULTURA Y ARTES ROOF AND EXTERIOR WALL REPAIR A01-CP-6014-65076-8A069 CAPITAL ASSETS - B & I INCREASE APPROPRIATION	3,210,000
SOURCES TOTAL	\$ 3,210,000	USES TOTAL	\$ 3,210,000

JUSTIFICATION

Reflects the transfer of \$3,210,000 from the Extraordinary Maintenance budget to La Plaza de Cultura y Artes Roof and Exterior Wall Repair, Capital Project No. 8A069, to fully fund the project.

AUTHORIZED SIGNATURE AMIR ALAM, MANAGER, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---	<input type="checkbox"/> ACTION	<input type="checkbox"/> APPROVED AS REQUESTED
	<input type="checkbox"/> RECOMMENDATION	<input type="checkbox"/> APPROVED AS REVISED
AUDITOR-CONTROLLER	BY _____	CHIEF EXECUTIVE OFFICER
B.A. NO. _____	DATE _____	BY _____
		DATE _____

EXECUTIVE OFFICE

SUMMARY: On July 9, 2024, the Board of Supervisors adopted an ordinance creating the Office of County Hearing Officer ("OCHO"), to be in and administered by the Office of County Counsel.

The OCHO will allow for attorneys with appropriate training to serve as Hearing Officers on matters involving the adjudication of administrative citations or other enforcement actions by Departments, ensuring a higher quality, and fair hearing process designed to provide due process to hearing participants and serve as an arm of protection to the public.

The ordinance requires the Office of County Counsel to create Rules and Procedures for the administration of the program and the operation of the hearings.

RULES AND PROCEDURES

The Rules and Procedures ("Rules") carry out the provisions of the ordinance establishing the OCHO, pursuant to Los Angeles County Code sections 2.14.036 and 2.14.037. The Rules provide operations requirements related to Hearing Officer qualifications, selection, training, and assignment, and procedures for the conduct of the hearings and issuance of decisions.

The Rules are intended to ensure fair hearings and due process for all participants and will be provided to all hearing participants, publicly available, and posted on a dedicated OCHO webpage.

Hearing Officers' Selection, Qualifications, Training, and Assignment (Sections 2, 3, and 4)

- Hearing Officers will be selected from interested and qualified attorneys in the Office of County Counsel who are Senior Deputy County Counsel or managers. Qualifications include a minimum of ten (10) years as a practicing attorney, current California State Bar membership, relevant legal experience, demonstrated knowledge of applicable laws and regulations, good writing skills, and no assignments that would conflict with the Hearing Officer responsibilities.
- We anticipate starting with approximately 15-20 available Hearing Officers. Hearing Officers will not receive any additional compensation for this service. Hearing Officers will participate in a robust training program covering pre-hearing proceedings, due process, hearing procedures, evidence collection and admission, engaging with non-attorney parties, ethical issues for Hearing Officers, researching and drafting decisions, and elimination of implicit bias.

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- Assignments of Hearing Officers will be done on a random selection basis ensuring that possible conflicts of interest are determined in advance of the random selection. All parties will have one opportunity to strike a selected Hearing Officer without citing a specific reason and a new random selection will take place. Parties will have unlimited opportunities to challenge an assigned Hearing Officer for cause. The OCHO will determine the outcome for cause challenges. Hearing Officers are required to recuse themselves if a conflict of interest arises or is discovered. If a Hearing Officer becomes unavailable for any reason, another will be randomly selected.

Preventing Conflicts of Interest and Establishing Ethical Walls (Section 5)

- To avoid conflicts of interest, the OCHO will maintain a list of all designated Hearing Officer's County Counsel Division and client assignments for a period of twelve (12) months before selection and for the duration of the assignment. The list will be reviewed before each assignment.
- Memoranda regarding conflicts of interest and ethical wall policies will be distributed to each Hearing Officer upon assignment for their review and acknowledgement. The OCHO will keep records of the signed acknowledgement.

Pre-Hearing Procedures and Addressing Special Circumstances (Sections 6, 7, 8, and 9)

- Parties will be notified of the assigned Hearing Officer and can request subpoenas for personal attendance or documents. Hearing Officers may schedule pre-hearing conferences to resolve or narrow issues for the hearing. Notice of the time, date, and location of the hearing will be provided to all parties. While virtual hearings using the Teams platform are expected to be more common, in-person hearings at the Hall of Administration are also available.
- Parties can submit requests to the OCHO for a continuance or cancellation of a hearing, accommodations necessary to participate in a pre-hearing conference or hearing, and for language assistance or access for any OCHO proceeding. The OCHO will make every effort to grant the requests to ensure participants have fair and reasonable access to the hearing proceedings and understand the importance proceedings.

OCHO Recordkeeping (Section 10)

- The OCHO requires safe proper recordkeeping of its administrative record and all Hearing Officers' records, including notes, research, draft decisions with proper security profiles on documents to wall-off materials used by the Hearing Officers from County Counsel attorneys representing County Departments. Likewise, County Counsel attorneys representing County Departments are required to wall off their files to prevent inadvertent access by any OCHO staff or Hearing Officer.
- The OCHO will create and maintain the administrative record for each proceeding in a separate file. Subject to legal and/or confidentiality requirements, the contents of the administrative record file will be available to the parties to the proceedings and members of the public upon request.



General Hearing Procedures (Section 11)

- OCHO hearings will be conducted as required by the legal requirements of State law or County Code but will be less formal than civil court proceedings. Hearings will be held on the date and time and at the location specified in the notice of hearing provided to all parties.
- The parties and/or their representatives shall attend the hearing and have the right to present witnesses and evidence. Witnesses can appear in-person, telephonically, or virtually. Evidence must be relevant and can include direct evidence and hearsay evidence. Any evidence offered by any party should be available for all parties and the Hearing Officer at the hearing. The parties may make closing arguments at the conclusion of the hearing. Hearing Officers may rule against any party who fails to appear at the hearing after receiving proper notice or may deem the request for hearing withdrawn.
- A general outline of proceedings should include a review of the hearing notice for sufficiency, roll call of all parties present, and the administration of an oath to all witnesses. All parties will have the opportunity to present evidence and witnesses and to cross-examine witnesses offered by other parties, and the Hearing Officer is permitted to question all witnesses. The Hearing Officer will rule on objections and the admission of evidence and can close the proceeding when submission of evidence and arguments are completed.
- The Hearing Officer has the authority to resolve the dispute between the parties according to State law or County Code, including the disposition of monetary fines or penalties, suspension/revocation of licenses or permits, and make orders related to a determination of violation of a County Code or the resolution of a nuisance abatement. Decisions shall be based on admissible evidence and enforcing County Departments are required to prove the allegation by a preponderance of the evidence.
- The Hearing Officer shall advise the parties that a written decision will be issued within a specified time. Written decisions shall include the factual and legal basis for the decision.
- Parties may make a written request for reconsideration of the decision by demonstrating an administrative or ministerial error on the part of the OCHO or the Hearing Officer.
- Hearing Officers shall advise parties of their right to file a petition for writ of mandate with the Los Angeles Superior Court for review of the final administrative decision.

Hearing Officer Decisions (Section 12)

- Hearing Officers will issue written decisions or recommendations in accordance with the time requirements established by law for each hearing type. Hearing Officers may seek additional time to issue the written decision and shall notify all parties of the request.

SUMMARY

These Rules are intended to provide full, fair, and timely hearings to all parties, ensure due process, and allow for hearing participants to have a clearer understanding of the OCHO administrative hearing process and the issues facing them at their hearing.



**RULES AND PROCEDURES FOR THE ADMINISTRATION OF
THE OFFICE OF COUNTY HEARING OFFICER**

OFFICE OF COUNTY HEARING OFFICER

1.0 Purpose, Rules, and Applicability

1.01 Purpose

The Office of County Hearing Officer (OCHO) is established within the Office of the County Counsel ("County Counsel") pursuant to Los Angeles County Code Chapter 2.14 to independently conduct administrative hearings on matters within the jurisdiction of Los Angeles County. Hearing Officers appointed by the County Counsel act independently from the agencies appearing before the OCHO in hearings, mediations, and all other administrative matters.

1.02 Rules and Procedures

Pursuant to Los Angeles County Code Sections 2.14.036 and 2.14.037, the OCHO adopts these rules and procedures of administration ("Rules") to carry out the provisions of the Los Angeles County Code establishing the OCHO. The Rules also provide operational requirements related to Hearing Officer qualifications, selection, training and assignment, hearing fairness, and the conduct of hearings.

1.03 Application of Rules and Procedures

These Rules apply to all matters assigned for hearing to the OCHO and will govern the management and elimination of conflicts of interest and the elimination of bias. The OCHO will be responsible for maintaining records of all hearings and written Hearing Officer decisions for matters assigned to the OCHO.

HEARING OFFICERS

2.0 Qualified and Trained Hearing Officers

The OCHO's intent is to provide highly qualified and trained independent Hearing Officers.

2.01 Hearing Officer Qualifications

Hearing Officers will be Senior Deputy County Counsels or managers with experience and qualifications such as:

- a) Minimum of ten (10) years of experience and be a current member of the California State Bar.
- b) Legal experience relevant to the role of a Hearing Officer.
- c) Demonstrated knowledge of applicable laws and regulations.

- d) Demonstrated good writing skills.
- e) Holding an assignment that does not conflict with the ability to conduct Administrative Hearings.
- f) Any additional criteria deemed relevant by County Counsel.

2.02 Hearing Officer Selection Process

County Counsel attorneys who volunteer and qualify will be selected by a panel comprised of the Assistant County Counsel over the OCHO, the Chief of Staff, and the two Chief Deputy County Counsels, with final approval of the OCHO Hearing Officer list by the County Counsel.

2.03 List of Qualified Hearing Officers

The list of qualified and selected Hearing Officers will be published on the OCHO's public-facing webpage. The roster will include each Hearing Officer's current division assignment in County Counsel.

TRAINING

3.0. Hearing Officer Training

The OCHO will provide a robust training program for newly selected Hearing Officers. The training program will be designed to cover essential topics necessary for effective Hearing Officer performance. No Hearing Officer will be assigned to conduct hearings until they have completed the mandatory training program.

The training program will include, but is not limited to, the following topics:

- a) Pre-hearing procedures: Detailed guidance on scheduling, notifications, and procedural requirements before hearings.
- b) Due process: Understanding the principles and application of due process in administrative hearings.
- c) Hearing process and procedure: Techniques for conducting hearings, maintaining decorum, and managing proceedings effectively.
- d) Evidence collection: Methods for evaluating evidence presented during hearings.
- e) Engaging with non-attorney litigants: Strategies for communicating effectively and respectfully with individuals who do not have legal representation.
- f) Ethical issues, including cultural competencies and implicit bias: Awareness and mitigation of potential biases in decision-making processes.
- g) Research and drafting post-hearing decisions: Skills for conducting legal research, analyzing evidence, and writing clear and reasoned decisions.

- h) All Hearing Officers will be required to meet California State Bar and County Counsel requirements for mandatory continuing legal education, including annual training on elimination of bias and implicit bias.

ASSIGNMENT OF HEARING OFFICERS

4.0 Assignment to Individual Cases

This Rule outlines the process for notifying Hearing Officers and hearing parties of a case assignment. Hearing Officers will be selected randomly from a designated pool on a rotating basis to promote fairness, objectivity, and impartiality in the handling of cases; provide variety in administrative hearings; and allow for timely resolution of disputes. The OCHO will implement a rotation assignment system for its Hearing Officers.

4.01 Notification of Assignment of Hearing Officer

The OCHO will notify the selected Hearing Officer and all parties to the hearing by email within four (4) business days of the initial assignment.

4.02 Assignment Sheet

The OCHO creates an assignment sheet for each hearing that includes the name and contact information for the Hearing Officer, department representative, and responsible person, and notifies the Hearing Officer, appellant, and department representative.

4.03 Parties' Ability to Strike Hearing Officers

Each party shall have five (5) business days from the date of the notice of assignment to file a written objection to the assigned Hearing Officer without citing specific reasons for the objection. Each party shall only have this opportunity as to one Hearing Officer. Upon receipt of the written objection, the OCHO shall randomly select and assign a new Hearing Officer. Upon receipt of the notification of the newly-assigned Hearing Officer, any party that has not previously filed an objection to a Hearing Officer in the matter may do so. The objection to an assignment of new Hearing Officers may continue until each party has exhausted their one objection, at such time the final assigned Hearing Officer shall preside.

Notwithstanding a party's written objection to an assigned Hearing Officer without citing specific reasons, a party with a specific reason or cause to object to the assigned Hearing Officer may file that objection within five (5) days of the notification of Hearing Officer assignment. The OCHO will notify the assigned Hearing Officer of the objection, consider the reasons listed for the objection, and will notify the parties of its determination on the request. If the OCHO determines that a different Hearing Officer should be assigned, the OCHO shall randomly select and assign a new Hearing Officer. If the OCHO determines the reason cited does not merit a reassignment, the Hearing Officer assignment will remain. This process may be repeated until objections for cause to the assigned Hearing Officer by all parties are fully resolved.

4.04 Unavailability of Hearing Officer

If a Hearing Officer becomes unavailable after a hearing has opened or concluded, the OCHO may transfer the case to another Hearing Officer for the purposes of further hearing or preparation of the decision. The OCHO shall not assign any Hearing Officer previously disqualified by any party to the subject hearing in accordance with Rule 4.03.

CONFLICTS OF INTEREST

5.0 Preventing Conflicts of Interest

This Rule outlines the protocol for maintaining a list of current assignments and reviewing the last twelve (12) months of assignments for each Hearing Officer to detect conflicts of interest in pending hearing matters.

5.01 Record of Hearing Officer Assignments

The OCHO will maintain an updated list of current assignments for all Hearing Officers within the designated pool. This list will include details of ongoing cases and any other relevant professional engagements or personal circumstances that could impact their ability to fairly adjudicate the hearing. Periodically, the OCHO will review the activities and assignments of each Hearing Officer over the past twelve (12) months. This review will encompass cases handled, clients represented, and any other professional activities that could potentially create conflicts of interest.

5.02 Reviewing Hearing Officer Assignments Upon Assignment

Before assigning a Hearing Officer, the OCHO will cross-reference the pending matter with the list of current assignments and the activities of the Hearing Officer over the past twelve (12) months. If any potential conflict of interest is identified where a Hearing Officer has prior involvement or a professional relationship that may compromise impartiality, the OCHO will remove that Hearing Officer from consideration for the assignment. If a conflict of interest is detected after commencement of the hearing, the affected Hearing Officer will be notified of the conflict and will be recused from handling the pending matter to avoid any perceived or actual bias. The OCHO will immediately notify the parties of the recusal of any conflicted Hearing Officer. An alternate Hearing Officer from the designated pool who does not present a conflict will be selected through the established random selection and rotation process.

5.03 Establishing Ethical Walls to Avoid Conflict of Interest or Appearance of Impropriety

Within two (2) business days of the assignment, the OCHO will distribute copies of the Establishing Ethical Walls to Avoid Conflict of Interest or Appearance of Impropriety memo and letters to assigned Hearing Officer on each matter for their review and acknowledgment.

PRE-HEARING PROCEDURES

6.0 General Hearing Process

This Rule outlines the general pre-hearing processes and procedures available in matters assigned to the OCHO. Notwithstanding these Rules, Hearing Officers are required to follow all hearing procedures or requirements set forth in State law or the County Code.

6.01 Assignment of Administrative Hearing to the OCHO

An enforcement department receiving a notice of appeal of an enforcement action or request for appeal of an administrative action can forward the notice or request with all corresponding documents to the OCHO for assignment.

6.02 Scheduling Administrative Hearings Through the OCHO

Upon receiving the appeal or hearing request packet, the OCHO will review the request and determine if it should assign an Hearing Officer and schedule an administrative hearing.

6.03 Subpoenas

Any party seeking to compel the attendance of witnesses or documents (subpoena duces tecum) may file a written application for the issuance of a subpoena with the OCHO. The application shall name and identify the witness or documents sought and the reasons for requesting the subpoena. The requesting party shall serve any subpoenas issued by the OCHO on the witness or custodian of records, with a copy to the opposing party in the hearing or that party's representative, no later than five (5) business days before the scheduled date of the hearing for which the attendance or documents are needed. Any challenge to the subpoena must be filed with the OCHO no later than two (2) business days before the same scheduled date.

6.04 Pre-Hearing Conference

Once the Hearing Officer is assigned in accordance with Rule 4.0, the OCHO will contact the department representative and responsible person (or counsel, if represented) to determine a mutually agreed upon hearing date, as well as scheduling an optional pre-hearing conference. Pre-hearing conferences can be virtual or telephonic. In the absence of an agreement, the OCHO shall have the authority to set the date and time for the hearing.

For the pre-hearing conference, the Hearing Officer may request position statements, as well as submission of all evidence and witness lists, and other information the Hearing Officer deems necessary. During the pre-hearing conference the Hearing Officer will:

- a) Confirm that parties are fully informed of the issues covered by the hearing and have access to necessary records so they can sufficiently prepare for the hearing.

- b) Determine whether the hearing will be virtual or in-person, indicating the preference to conduct the hearing virtually via the TEAMS platform to enhance accessibility, minimize disruptions to business operations, eliminate parking fees, and facilitate easier access for appellants and other parties involved in proceedings across the vast Los Angeles County.
- c) Determine if the responsible person requires special accommodations, e.g., a translator.
- d) Determine the issue, obtain stipulations, set a briefing schedule, or take any other action to expedite the hearing.

6.05 Notice of Hearings

Notice of hearing shall be provided in one of the ways outlined below, or as required by the underlying County Code or State law giving rise to the hearing. For hearings governed by Los Angeles County Code Section 1.25.080(E), notice is provided to the responsible person at least ten (10) calendar days in advance of the hearing. Notices for all other types of hearings shall be provided in accordance with the applicable law. The notice must indicate a description of the violation, the opportunity to be heard, and the opportunity to present and rebut evidence, provide an explanation of the hearing officer selection process, and explain the parties' ability to strike one assigned Hearing Officer. Parties will also be notified of the process for requesting a continuance of the hearing date, language access or assistance services, or necessary accommodations.

Notice of the date, time, and location of the hearing may be sent to the parties by either the department or the OCHO. Such notice containing the date, time, and location of the hearing is deemed sufficient notice of the hearing to the parties.

6.06 Virtual Hearings

The OCHO will create a TEAMS invite, ensuring the settings enable videos, microphones, recording, and transcripts. The OCHO will invite all parties and include the video link in the notice. Parties will be instructed to provide the link to their witnesses or other participants. The OCHO may forward the link to all witnesses, if known and requested.

6.07 In-person Hearings

In-person hearings will be in the Kenneth Hahn Hall of Administration located at 500 West Temple Street, Los Angeles, California 90012. Parties will be responsible for their own transportation and parking expenses. The OCHO will provide a contact phone number in the notice of hearing and instruct the parties to call when they arrive at the 2nd floor entrance. The parties will be escorted to the reserved 6th floor Conference Room. In-person meetings may also be provided at other locations at the discretion of the OCHO and notice of the locations are provided to the applicant in advance.

NOTIFICATION AND REQUEST TO THE OCHO FOR HEARING SPECIAL CIRCUMSTANCES

7.0 Requests for Continuance or Cancellation of Hearing

Requests for continuance or cancellation of a hearing shall be made in writing to the OCHO no later than two (2) business days prior to such hearing. Such request shall state the grounds for the request and the position of each party regarding the request. A copy of the request shall be provided on each party to the proceedings and proof thereof filed with the OCHO. Working through the OCHO, the Hearing Officer shall expeditiously rule on the request and communicate the ruling to the parties. Absent an agreement by the parties, the Hearing Officer may deny or grant the continuance request and set a new hearing date. The OCHO may employ a request for continuance form to be used for the ease of the parties. Such form will be available on the OCHO public-facing webpage. Parties are not required to use the form to request a continuance.

8.0 Request for Accommodations

Requests for accommodation for any party to a hearing shall be made during the pre-hearing conference or in writing to the OCHO no later than five (5) business days prior to such a hearing. Such request shall state the grounds for the request and the nature of the accommodation requested. A copy of the request shall be served on each party to the proceedings and proof thereof filed with the OCHO. Working with the Hearing Officer, the OCHO will make every effort to grant any requested reasonable accommodation and will promptly notify the parties of the outcome of the request and if it requires a continuance of the hearing or change in its location or hearing platform. The OCHO may employ a request for accommodation form to be used for the ease of the parties. Such form will be available on the OCHO public-facing webpage. Parties are not required to use the form to make this request.

9.0 Request for Language Access or Assistance

Requests for access to any language other than English for any party or witness to a hearing shall be made at the pre-hearing conference or in writing to the OCHO no later than five (5) business days prior to such hearing. Such request shall state the language access needed and shall indicate whether the need for assistance is for in-person, online, or telephonic participation. A copy of the request shall be served on each party to the proceedings and proof thereof filed with the OCHO. Working with the Hearing Officer, the OCHO will make every effort to grant any requested language access assistance and will promptly notify the parties of the outcome of the request and if it requires a continuance of the hearing or change in its location or hearing platform. The OCHO may employ a request for language access form to be used for the ease of the parties. Such form will be available on the OCHO public-facing webpage. Parties are not required to use the form to make this request.

CREATION AND MAINTENANCE OF THE OCHO AND HEARING RECORDS

10.0 Recordkeeping

The OCHO establishes this policy to ensure proper recordkeeping and the maintenance of an ethical wall to prevent unauthorized access to sensitive materials related to administrative hearings.

10.01 Separating and Protecting Documents and Records in County Counsel

County Counsel will create protocols for internal document management files to isolate materials used by Hearing Officers from others within County Counsel and will establish security protocols to wall-off materials used by the Hearing Officer, including notes, draft decision, and research. County Counsel will also establish security protocols to require County Counsel attorneys representing County departments at hearings to secure their files to prevent inadvertent access by the OCHO staff.

10.02 Maintaining Administrative Record

The administrative record for each case's administrative hearing will be maintained in a separate file that is viewable to County Counsel attorneys involved in the matter. Subject to certain legal and confidentiality requirements, the records will also be available to any party to the proceeding or member of the public upon request. This policy aims to facilitate efficient access to case documents while maintaining confidentiality and safeguarding the integrity of administrative records.

HEARING PROCEEDINGS

11.0 The Administrative Hearing Rules and Process

These are the general procedures for administrative hearings assigned to the Hearing Officers. Proceedings may vary due to the legal requirements of State law or County Code. Variations will be shared with all parties by the Hearing Officer at the outset of each hearing.

11.01 Overview of Administrative Hearing

The OCHO presides over administrative hearings in a manner similar to but less formal than a civil court proceeding. Administrative hearings are usually open to the public but are generally not attended by anyone except the actual parties involved. Under certain circumstances to protect the safety of the parties or witnesses or if required by law, Hearing Officers can order all or portions of a hearing to be closed to the public and can exclude witnesses from hearing proceedings to proceedings until they testify to protect the integrity of the hearing.

11.02 Time and Place of Hearing

Hearings shall be conducted by the OCHO on the date, time, and place specified in the notice provided to the parties.

11.03 Hearing Attendees

The parties and/or their representative or attorney shall attend the hearing and shall have the right to offer witness testimony and evidence. Witnesses can appear in person, telephonically, or virtually. Evidence should be available for all parties and the Hearing Officer to view at the time of the hearing.

11.04 Failure to Appear

Failure of a party to appear at a hearing may be cause for a finding in favor of the opposing party or the matter being deemed withdrawn. The Hearing Officer shall place the fact of the party's failure to appear and make a finding that adequate notice of the hearing was given on the record. In the Hearing Officer's description, additional evidence may be admitted for consideration before making a final decision on the matter.

11.05 Outline of General Administrative Hearing Proceedings

The summary of the hearing proceedings outlined below should be noted as flexible and not all-inclusive. Hearing Officers may change the order of the proceedings or require additional information or actions to ensure a full and fair decision.

- a) Review for proper notice.
- b) Roll call and witness list.
- c) Read citation into the record.
- d) The department or its representative presents its case, including evidence, witnesses, etc.
- e) The Non-County Party is afforded the opportunity to cross-examine or question the department's witnesses.
- f) The Non-County Party will present their case, including evidence, witnesses, etc. The department or its representative will have the opportunity to cross-examine the Non-County Party and the witnesses they offer.
- g) The Hearing Officer may examine all hearing witnesses.
- h) The Hearing Officer may rule on the admission of evidence and testimony.
- i) Closing statements can be made by all parties to the hearing. No additional evidence will be accepted by the Hearing Officer.
- j) The Hearing Officer may ask the parties to prepare draft Findings of Fact and Conclusions of Law and may set a date for submission.
- k) The Hearing Officer will advise the parties of the timing of the written decision, which will be issued in the time and manner required by law. The Hearing Officer will provide information to parties on the finality of the Hearing Officer's decision and the ability to file an administrative writ of mandate in the Los Angeles Superior

Court to appeal the outcome, or alternative process provided by law for a subsequent appeal. General information on writ proceedings, notification of the need to timely file a writ, and referral to the Los Angeles Superior Court for assistance will be provided.

- l) The Hearing Officer will conclude/adjourn the hearing and release parties.

11.06 Continuance Requests

In the discretion of the Hearing Officer, a continuance of the hearing date may be granted upon a request made in accordance with Rule 7.0. Continuance requests should be made in writing, as soon as practicable, but no later than two (2) days before the hearing. Absent extraordinary circumstances, continuances shall not be longer than forty-five (45) calendar days from the originally scheduled hearing date.

After a hearing begins, the Hearing Officer has the discretion and authority to continue the hearing from time to time, to allow for its orderly completion.

11.07 Role of the Hearing Officer

The Hearing Officer is empowered to decide the dispute between the parties, including determining the rights and responsibilities of any party alleged to be in violation of a State law or County Code within the OCHO's jurisdiction. Such determination may include the disposition of a monetary fine or penalty and/or a suspension or revocation of a license or permit, a determination of a violation of a County Code, or the resolution of a nuisance abatement.

11.08 Burden of Proof, Introduction of Evidence, and Procedural Rules During Hearing

The Hearing Officer must consider and observe the following requirements and processes during each administrative hearing before reaching a final decision or recommendation.

- a) Burden of proof.

The enforcing County department has the responsibility of proving the violation leading to the fine, penalty, suspension or revocation, or other abatement order by a preponderance of the evidence, meaning an amount of evidence that is enough to persuade the Hearing Officer that the alleged violation is more likely true than not true, at least 51 percent of the evidence has to support the alleged violation

- b) Evidence Presented at the Hearing.

- 1) Rules of evidence. An administrative hearing does not need to be conducted according to technical rules relating to evidence and witnesses. The rules of evidence for civil court procedures shall not apply in administrative hearings. The weight and reliability of the evidence provided will be determined by the Hearing Officer.

- 2) Witnesses. The parties may present witness testimony as evidence at the discretion of the Hearing Officer. The Hearing Officer, after conducting the initial

procedures of the hearing, may exclude witnesses until their turn to testify. The Hearing Officer may limit the number of witnesses to prevent repetitive testimony in the interest of efficiency.

3) Cross examination by Hearing Officer. At their discretion, Hearing Officers may conduct such cross-examination of the parties or any witness presented.

c) Investigation Reports and Citation Admissible as Evidence of a Violation.

In many cases, the enforcing County department may submit copies of citations or reports prepared by County employees as evidence of the alleged violation without having the employee who prepared the citation or report present at the hearing to testify. The documentation in proper form shall be considered by the Hearing Officer as accurate evidence of the violation, subject to additional evidence or objection during the hearing.

11.09 Evidence Presented at the Hearing

All testimony during a hearing must be under oath or affirmation. Any relevant evidence will be admitted by the Hearing Officer if it is the sort of evidence on which responsible persons can rely on in the conduct of serious affairs, regardless of formal rules of evidence.

Evidence may be classified as "direct evidence" or "hearsay evidence" and must be "relevant" to the case.

"Direct evidence" generally includes documents, objects, or testimony that is personally known by the witness, without relying on information from other people or sources. Some direct evidence must be offered to support the issue before the Hearing Officer.

"Hearsay evidence" is evidence of a statement that was made by someone other than by the witness who is testifying. Hearsay evidence may be introduced to explain or supplement other evidence.

"Relevant evidence" means evidence that proves a party's case.

11.10 Closing Arguments at Conclusion of Hearing

After all the evidence is submitted, the parties may make closing arguments orally or in writing, at the Hearing Officer's direction.

11.11 Process of Rendering a Decision/Recommendation

The Hearing Officer's decisions shall be in writing and shall include a statement of the factual and legal basis for the decision. The Hearing Officer shall issue a written decision within the time limit established by law. The written decision shall be served on the responsible person(s) and the enforcement officer/department in the manner required by law, and may be provided to all parties by email, as well.

11.12 Effects of Hearing Officer's Decision or Recommendation

When a Hearing Officer's decision is required, the written decision shall constitute the final administrative decision of the County. When the Hearing Officer is required to make a recommendation to the Board of Supervisors or other agency, that written recommendation is not a final decision. The Board of Supervisors or other reviewing agency will make final decision after receiving and reviewing the Hearing Officer's recommendation. All final decisions are subject to review by the Los Angeles County Superior Court, unless the County Code provides another process for review.

- a) Imposition of Administrative Fine. If the Hearing Officer confirms the imposition of the full amount of the administrative fine and/or the noncompliance fee, the issuing department shall keep the funds deposited with the hearing request, unless a hardship waiver was granted. If a hardship waiver was granted, the responsible person(s) shall pay the administrative fine and/or the noncompliance fee to the issuing department within twenty (20) calendar days following the date of the Hearing Officer's written decision.
- b) Reduction of Administrative Fine. If the Hearing Officer reduces the administrative fine and/or the noncompliance fee, the issuing department shall refund the appropriate amount of the funds deposited with the hearing request to the responsible person(s) within twenty (20) calendar days from the date of the written decision, unless a hardship waiver was granted, in which case the responsible person(s) shall pay the reduced amount(s) to the issuing department within twenty (20) calendar days following the date of the Hearing Officer's written decision.
- c) Cancellation of Administrative Fine. If the Hearing Officer cancels the administrative fine and/or the noncompliance fee, the issuing department shall refund the entire amount of the funds deposited with the hearing request to the responsible person(s) within twenty (20) calendar days from the date of the written decision, unless a hardship waiver was granted, in which case no further action is necessary.

11.13 Requests for Reconsideration

The Hearing Officer has the authority to review and reconsider any of its prior decision and orders upon a showing of administrative or ministerial error on the party of the OCHO or the Hearing Officer.

Within ten (10) business days after the issuance of an order or final decision, any interested party may file a written request for a request for rehearing or reconsideration stating the specific grounds for the request. All parties to the hearing must be served with request and proof of that service must be provided to the OCHO. Any party may respond to the request within five (5) business days of receiving a copy of it. The Hearing Officer may but is not

required to hold a hearing on the request and will notify all parties in writing of the decision to affirm, modify, or cancel any previous decision or order.

11.14 Requesting the Los Angeles Superior Court Review Hearing Officer Decision

Any party not in agreement with the Hearing Officer's decision can ask the Los Angeles Superior Court to review the hearing decision by filing a petition for writ of mandate, which must be filed with the Los Angeles Superior Court in accordance with the time periods, procedures, and other legal requirements. If no petition for writ of mandate is filed within the allotted time frame, the Hearing Officer's decision shall be deemed confirmed. The Hearing Officer will provide information to the parties on the finality of the Hearing Officer's decision at the County and the need file request review in the Los Angeles Superior Court to appeal the outcome.

WRITTEN HEARING OFFICER DECISIONS AND RECOMMENDATIONS

12.0 Timeliness of Decisions and Recommendations

The Hearing Officers are required to issue written decisions or recommendations in accordance with time requirements established by law.

12.01 Timing of Written Decision or Recommendation

The underlying County Code or State law regarding the subject of the hearing will establish the number of days to issue a written decision to all parties. A Hearing Officer shall prepare a report containing findings of fact, conclusions or law, and a final decision.

12.02 Delay in Issuance of Written Decision

With notice to the hearing parties, the Hearing Officer may seek from the OCHO a time extension to issue the written decision. However, a Hearing Officer may not act to modify or waive any of the specific time requirements set forth in the underlying County Code or State law for filing their report without the consent of the OCHO and the parties to the hearing.