RECOMMENDATIONS

1. Find, in accordance with Charter Section 371(e)(2) and Los Angeles Administrative Code Section 10.15(a)(2), that competitive bidding is not practicable or advantageous as it is necessary for the Department of Recreation and Parks (RAP) to be able to call upon contractors to perform this work as-needed and on an occasional, but frequent, basis without engaging in a new competitive bidding process for each individual project to be performed; however, from among as-needed contractors each individual project is assigned on the basis of availability of an as-needed contractor to perform the work, the price to be charged and the unique expertise of the as-needed contractor.

2. Find, in accordance with Charter Section 371(e)(10), that use of competitive bidding would be undesirable, impractical or impossible or is otherwise excused by the common law and the Charter because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by RAP to provide heating, ventilation, and air conditioning construction, retrofit, maintenance and/or repair projects.

3. Find, in accordance with Charter Section 372, that obtaining competitive proposals or bids for each individual project for which work may be performed pursuant to this agreement is not reasonably practicable or compatible with RAP’s interest of having available as-needed contractors who are assigned various projects on the basis of availability, price, and expertise, and that it is therefore necessary to have several as-needed contractors for this type of service available when called upon by RAP to perform services.
4. Find, in accordance with Charter Section 1022, that the Department of Recreation and Parks (RAP) does not have available in its employ personnel with sufficient time or necessary expertise to undertake all of the park facilities’ heating, ventilation, and air conditioning construction, retrofit, maintenance and/or repair projects in a timely manner, and it is more feasible, economical, and in RAP’s best interest to secure these services by contract with several contractors to perform this work as-needed and on an occasional, but frequent, basis without engaging in a new competitive bidding process for each individual project to be performed.

5. Approve the proposed contracts (Contracts), substantially in the form on file in the Board Office, between RAP and the following contractors listed below for as-needed heating, ventilation, and air conditioning construction, retrofit, maintenance and/or repair services for a three-year period, in an amount not to exceed Seven Million Dollars ($7,000,000) per year, specifying the terms and conditions, subject to approval of the Mayor and the City Attorney as to form.

Contractors:

ABM Building Solutions, LLC
152 Technology Drive
Irvine, California 92618

Applied Air Conditioning, Inc.
4250 Artesia Avenue
Fullerton, California 92833

Diversified Thermal Services, Inc.
1220 North Barsten Way
Anaheim, California 92806

F.M. Thomas Air Conditioning, Inc.
231 Gemini Avenue
Brea, California 92821

6. Direct the Board of Recreation and Park Commissioners’ (Board) Secretary to transmit the proposed Contracts to the Mayor in accordance with Executive Directive No. 3 and to the City Attorney for review and approval as to form.

7. Authorize RAP’s General Manager to make technical corrections as necessary to carry out the intent of this Report;

8. Authorize the Board President and Secretary to execute the Contracts upon receipt of the necessary approvals.
SUMMARY

RAP is in need of heating, ventilation, and air conditioning construction, retrofit, maintenance and/or repair services, which current staffing can only provide on a limited basis because RAP does not have available in its employ personnel with sufficient time or the necessary expertise. Therefore, one (1) or more heating, ventilation, and air conditioning construction, retrofit, maintenance and/or repair contracts are required. With over 440 park locations under the jurisdiction of RAP, heating, ventilation, and air conditioning construction, retrofit, maintenance and/or repair service contracts are critical to maintaining and expanding our current park facility infrastructures.

These Contracts will provide RAP with additional resources to perform heating, ventilation, and air conditioning construction, retrofit, maintenance and/or repair services to help supplement current City forces. In addition, these as-needed Contracts will provide RAP a tool to meet current and future heating, ventilation, and air conditioning construction, retrofit, maintenance and/or repair projects.

On August 9, 2017, the Board approved a Request for Qualifications (RFQ) for Heating, Ventilating, and Air Conditioning Construction, Retrofit, Maintenance and/or Repairs (Board Report No. 17-179), which was released on October 26, 2017. On November 28, 2017, a Mandatory Pre-Qualifications Conference was held; and on December 14, 2017, a Non-Mandatory Technical Review Conference was held. On January 4, 2018, the deadline for submission of proposals; RAP received seven (7) proposals in response to the RFQ. The responders were:

1) ABM Building Solutions, LLC
2) ACCO Engineered Systems, Inc.
3) Applied Air Conditioning, Inc.
4) Diversified Thermal Services, Inc.
5) F.M. Thomas Air Conditioning, Inc.
6) South Coast Mechanical, Inc.
7) Zodiac Heating & Air Conditioning, Inc.

Responses were evaluated in two (2) levels. Level I review was conducted by RAP staff for minimum qualifications as stated in the RFQ. The minimum qualifications determine the responder’s knowledge and experience to perform terms and specifications in the contract. If RAP staff cannot verify a responder’s minimum qualifications, it may result in the disqualification of a responder. Level II review consisted of evaluating all required compliance and submittal documents as required per City ordinance. The responder must successfully pass Level I review before staff will proceed to Level II review.

South Coast Mechanical, Inc. submitted a response but failed to complete the Business Inclusion Program as required. Zodiac Heating & Air Conditioning, Inc. submitted a response after the deadline for submission had passed. Due to these reasons, these two (2) responders are not recommended for consideration for a contract award under the RFQ.
ACCO Engineered Systems, Inc. (Acco) submitted a timely response; however, Acco failed to submit a complete list meeting the qualified minimum requirements as stated in the RFQ. Additionally, Acco Engineered Systems, Inc. failed to sign and date Form D, the Information Release Form. Due to these reasons, Acco is not recommended for consideration for a contract award under the RFQ.

The following responders were deemed disqualified by RAP staff and/or not recommended for consideration for a contract award under the RFQ because of the stated reasons above:

1) ACCO Engineered Systems, Inc.
2) South Coast Mechanical, Inc.
3) Zodiac Heating & Air Conditioning, Inc.

RFQ responses were evaluated for the minimum qualifications (as stated in RFQ Document). The minimum qualifications as set forth determined the responder’s knowledge and experience to perform the terms and specifications of the contract. It was found through review and verification by RAP staff that the following responders met and/or exceeded the minimum qualifications as set forth in the RFQ:

1) ABM Building Solutions, LLC
2) Applied Air Conditioning, Inc.
3) Diversified Thermal Services, Inc.
4) F.M. Thomas Air Conditioning, Inc.

Once it was determined that respondents met all of the minimum qualifications, RAP staff verified with the references provided by the qualified respondents. Questions were posed regarding respondent’s ability to produce a quality product, meet all necessary standards, and complete projects in a timely manner. The business references for each respective respondent were also asked whether the respondent was timely and effective in their correspondence with governing agencies. All of the references for each respective respondent who met our minimum qualifications responded favorably to questions and highly recommended each respective respondent. It was then determined that the aforementioned respondents should be included in a pre-qualified list for providing heating, ventilation, and air conditioning construction, retrofit, maintenance and/or repairs and eligible to bid on future RAP projects.

The following four (4) responders met the minimum qualifications and requirements for the RFQ for heating, ventilation, and air conditioning construction, retrofit, maintenance and/or repairs as specified in the RFQ. All four (4) were highly recommended by all business references across all criteria. Therefore, RAP staff recommends the following contractors receive a contact award.

1) ABM Building Solutions, LLC
2) Applied Air Conditioning, Inc.
3) Diversified Thermal Services, Inc.
4) F.M. Thomas Air Conditioning, Inc.

RAP is seeking authorization from the Board for the Board President and Secretary to execute a contract with each of the qualified respondents, subject to City Attorney’s and Mayor’s approval.
The selected pre-qualified contractors are recommended to the Board for a three-year contract, in an amount not-to-exceed an annual expenditure of Seven Million Dollars ($7,000,000.00) per year. The contract amount is an estimate and RAP does not guarantee that the contract maximum amount will be reached. The contracted services that RAP is requesting shall be on an as-needed basis. RAP, in entering into an agreement, guarantees no minimum amount of business or compensation. The contract awarded through this RFQ shall be subject to funding availability and early termination by RAP, as provided in the Standard Provisions for City Contracts (Rev. 10/17)[v.3]. Funding for projects will be provided from various funding sources.

FISCAL IMPACT STATEMENT

Executing these as-needed Contracts has no impact to RAP’s General Fund as funding will be identified on a per-project basis.

Board report prepared by Stewart Young, Management Analyst II, reviewed by Robert Feld, Senior Management Analyst I, Finance Division.

LIST OF ATTACHMENTS/EXHIBITS

Exhibit A – Proposed Contract
This CONTRACT (“Contract” or “Agreement”) is made and entered into this _____ day of _____________ 2018, by and between the City of Los Angeles, (herein referred to as “CITY”), a municipal corporation, acting by and through its Department of Recreation and Parks (hereinafter referred to as “RAP”), acting by and through its Board of Recreation and Park Commissioners (herein referred to as “BOARD”), and NAME OF COMPANY, (hereinafter referred to as “CONTRACTOR”). CITY and CONTRACTOR shall be referred to hereinafter as the “Parties”.

RECITALS

WHEREAS, RAP owns various facilities and infrastructure throughout the City of Los Angeles and is responsible for the maintenance and improvements for such facilities and infrastructure;

WHEREAS, RAP requires the services of an experienced and responsible CONTRACTOR to perform the construction, retrofit, maintenance and/or repairs related to Heating, Ventilation, and Air Conditioning (herein referred as “HVAC”) in the CITY;

WHEREAS, a Request for Qualification (RFQ) was released on October 26, 2017, and seven (7) responses to the RFQ were received on January 4, 2018;

WHEREAS, the CONTRACTOR’S response met the minimum requirement for the HVAC construction, retrofit, maintenance and/or repairs of RAP’s facility as specified in the Request for Qualification (RFQ);

WHEREAS, CONTRACTOR has the necessary equipment and staff possessing sufficient knowledge, expertise, and experience required to provide the necessary services and has indicated its willingness to perform such services;
WHEREAS, RAP, pursuant to Charter Section 371(e)(2), finds that competitive bidding is not practicable or advantageous as it is necessary for RAP to be able to call on contractors to perform this work as-needed and on an occasional, but frequent, basis without engaging in a new competitive process for each individual project to be performed; however, from among as needed contractors each individual project is assigned on the basis of availability of an as-needed contractor to perform the work, the price to be charged and the unique expertise of the as-needed contractor;

WHEREAS, RAP, pursuant to Charter Section 372 and Los Angeles Administrative Code Section 10.15(a)(2), finds that obtaining competitive proposals or bids for each individual project for which work may be performed pursuant to this Agreement is not reasonably practicable or compatible with RAP’s interests of having available as-needed contractors who are assigned various projects on the basis of availability, price and expertise and that it is therefore necessary to have several as-needed contractors for this type of service available when called upon by RAP to perform services;

WHEREAS, the BOARD, as the contract awarding authority, finds pursuant to Charter Section 1022, that the work can be performed more economically or feasibly by independent CONTRACTORS than by RAP employees because RAP does not have available in its employ, personnel with sufficient time or the necessary expertise to undertake HVAC construction, retrofit, maintenance and/or repairs in a timely manner, and therefore it is more feasible and economical and in the RAP’s best interest to secure these services by contract with CONTRACTOR to perform this work as-needed and on an occasional, but frequent basis, without engaging in a new competitive bidding process for each individual project to be performed;

NOW, THEREFORE, RAP AND CONTRACTOR, in consideration of the recitals above and of the terms, covenants, and conditions contained herein, agree as follows:

SECTION 1 - PARTIES TO CONTRACT, REPRESENTATIVES AND NOTICE

1.1 Parties

The parties to this Contract are:

CITY - The City of Los Angeles Department of Recreation and Parks, a municipal corporation, having its principal office at 221 North Figueroa Street, Suite 350, Los Angeles, California 90012.

CONTRACTOR – NAME AND ADDRESS OF COMPANY.

1.2 Representatives

The representatives of the parties who are authorized to administer this Contract and to whom formal notices, demands and communications will be given for as follows:
CITY’s representative will be:

Michael A. Shull, General Manager (or designee)
Department of Recreation and Parks
221 North Figueroa Street, Suite 350
Los Angeles, California 90012

With copies to:

Ramon Barajas, Assistant General Manager
Planning and Construction Branch, Dept. Rec. & Parks
221 North Figueroa Street, Suite 350
Los Angeles, California 90012

Telephone Number: (213) 202-2661
Fax Number: (213) 202-2611

CONTRACTOR’S representative will be:

NAME OF COMPANY REPRESENTATIVE
NAME OF COMPANY
ADDRESS OF COMPANY
ADDRESS OF COMPANY

Telephone Number: To Be Determined
Fax Number: To Be Determined

1.3 Notices

Formal notices, demands and communications to be given hereunder by either party will be made in writing and may be effected by personal delivery or certified mail, return receipt requested and will be deemed communicated as of the date of receipt.

If the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accord with this ARTICLE, within five (5) working days of the change.

SECTION 2 - TERM OF CONTRACT

The term of this contract shall be for three (3) years from the date of execution of this Agreement, subject to earlier termination by RAP as provided in Appendix A – The Standard Provisions for City Contracts (10/17) [v.3].
SECTION 3 - SERVICES TO BE PERFORMED BY THE CONTRACTOR

3.1 Conduct of Operations

A. At all times, work must conform to all current, relevant Federal, State and Local Municipal Building Codes which may include but not limited to the California “Green Book” Building Codes, Universal Building and, Los Angeles City Building Codes and Electrical Codes.

B. The CONTRACTOR shall endeavor to maintain good public relations at all times. The work shall be conducted in a manner that will cause the least possible interference with or annoyance to the park patrons or park employees.

C. A qualified supervisor shall be present and readily available to CITY personnel and the public during hours of operation at each work site. The site supervisor shall be available to the Contract Inspector at all times during normal working hours. Avoiding contact with the Contract Inspector (Construction and Maintenance Supervisor and or his/her designee) may result in suspension of work without extension of this contract.

D. CONTRACTOR’s working hours must coincide with those of RAP (Monday through Friday, 7:00 a.m. – 3:30 p.m., excluding City holidays). RAP must first approve any deviation from these hours and/or work on weekends and/or holidays.

E. The CONTRACTOR shall carefully protect from damage all existing trees, shrubs, plants, fences, and other features, as well as structures, fixtures, equipment, signage and property. The CONTRACTOR shall be liable for any and all damage(s) caused by contract operations to such trees, shrubs, plants, other growth and features, as well as any damage to structures, fixtures, equipment, signage or property. Any and all damaged items shall be replaced or restored to their original condition to the satisfaction of the Contract Inspector at CONTRACTOR’s expense.

F. At all times, traffic control measures should conform to the Work Area Traffic Control Handbook, latest edition, published by Building New, Inc. Pedestrian and vehicular traffic shall be allowed to pass through the work area only under conditions of safety and with as little inconvenience and delay as possible. The CONTRACTOR shall provide and maintain adequate barricades and warning devices. Flag persons shall be stationed as reasonably necessary for the safety of persons and vehicles.

G. The roads and pathways shall be left free of debris at the close of each day’s operation.
H. CONTRACTOR will be responsible for all safety requirements and certifications in accordance with CAL-OSHA rules and regulations. It will be the CONTRACTOR's responsibility to assess the work location and implement safety controls and procedures that are compliant with Title 8 of the California Code of Regulations. All projects will be awarded to Contractor as a "Single Employer" in accordance with CAL OSHA classifications. CONTRACTOR will be responsible and have full control over all construction activities as well as safety requirements thereof, for each as-need project awarded.

I. The CONTRACTOR shall notify the Contract Inspector at least 24 hours prior to starting any work under this Contract.

J. If the CONTRACTOR, after having officially started any work under this Contract, should discontinue work for any cause, the CONTRACTOR shall notify the Contract Inspector of intent to do so, and shall further notify the Contract Inspector of the date of re-starting operations.

K. All work shall be completed to the satisfaction of the RAP Contract Inspector. Work will be considered complete only when signed off by the RAP’s Contract Inspector. Work shall be performed to the specifications as determined by the CITY.

L. Failure to comply with any requirement contained herein may result in suspension of work without extension.

M. The Contract Inspector must approve any request for sub-contracting of work prior to such subcontracting.

N. CONTRACTOR shall provide equipment and personnel for all tasks.

3.2 SERVICES TO BE PROVIDED BY THE CONTRACTOR:

CONTRACTOR shall perform HVAC construction, retrofit, maintenance, and/or repairs, which will include, without limitation, the following:

The designing, engineering, permitting, and installation of HVAC equipment, sheet metal ductwork, registers, platforms, electrical and plumbing with weather tight penetration of roof and walls. Services under this Contract will also include: installing complete, fully functional control and energy management systems and startup commissioning with fully completed documentation of all manufacturer's startups sheets and inclusive of operational and maintenance (O & M) manuals, installing new or retrofitting and/or repairing boiler and cooling towers, incidental related work to HVAC maintenance and installation, including roofing, framing,
carpentry, electrical, drywall and painting, as well as other not designated HVAC related work.

SECTION 4 - SERVICES TO BE PROVIDED BY THE CITY

4.1 CITY personnel will work cooperatively with the CONTRACTOR to ensure timely approvals of all items required under this Contract.

4.2 CITY will promptly act, review, and make decisions as necessary to permit the orderly progress of CONTRACTOR’s work under this Contract.

SECTION 5 - INSPECTION

5.1 CONTRACTOR must request final inspection from CITY representative for work completed at each site.

5.2 CONTRACTOR will receive written notification for any services and/or delivery determined by the Project Manager (Construction and Maintenance Supervisor or his/her designee) to be below an acceptable level. This notification shall be in the form of a “Notice to Correct Unacceptable Service.”

5.3 CONTRACTOR shall respond in writing to the Project Manager indicating what steps are being taken to correct the unacceptable service. If unacceptable service is not corrected after the CONTRACTOR receives the “Notice to Correct Unacceptable Service,” payment may be withheld by the CITY until corrections are made.

5.4 If unacceptable service continues, or if the supplier receives three or more such notices, the CITY may terminate this Contract as described in PSC-9 Termination, of the Standard Provisions for City Contracts (10/17) [v.3], attached hereto and incorporated herein by reference as Appendix A.

SECTION 6 - COMPENSATION AND INVOICING

6.1 Compensation

CITY will pay CONTRACTOR an amount for service outlined in the “Notice to Proceed” for each individual project. The total compensation under this Contract will not exceed $7,000,000.00 annually. CITY staff will monitor this not-to-exceed aggregate total. This maximum CONTRACT amount is an estimate, and RAP does not guarantee that the CONTRACT maximum amount will be reached. The professional services that RAP is requesting shall be on an occasional and as-needed basis and the CITY, by entering into this CONTRACT, guarantees no minimum amount of business or compensation.
6.2 CONTRACTOR shall inform CITY of any additional project costs due to unforeseen delays and unexpected changes to the scope of work. Additional project costs shall be itemized by CONTRACTOR and approved by CITY before payment is made to CONTRACTOR.

6.3 Invoicing

CONTRACTOR shall invoice upon completion of a project by submitting two (2) copies of the invoice which details the work performed in accordance to the original scope of work and any approved change orders within 30 days of completion of service.

CONTRACTOR shall submit invoices to:

Department of Recreation and Parks
Attention: Jim Newsom (or designee)
Finance Division
6335 Woodley Ave
Van Nuys, CA 91406

All invoices shall be submitted on CONTRACTOR’S letterhead, containing CONTRACTOR’S official logo, or other unique and identifying information such as the name and address of CONTRACTOR. Staff may request evidence that the task has been completed, in the form of a report, brochure or photographs, shall be attached to all invoices.

Invoices and supporting documentation shall be prepared at the sole expense and responsibility of CONTRACTOR. The City will not compensate CONTRACTOR for costs incurred in invoice preparation. The City may request changes to the content and format of the invoice and supporting documentation at any time. The City reserves the right to request additional supporting documentation to substantiate costs at any time.

Tasks that are completed by subcontractors shall be supported by subcontractor invoices, copies of pages from reports, brochures, photographs, or other unique documentation that substantiates their charges.

Failure to adhere to these policies may result in nonpayment pursuant to Charter Section 262(a), which requires the City Controller to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received by any City office or department, and to approve demands before they are drawn on the Treasury.
SECTION 7 - RATIFICATION

At the request of RAP, and because of the urgent need therefore, CONTRACTOR may have begun performance of services required hereunder prior to the execution of this Agreement. By its execution hereof, RAP hereby accepts such services from CONTRACTOR subject to all of the terms, covenants and conditions of this Agreement, and CONTRACTOR’s performance as such services.

SECTION 8 - INCORPORATION OF DOCUMENTS

This Contract and exhibits represent the entire integrated agreement of the parties and supersedes all prior written or oral representations, discussions, and agreements. The following documents are incorporated and made a part hereof by reference:

Appendix A - Standard Provisions for City Contracts (10/17) [v.3]
Appendix B – Contractor’s Response to the Request for Qualifications

(Signature Page to Follow)
IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their respective duly authorized representatives.

Executed this _____________ day of ____________________, 20__

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners

By

______________________________
PRESIDENT

By

______________________________
SECRETARY

Executed this _____________ day of ____________________, 20__

NAME OF COMPANY

By

______________________________
PRESIDENT

By

______________________________
SECRETARY

Approved as to Form:

Date: ____________________________

MICHAEL N. FEUER,
City Attorney

By ____________________________
HEATING, VENTILATION, AIR CONDITIONING
CONSTRUCTION, RETROFIT, MAINTENANCE AND OR
REPAIR CONTRACT

APPENDIX B

CONTRACTOR’S RESPONSE TO THE REQUEST FOR QUALIFICATIONS

ON FILE IN THE BOARD OFFICE
## TABLE OF CONTENTS

| PSC-1 | Construction of Provisions and Titles Herein | 1 |
| PSC-2 | Applicable Law, Interpretation and Enforcement | 1 |
| PSC-3 | Time of Effectiveness | 1 |
| PSC-4 | Integrated Contract | 2 |
| PSC-5 | Amendment | 2 |
| PSC-6 | Excusable Delays | 2 |
| PSC-7 | Waiver | 2 |
| PSC-8 | Suspension | 3 |
| PSC-9 | Termination | 3 |
| PSC-10 | Independent Contractor | 5 |
| PSC-11 | Contractor’s Personnel | 5 |
| PSC-12 | Assignment and Delegation | 6 |
| PSC-13 | Permits | 6 |
| PSC-14 | Claims for Labor and Materials | 6 |
| PSC-15 | Current Los Angeles City Business Tax Registration Certificate Required | 6 |
| PSC-16 | Retention of Records, Audit and Reports | 6 |
| PSC-17 | Bonds | 7 |
| PSC-18 | Indemnification | 7 |
| PSC-19 | Intellectual Property Indemnification | 7 |
| PSC-20 | Intellectual Property Warranty | 8 |
| PSC-21 | Ownership and License | 8 |
| PSC-22 | Data Protection | 9 |
| PSC-23 | Insurance | ............................................................................................................. | 9 |
| PSC-24 | Best Terms | ............................................................................................................. | 9 |
| PSC-25 | Warranty and Responsibility of Contractor | ............................................................................................................. | 10 |
| PSC-26 | Mandatory Provisions Pertaining to Non-Discrimination in Employment | ............................................................................................................. | 10 |
| PSC-27 | Child Support Assignment Orders | ............................................................................................................. | 10 |
| PSC-28 | Living Wage Ordinance | ............................................................................................................. | 11 |
| PSC-29 | Service Contractor Worker Retention Ordinance | ............................................................................................................. | 11 |
| PSC-30 | Access and Accommodations | ............................................................................................................. | 11 |
| PSC-31 | Contractor Responsibility Ordinance | ............................................................................................................. | 12 |
| PSC-32 | Business Inclusion Program | ............................................................................................................. | 12 |
| PSC-33 | Slavery Disclosure Ordinance | ............................................................................................................. | 12 |
| PSC-34 | First Source Hiring Ordinance | ............................................................................................................. | 12 |
| PSC-35 | Local Business Preference Ordinance | ............................................................................................................. | 12 |
| PSC-36 | Iran Contracting Act | ............................................................................................................. | 12 |
| PSC-37 | Restrictions on Campaign Contributions in City Elections | ............................................................................................................. | 12 |
| PSC-38 | Contractors’ Use of Criminal History for Consideration of Employment Applications | ............................................................................................................. | 13 |
| PSC-39 | Limitation of City’s Obligation to Make Payment to Contractor | ............................................................................................................. | 13 |
| PSC-40 | Compliance with Identity Theft Laws and Payment Card Data Security Standards | ............................................................................................................. | 14 |
| PSC-41 | Compliance with California Public Resources Code Section 5164 | ............................................................................................................. | 14 |
| PSC-42 | Possessory Interests Tax | ............................................................................................................. | 14 |
| PSC-43 | Confidentiality | ............................................................................................................. | 15 |
| Exhibit 1 | Insurance Contractual Requirements | ............................................................................................................. | 16 |
PSC-1. Construction of Provisions and Titles Herein

All titles, subtitles, or headings in this Contract have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this Contract. The language of this Contract shall be construed according to its fair meaning and not strictly for or against CITY or CONTRACTOR. The word "CONTRACTOR" includes the party or parties identified in this Contract. The singular shall include the plural and if there is more than one CONTRACTOR, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. Applicable Law, Interpretation and Enforcement

Each party's performance shall comply with all applicable laws of the United States of America, the State of California, and CITY, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. CONTRACTOR shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this Contract with no additional compensation paid to CONTRACTOR.

In any action arising out of this Contract, CONTRACTOR consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term or provision of this Contract is held void, illegal, unenforceable, or in conflict with any federal, state or local law or regulation, the validity of the remaining parts, terms or provisions of this Contract shall not be affected.

PSC-3. Time of Effectiveness

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

A. This Contract has been signed on behalf of CONTRACTOR by the person or persons authorized to bind CONTRACTOR;

B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;

C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form; and

D. This Contract has been signed on behalf of CITY by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract.
PSC-4. Integrated Contract

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter of this Contract, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in the provisions of PSC-5 hereof.

PSC-5. Amendment

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-3.

PSC-6. Excusable Delays

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this Contract, if the delay or failure arises out of fires, floods, earthquakes, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by the party or any of the party's Subcontractors), freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar events to those described above, but in each case the delay or failure to perform must be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a Subcontractor of CONTRACTOR shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both CONTRACTOR and Subcontractor, and without any fault or negligence of either of them. In such case, CONTRACTOR shall not be liable for the delay or 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 perform timely. As used in this Contract, the term "Subcontractor" means a subcontractor at any tier.

In the event CONTRACTOR'S delay or failure to perform arises out of a Force Majeure Event, CONTRACTOR agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

PSC-7. Waiver

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party’s performance after the other party’s default shall not be construed as a waiver of that default.
PSC-8.  

Suspension

At CITY’S sole discretion, CITY may suspend any or all services provided under this Contract by providing CONTRACTOR with written notice of suspension. Upon receipt of the notice of suspension, CONTRACTOR shall immediately cease the services suspended and shall not incur any additional obligations, costs or expenses to CITY until CITY gives written notice to recommence the services.

PSC-9.  

Termination

A.  Termination for Convenience

CITY may terminate this Contract for CITY’S convenience at any time by providing CONTRACTOR thirty days written notice. Upon receipt of the notice of termination, CONTRACTOR shall immediately take action not to incur any additional obligations, costs or expenses, except as may be necessary to terminate its activities. CITY shall pay CONTRACTOR its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by CONTRACTOR to effect the termination. Thereafter, CONTRACTOR shall have no further claims against CITY under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights CITY is entitled to, shall become CITY property upon the date of the termination. CONTRACTOR agrees to execute any documents necessary for CITY to perfect, memorialize, or record CITY’S ownership of rights provided herein.

B.  Termination for Breach of Contract

1.  Except as provided in PSC-6, if CONTRACTOR fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, CITY may give CONTRACTOR written notice of the default. CITY’S default notice will indicate whether the default may be cured and the time period to cure the default to the sole satisfaction of CITY. Additionally, CITY’S default notice may offer CONTRACTOR an opportunity to provide CITY with a plan to cure the default, which shall be submitted to CITY within the time period allowed by CITY. At CITY’S sole discretion, CITY may accept or reject CONTRACTOR’S plan. If the default cannot be cured or if CONTRACTOR fails to cure within the period allowed by CITY, then CITY may terminate this Contract due to CONTRACTOR’S breach of this Contract.

2.  If the default under this Contract is due to CONTRACTOR’S failure to maintain the insurance required under this Contract, CONTRACTOR shall immediately: (1) suspend performance of any services under this Contract for which insurance was required; and (2) notify its employees and Subcontractors of the loss of insurance coverage and Contractor’s obligation to suspend performance of
services. **CONTRACTOR** shall not recommence performance until **CONTRACTOR** is fully insured and in compliance with **CITY’S** requirements.

3. If a federal or state proceeding for relief of debtors is undertaken by or against **CONTRACTOR**, or if **CONTRACTOR** makes an assignment for the benefit of creditors, then **CITY** may immediately terminate this Contract.

4. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates **CITY’S** laws, regulations or policies relating to lobbying, then **CITY** may immediately terminate this Contract.

5. Acts of Moral Turpitude

a. **CONTRACTOR** shall immediately notify **CITY** if **CONTRACTOR** or any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, any act which constitutes an offense involving moral turpitude under federal, state, or local laws (“Act of Moral Turpitude”).

b. If **CONTRACTOR** or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, an Act of Moral Turpitude, **CITY** may immediately terminate this Contract.

c. If **CONTRACTOR** or a Key Person is charged with or indicted for an Act of Moral Turpitude, **CITY** may terminate this Contract after providing **CONTRACTOR** an opportunity to present evidence of **CONTRACTOR’S** ability to perform under the terms of this Contract.

d. Acts of Moral Turpitude include, but are not limited to: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elderly abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.
e. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this Contract, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of CONTRACTOR.

6. In the event CITY terminates this Contract as provided in this section, CITY may procure, upon such terms and in the manner as CITY may deem appropriate, services similar in scope and level of effort to those so terminated, and CONTRACTOR shall be liable to CITY for all of its costs and damages, including, but not limited to, any excess costs for such services.

7. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that CONTRACTOR was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-9(A) Termination for Convenience.

8. The rights and remedies of CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

C. In the event that this Contract is terminated, CONTRACTOR shall immediately notify all employees and Subcontractors, and shall notify in writing all other parties contracted with under the terms of this Contract within five working days of the termination.

PSC-10. Independent Contractor

CONTRACTOR is an independent contractor and not an agent or employee of CITY. CONTRACTOR shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of CITY.

PSC-11. Contractor’s Personnel

Unless otherwise approved by CITY, CONTRACTOR shall use its own employees to perform the services described in this Contract. CITY has the right to review and approve any personnel who are assigned to work under this Contract. CONTRACTOR shall remove personnel from performing work under this Contract if requested to do so by CITY.

CONTRACTOR shall not use Subcontractors to assist in performance of this Contract without the prior written approval of CITY. If CITY permits the use of Subcontractors, CONTRACTOR shall remain responsible for performing all aspects of this Contract and paying all Subcontractors. CITY has the right to approve CONTRACTOR’S Subcontractors, and CITY reserves the right to request replacement of any
Subcontractor. CITY does not have any obligation to pay CONTRACTOR’S Subcontractors, and nothing herein creates any privity of contract between CITY and any Subcontractor.

PSC-12. Assignment and Delegation

CONTRACTOR may not, unless it has first obtained the written permission of CITY:

A. Assign or otherwise alienate any of its rights under this Contract, including the right to payment; or

B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

PSC-13. Permits

CONTRACTOR and its directors, officers, partners, agents, employees, and Subcontractors, shall obtain and maintain all licenses, permits, certifications and other documents necessary for CONTRACTOR’S performance of this Contract. CONTRACTOR shall immediately notify CITY of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to CONTRACTOR’S performance of this Contract.

PSC-14. Claims for Labor and Materials

CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of law from arising against any CITY property (including reports, documents, and other tangible or intangible matter produced by CONTRACTOR hereunder), and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this Contract.


For the duration of this Contract, CONTRACTOR shall maintain valid Business Tax Registration Certificate(s) as required by CITY’S Business Tax Ordinance, Section 21.00 et seq. of the Los Angeles Municipal Code (“LAMC”), and shall not allow the Certificate to lapse or be revoked or suspended.

PSC-16. Retention of Records, Audit and Reports

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form or as otherwise approved by CITY. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by CITY, (2) the expiration of this Contract or (3) termination of this Contract. The records will be subject to examination and audit by authorized CITY personnel or CITY’S representatives at any time. CONTRACTOR shall provide any reports requested by CITY regarding
performance of this Contract. Any subcontract entered into by CONTRACTOR for work to be performed under this Contract must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, CONTRACTOR may, upon CITY’S written approval, submit the required information to CITY in an electronic format, e.g. USB flash drive, at the expiration or termination of this Contract.

PSC-17. Bonds

All bonds required by CITY shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Los Angeles Administrative Code (“LAAC”) Sections 11.47 et seq., as amended from to time.

PSC-18. Indemnification

Except for the active negligence or willful misconduct of CITY, or any of its boards, officers, agents, employees, assigns and successors in interest, CONTRACTOR shall defend, indemnify and hold harmless CITY and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney’s fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including CONTRACTOR’S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of an act, error, or omission by CONTRACTOR, Subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-19. Intellectual Property Indemnification

CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the CITY, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney’s fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information: (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by CONTRACTOR, or its Subcontractors, in performing the work under this Contract; or (2) as a result of CITY’S actual or intended use of any Work Product (as defined in PSC-21) furnished by CONTRACTOR, or its Subcontractors, under this Contract. The rights and remedies of CITY provided in this section shall not be exclusive.
and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-20. Intellectual Property Warranty

CONTRACTOR represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party’s intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information.

PSC-21. Ownership and License

Unless otherwise provided for herein, all finished and unfinished works, tangible or not, created under this Contract including, without limitation, documents, materials, data, reports, manuals, specifications, artwork, drawings, sketches, blueprints, studies, memoranda, computation sheets, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas, matters and combinations thereof, and all forms of intellectual property originated and prepared by CONTRACTOR or its Subcontractors under this Contract (each a “Work Product”; collectively “Work Products”) shall be and remain the exclusive property of CITY for its use in any manner CITY deems appropriate. CONTRACTOR hereby assigns to CITY all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared under this Contract. CONTRACTOR further agrees to execute any documents necessary for CITY to perfect, memorialize, or record CITY’S ownership of rights provided herein.

CONTRACTOR agrees that a monetary remedy for breach of this Contract may be inadequate, impracticable, or difficult to prove and that a breach may cause CITY irreparable harm. CITY may therefore enforce this requirement by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not preclude CITY from seeking or obtaining any other relief to which CITY may be entitled.

For all Work Products delivered to CITY that are not originated or prepared by CONTRACTOR or its Subcontractors under this Contract, CONTRACTOR shall secure a grant, at no cost to CITY, for a non-exclusive perpetual license to use such Work Products for any CITY purposes.

CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of CITY.

Any subcontract entered into by CONTRACTOR relating to this Contract shall include this provision to contractually bind its Subcontractors performing work under this Contract such that CITY’S ownership and license rights of all Work Products are preserved and protected as intended herein.
PSC-22. Data Protection

A. CONTRACTOR shall protect, using the most secure means and technology that is commercially available, CITY-provided data or consumer-provided data acquired in the course and scope of this Contract, including but not limited to customer lists and customer credit card or consumer data, (collectively, the “City Data”). CONTRACTOR shall notify CITY in writing as soon as reasonably feasible, and in any event within twenty-four hours, of CONTRACTOR’S discovery or reasonable belief of any unauthorized access of City Data (a “Data Breach”), or of any incident affecting, or potentially affecting City Data related to cyber security (a “Security Incident”), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. CONTRACTOR shall begin remediation immediately. CONTRACTOR shall provide daily updates, or more frequently if required by CITY, regarding findings and actions performed by CONTRACTOR until the Data Breach or Security Incident has been effectively resolved to CITY’S satisfaction. CONTRACTOR shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with CITY. At CITY’S sole discretion, CITY and its authorized agents shall have the right to lead or participate in the investigation. CONTRACTOR shall cooperate fully with CITY, its agents and law enforcement.

B. If CITY is subject to liability for any Data Breach or Security Incident, then CONTRACTOR shall fully indemnify and hold harmless CITY and defend against any resulting actions.

PSC-23. Insurance

During the term of this Contract and without limiting CONTRACTOR’S obligation to indemnify, hold harmless and defend CITY, CONTRACTOR shall provide and maintain at its own expense a program of insurance having the coverages and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 1 hereto). The insurance must: (1) conform to CITY’S requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. CONTRACTOR shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

PSC-24. Best Terms

Throughout the term of this Contract, CONTRACTOR, shall offer CITY the best terms, prices, and discounts that are offered to any of CONTRACTOR’S customers for similar goods and services provided under this Contract.
PSC-25. Warranty and Responsibility of Contractor

CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within CONTRACTOR’S profession, doing the same or similar work under the same or similar circumstances.

PSC-26. Mandatory Provisions Pertaining to Non-Discrimination in Employment

Unless otherwise exempt, this Contract is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

A. CONTRACTOR shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and CITY. In performing this Contract, CONTRACTOR shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person’s race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.

B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this Contract by reference.

C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the “Equal Employment Practices” provisions of this Contract.

D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the “Affirmative Action Program” provisions of this Contract.

Any subcontract entered into by CONTRACTOR for work to be performed under this Contract must include an identical provision.

PSC-27. Child Support Assignment Orders

CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, CONTRACTOR shall fully comply with all applicable State and Federal employment reporting requirements. Failure of CONTRACTOR to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of CONTRACTOR to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the CONTRACTOR under this Contract. Failure of CONTRACTOR or principal owner to cure
the default within 90 days of the notice of default will subject this Contract to termination for breach. Any subcontract entered into by CONTRACTOR for work to be performed under this Contract must include an identical provision.

PSC-28.  Living Wage Ordinance

CONTRACTOR shall comply with the Living Wage Ordinance, LAAC Section 10.37 et seq., as amended from time to time. CONTRACTOR further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by CONTRACTOR for work to be performed under this Contract must include an identical provision.

PSC-29.  Service Contractor Worker Retention Ordinance

CONTRACTOR shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 et seq., as amended from time to time. Any subcontract entered into by CONTRACTOR for work to be performed under this Contract must include an identical provision.

PSC-30.  Access and Accommodations

CONTRACTOR represents and certifies that:


B.  CONTRACTOR shall not discriminate on the basis of disability or on the basis of a person’s relationship to, or association with, a person who has a disability;

C.  CONTRACTOR shall provide reasonable accommodation upon request to ensure equal access to CITY-funded programs, services and activities;

D.  Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and

E.  The buildings and facilities used to provide services under this Contract are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

CONTRACTOR understands that CITY is relying upon these certifications and representations as a condition to funding this Contract. Any subcontract entered into by CONTRACTOR for work to be performed under this Contract must include an identical provision.
PSC-31. Contractor Responsibility Ordinance

CONTRACTOR shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time.

PSC-32. Business Inclusion Program

Unless otherwise exempted prior to bid submission, CONTRACTOR shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of this Contract. CONTRACTOR shall utilize the Business Assistance Virtual Network (“BAVN”) at https://www.labavn.org/, to perform and document outreach to Minority, Women, and Other Business Enterprises. CONTRACTOR shall perform subcontractor outreach activities through BAVN. CONTRACTOR shall not change any of its designated Subcontractors or pledged specific items of work to be performed by these Subcontractors, nor shall CONTRACTOR reduce their level of effort, without prior written approval of CITY.

PSC-33. Slavery Disclosure Ordinance

CONTRACTOR shall comply with the Slavery Disclosure Ordinance, LAAC Section 10.41 et seq., as amended from time to time. Any subcontract entered into by CONTRACTOR for work to be performed under this Contract must include an identical provision.

PSC-34. First Source Hiring Ordinance

CONTRACTOR shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 et seq., as amended from time to time. Any subcontract entered into by CONTRACTOR for work to be performed under this Contract must include an identical provision.

PSC-35. Local Business Preference Ordinance

CONTRACTOR shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 et seq., as amended from time to time. Any subcontract entered into by CONTRACTOR for work to be performed under this Contract must include an identical provision.

PSC-36. Iran Contracting Act

In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with CITY for goods and services estimated at $1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit."

PSC-37. Restrictions on Campaign Contributions and Fundraising in City Elections

Unless otherwise exempt, if this Contract is valued at $100,000 or more and requires approval by an elected CITY office, CONTRACTOR, CONTRACTOR’S principals, and CONTRACTOR’S Subcontractors expected to receive at least $100,000 for performance under the Contract, and the principals of those Subcontractors (the “Restricted Persons”)
shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles CITY to terminate this Contract and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected CITY officials or candidates for elected CITY office for twelve months after this Contract is signed. Additionally, a CONTRACTOR subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any CONTRACTOR subject to Charter Section 470(c)(12) shall include the following notice in any contract with any Subcontractor expected to receive at least $100,000 for performance under this Contract:

"Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections

You are a subcontractor on City of Los Angeles Contract #______________. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles (“CITY”) officials and candidates for elected CITY office for twelve months after the CITY contract is signed. You are required to provide the names and contact information of your principals to the CONTRACTOR and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960."

PSC-38. Contractors’ Use of Criminal History for Consideration of Employment Applications

CONTRACTOR shall comply with the City Contractors’ Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by CONTRACTOR for work to be performed under this Contract must include an identical provision.

PSC-39. Limitation of City’s Obligation to Make Payment to Contractor

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for CITY to comply with its governing legal requirements, CITY shall have no obligation to make any payments to CONTRACTOR unless CITY shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract. CONTRACTOR agrees that any services provided by CONTRACTOR, purchases made by CONTRACTOR or expenses incurred by CONTRACTOR in excess of the appropriation(s) shall be free and without charge to CITY and CITY shall have no obligation to pay for the services, purchases or expenses. CONTRACTOR shall have no obligation to provide any services,
provide any equipment or incur any expenses in excess of the appropriated amount(s) until CITY appropriates additional funds for this Contract.

**PSC-40. Compliance with Identity Theft Laws and Payment Card Data Security Standards**

CONTRACTOR shall comply with all identity theft laws including without limitation, laws related to: (1) payment devices; (2) credit and debit card fraud; and (3) the Fair and Accurate Credit Transactions Act (“FACTA”), including its requirement relating to the content of transaction receipts provided to Customers. CONTRACTOR also shall comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards (“PCI DSS”). During the performance of any service to install, program or update payment devices equipped to conduct credit or debit card transactions, including PCI DSS services, CONTRACTOR shall verify proper truncation of receipts in compliance with FACTA.

**PSC-41. Compliance with California Public Resources Code Section 5164**

California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor, if the person has been convicted of certain crimes as referenced in the Penal Code, and articulated in California Public Resources Code Section 5164(a)(2).

If applicable, CONTRACTOR shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been adopted or that may be adopted by CITY. CONTRACTOR is required to have all employees, volunteers and Subcontractors (including all employees and volunteers of any Subcontractor) of CONTRACTOR working on premises to pass a fingerprint and background check through the California Department of Justice at CONTRACTOR’S sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

**PSC-42. Possessory Interests Tax**

Rights granted to CONTRACTOR by CITY may create a possessory interest. CONTRACTOR agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, CONTRACTOR shall pay the property tax. CONTRACTOR acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.
PSC-43. Confidentiality

All documents, information and materials provided to CONTRACTOR by CITY or developed by CONTRACTOR pursuant to this Contract (collectively “Confidential Information”) are confidential. CONTRACTOR shall not provide or disclose any Confidential Information or their contents or any information therein, either orally or in writing, to any person or entity, except as authorized by CITY or as required by law. CONTRACTOR shall immediately notify CITY of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this Contract.
EXHIBIT 1
INSURANCE CONTRACTUAL REQUIREMENTS

CONTACT  For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at www.lacity.org/cao/risk. The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low cost alternative for contractors who are unable to obtain City-required insurance.

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

1. **Additional Insured/Loss Payee.** The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY’S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

2. **Notice of Cancellation.** All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.

3. **Primary Coverage.** CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY’S program shall be excess of this insurance and non-contributing.

4. **Modification of Coverage.** The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.

5. **Failure to Procure Insurance.** All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

CONTRACTOR’S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which the CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect the CITY’S interests and pay any and all premiums in connection therewith and recover all monies so paid from CONTRACTOR.

6. **Workers’ Compensation.** By signing this Contract, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 et seq., of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

STANDARD PROVISIONS
FOR CITY CONTRACTS (Rev. 10/17) [v.3] 16
self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

7. **California Licensee.** All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the CITY. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

8. **Aggregate Limits/Impairment.** If any of the required insurance coverages contain annual aggregate limits, CONTRACTOR must give the CITY written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the CITY’S protection are allowed without the CITY’S prior written consent.

9. **Commencement of Work.** For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-3, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
# Required Insurance and Minimum Limits

Name: ____________________________ Date: _____________

Agreement/Reference: ____________________________

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

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**Other:**

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