

June 16, 2026

LOS ANGELES FIRE DEPARTMENT



JAIME E. MOORE
FIRE CHIEF

June 2, 2026

BOARD OF FIRE COMMISSIONERS
FILE NO. 26-025

TO: Board of Fire Commissioners

FROM: *PTF* Jaime E. Moore, Fire Chief

SUBJECT: AGREEMENT BETWEEN THE LOS ANGELES FIRE DEPARTMENT
AND HARRIS & HARRIS, LTD. FOR DELINQUENT ACCOUNTS
COLLECTION SERVICES

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

SUMMARY

Pursuant to Section 5.181 of the Los Angeles Administrative Code, the City of Los Angeles (City), through the Los Angeles Fire Department (LAFD), is required to refer unpaid and past due emergency ambulance service accounts to the City's contracted collection agency no later than nine (9) months from the date of initial billing.

The term of the Agreement with Harris & Harris, Ltd. (Harris & Harris) for delinquent account collection services will be for five (5) years, with one (1) three-year option to extend the term.

RECOMMENDATIONS

That the Board:

1. Approve, and authorize the Fire Chief to execute the Agreement with Harris & Harris, Ltd. for delinquent account collection services, commencing on June 1, 2026, and terminating five (5) years thereafter, on May 31, 2031, with an option to extend the term for one (1) three-year period, contingent on Harris & Harris having provided satisfactory services under the Agreement and subject to review and approval by the City Attorney.
2. Transmit the Agreement to the Mayor for review and approval, in accordance with Executive Directive No. 3.

DISCUSSION

On September 12, 2024, the City's Office of Finance (Finance) released a Request for Proposals (RFP Number 216054) for primary and secondary delinquent accounts

collection services. Harris & Harris submitted a proposal in response to the RFP, and was found to possess the experience and qualifications required to provide the type and level of service requested. Finance subsequently entered into Agreement No. C-203811 with Harris & Harris for a five-year term, with one (1) option to extend the term for an additional three (3) year period.

The LAFD wishes to piggyback off of the competitive process conducted by Finance, and enter into an agreement with Harris & Harris under similar terms and conditions set forth in Finance's Agreement No. C-203811.

Harris & Harris has collected annual revenues of approximately \$1.7 million in FY 2021-22, \$2.8 million in FY 2022-23, and \$1.6 million in FY 2023-24. Revenue in FY 2024-25 declined to \$465,000, primarily due to the delay in referrals from the Emergency Medical Services (EMS) billing contractor that occurred during its transition to an entirely new billing software system in late 2023 and early 2024. While the FY 2025-26 gross revenue is expected to increase to approximately \$740,000, the overall EMS collections revenue is trending downward. This is attributed to increased collections by the EMS billing contractor, which has led to fewer delinquent accounts being referred to Harris & Harris, as well as recent changes in State law affecting medical billing, including AB 716 (eff. 1/2024), which limits patient responsibility and caps charges for the uninsured at the Medicare rate, and SB 1061 (eff. 1/2025), which prohibits the referral of medical debt to credit reporting agencies.

Attached for consideration by the Board of Fire Commissioners is an Agreement with Harris & Harris for uncollected emergency ambulance service accounts for the LAFD, which will begin on June 1, 2026, and will terminate five (5) years thereafter, on May 31, 2031, with one option to extend the term for one (1) three-year period.

The City Attorney has reviewed and approved the Agreement as to legal form. Pursuant to Los Angeles City Charter Section 373, approval by the City Council is required.

FISCAL IMPACT

Execution of this Agreement is estimated to generate approximately \$700,000 annually in collection services. Funds received will be deposited into Department 38, Fund 100, Account 4091 EMS Revenue.

Board Report prepared by Alexis Cameron, Senior Management Analyst II,
Administrative Services Bureau.

Attachment

AGREEMENT NO. _____

**BETWEEN
THE CITY OF LOS ANGELES
FIRE DEPARTMENT
AND
HARRIS & HARRIS, LTD.
FOR
COLLECTION SERVICES OF THE CITY'S DELINQUENT
EMS ACCOUNTS RECEIVABLE**

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Los Angeles, a municipal corporation (hereinafter referred to as "City"), acting by and through its Los Angeles Fire Department (herein after referred to as "Department" or "LAFD"), and Harris & Harris, Ltd., an Illinois corporation ("Contractor" or "Harris & Harris"), (collectively, the "Parties," or individually, a "Party") with reference to the following:

WHEREAS, the City utilizes outside collection agency services, as a best practice, to collect delinquent obligations to the City; and

WHEREAS, on September 12, 2024, the City's Office of Finance ("Finance") released a Request for Proposals ("RFP") for Primary and Secondary Delinquent Account Collection Services (RAMP ID No. 216054) to pursue collection of the City's delinquent accounts; and

WHEREAS, the LAFD would like to take advantage of the above-referenced competitive contracting process to procure delinquent debt collection services as provided in Finance's Agreement No. C-203811; and

WHEREAS, pursuant to City Charter Section 1022, the City has determined that this service can be performed more economically or feasibly by an independent contractor than by City employees; and

WHEREAS, the Parties hereto wish to enter into an Agreement by which the Contractor will perform the work and furnish all the labor, materials, supervision, tools, transportation, and equipment necessary to recover the monies due to the City as a result of active pursuit of outstanding accounts receivable;

NOW, THEREFORE, in consideration of the above premises and of the representations and covenants hereinafter set forth, the Parties hereto represent and covenant as follows:

1. PARTIES TO THE AGREEMENT AND REPRESENTATIVES

1.1. Parties to the Agreement are:

City – The City of Los Angeles, a municipal corporation, acting by and through the Los Angeles Fire Department, having its principal office at 200 N. Main Street, 18th Floor, Los Angeles, California 90012.

Contractor – Harris & Harris, Ltd., having its principal office at 111 W. Jackson Blvd., Suite 650, Chicago, IL 60604.

1.2. Representatives of the Parties

The representatives of the Parties who are authorized to administer this Agreement and to whom formal notices, demands and communications will be given are as follows:

1.2.1. The City's representative is, unless otherwise stated in the Agreement:

Fire Chief
Los Angeles Fire Department
200 N. Main St., Room 1800
Los Angeles, California 90012

With a copy to:

Fire Administrator
Los Angeles Fire Department
200 N. Main Street, Room 1630
Los Angeles, California 90012

1.2.2. The Contractor's representative is, unless otherwise stated in the Agreement:

Vince LoBianco
Vice President, Sales
Harris & Harris, Ltd.
111 W Jackson Blvd., Suite 650, Chicago, IL 60604
vlobianco@harriscollect.com

With copies to:

David Peters
Chief Executive Officer
Harris & Harris, Ltd.
111 W Jackson Blvd., Suite 650, Chicago, IL 60604
dpeters@harriscollect.com

1.3. Formal Notices

Formal notices, demands, and communications to be given hereunder by either Party must be made in writing and may be effected by personal delivery or by registered or

certified mail, postage prepaid, return receipt requested, and will be deemed communicated as of the date of mailing.

2. TERM OF THE AGREEMENT

2.1. The term of this Agreement shall commence on June 1, 2026 and shall terminate on May 31, 2031, unless otherwise terminated by the City as provided for in this Agreement. The Board of Fire Commissioners has authorized the Fire Chief to extend the Agreement for one (1) three-year option to extend, utilizing the amendment process described in Section PSC-4 of the Standard Provisions for City Contracts (Rev. 5/26 [v.1]), attached hereto and incorporated herein as Attachment A. Any amendment to extend the term of this Agreement is contingent on the availability of funds and the Contractor having provided satisfactory services under this Agreement.

2.2. Effective Date

The Effective Date of this Agreement shall be the date upon which the last of the following events should occur:

- (1) This Agreement has been signed on behalf of the Contractor by the person or persons authorized to bind the Contractor hereto;
- (2) This Agreement has been approved by the Fire Chief;
- (3) The Office of the City Attorney has indicated the approval as to form of this Agreement; and
- (4) This Agreement has been signed on behalf of the City by the person designated to sign by the City Council or by the board, officer, or employee authorized to enter into this Agreement.

2.3. Ratification Clause

Due to the need for Contractor's services to be provided continuously on an ongoing basis, Contractor may have provided services prior to the execution of this Agreement. To the extent that the Contractor's services were performed in accordance with the terms and conditions of this Agreement, those services are hereby ratified.

3. SERVICES TO BE PROVIDED BY THE CONTRACTOR

3.1. Scope of Work

The Contractor is an independent organization that shall provide primary and/or secondary collection services on delinquent accounts referred to it by the LAFD pursuant to the terms and conditions of this Agreement. Services to be performed by the Contractor for collection services herein include, but are not limited to, locating persons with a delinquent account with the City ("Debtors"), arranging for payments, mailing dunning notices, skip-tracing delinquent accounts, contacting debtors by telephone, email

and text, and verifying assets. All mailed correspondence between the Contractor and LAFD and City debtors shall be sent by first-class mail.

3.1.1. Primary Collection Services

Primary collection services include collection efforts on initial referrals of delinquent Emergency Medical Services (EMS) billing accounts (hereinafter referred to as "delinquent accounts") to the Contractor by the LAFD. The LAFD may refer delinquent accounts at the time reasonable collection efforts have failed, which is generally within nine (9) months of the date of initial billing. For primary-level services, the Contractor shall have a 12-month period consistent with the City's financial policies to effect collection unless otherwise authorized per Section 3.1.3 of this Agreement. If the Contractor is unable to collect on the referred account within the allotted time from assignment, the Contractor shall return the account to the LAFD and cease all collection efforts. For the purposes of this Agreement, the term "assignment" means the date that the account is referred to the Contractor. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the LAFD. For payments received by the Contractor subsequent the return of the accounts, the Contractor may deposit these payments, remit same to the LAFD, and then the Contractor shall be entitled to a commission payment.

3.1.2. Secondary Collection Services

Secondary collection services include collection efforts on referrals of delinquent accounts that were previously assigned to a collection agency at the primary level and were returned to the City Department by the primary-level agency after the time allotted by the City from initial assignment and uncollected.

For secondary-level collection services, the Contractor shall have a period of six (6) months to effect collection unless otherwise authorized per Section 3.1.3 of this Agreement. If the Contractor is not able to collect on the referred account within six (6) months from assignment, the Contractor shall return the account to the LAFD and cease all collection efforts. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the LAFD, or the City.

The Contractor shall only perform primary-level or secondary-level collection services on any particular account that is referred to it by the LAFD and shall not under any circumstance perform both primary-level and secondary-level collections on the same account.

3.1.3. Return of Accounts

In limited circumstances, the LAFD, as directed by the City, may, at its sole discretion, elect to extend the time that the Contractor may retain an account, in writing. For the purposes of this Agreement, the following terms shall apply:

- “Authorized Retention Period” means the allotted time to effect collection as specified in this Agreement from initial assignment to the conclusion of the referral period or the extended period that the LAFD has authorized, as detailed in Section 3.3.11. Referral period refers to the consecutive allotment of time from initial assignment that consists of twelve (12) months for accounts assigned for primary collection services and six (6) months for accounts assigned for secondary collection services as detailed in Sections 3.1.1 and 3.1.2 respectively.

Upon the expiration of the Authorized Retention Period, the Contractor shall cease all collection efforts on the account and return the account to the LAFD. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the LAFD. Under no circumstance shall the Contractor retain an account past the expiration of the Authorized Retention Period without authorization from the LAFD, or the City, except as defined in Section 3.3.11.

The Contractor shall not be entitled to any monies on payments initiated by debtors on expired, recalled, or returned accounts except (a) where the debtor has initiated payment with the City to settle the account prior to the date of expiration, recall, or return or (b) where the Contractor received payments subsequent the return of the accounts assigned for primary collection services as detailed in Section 3.1.1, the Contractor may deposit these payments, remit same to the LAFD, and then the Contractor shall be entitled to a commission payment. In any attempt by a debtor to pay on an LAFD account no longer assigned to the Contractor or outside of the Authorized Retention Period, the Contractor shall not accept payment and direct the debtor to contact the LAFD.

3.1.4. Uncollectible Accounts

In the event an account assigned to the Contractor is determined to be uncollectible, by the LAFD, City or Contractor, for reasons that include, but are not limited to, a debtor’s bankruptcy filing, court-ordered receivership is granted over debtor’s business, debtor is deceased or decedent’s estate does not have sufficient assets to satisfy the indebtedness, the Contractor shall cease all collection efforts on said account upon receipt of this information and return the account to the LAFD with notification of the reason(s) for return of the account, as detailed in Section 6.

3.1.5. Accounts Referred Prior to the Start of the Contract

Any accounts that were assigned to the Contractor under City Contract No. C-135861 shall be subject to the terms and provisions of said contract or agreement. This Agreement shall apply to any and all accounts assigned/referred on or after the Effective Date of this Agreement and those accounts assigned/referred after the expiration of City Contract No. C-135861 but prior to the Effective Date of this Agreement, as detailed in Section 2.3.

3.2. Referrals

3.2.1. Referral Process

Under no circumstance shall the Contractor initiate collections on behalf of the LAFD prior to written permission from the LAFD. Execution of this Agreement by the Parties does not obligate or guarantee that the LAFD shall actually refer any accounts to the Contractor. At any time, the LAFD may, at its sole discretion, utilize the services of the Contractor or another contracted agency. This Agreement only applies to EMS Billing accounts referred by the LAFD. The Contractor agrees to meet with the LAFD, and in good faith, establish procedures, including, but not limited to, the secure transmittal to the Contractor of all accounts; recording of individual account transactions; processing and documentation of payments against accounts; the Contractor's security practices under the Health Insurance Portability and Accountability Act of 1996 and the American Recovery and Reinvestment Act of 2009 which added the Health Information Technology for Economic and Clinical Health Act of 2009; results of audits; transmittal of account information back to the LAFD; and the return, destruction or retention of account data.

3.2.2. Referral Method

To assign accounts to the Contractor, the LAFD may use various means or methods, which include electronic transmission, electronic file, and/or in writing. For the purposes of this Agreement, the term "assign" means the transfer of accounts by the LAFD, or its designee, to the Contractor to effect collection. Assigned accounts will include the following information, if available, and any other relevant information that the LAFD may have at the time of referral as deemed appropriate:

- Debtor Name(s)
- Debtor Address
- Type of Account
- Unpaid Balance Outstanding (by Principal, Penalties, Interest, Fees, etc., if available)

- Assigned Amount (Total City Debt + Contractor's Maximum Commission Fee as detailed in Section 5.4.1)

3.3. Performance Requirements

In performing services for the LAFD, the Contractor shall adhere to the highest legal, ethical, and professional standards. The Contractor shall perform its services in a manner that is consistent with all federal and state fair debt collection practices, acts, and confidentiality provisions, including, but not limited to California Civil Code §§ 1788, et seq. All information and data, including taxpayer data per LAMC § 21.17, received by the Contractor from the LAFD shall be regarded as confidential as applicable and pursuant to the terms of this Agreement.

Moreover, for collection of LAFD EMS accounts, the Contractor shall be in compliance with all Health Insurance Portability and Accountability Act ("HIPAA") regulations and requirements as set forth in Title 45 of the Code of Federal Regulation (Parts 160, 162, and 164) and the American Recovery and Reinvestment Act of 2009, which added the Health Information Technology for Economic and Clinical Health Act of 2009 (Sections 13400, et seq.), and all other applicable state and federal laws throughout the term of this Agreement and sign a Business Associate Agreement with LAFD prior to receiving or being assigned any EMS accounts for collection. The Contractor shall be required to integrate with existing LAFD HIPAA-compliant systems to ensure secure electronic transfer of EMS-related records.

In addition, in performing the services requested, the Contractor shall:

- 3.3.1. Perform its work as an independent contractor and shall, at all times, inform the debtors that it is acting as a collection agency for the City but that it is an entity separate and distinct from the City.
- 3.3.2. Collect on only amounts authorized by the, as specified in Section 5 of this Agreement, and shall not add or collect any amounts not authorized by the City.
- 3.3.3. Deposit all monies collected for the LAFD into a special trust fund which shall be kept separate and not commingled with other funds of the Contractor or other clients of the Contractor. If the trust fund is an interest-accruing account, such accruals must be credited to the City. All monies collected by the Contractor for the City shall be remitted to the City on a monthly basis, as defined in Sections 3 and 8 of this Agreement.
- 3.3.4. Deliver to the LAFD on or before the fifteenth (15th) of each month all monies due to LAFD from the amounts collected during the previous month, as specified in Section 5, and all associated reports. Together with the monthly delivery of monies collected during the previous month, the Contractor shall submit summary and detailed supporting documents that include the commission retained and a Remittance Report summarizing detailed information for

payments received in accordance with the requirements outlined in Section 6 of this Agreement.

- 3.3.5. Obtain written approval from the LAFD as to form and content for all letters used by the Contractor to effect collection before use, including those that may have been approved or submitted under previous contracts or agreements with the LAFD.
- 3.3.6. Engage in payment plans, when determined appropriate, with debtors for a term no longer than twelve (12) months. Any payment plan in excess of twelve (12) months requires approval from the LAFD Fire Chief or Fire Administrator. Prior to the expiration of an account's initial allowable period, regardless of duration, any payment plan that exceeds its initial allowable period, and the date of its expected full recovery or expiration, must be communicated to the LAFD.
- 3.3.7. Agree that any information provided by the LAFD on delinquent accounts will be used solely for the purpose of collection, held in the strictest of confidence and used for no other purpose.
- 3.3.8. Maintain all LAFD information and records separate from information and records related to other clients.
- 3.3.9. Bear all expenses and costs incurred to effect collection of any account referred by the LAFD.
- 3.3.10. Provide electronic payment options to debtors including online, credit or debit card, e-check, ACH, as well as other City-approved methods.
- 3.3.11. Return to the LAFD, in automated format or other manner specified by the LAFD, all accounts that remain wholly or partially uncollected by the Contractor upon the expiration of the Authorized Retention Periods in which the Contractor may retain said accounts, and shall cease all collection efforts, except for: (a) instances where payment plans are in effect and active payments are made in accordance with the plan or (b) in limited circumstances where the LAFD, at the direction of the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing. In the event that an account is retained due to an active payment plan in good standing, the Contractor must notify the LAFD in accordance with Section 3.3.6.

In no event shall the Contractor be entitled to any payment on an account once it has been returned to the City unless payment is received by the Contractor on the returned account. The Contractor shall report to the LAFD, as outlined in Section 6 of this Agreement, on any account returned prior to the expiration of the Authorized Retention Period or retained past such period without approval.

- 3.3.12. Be able to accept account data through various communication methods employed by the LAFD, whether paper-based or electronic. The Contractor must

work with the LAFD and its EMS billing Contractor(s) to develop systems interfaces for efficient and secured data transfer of their accounts. All costs associated with the development of said systems will be borne by the Contractor.

- 3.3.13. Comply with any special collection campaigns authorized by the City, wherein selected account types may be targeted for specified reductions in balances owed; for example, offer in compromise and debt amnesty programs.
- 3.3.14. May only inform the debtor of consequences of non-payment. If the Contractor determines that legal action or legal services are required, the Contractor shall make a recommendation for such action to the City and return the account to the City. Under this circumstance, the Contractor may communicate to the debtor that the matter is being returned to the City with a recommendation to consider further legal recourse.

3.4. Prohibited Actions

In the performance of the services requested, the Contractor shall not:

- 3.4.1. Subcontract, assign, refer, or transfer any account referred by the LAFD or otherwise assign its rights or delegate its duties under this Agreement to any other person or entity, including any attorney, without the express written consent of the LAFD.
- 3.4.2. Collect more than the Assigned Amount, as defined in Section 5.1.1. The Contractor shall not add and/or collect penalties, interest, or fees not authorized by the City in writing. Any amounts collected by the Contractor, whether authorized or unauthorized, shall be remitted to the LAFD and/or the City, as defined in this Agreement.
- 3.4.3. Threaten or intimidate debtors under any circumstances in the collection, or in the pursuit thereof, of LAFD accounts or violate any applicable government laws or regulations.
- 3.4.4. Use or display the official seal of the City or the LAFD on any of its letterheads or communications with any debtor for any reason.
- 3.4.5. State or suggest, in any verbal, non-verbal, or written communication, that the Contractor intends to pursue legal action against the debtor, or imply that it has any authority to do so.
- 3.4.6. Take, or threaten, any legal action on behalf of the LAFD or the City against any debtor on a City account or perform any service that would constitute the practice of law in the State of California.

- 3.4.7. Initiate, negotiate, or reach settlements on any account assigned to it for collection nor directly or indirectly imply that it has such authority, unless authorized by the City in writing.
- 3.4.8. Recommend to debtors the use of "payday" loans to satisfy City accounts, or any loans through a lender wherein the Contractor has any financial interest in the lender or where the Contractor would realize any additional financial gain through referral of business to the lender.
- 3.4.9. Perform secondary-level collection services on any account in which it has previously performed primary collection services under this Agreement.
- 3.4.10. Use, integrate with, interface with, or otherwise access any City systems and/or programs in any manner related to the provision of services under this Agreement without written approval from the LAFD Chief Information Officer and/or Fire Administrator, including any City systems and/or programs that the Contractor may have been authorized to utilize prior to the Effective Date of this Agreement, as defined in Section 7.
- 3.4.11. Refer delinquent LAFD accounts containing medical debt to a consumer credit reporting agency, pursuant to the California Senate Bill 1061 (2023-2024) (codified in part at California Civil Code Section 1785.27) relating to consumer debt and all other applicable state and federal laws.

3.5. Recall of Accounts

Without charge or penalty, the LAFD shall have the right at their sole discretion to recall from the Contractor, any account(s) assigned to the Contractor and redistribute accounts without reason. For purposes of this Agreement, the term "recall" shall mean the return of an assigned account at the request of the LAFD and/or the City at any time. Upon recall, the Contractor shall undertake no further collection efforts on those recalled account(s).

The Contractor shall not be entitled to any commission fees for payments received by the LAFD on an account after the date of recall except where the debtor has contacted the City to engage in settlement of the account prior to the date of recall. If a debtor pays on an LAFD account no longer assigned to the Contractor, the Contractor shall accept payment and remit same to the LAFD, and shall be entitled to commission fees.

3.6. Quality Assurance

The Contractor's performance will be evaluated according to contract standards and other performance measures deemed appropriate by the LAFD and/or the City, including, but not limited to, establishing contractor performance benchmarks and incentives relative to collection on LAFD accounts. Performance benchmarks may include but are not limited to periodic tracking and grading of a Contractor's compliance with contractual obligations, such as the generation of ad hoc, routine, specialized or custom reports, responsiveness

to department requests, practice of loading of referred accounts in a timely manner, practice of returning expired accounts in a timely manner, and adherence to City administrative requirements. In addition, the City reserves the right to publish the Contractor grades and rates of recovery on LAFD accounts for use by City Departments via the City's Intranet or to be shared with the City's collection vendors under contract for information, incentive, and competitive purposes. The LAFD and/or the City may use a variety of inspection methods to determine the Contractor's compliance with the terms of this Agreement and to evaluate its performance level. The methods of inspection may include, but are not limited to:

- Random sampling
- Reports (monthly and as needed)
- Periodic inspection of output items

The LAFD and/or the City shall have the right at any time during regular business hours to inspect records relative to the LAFD accounts maintained by the Contractor at its place of business. For LAFD EMS accounts, the Contractor shall retain records as required by HIPAA, applicable state law, and the terms of the Business Associate Agreement between the Contractor and LAFD, attached hereto and incorporated herein as Attachment B.

The Contractor must also be available to meet with representatives of the LAFD or the City on a quarterly basis, or as deemed appropriate by the City, to discuss issues or concerns relating to the contract and/or the LAFD accounts. Upon request by the LAFD for an impromptu meeting with the Contractor, the Contractor shall coordinate with the LAFD an amicable time; however, if the LAFD deems the matter requires immediate attention, the Contractor shall make itself available to meet with the LAFD within two (2) business days from the day of the LAFD's request.

3.7. Membership in Professional Organizations

The Contractor shall maintain, at no cost to the City, membership in the American Collectors Association International, California Association of Collectors, and/or similar professional organizations that provide interstate and intrastate services and utilize collection techniques consistent with the Code of Ethics and standards adopted by said associations.

3.8. Tax Certificate

The Contractor agrees to have and maintain a valid City Business Tax Registration Certificate for the term of the Agreement, at no cost to the LAFD and/or the City.

3.9. Automation Support

The Contractor shall provide information technology/systems support to the LAFD as deemed necessary by the LAFD to establish and maintain account referral protocols,

information exchanges, and reports. Such information technology/systems support services are to be provided by the Contractor at no expense to the LAFD.

3.10. Client Assistance

The Contractor shall provide the LAFD with as-needed on-site customer assistance during, but not limited to, the first thirty (30) days of contract implementation. Client assistance services are to be provided by the Contractor at no expense to the LAFD. As-needed customer assistance may be requested by the LAFD during the introduction and implementation phases at any time throughout the duration of this Agreement.

3.11. Training

The Contractor shall provide to the LAFD on-site or virtual training relative to collection processes and procedures as deemed necessary by the LAFD at no cost to the LAFD.

3.12. Consulting

The Contractor shall provide to the LAFD, upon request by management and supervisory-level personnel, consulting services relative to collection and revenue enhancement processes and procedures as deemed necessary by the LAFD at no cost to the LAFD. The Contractor shall provide to the LAFD management and supervisory-level staff data and information relative to collections, industry trends, best practices, projections, and any other relevant materials upon request to assist the LAFD staff in revenue collection management and analysis.

3.13. Access to Accounts

The Contractor shall provide to the LAFD remote access to its accounts assigned to the Contractor through an internet website or similar process approved by the LAFD. The Contractor shall also provide the LAFD with as-needed technical assistance, training, and requirements needed to establish and use remote access privileges to its accounts, and at no cost to the LAFD. Furthermore, the Contractor shall provide secure online access to the Contractor's delinquent account collection system to designated LAFD and other City staff for accounts referred from the LAFD for the purpose of delinquent account review, performance, and ad hoc reporting purposes. The remote access shall include the ability for the LAFD to view and print all transactions, information, and documents related to each account referred by the LAFD to the Contractor, including names and addresses noted on the account, if payer is different.

3.14. Complaint Handling

3.14.1. Complaint Response

The Contractor shall acknowledge and respond to all written and oral complaints received relative to LAFD-assigned accounts or LAFD debtors. For written complaints, the Contractor shall respond to the complaint in writing within five (5)

business days from the day the written complaint is received. Complaints and/or inquiries by telephone shall be received by the Contractor's personnel during regular business hours. During non-business hours, the Contractor shall provide a means for debtors to leave a message regarding their complaint and/or inquiry. All phone messages regarding the LAFD accounts shall be responded to by the Contractor no later than the next business day from the day that the message was left.

3.14.2. Complaint Resolution

All complaints shall be directed to qualified customer service staff or manager who shall take responsibility for resolving the matter. The Contractor shall conduct any necessary investigations and take appropriate steps to resolve complaints within thirty (30) calendar days from receipt of the complaint, or other timeframe, if deemed appropriate and specified in writing by the LAFD. The Contractor shall notify the complainant of the resolution of their complaint in writing and provide written notification of said resolution to the LAFD, as defined in Section 6.1 of this Agreement. In circumstances when a complaint requires more than thirty (30) calendar days to resolve, the Contractor shall inform the LAFD of the additional time needed, basis for the delay, and estimated time to when a resolution is expected.

3.14.3. Complaint Notification to the City

The Contractor shall document and maintain records of all complaints initiated, including information regarding the person(s) that filed the complaint, specific details regarding the nature of the complaint, all parties involved, steps taken to resolve the matter, final disposition, and the name and title of staff that handled the matter. The Contractor shall remit this Complaint Summary Report to the LAFD on a quarterly basis. At its sole discretion, the LAFD may modify the frequency or reporting requirements.

At its sole discretion, the LAFD may require the Contractor to take further steps to resolve a complaint if determined by the LAFD that the Contractor did not address the complaint in a manner satisfactory to the LAFD. The Contractor shall provide to the LAFD any record(s) relative to a complaint upon request of the LAFD, and said record(s) shall be made available to the LAFD within two (2) business days of the LAFD's request.

The Contractor shall immediately notify the LAFD of any legal actions initiated against the Contractor regarding any LAFD account, and/or which may have any relevance to the LAFD and/or the City as a business partner. The Contractor shall within one (1) week of giving notice to the City of a legal action, submit a comprehensive written report, including any supporting documentation, to the LAFD to acquaint the LAFD of pertinent details regarding the legal matter. The LAFD may, at its discretion, require the Contractor to provide said report sooner than one (1) week, if deemed appropriate. The Contractor shall keep the LAFD

informed on the status of any litigation matter at least on a quarterly basis, and shall immediately inform the LAFD of any key developments with regard to the legal proceeding. The LAFD may, at its sole discretion, modify the Contractor's reporting requirement regarding a legal matter as deemed appropriate. The Contractor shall assume all costs related to any litigation and the LAFD shall be held harmless for any liabilities or damages that may result from litigation against the Contractor on any LAFD account.

4. CONTRACTOR PERSONNEL

4.1. Contractor Key Personnel

Contractor Key Personnel ("Key Personnel") positions are considered to be essential to work performance herein. In addition to the Contractor's Project Manager, any additional Key Personnel positions shall be identified and presented to the LAFD.

The LAFD's designated representative(s) shall have the right to review the qualifications and perform an interview of Key Personnel prior to their assignment under this Agreement. Key Personnel so identified shall not be diverted or removed from this project by the Contractor without approval of the LAFD. If the LAFD does not approve the candidate suggested by the Contractor, the Contractor shall propose a qualified alternate(s) who shall be subject to the same approval process.

The Contractor shall provide a description of the location, position within the Contractor's project organizational hierarchy, and special expertise of each person identified to fill Key Personnel positions. The Contractor shall make every reasonable effort to ensure that all Contractor's personnel who perform any work for the LAFD under this Agreement are qualified, trained professionals in their fields and are able to perform the work to the LAFD's satisfaction.

4.2. Contractor Project Manager

On or before the start date for the services outlined in this Agreement, as mutually agreed upon between the LAFD and the Contractor, the Contractor shall designate in writing and communicate to the LAFD, an individual as its Project Manager ("Contractor Project Manager"), who shall serve as the single authoritative point of contact for the Contractor during the course of its activities pursuant to the Agreement. The Contractor Project Manager shall be experienced in providing the services described in this Agreement and in project management. The Contractor Project Manager shall be required to be available to the LAFD in-person or via phone within two (2) working hours.

The Contractor Project Manager shall have authority to make reasonable project staff re-assignments and to make all communications to the LAFD and its designated Project Manager to maintain efficient progress on the Project. Nothing herein, however, shall be construed as precluding communication between subordinate persons for the purpose of consultation and cooperation.

4.3. Contractor Key Personnel, Project Manager, and Project Staff Termination

In the event that the Contractor's project staff are terminated either by the Contractor or the individual, with or without cause, or if individual project staff are otherwise unavailable to perform services for the Contractor, the Contractor shall provide the LAFD written notification of the unavailability of the project staff and designate replacement personnel. Written notification shall be provided to the LAFD prior to the date of termination or unavailability, to the maximum extent feasible, but no later than three (3) business days after the Contractor learns of the expected unavailability or termination of project staff.

4.4. Contractor's Project Staff Unavailability

The Contractor recognizes and agrees that early notification of project staff unavailability and proposed replacement personnel is essential to avoiding delays in completing the Deliverables/Work products established in this Agreement.

4.5. Contractor's Project Staff Removal

The LAFD, in its sole discretion, shall have the right to request removal of Contractor project staff for working ineffectively or inefficiently and/or not being available to perform assigned tasks. The LAFD shall request in writing to the Contractor to remove and or replace staff within ten (10) business days of the notice and the Contractor and the LAFD will meet to address the LAFD's concerns. If the actions constitute a serious threat to the Agreement, breach of confidentiality, or physical or intellectual harm, Contractor staff shall be removed immediately upon notice by the LAFD without further discussion.

If the Contractor desires to replace Key Personnel, the Contractor shall deliver to the LAFD ten (10) business days advance written notice of the proposed replacement. In the event it becomes necessary to replace Key Personnel for reasons beyond the control of Contractor (i.e., death, illness, individual suddenly left the employ, etc.), the Contractor shall immediately notify the LAFD Project Manager telephonically, in-person, or by email that a replacement will be needed and then follow that notice within ten (10) business days with a written notice of proposed replacement.

Whatever the reason for replacing project staff, the Contractor shall designate the name and qualifications of the proposed replacement, whose qualifications and capabilities shall be at least equal to those of the person being replaced. All replacements of Key Personnel, Project Manager, and Project Staff shall be subject to the LAFD's review and approval as described in Section 4.1.

5. **CONTRACTOR'S COMPENSATION**

5.1. Commission

The LAFD agrees to compensate the Contractor on a commission fee basis for services to the City performed under this Agreement. If no recovery is made on an account referred to the Contractor by the LAFD, there shall be no compensation due to the Contractor.

5.1.1. Assigned Amount

For the purposes of this Agreement, for each account referred to the Contractor by the LAFD, the following terms shall apply:

- “Total City Debt” shall mean a dollar total that includes the amount of the debt referred to the Contractor, including any LAFD and/or City-authorized adjustments to the amount referred after assignment (i.e., interest accruing on the unpaid balance or a reduction in the debt from an audit performed on the account), but does not include the Contractor’s commission fee. Total City Debt includes all principal, interest, penalties, adjustments, and other fees owed to the LAFD and/or the City.
- “Assigned Amount” shall include the Total City Debt and the Contractor’s calculated commission fee based on the commission rates, as established in Section 5.2.

5.1.2. Commission Application

The commission due to the Contractor shall be based on the Contractor’s applicable commission rate approved by the LAFD, as specified and calculated in Sections 5.2 and 5.4, and any recovery made on an account that has been assigned to the Contractor, up to but not to exceed the Assigned Amount, upon proper remittance to the LAFD. The Contractor shall verify the inclusion of its fee relative to the debt owed upon assignment and, if applicable, adjustment. Refer to Section 6.3 for more details.

5.1.3. Adjustments

Any adjustments made to the Total City Debt shall be authorized by the LAFD. The Contractor shall be entitled to a commission fee based on the final adjusted amount that was authorized by the LAFD, the commission rates established in Section 5.2, and the recovered amount. The Contractor is not entitled to commission on amounts recovered that exceed the LAFD’s Assigned Amount, including any authorized adjustments.

5.2. Contractor’s Commission Rate

The Contractor’s approved commission rate shall be applied to actual amounts recovered on accounts referred, up to but not exceeding the Assigned Amount of the referral, and shall be:

Collection Level	Commission Rate
Primary Rate	14.65%
Secondary Rate	21.65%

5.3. Compensation Collection and Remittance

The Contractor shall not be compensated in any other method than that prescribed in this Section. Additional invoicing requirements are defined in Section 8.

5.3.1. Payments Collected by the Referring City Department

Any monies paid directly to the LAFD during the Authorized Retention Period on an account assigned to the Contractor shall be deemed to have been collected by the Contractor, and the Contractor will be entitled to receive a commission on the payment, **unless: (1)** payment is received by the LAFD or postmarked on or prior to the date of the LAFD's receipt of the Contractor Acknowledgement Report, as set forth in this Section; **or (2)** collection activity, such as dunning notice sent or telephone contact with debtor, by the Contractor has not begun, in which case the Contractor would not be due any commission.

For those monies paid directly to the LAFD and deemed to have been collected by the Contractor on LAFD accounts, the LAFD shall calculate the compensation owed in accordance with Section 5.4 and provide the Contractor with a Remittance Report or similar documentation, as determined by the LAFD, detailing those monies and accounts, as detailed in Section 6.6. Upon receipt of the Remittance Report or similar documentation, the Contractor shall, in reference to the details provided therein: (1) apply monies to the appropriate referred accounts and (2) submit an invoice to the LAFD that totals the commission fees owed. Thereafter, the LAFD shall remit payment to the Contractor in accordance with Section 8.

5.3.2. Payments Collected by the Contractor

For LAFD accounts and on a monthly basis, the Contractor shall: (1) retain its own commission fees on payments made by debtors and paid to the Contractor in the previous month; (2) remit all payments to the LAFD, less commission fees, made by debtors and paid to the Contractor in the previous month; and (3) submit to the LAFD detailed supporting documentation, including the Remittance Report, and any other documentation required by the LAFD.

5.4. Calculation of Compensation

Commission fees, in accordance with Section 5.4.1, shall be additive rather than a fraction of the LAFD's Assigned Amount and shall not be subtracted from the principal that is owed to the LAFD when calculating the Total City Debt. The Contractor shall be paid a commission fee based on the amount collected on an account, whether partially or fully, during the Authorized Retention Period. In the event that the Contractor collects partial payment(s) on an account during the Authorized Retention Period, the Contractor's compensation shall reflect a value less than the Maximum Commission Fee, as defined

in Section 5.4.1, and shall be based on the actual amount recovered, as exemplified in Section 5.4.3.

5.4.1. Compensation Calculation Definitions

$$\text{Total City Debt} = \text{Principal} + \text{Penalties} + \text{Interest} + \text{Fees} \pm \text{Adjustments}$$

$$\text{Maximum Commission Fee} = \text{Total City Debt} \times \text{Commission Rate}$$

$$\text{Assigned Amount} = \text{Total City Debt} + \text{Maximum Commission Fee}$$

$$\text{Assigned Amount} = \text{Total City Debt} + (\text{Total City Debt} \times \text{Commission Rate})$$

$$\begin{array}{ccccccc} \$ & & \$ & & \$ & & \% \end{array}$$

Total Amount to be Collected by the Contractor & is Owed by the Debtor

5.4.2. Payment Formulas

$$\text{Amount Owed to Contractor} = \text{Amount Paid by Debtor} - \text{Amount Owed to City}$$

where

$$\text{Amount Owed to City} = \frac{\text{Amount Paid by Debtor}}{1 + \text{Commission Rate}}$$

and

$$\text{Amount Owed to Contractor} = \text{Amount Paid by Debtor} - \frac{\text{Amount Paid by Debtor}}{1 + \text{Commission Rate}}$$

5.4.3. Fee and Payment Calculation Examples

An example has been provided herein for reference purposes only.

A City Department referred an account owing \$500 to the Contractor. The Contractor's commission rate is 10%.

$$\$500 + (\$500 \times 10\%) = \$550$$

Table 1.

Total City Debt	Commission Rate	Assigned Amount	Commission Owed to the Contractor
\$500	10%	\$550	Dependent upon the amount collected

Table 2.

Total City Debt	\$500		
Commission Rate	10%		
Assigned Amount	\$550	Full Debt Recovery	Partial Debt Recovery*
Amount Paid by the Debtor	?	\$550	\$385
Amount Owed to the City	?	\$500	\$350
Amount Owed to the Contractor (Commission Fee)	?	\$50	\$35

* In the Partial Debt Recovery example, if the Contractor recovers the remaining \$165 balance of the partially-recovered account within the Authorized Retention Period, then of that \$165 balance recovered, the City would be owed \$150 and the Contractor would retain \$15.

The Assigned Amount is \$550, which is inclusive of the Total City Debt and the Contractor’s maximum commission fee. The final commission owed to the Contractor is dependent on the amount successfully recovered by the Contractor. It is the sole responsibility of the Contractor to ensure its commission has been included in the Assigned Amount prior to collection.

As illustrated in Table 2 above, recovering the entirety of the Assigned Amount will result in \$500 owed to the City, and \$50 owed to the Contractor. If only \$385 dollars of the \$550 is collected, then \$350 is owed to the City, and \$35 is owed to the Contractor. Note that $\$350 + (\$350 \times 10\%) = \$385$.

5.5. Reconciliation

Upon receipt of the Remittance Report defined in Section 6.6, the LAFD will have six (6) months to validate all details set forth therein regarding monies collected from debtors by the Contractor on LAFD-assigned accounts.

If the LAFD identifies discrepancies between the actual amounts remitted to the LAFD by the Contractor and the actual amounts owed to the LAFD, the LAFD shall send a Discrepancy Report to the Contractor detailing those instances at the LAFD's discretion. The Contractor shall then have the opportunity to dispute amounts and/or details provided in said Discrepancy Report. Disputes shall be made in writing and received by the LAFD within two (2) weeks from the receipt of the Discrepancy Report. All supporting information and evidence shall be, at a minimum, clearly delineated by account in the manner provided in the Discrepancy Report.

In the event that the discrepancies cannot be resolved, the Fire Chief and/or Fire Administrator, or their designee, shall make the final determination upon equal consideration of evidence provided by both parties. If the Discrepancy Report was disputed as specified above, a final Discrepancy Report shall be updated by the LAFD and provided to the Contractor.

Any outstanding amounts determined to be owed, including documentation deemed necessary by the LAFD, shall be remitted to the LAFD or the Contractor to address the discrepancies.

The Discrepancy Report, if deemed necessary by the LAFD, shall be sent within six (6) months of the receipt of the Remittance Report. If the Discrepancy Report is not sent within the six-month time frame, the payment made to the LAFD, and described within the corresponding Remittance Report, shall be considered final and no adjustments shall be allowed to that payment.

6. REPORTING

6.1. Required Monthly Reports to City Contract Administrator

All EMS accounts transmitted to the Contractor are deemed to contain Protected Health Information (PHI). The Contractor shall work with the LAFD to develop and ensure any and all reports provided to the City Contract Administrator, which includes monthly electronic reports regarding collection activities, overall and specific to EMS Billing Accounts, performed by the Contractor during the previous month and from inception of the Agreement, do not contain PHI. Required monthly reports are due to the City Contract Administrator within five (5) working days of the close of the prior month. The LAFD reserves the right to modify the Contractor's monthly reporting requirements as deemed appropriate, and the Contractor shall comply with any requested changes to monthly reporting requirements within one (1) month of being notified by the LAFD of the

requested modification. Required monthly reporting shall be defined by the LAFD, at its sole discretion, and may include, but is not limited to, the following reports:

- Activity Reports
- Batch Reports
- Overall Status of Accounts Referred
- Lists of Delinquent Debtors and Other Details (e.g., status, balance, etc.)
- Performance Reports
- Stair-Step Reports
- Status of Complaints, as defined in Section 3.14 of this Agreement
- Monthly Data Reports

6.2. Required Monthly Reports to the LAFD

The Contractor shall also provide monthly electronic reports to the LAFD. Monthly reports shall include information relative to collection activities specific to accounts referred to the Contractor by the LAFD and include information for the prior month, or designated time period, and aggregate from the time that the department initiated account referral to the Contractor. Required monthly reports are due to the LAFD within five (5) working days of the close of prior month. The LAFD reserves the right to modify Contractor's monthly reporting requirements as deemed appropriate. The Contractor shall comply with any requested changes in monthly reporting within one (1) month of receiving notification from the department. Required monthly reporting to the LAFD on accounts assigned to the Contractor may include, but are not limited to, the following:

- Activity Reports
- Status of Accounts Referred by the LAFD – Detailed for each account according to collection effort (e.g. payment plan, collection state, call follow-up, pending dispute, skip trace, pending documents, etc.)
- Returned/Closed Accounts
- Retained Accounts
- Remittance Report

6.3. Acknowledgement Report

Upon receipt of a referral from the LAFD, the Contractor shall provide an Acknowledgment Report to the LAFD within one (1) City business day from the assignment to verify account placement. Timely submission of the Acknowledgement Report by the Contractor is essential in order for the Contractor to be entitled any commission for monies collected on a referred account, as set forth in Section 5 of this Agreement. The LAFD shall specify to the Contractor the method for receipt of the Acknowledgement Report. Information in the report shall include, but not be limited to, the following on each account received:

- LAFD Account Number
- Debtor Name
- Assignment Date
- Total LAFD Debt

- Maximum Commission Fee
- Assigned Amount

6.4. Returned Accounts Report

The Contractor shall furnish to the LAFD, when applicable, a Returned Accounts Report on accounts returned to the LAFD. Reasons that an assigned account may be returned to the LAFD include, but are not limited to, the following:

- Contractor was unable to collect the unpaid amounts within the time period allotted by the City to effect collection
- Court-ordered receivership is granted over debtor's business
- Debtor bankruptcy filing
- Debtor is deceased
- Decedent's estate lacks sufficient assets to satisfy the indebtedness
- LAFD recalled the account

The Contractor shall state in its Report the reason(s) for the return of an account and be able to provide detailed information regarding all efforts undertaken by the Contractor to collect on an account prior to its return. The format for the Returned Accounts Report shall be specified by the LAFD and shall accompany any returned accounts. At a minimum, information contained in the report shall include, but is not limited to, the following for each account returned:

- LAFD Account Number
- Contractor Assigned Account Number
- Debtor Name
- Assignment Date
- Total City Debt
- Assigned Amount
- Collected Amount
- Remaining Balance Due
- Detailed Reason(s) Account has been Returned —For returns due to routine cancellation within the time period allotted by the City to effect collection (e.g. bad address, skip cannot locate, dispute, cease and desist, etc.)

6.5. Retained Accounts Report

The Contractor is required to furnish to the LAFD, when applicable, a Retained Accounts Report on accounts retained by the Contractor beyond the initial allowable period. Monthly reporting on retained accounts shall begin no later than the date that these accounts would normally have been returned to the LAFD due to the expiration of the initial allowable period. The Contractor shall continue to report on retained accounts, on a monthly basis, until said accounts are paid in full or returned to the LAFD for any reason (e.g., expiration of the Authorized Retention Period).

LAFD accounts shall not be retained by the Contractor unless authorized in writing by the LAFD or where payment plans that will exceed the initial allowable retention period are in effect under which debtors are making active payments under the payment plan that will extend beyond the allotted time period to effect collection as specified under this Agreement. Regardless of the reason for the account retention, monthly reporting is required, as defined herein.

At any time, the LAFD may, at its sole discretion and for any reason, recall an account from the Contractor, as set forth in Section 3.5 of this Agreement. However, this action would not preclude payment obligations to the Contractor of commission fees in the event an account with a payment plan in effect is taken over by the LAFD and successfully collected by the LAFD pursuant to said payment plan. At a minimum, the Retained Accounts Report shall include, but is not limited to, the following information for each account retained:

- LAFD Account Number
- Debtor Name
- Assignment Date
- Assigned Amount
- Collected Amount
- Remaining Balance Due
- Detailed Reason(s) Account has been Retained

6.6. Remittance Report

The Contractor shall furnish to the LAFD a Remittance Report setting forth the details from any monies that the Contractor collected during the previous month from debtors on LAFD-assigned accounts. This Report shall accompany the monthly delivery of monies, as defined in Section 3.3.4 of this Agreement, and shall be delivered to the LAFD on or before the fifteenth (15th) of each month when applicable. Automated remittance processes may be implemented upon written agreement between the LAFD and the Contractor. Specific information required in the Remittance Report shall be determined by the LAFD and may include, but not be limited to, the following:

- Identification of Collection Service Level (i.e., Primary or Secondary)
- Contract Number
- Contractor Assigned Vendor Code Number
- City Account Number
- Debtor Name
- Batch Number
- Total City Debt
- Assigned Amount
- Collected Amount
- Remaining Balance Due
- Contractor Commission Retained

The LAFD shall furnish to the Contractor when applicable a Remittance Report, or similar documentation as determined by the LAFD, setting forth the details from any monies paid directly to the LAFD during the previous month by debtors on accounts referred to the Contractor and within the Authorized Retention Periods.

6.7. Customized, Ad Hoc, and Specialized As-Needed Reports

On an occasional basis, the Contractor may be required to provide to the LAFD customized, ad hoc, or specialized as-needed reports. The Contractor shall furnish said reports within ten (10) business days from receipt of a written request, or other timeframe specified in writing, from the LAFD Contract Administrator or their designee. Specific details regarding the content and format of the specialized report shall be provided by the requesting party. Any system-related changes that may arise as a result of newly requested reports shall be implemented at no additional cost to the LAFD. All reports are to be delivered to the LAFD only. No report may be distributed to other Parties without the prior approval of the LAFD.

7. **SYSTEM USE AND INTEGRATION APPROVAL**

Prior to any action to effect the commencement of services under this Agreement, the Contractor shall provide a list of any and all LAFD and/or City systems and/or programs that the Contractor is either interfacing with or integrated with to the LAFD Chief Information Officer and/or Fire Administrator. The LAFD Chief Information Officer and/or Fire Administrator shall grant written approval or denial of each system or program and the duration for its use, including systems and programs that the Contractor currently utilizes or may utilize in the future. Until written approval is received, the Contractor shall immediately cease any and all utilization of said systems and/or programs.

The use of, integration with, and/or interfacing with any LAFD and/or City system and/or program shall receive approval by the LAFD Chief Information Officer and/or Fire Administrator prior to their use by the Contractor in its pursuit of collections activities. The LAFD Chief Information Officer and/or Fire Administrator may grant or revoke approval at any point for any system or program during the course of this Agreement, upon which the Contractor shall immediately cease any and all access to said technology.

8. **INVOICING AND PAYMENTS**

For payments made directly with the Contractor by debtors in the previous month on LAFD-assigned accounts, the Contractor shall, on or before the fifteenth (15th) of the following month: (1) retain its own commission fees on those payments; (2) remit those payments, less its commission fees, to the LAFD, in accordance with Section 5.4; and (3) provide supporting documentation, in accordance with Section 5.3.2. Additional payments may be required as a result of the Reconciliation process set forth in Section 5.5.

As defined in Section 5.3.1, for payments made directly with the LAFD by debtors on accounts referred to the Contractor, the Contractor shall submit an invoice totaling

commission fees owed based on those payments, in accordance with the Remittance Report, or similar documentation, provided by the LAFD. In accordance with City policies, the LAFD shall be in receipt of an invoice compliant with the requirements set forth in Section 8.1, prior to any payment processing or remittance to the Contractor.

8.1. Invoicing

Upon receipt of the Remittance Report or similar documentation from the LAFD, the Contractor shall submit an invoice to the LAFD Contract Administrator or their designee that includes the following information:

- Name and Address of the Contractor
- Remittance Address
- Date of Invoice
- Invoice Number
- Agreement Number
- Date(s) and description of services provided
- Amount of Invoice and, if different, Total Amount Payable
- Other additional information and/or requirements as determined by the City Department

8.2. Review and Acceptance of Deliverables

Failure to adhere to the policies detailed in this Section 8 may result in nonpayment or non-approval of demands, pursuant to City Charter Section 262(a), which requires the Controller to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received by any City office or department, and approve demands before they are drawn on the Treasury.

9. GOVERNING LAW AND VENUE

This Agreement and any action related thereto will be governed and interpreted by and under the laws of the State of California, without giving effect to any conflicts of laws principles that require the application of the law of a different jurisdiction. Each Party hereby expressly consents to the exclusive personal jurisdiction and venue in the state and federal courts of Los Angeles County, California for any lawsuit filed there against it by the other Party arising from or related to this Agreement.

10. NON-EXCLUSIVE

The City and Contractor understand and agree this is a non-exclusive Agreement to provide services to the City and that the City reserves the right to enter into agreement with other contractors/consultants to provide similar services during the term of this Agreement.

11. SEVERABILITY

If any provision of this Agreement is, for any reason, held to be invalid or unenforceable, the other provisions of this Agreement shall remain enforceable and the invalid or unenforceable provision(s) shall be deemed modified so that it is valid and enforceable to the maximum extent permitted by law.

12. NO THIRD-PARTY BENEFICIARIES

Nothing herein is intended to create a third-party beneficiary in any subcontractor. The City has no obligation to any subcontractor. No privity is created with any subcontractor by this Agreement. Even if the Contractor uses subcontractors, the Contractor remains responsible for complete and satisfactory performance of the terms of this Agreement.

13. STANDARD PROVISIONS FOR CITY CONTRACTS

By entering into this Agreement with the City, the Contractor agrees to abide by the Standard Provisions for City Contracts (Rev. 5/26 [v.1]), attached hereto and incorporated herein as Attachment A.

14. PUBLIC INSPECTION AND RECORDS

Notwithstanding any other provisions to the contrary, this Agreement, including any and all exhibits and attachments incorporated herein, shall be made available for public inspection in accordance with the City Charter and, to the extent applicable, the California Public Records Act (California Government Code § 6250 *et. seq.*).

15. MUNICIPAL LOBBYING ORDINANCE

The Contractor is required to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if the Contractor qualifies as a lobbying entity under LAMC § 48.02. Agreements submitted without a completed CEC Form 50 by contractors that qualify as a lobbying entity under LAMC § 48.02 may be subject to penalties, termination of contract, and debarment.

16. DISCLOSURE OF BORDER WALL CONTRACTING ORDINANCE AND SLAVERY DISCLOSURE ORDINANCE

The Contractor shall comply with LAAC § 10.50 *et seq.*, 'Disclosure of Border Wall Contracting.' The City may terminate this Agreement at any time if the City determines that the Contractor failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC § 10.50.1.

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

The Contractor shall complete and upload a Disclosure Ordinance Affidavit, on www.rampla.org.

17. BUSINESS ASSOCIATE AGREEMENT

The LAFD is a Covered Healthcare Entity within the City organization, and in accordance with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and to ensure the security of documents containing Protected Health Information (“PHI”), the Contractor by entering into this Agreement with the LAFD agrees to abide by the Business Associate Agreement (“BAA”), attached hereto and incorporated herein as Attachment B.

18. DATA MANAGEMENT, SECURITY, AND PRIVACY

18.1 Data Ownership and Use

The City is the sole and exclusive owner of all data and information that is managed or contained within the system and/or provided to the Contractor by or on behalf of City pursuant to this Agreement and any and all updates or modifications thereto or derivatives thereof made by Contractor (“City Data”), and all intellectual property rights in the foregoing, whether or not provided to any other party under this Agreement. Subject to the restrictions articulated elsewhere in this Agreement, City grants Contractor a non-transferable, non-exclusive, terminable at-will license, solely for the term of this Agreement, to use City Data solely for purposes of performing the services pursuant to this Agreement for City’s benefit.

18.2 Confidential Data

City Data is Confidential Information for the purposes of this Agreement. Contractor shall not use City Data for any purpose other than that of rendering the services under this Agreement, nor sell, assign, lease, dispose of or otherwise exploit City Data. Contractor shall not possess or assert any lien or other right against or to City Data. City may request an export of City Data stored within the systems or held by Contractor in any form or format at no charge to City.

18.3 Data Protection in General

The protection of personal privacy and personally identifiable data shall be an integral part of the business activities of Contractor, and Contractor shall use all reasonable efforts to prevent inappropriate or unauthorized use of City Data at any time and safeguard the confidentiality, integrity, and availability of City Data.

18.4 Data Protection Encryption

Unless otherwise stipulated in writing, Contractor shall encrypt all City Data at rest and in transit with controlled access. The Contractor shall apply and support encryption solutions that are certified against U.S. Federal Information and Processing Standard 140-2, Level 2, or equivalent industry standard, and verify that the encryption keys and keying material are not stored with any associated data. Whenever and wherever applicable, Contractor shall apply and support industry standards or better for tokenization, fraud-use protection, format-preserving encryption, and data encryption technology.

18.5 Data Protection Copying

At no time shall any City Data be copied, disclosed, or retained by Contractor or any party related to Contractor, including its subcontractors, for use in any process, publication, or transaction that is not specifically authorized by the City in writing.

18.6 Data Protection Hacking

Contractor shall secure and protect all City Data from hacking, viruses, ransomware, and denial of service and related attacks.

18.7 On Shore Development and Access

Contractor shall provide its services to the City and its end users solely from facilities / data centers in the continental United States of America. Storage of City Data at rest shall be located in the continental United States of America. Contractor shall not allow its personnel or subcontractors to store City Data on portable devices, including personal computers, except for devices that are used and kept only at Contractor's continental United States of America offices or data centers. Contractor may permit its personnel and subcontractors to access City Data remotely only as required to provide Contracted Services. Contractor shall neither access nor allow a third-party access to City Data from any location outside of the continental United States of America. Contractor shall not provide any services under this Agreement from a location outside of the continental United States of America, absent receipt of City's express approval. For purposes of support services provided in association with the Service Level Agreement, City's approval may come via e-mail or other written instrument from the Department's Chief Information Officer.

18.8 Access Limitations

Contractor shall use precautions, including, but not limited to, physical software and network security measures, personnel screening, training and supervision, and

appropriate agreements to prevent anyone other than authorized City personnel, users and subcontractors with a specific need to know, for a purpose authorized under this Agreement, from monitoring, using, or gaining access to City Data. The Contractor shall also protect appropriate copies of City Data from loss, corruption, or unauthorized alteration; and prevent the disclosure of City and Contractor usernames, passwords, API keys, and other access control information to anyone other than authorized City personnel.

18.9 Least Privilege

Contractor shall authorize access only to the minimum amount of resources required to fulfill the Contractor's responsibilities in this contract.

18.10 Separation of Duties

The Contractor shall, as much as practical, divide functions among its staff members to reduce the risk of creating an undue dependency on one key person and reducing the risk of fraud being undetected.

18.11 Role-Based Security

The Contractor shall restrict access to authorized users and base access control on the role a user plays in the Contractor's organization.

18.12 Credential Restrictions

Contractor shall restrict the use of, and access to, administrative credentials for accounts and system services accessing City Data, to only those of Contractor's personnel and subcontractors whose access is essential for the purpose of providing the Contracted Services or performing obligations under this Agreement. Contractor shall require personnel and subcontractors to log on using an assigned user-name and password when administering City accounts or accessing City Data. These controls shall enable Contractor to promptly revoke or change access in response to terminations or changes in job functions, as applicable. Contractor shall encrypt all passwords, passphrases, and PINs, using solutions that are certified against U.S. Federal Information and Processing Standard 140-2, Level 2, or equivalent industry standard, and verify that the encryption keys and keying material are not stored with any associated data. Contractor shall implement any City request to revoke or modify user access within twenty-four (24) hours or the next business day of receipt of City's request. Contractor shall disable user accounts after, at most, ten (10) consecutive invalid authentication attempts. References

to “subcontractor” in the Pledge of Compliance document is limited to subcontractors providing professional services.

18.13 Physical and Environmental Security

Contractor facilities that process City Data shall provide a physically secure environment from unauthorized access, damage, and interference.

18.14 Operational Controls

Contractor shall implement operational procedures and controls designed to ensure that technology and information systems are configured and maintained according to prescribed internal standards and consistent with applicable Industry Standard Safeguards. Examples of Industry Standard Safeguards are ISO/IEC 27002:2005, NIST 800-44, Microsoft Security Hardening Guidelines, OWASP Guide to Building Secure Web Applications, SOC 2 Type 2, and the various Center for Internet Security Standards. Moreover, Contractor shall use application security and software development controls designed to eliminate and minimize the introduction of security vulnerabilities.

18.15 Antivirus

Contractor shall have and maintain antivirus protection configured to automatically search for and download updates (daily, at a minimum) and perform continuous virus scans. Malware and threat detection shall be updated continuously, and software patches provided by vendors shall be downloaded and implemented in a timely manner. If Contractor is unable to implement these controls in a timely manner, Contractor shall notify City in writing.

18.16 Vulnerability Management and Patching

Contractor shall employ vulnerability management and regular application, operating system, and other infrastructure patching procedures and technologies designed to identify, assess, mitigate, and protect against new and existing security vulnerabilities and threats, including viruses, bots, and other malicious code.

18.17 Network Controls

Contractor shall have, shall implement, and shall maintain network security controls, including the use of firewalls, layered DMZs and updated intrusion detection and prevention systems, reasonably designed to protect systems from intrusion or limit the scope or success of any attack or attempt at unauthorized access to City Data.

18.18 Logging and Monitoring

Unless prohibited by applicable law, Contractor shall, and shall require subcontractors to, continuously monitor its networks and personnel for malicious activity and other activity that may cause damage or vulnerability to City Data. Contractor shall maintain logs of administrator and operator activity and data recovery events related to City Data.

18.19 Changes in Service

Contractor shall notify the City of any changes, enhancement, and upgrades to the System Administration and Network Security, or changes in other related services, policies, and procedures, as applicable, which can adversely impact the security of City Data.

18.20 Policies

Contractor shall, and shall require subcontractors to, establish and maintain a formal, documented, mandated, company-wide information security program, including security policies, standards, and procedures (collectively "Information Security Policy"), and communicate the Information Security Policy to all of its respective personnel in a relevant, accessible, and understandable form. Contractor shall regularly review and evaluate the Information Security Policy to ensure its operational effectiveness, compliance with all applicable laws and regulations, and to address new threats and risks.

Upon execution of this Agreement and thereafter within three (3) days of City's request, Contractor shall make available for review by the City Contractor's Information Security Policy and any related SOC audits or other evidence that Contractor has in place appropriate policies and procedures regarding information protection and security.

18.21 Vulnerability and Risk Assessments

At least annually, Contractor shall perform vulnerability tests and assessments of all systems that contain City Data. For any of Contractor's applications that process City Data, such testing shall also include penetration tests using intercept proxies to identify security vulnerabilities that cannot be discovered using automated tools, and code review or other manual verifications to occur at least annually.

18.22 Right of Audits by City/Security Review Rights

City and its agents, auditors (internal and external), regulators, and other representatives as City may designate, may inspect, examine, and review the facilities, books, systems, records, data, practices, and procedures of Contractor (and any personnel) that are used

in rendering services to City to verify the integrity of City Confidential Information and to monitor compliance with the confidentiality and security requirements for City Confidential Information. In lieu of an on-site audit, at City's discretion and upon request by the City, the Contractor agrees to complete, within fourteen (14 days) of receipt, an audit questionnaire provided by the City regarding the Contractor's data privacy and information security program. Contractor shall comply with all recommendations that result from such inspections, tests, and audits within reasonable timeframes.

18.23 Data Backup and Emergency Recovery

Contractor shall employ a multilayered approach to backups and disaster recovery, including the use of a primary data center and a backup data center. Contractor shall perform both local and remote backups of the complete server infrastructure, including server operating systems, applications, and data. Contractor shall perform Disaster Recovery Tests no less than annually. Contractor shall maintain and comply with a reasonable written plan (the "DR Plan") setting forth procedures for (a) mitigating disruption to systems during and after an earthquake, hurricane, other natural disaster, war, act of terrorism, act of cyberterrorism, and other natural or man-made disaster, including without limitation Force Majeure Events (as that term is used in PSC-5, Force Majeure/Excusable Delays, of the Standard Provisions for City Contracts (Rev. 5/26)[v.1] (collectively, a "Disaster"); and (b) restoring Service functionality promptly after a Disaster. The DR Plan shall include procedures no less protective than industry standard, and Contractor shall update the DR Plan as the industry standard changes.

18.24 Data Return and Destruction

At the conclusion of the Agreement and as instructed by City, Contractor shall (at its sole cost) return in Microsoft SQL format, delete, or destroy City Data then in its possession or under its control including, without limitation, originals, and copies of such City data. The following types of information are excluded from this requirement: (i) City Data that becomes a part of the public domain, including through court filings; and (ii) City Data that Contractor is required to maintain, by law, regulations, or by the terms of this Agreement, but only for the time period required. For the avoidance of doubt, anything that is stored on routine backup media solely for the purpose of disaster recovery shall be subject to destruction in due course rather than immediate return or destruction pursuant to this paragraph, provided that Personnel are precluded from accessing such information in the ordinary course of business prior to destruction.

Contractor shall implement and utilize appropriate methods to ensure the destruction of City Data. Such methods shall be in accordance with recognized Industry best practices and shall leave no data recoverable on Contractor's computers or other media.

Contractor agrees to certify that City Data has been returned, deleted, or destroyed from its systems, servers, off-site storage facilities, office locations, and any other location where Contractor maintains City Data within forty-five (45) days of receiving City's request that the information be returned, deleted, or destroyed. Contractor shall document its verification of data removal, including tracking of all media requiring cleaning, purging or destruction.

18.25 Data Breach

Contractor shall notify City in writing as soon as reasonably feasible, but in any event within seventy-two hours, or if later, the next business day after Contractor's discovery of any unauthorized access of City Data or Contractor becoming reasonably certain that such unauthorized access has occurred (a "Data Breach"), or of any event that compromises the integrity, confidentiality or availability of City Data (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 if requested by City, and, in any event, reasonably frequent updates, regarding findings and actions performed by Contractor until the Data Breach or Security Incident has been resolved to City's satisfaction. Contractor shall conduct an investigation of the Data Breach or Security Incident and shall share a report of the investigation findings with City. At City's sole discretion, City and/or its authorized agents shall have the right to conduct an independent investigation of a Data Breach. Contractor shall cooperate fully with City and its agents in that investigation. If the City is subject to liability for any Data Breach or Security Incident, the Contractor shall fully indemnify and hold harmless the City and defend against any resulting actions.

18.26 Confidentiality

18.26.1 City's Confidential Information

For purposes of this section, "Confidential Information" means any nonpublic information whether disclosed orally or in written or digital media, received by Contractor that is either marked as "Confidential" or "Proprietary" or which the Contractor knows or should have known is confidential or proprietary information. City Data shall be treated as Confidential Information by Contractor under this Agreement, even if such data is not marked "Confidential" or "Proprietary" or was obtained by or transferred to Contractor prior to the effective date of this Agreement.

18.26.2 Protection of Confidential Information

Except as expressly authorized herein, Contractor shall (a) hold in confidence and not disclose any Confidential Information to third parties and (b) not use Confidential Information for any purpose other than fulfilling its obligations and exercising its rights under this Agreement or performing the contracted services. Contractor shall limit access to Confidential Information to Contractor personnel and subcontractors that are previously disclosed to City and, (1) who have a need to know such information for the purpose of Contractor performing its obligations or exercising its rights under this Agreement, or performing Contracted Services; (2) who have confidentiality obligations no less restrictive than those set forth herein; and (3) who have been informed of the confidential nature of such information. In addition, the Contractor shall protect Confidential Information from unauthorized use, access, or disclosure in the same manner that it protects its own proprietary information of a similar nature, but in no event with less than reasonable care. At LAFD's request or upon termination or expiration of this Agreement, the Contractor shall return to LAFD any Deliverables not provided to the City and Contractor shall destroy (or permanently erase in the case of electronic files) all copies of Confidential Information, excluding information contained in Contractor's backup files or information Contractor is required by law to retain, and Contractor shall, upon request, certify to City its compliance with this sentence.

18.26.3 Exceptions

The confidentiality obligations set forth in Section 8.26 shall not apply to any Confidential Information that (a) is at the time of disclosure or becomes generally available to the public through no fault of the Contractor; (b) is lawfully provided to the Contractor by a third party free of any confidentiality duties or obligations; (c) was already known to the Contractor at the time of disclosure free of any confidentiality duties or obligations; or (d) the Contractor can demonstrate was independently developed by personnel of the Contractor without reference to the Confidential Information. In addition, the Contractor may disclose Confidential Information to the extent that such disclosure is necessary for the Contractor to enforce its rights under this Agreement or is required by law or by the order of a court or similar judicial or administrative body, provided that (to the extent legally permissible) the Contractor promptly notifies LAFD in writing of such required disclosure,

cooperates with LAFD if LAFD seeks an appropriate protective order, and the Contractor discloses no more information that is legally required.

18.26.4 Compliance with Privacy Laws

Contractor is responsible for ensuring that Contractor's performance of its obligations and exercise of its rights under this Agreement complies with all applicable local, state, and federal privacy laws and regulations, as amended from time to time. If this Agreement or any practices which could be, or are, employed in performance of this Agreement become inconsistent with or fail to satisfy the requirements of any of these privacy laws and regulations, City and Contractor shall in good faith execute an amendment to this Agreement sufficient to comply with these laws and regulations and Contractor shall complete and deliver any documents necessary to show such compliance. The City acknowledges and agrees that Contractor is not responsible for giving any notices to or obtaining any consents from any other party in order for Contractor to process the City Data as contemplated by this Agreement.

19. PUBLICITY/CASE STUDIES

Contractor shall refer all inquiries from the news media to the Department, shall immediately contact the Department to inform the Department of the inquiry, and shall comply with the procedures of the LAFD Community Liaison Office regarding statements to the media relating to this Agreement or Contractor's services hereunder.

20. REPRESENTATIONS AND WARRANTIES

Contractor represents and warrants that:

20.1 Compliance with Law

The services that the Contractor provides pursuant to this Agreement shall comply with all applicable laws, including, without limitation, federal, state, and local.

20.2 Authority to Contract and No Pending Litigation

The Contractor has the full right and authority to enter into, execute, and perform its obligations under this Agreement and that no pending or threatened claim or litigation known to it would have a material adverse impact on its ability to perform as required by this Agreement.

20.3 Workmanlike Performance

All professional services shall be performed in a professional and workmanlike manner, according to at least prevalent industry standards, and performed by competent personnel.

21. COUNTERPARTS AND ELECTRONIC SIGNATURES

This Agreement may be executed in one (1) or more counterparts, each of which will be deemed an original and all of which will be taken together and deemed to be one (1) instrument. The Parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by the City) and sent by email shall be deemed original signatures. This Agreement includes thirty (37) pages and two (2) Attachments.

22. ENTIRE AGREEMENT

This Agreement, and any exhibits, attachments, or documents incorporated herein by inclusion or by reference, constitutes the complete and entire Agreement between the Parties and supersedes all prior discussions between the Parties, oral or written. No modification of or amendment to this Agreement, or any waiver of any rights under this Agreement, will be effective unless in writing and signed by the duly authorized representatives of each Party. No verbal agreement or conversation with any officer or employee of either Party shall affect or modify any of the terms and conditions of this Agreement. The Parties acknowledge that they have read and understand the Agreement and had an opportunity to consult with counsel of their choosing. Neither Party shall be deemed the drafter of this Agreement. Ambiguities, if any, in this Agreement shall not be construed against any Party merely because this Agreement or any of its provisions have been prepared by a particular Party.

23. ORDER OF PRECEDENCE

Unless otherwise provided for in this Agreement, in the event of any inconsistencies between the bodies of this Agreement, exhibits, attachments, and schedules, the order of precedence will be as follows:

- (1) This Agreement between the City and Contractor
- (2) Attachment A – Standard Provisions for City Contracts (Rev. 5/26 [v.1])
- (3) Attachment B – Business Associate Agreement (HIPAA)

[Intentionally left blank. Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

**THE CITY OF LOS ANGELES,
A Municipal Corporation**

**HARRIS & HARRIS, LTD.,
An Illinois Corporation**

By signing below, the signatory attests that they have no personal, financial, beneficial or familial interest in this contract.

By: _____
Jaime E. Moore
Fire Chief

By: _____
David Peters
Chief Executive Officer

Date: _____

Date: _____

**APPROVED AS TO FORM:
HYDEE FELDSTEIN SOTO, City Attorney**

By: _____
Stephanie Cao
Deputy City Attorney

Date: _____

**ATTEST:
PATRICE Y. LATTIMORE, City Clerk**

By: _____
Deputy City Clerk

Date: _____

*Approved signature methods for California corporations:

A. Two signatures: one the Chairman of the Board of Directors, President, or Vice President, and one of the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer. The signature of a single individual holding offices in each category is also acceptable.

Or

B. One signature of a corporate-designated individual together with a properly attested resolution of the Board of Directors or copy of the Bylaws authorizing the individual to sign.

Agreement Number: _____

ATTACHMENT A

STANDARD PROVISIONS FOR CITY CONTRACTS (Rev. 5/26 [v.1])

STANDARD PROVISIONS FOR CITY CONTRACTS
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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. CONSTRUCTIONS 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.

As used in this Contract, unless otherwise specified in the Contract, the term "Written Notice" or "Writing" may include correspondence sent via electronic mail, certified mail, or through the United States Postal Service.

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 venue, and agrees to bring all such actions, exclusively in state or federal courts located in the County of Los Angeles, 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. 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; and
- D. The Office of the City Attorney has indicated in Writing (including electronic communication), its approval of this Contract as to form.

PSC-4. INTEGRATED CONTRACT/AMENDMENT

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 in Writing and signed by the duly authorized representatives of both parties, including the Office of the City Attorney as to form.

PSC-5. FORCE MAJEURE/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 a Force Majeure Event. Force Majeure Events include but are not limited to fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, lockouts (other than a lockout by the party or any of the party's Subcontractors), government furloughs, government shutdowns, freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar and unforeseeable events. For the party to be excused from performance for its delay or failure resulting from a Force Majeure Event, in each case, the delay or failure to perform must have been unforeseeable at the time of contract, and be beyond the control and without any fault or negligence of the party delayed or failing to perform. Notwithstanding the foregoing, **CONTRACTOR** shall not be entitled to terminate this Contract due to a Force Majeure Event in the event that **CONTRACTOR** is engaged to perform services in response to that event.

CONTRACTOR's non-performance shall not be excused by a delay or failure to perform by a Subcontractor resulting from a Force Majeure Event, unless (1) 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 and (2) the **CONTRACTOR** establishes that the goods or services to be furnished by the Subcontractor could not have been obtained from other sources in sufficient time to permit **CONTRACTOR** to perform timely. In the event **CONTRACTOR's** delay or failure to perform is a result 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-6. 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-7. 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 delivery of the notice of suspension in accordance with the Contract, **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-8. TERMINATION

A. Termination for Convenience

CITY may terminate this Contract for **CITY's** convenience at any time by providing **CONTRACTOR** notice in Writing, which shall include the effective date of termination. Upon delivery 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, provided that such amounts are approved, in Writing, by **CITY** in advance of the work being performed. 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-5, 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 immediately terminate this Contract by giving **CONTRACTOR** notice in Writing of the default and termination. Unless otherwise specified in **CITY's** termination notice, termination by **CITY** shall be effective three (3) days after the date of delivery of notice in Writing. Alternatively, in the event of a default, **CITY**, at its sole discretion, may send **CONTRACTOR** a default notice in Writing identifying the default 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 the default notice. At **CITY's** sole discretion, **CITY** may accept or reject **CONTRACTOR's** plan. If: (1) **CITY** rejects **CONTRACTOR's** plan; (2) the default cannot be cured; or (3) **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 and provides written evidence to **CITY** that **CONTRACTOR** has obtained the required insurance coverage.
3. A breach of PSC-21, PSC-22, PSC-23, PSC-34, or PSC-37, or any unauthorized use of City Data or AI System, shall be deemed a breach of this Contract. **CITY** may require immediate suspension of the affected processing or services and may terminate this Contract if **CONTRACTOR** fails to cure within the period stated in **CITY's** notice, or immediately if the breach is not reasonably curable or presents an imminent risk to City Data, **CITY** systems, or the health, safety, or legal rights of any person.
4. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates City, state, or federal 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 is informed that it is the target or subject of a local, state, or federal government investigation, or is criminally diverted, charged with, indicted for, convicted of, pleads nolo contendere to, 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. Acts of Moral Turpitude include, but are not limited to: crimes set forth in California Penal Code Section 667.5, California Penal Code Section 1192.7, and California Public Resources Code Section 5164(a)(2) regardless of whether such acts are punishable by felony or misdemeanor conviction.

- c. 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**.
 - d. **CITY** shall be entitled to terminate this contract for breach due to an Act of Moral Turpitude.
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-8(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 (5) calendar days of the termination.

PSC-9. 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-10. CONTRACTOR'S PERSONNEL

Unless otherwise approved by **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. In the event that **CITY** is dissatisfied with the performance of any **CONTRACTOR** personnel, **CITY** and **CONTRACTOR** shall meet in person, virtually, or telephonically to attempt to resolve such concerns.

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 require 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.

Any employee, agent, or Subcontractor with access to City Data or Confidential Information shall be subject to written confidentiality obligations and appropriate privacy and security training. For purposes of this Contract, any third party that hosts, stores, transmits, supports, analyzes, or otherwise processes City Data or provides a material AI System used in performance of this Contract shall be deemed a Subcontractor or Subprocessor subject to **CITY's** prior written approval under this PSC-10.

PSC-11. 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 by operation of law or otherwise, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

For the purposes of this Contract, any change of control of **CONTRACTOR** resulting from an amalgamation, merger, corporate reorganization, arrangement, business sale, or asset shall be deemed an assignment or delegation.

PSC-12. 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-13. CLAIMS FOR LABOR AND MATERIALS/UNEMPLOYMENT

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.

**PSC-14. CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION
CERTIFICATE REQUIRED**

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-15. 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**. Except in circumstances where either federal, state, or local law requires a longer period of retention, these records shall be retained for a period of no less than five (5) 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 ("Retention Period"). The records will be subject to examination and audit by authorized **CITY** personnel or **CITY's** representatives at any time.

CONTRACTOR acknowledges that this is an agreement with the Municipal Corporation of Los Angeles, and, as such, upon request by the Office of the Mayor, City Attorney, or Controller, agrees to provide such entities with access to any information, records, or data related to this Contract. **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.

Any Confidential Information and protected Personal Information contained in the records during the retention period will remain subject to the obligations and restrictions contained in the Contract. **CONTRACTOR** will not use the retained Confidential Information or Personal Information for any purpose.

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. At any time prior to or during Retention Period, **CONTRACTOR** shall, upon written request by **CITY**, provide all City Data to **CITY** in an electronic format, e.g. USB flash drive. Within thirty (30) days following the expiration of Retention Period, **CONTRACTOR** shall securely dispose of all City Data in its possession and provide **CITY** with written certification that it has completed secure disposal.

For purposes of this PSC-15, records pertaining to the performance of this Contract include records reasonably necessary to demonstrate **CONTRACTOR's** compliance with PSC-21, PSC-22, PSC-23, PSC-34, and PSC-37, including Subprocessor approvals, security assessments, incident reports, and policies or certifications made available to **CITY**. Retention of City Data itself shall remain subject to PSC-22.

PSC-16. 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. and any successor sections.

PSC-17. 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, deficiencies, judgments, settlements, costs, and expenses of any kind, including, but not limited to, attorney's fees (both in house and outside counsel), costs of experts and consultants, damages or liability of any nature whatsoever whether foreseeable or unforeseeable (including, but not limited to, as related to death, personal injury, property damage, or economic loss), relating to or, arising in any manner by reason of the acts, errors, omissions or willful misconduct by **CONTRACTOR**, Subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. Without limiting the foregoing, such obligations apply to claims, losses, demands, and expenses arising out of or relating to any Security Incident or Data Breach, any unauthorized access to, acquisition, use, disclosure, loss, alteration, or destruction of City Data, any violation of PSC-21, PSC-22, PSC-23, PSC-34, or PSC-37, or any allegation that **CONTRACTOR's** use of an AI System under this Contract caused invasion of privacy, unlawful discrimination, defamation, or other injury, in each case to the extent caused by **CONTRACTOR** or its Subcontractors. 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-18. 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 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.

For purposes of this PSC-18, intellectual property and proprietary information claims include claims arising from any software, dataset, AI System, model, training or fine-tuning data, prompt library, or output used or provided by **CONTRACTOR** or its Subcontractors in connection with the services. If any service, Work Product, or deliverable becomes, or in **CONTRACTOR's** reasonable judgment is likely to become, subject to such a claim, **CONTRACTOR** shall, at its expense and in addition to its defense and indemnity obligations, promptly: (1) procure for **CITY** the right to continue using the affected item; (2) replace or modify the affected item so that it becomes noninfringing without materially reducing functionality, security, or performance; or (3) if neither of the foregoing is commercially reasonable, refund the fees allocable to the affected item and assist **CITY** in an orderly transition. **CONTRACTOR** shall have no obligation under this paragraph to the extent a claim arises solely from modifications made by **CITY** other than through **CONTRACTOR**, use of the affected item contrary to the documentation or this Contract after notice by **CONTRACTOR**, or combination with items not supplied or approved by **CONTRACTOR** where the claim would not have arisen but for such combination.

PSC-19. 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.

CONTRACTOR further represents and warrants that: (1) **CONTRACTOR** and its Subcontractors have obtained and will maintain all rights, licenses, consents, notices, and permissions necessary for the technologies, datasets, AI Systems, and other materials used to perform this Contract and to grant the rights granted to **CITY** herein, including any required rights relating to voice, image, likeness, biometric, or other protected data; (2) no Contractor Materials, Work Product, or AI-generated deliverable provided to **CITY** is subject to any license, use restriction, or other encumbrance that would require **CITY** to disclose source code, grant rights to third parties, or accept restrictions inconsistent with this Contract, except as expressly disclosed in writing and approved by **CITY**; and (3) **CONTRACTOR** will not use City Data to train or improve any AI System except as expressly permitted under PSC-23.

PSC-20. TECHNOLOGY, DATA AND AI DEFINITIONS

For purposes of these Standard Provisions for City Contracts, the following terms apply:

"AI System" means any machine-based system, including any generative artificial intelligence, large language model, machine learning model, algorithmic or automated decision system, or similar technology, that infers from the inputs it receives how to

generate outputs such as text, images, audio, video, code, classifications, scores, predictions, recommendations, or decisions.

“City Data” means all data, content, records, information, text, audio, video, images, software, documents, Personal Information, credentials, metadata, logs, prompts, inputs, outputs, feedback, configurations, and other information, in any form, that is: (i) provided by or on behalf of **CITY** to **CONTRACTOR**; (ii) made available to **CONTRACTOR** by **CITY**’s personnel, residents, users, agents, systems, or devices; or (iii) collected, received, accessed, stored, hosted, transmitted, generated, derived, created, or otherwise processed by **CONTRACTOR** or its Subprocessors in connection with this Contract, in each case where such information identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked to **CITY**, any individual or household, **CITY** operations, or **CITY** systems. City Data includes any data embodied in Work Product and any prompts, inputs, outputs, logs, and evaluation data used or generated in connection with any AI System under this Contract. City Data does not include Contractor Materials, and does not include De-Identified Data solely to the extent **CONTRACTOR** is expressly permitted to use such De-Identified Data under PSC-22.

“Contractor Materials” means preexisting or independently developed materials, services, software, source code, object code, models, algorithms, routines, templates, know-how, tools, methods, documentation, and other intellectual property that were not created specifically for **CITY** under this Contract and were not developed using City Data or **CITY** funding.

“Data Breach” means any unauthorized acquisition, access, use, disclosure, exfiltration, loss, theft, destruction, alteration, or compromise of City Data, or of the security, confidentiality, or integrity of City Data, whether or not such event constitutes a breach under applicable law.

“De-Identified Data” means data that cannot reasonably be used to infer information about, or otherwise be linked to, **CITY**, any individual, household, device, or **CITY** system, and with respect to which **CONTRACTOR** has implemented technical and organizational measures designed to prohibit re-identification and onward disclosure except as permitted by law.

“Personal Information” means any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household, and any other data subject to privacy, confidentiality, security, breach notification, consumer protection, identity theft, employment, or similar laws, including sensitive personal information, personally identifiable information, protected health information, payment card data, financial account information, biometric information, credentials, education records, and government-issued identifiers.

“Security Incident” means any actual or reasonably suspected event that materially threatens or adversely affects the confidentiality, integrity, availability, or resilience of City

Data or of the systems used to provide the services, including malware, ransomware, denial of service, unauthorized access attempts, or material outages, but excluding unsuccessful routine scans, pings, or blocked attacks that do not result in unauthorized access to City Data or material degradation of the services.

“Subprocessor” means any subcontractor or other third party, including any cloud, hosting, support, analytics, payment, or AI provider, engaged by **CONTRACTOR** or its Subcontractors to host, access, receive, store, transmit, or otherwise process City Data or to provide a material technology service used in performance of this Contract.

PSC-21. OWNERSHIP AND LICENSE

- A. City Data. **CITY** retains all right, title, and interest in and to City Data. No rights in City Data are granted to **CONTRACTOR** except the limited, nonexclusive, nontransferable right to use City Data solely as necessary to perform this Contract and solely in accordance with this Contract and **CITY’s** written instructions. **CONTRACTOR** shall not sell, license, rent, disclose, release, transfer, assign, encumber, or otherwise exploit City Data and shall not assert any lien, withholding right, setoff, or other encumbrance against City Data.
- B. Work Product. Unless otherwise expressly provided in this Contract, all finished and unfinished works, tangible or intangible, originated and prepared by **CONTRACTOR** or its Subcontractors specifically for **CITY** under this Contract, including, without limitation, documents, reports, analyses, studies, specifications, manuals, software, code, configurations, interfaces, databases, designs, audiovisual materials, websites, domain names, inventions, discoveries, and other deliverables (each, a “Work Product”; collectively, “Work Products”), together with all intellectual property rights therein, shall be and remain the exclusive property of **CITY** for its use in any manner **CITY** deems appropriate. **CONTRACTOR** hereby assigns to **CITY** all right, title, and interest worldwide in and to such Work Products. **CONTRACTOR** shall execute any documents reasonably necessary for **CITY** to perfect, memorialize, or record **CITY’s** ownership of rights provided herein.
- C. AI-Generated Output. To the extent any Work Product or portion thereof is generated or assisted by an AI System or is not capable of assignment or exclusive ownership as a matter of law, **CONTRACTOR** hereby grants to **CITY** a perpetual, irrevocable, worldwide, royalty-free, fully paid-up license, with the right to sublicense to **CITY’s** contractors and service providers acting on **CITY’s** behalf, to use, reproduce, modify, display, perform, distribute, create derivative works from, and otherwise exploit such Work Product or output for any **CITY** purpose.
- D. Contractor Materials. **CONTRACTOR** retains ownership of Contractor Materials. To the extent any Contractor Materials are incorporated into, delivered with, or reasonably necessary for **CITY** to use any Work Product or receive the benefits of the services, **CONTRACTOR** grants to **CITY** a nonexclusive, perpetual, irrevocable, worldwide, royalty-free, fully paid-up license, with the right to

sublicense to **CITY's** contractors and service providers acting on **CITY's** behalf, to use, execute, reproduce, display, perform, configure, maintain, support, and, if delivered in source or editable form, modify such Contractor Materials solely as necessary for **CITY** to use the Work Product and receive the benefits of the services.

- E. Third-Party Materials. For all materials, software, data, or other items delivered to **CITY** that are not originated or prepared by **CONTRACTOR** or its Subcontractors under this Contract, **CONTRACTOR** shall secure for **CITY**, at no additional cost to **CITY**, all rights necessary for **CITY** to use such items for **CITY** purposes and to receive the full benefit of this Contract.
- F. Restrictions on Disclosure. **CONTRACTOR** shall not provide or disclose any Work Product or City Data to any third party except as expressly permitted under this Contract or approved in writing by **CITY**.
- G. Subcontracts. Any subcontract or other agreement entered into by **CONTRACTOR** relating to this Contract shall preserve and protect **CITY's** rights in City Data and Work Product and shall state that no Subprocessor or subcontractor obtains any ownership interest in either.
- H. Equitable Relief. **CONTRACTOR** agrees that a monetary remedy for breach of this PSC-21 may be inadequate, impracticable, or difficult to prove and that a breach may cause **CITY** irreparable harm. **CITY** may therefore enforce this PSC-21 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.

PSC-22. DATA PROTECTION

- A. General Standard. **CONTRACTOR** shall protect City Data using administrative, technical, physical, and organizational safeguards no less rigorous than accepted industry standards and no less protective than those **CONTRACTOR** uses for its own information of similar sensitivity, and in all events consistent with applicable law and the nature of the services and City Data. **CONTRACTOR** shall maintain a written information security program, incident response plan, and business continuity and disaster recovery capabilities appropriate to the services.
- B. Permitted Use; Restricted Use. **CONTRACTOR** shall collect, access, use, retain, disclose, store, and otherwise process City Data only for the limited and specified purpose of performing this Contract, complying with applicable law, and as otherwise expressly authorized in writing by **CITY**. **CONTRACTOR** shall limit access to City Data to personnel and approved Subprocessors with a need to know for performance of this Contract and who are bound by written confidentiality and data protection obligations at least as protective as this Contract. In addition to the

confidentiality obligations in PSC-37, **CONTRACTOR** shall not: (i) sell, share, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate City Data to any third party except as expressly authorized by **CITY** or required by law; (ii) use City Data for advertising, marketing, profiling for unrelated purposes, product development unrelated to the services, or any commercial purpose other than performance of this Contract; (iii) combine City Data with data from other customers or sources except as necessary to provide the services and subject to written controls that prevent unauthorized use or disclosure; or (iv) move, store, or permit access to City Data outside the United States without **CITY's** prior written approval.

- C. Data Minimization and Retention. **CONTRACTOR** shall collect and use only the minimum City Data reasonably necessary to perform this Contract, and shall retain City Data only for the duration reasonably necessary for the permitted purpose or as otherwise required by law or **CITY's** written instructions. If retention is required by law or PSC-15, such retained City Data shall remain subject to all protections of this Contract.
- D. Security Controls. Without limiting the foregoing, **CONTRACTOR** shall, to the extent applicable to the services, implement and maintain: (i) logical access controls based on least privilege and unique user identification; (ii) multi-factor authentication for remote access, privileged access, and access to systems hosting City Data where technically feasible; (iii) encryption of City Data in transit and at rest, to the extent commercially reasonable and appropriate to the sensitivity of the City Data and the architecture of the services, and in all cases for portable media and internet transmissions; (iv) malware protection, endpoint monitoring, and timely security patching and vulnerability management appropriate to risk; (v) logging and monitoring reasonably sufficient to detect, investigate, and respond to unauthorized access or use; (vi) secure configuration, secure development where software or AI-based services are provided, and change management; (vii) secure disposal of media containing City Data; (viii) periodic privacy and security training for personnel with access to City Data; and (ix) segregation of City Data from other data through logical or physical separation appropriate to the services.
- E. Subprocessors. **CONTRACTOR** shall not permit any Subprocessor to access or process City Data without **CITY's** prior written approval as required hereunder and a written agreement binding the Subprocessor to obligations no less protective than this Contract, including the restrictions in this PSC-22 and PSC-23. **CONTRACTOR** remains fully responsible for all acts and omissions of its Subprocessors.
- F. Security Incidents and Data Breaches. **CONTRACTOR** shall notify **CITY** in writing without unreasonable delay, and in any event no later than twenty-four (24) hours after discovery of any Security Incident or Data Breach. Such notice shall include, to the extent known at the time, the nature of the incident, the categories of City Data affected, the date and time or estimated date and time of the incident, the

systems affected, the measures taken or proposed to address it, and a point of contact. **CONTRACTOR** shall promptly take all reasonable steps to contain, investigate, mitigate, and remediate the incident; preserve relevant evidence; provide **CITY** with regular status updates at least daily until resolution, or more frequently if reasonably requested by **CITY**; and cooperate fully with **CITY**, its representatives, insurers, auditors, and law enforcement. **CONTRACTOR** shall not notify any third party, regulator, or affected individual, or issue any public statement, regarding any Security Incident or Data Breach involving City Data without **CITY's** prior written approval, unless required by law, in which case **CONTRACTOR** shall, to the extent legally permitted, consult with **CITY** in advance and provide **CITY** a copy of the proposed notice. **CONTRACTOR** shall reimburse **CITY** for reasonable documented third-party costs incurred by **CITY** to investigate, respond to, mitigate, notify, and remediate any Security Incident or Data Breach to the extent caused by **CONTRACTOR** or its Subprocessors, including legally required notice, call center support, credit or identity monitoring where reasonably appropriate, forensic services, data restoration, and other reasonable incident response costs.

- G. **Assessments and Audit Cooperation.** Upon **CITY's** reasonable request, not more than once annually except following a Security Incident, Data Breach, or material change in **CONTRACTOR's** security controls, **CONTRACTOR** shall provide **CITY** with then-current summaries of relevant independent security assessments, certifications, or audit reports, such as SOC 2 Type II, ISO 27001, or comparable reports, if available, together with remediation status for material findings relevant to the services. If such reports are unavailable, **CONTRACTOR** shall complete **CITY's** reasonable security questionnaire and provide reasonable supporting documentation sufficient to demonstrate compliance with this PSC-22. **CITY** or its designated representative may, upon reasonable notice and during normal business hours, perform a reasonable review of **CONTRACTOR's** compliance with this PSC-22 and PSC-23, subject to reasonable confidentiality, security, and operational safeguards. Any such review shall be limited to information and systems relevant to the services and City Data and shall not unreasonably interfere with **CONTRACTOR's** business operations or expose data of other customers.
- H. **Return, Transition, and Deletion.** Upon **CITY's** request, expiration, or termination of this Contract, **CONTRACTOR** shall promptly, and in no event later than thirty (30) days unless otherwise directed by **CITY**, return to **CITY** all City Data in a reasonably usable format designated by **CITY** and securely delete all copies of City Data in **CONTRACTOR's** and its Subprocessors' possession or control, except to the extent retention is required by law or by immutable backup media not reasonably accessible in the ordinary course. Any retained City Data shall remain subject to this Contract until deleted. Upon request, **CONTRACTOR** shall certify in writing its completion of the return and deletion obligations. The return of City Data in a reasonably usable format and the deletion certification required by this subsection shall be provided at no additional charge. Additional transition services

requested by **CITY** beyond those ordinary obligations shall be provided at the rates, if any, set forth in this Contract, or otherwise at mutually agreed rates.

- I. **Legal Requests and Public Records.** **CONTRACTOR** shall promptly notify **CITY** of any subpoena, court order, public records request, or other legal demand seeking City Data or Confidential Information, unless prohibited by law. **CONTRACTOR** shall not respond or produce City Data except as required by law and after giving **CITY** a reasonable opportunity to seek protective relief or otherwise direct the response. **CONTRACTOR** shall reasonably assist **CITY** in responding to requests for records relating to this Contract.
- J. **Limited Use of De-Identified Data.** **CONTRACTOR** may use De-Identified Data solely for internal security, fraud prevention, service support, capacity planning, and improvement of the services provided to **CITY**, provided that **CONTRACTOR** does not identify **CITY**, any individual, household, device, or **CITY** system, does not sell or share such data, and does not use such data to train or improve any general-purpose or third-party AI System without **CITY's** prior written approval.
- K. By entering into this Contract, **CONTRACTOR** certifies that it understands and will comply with the restrictions in this PSC-22 and PSC-23. This PSC-22 shall survive expiration or termination of this Contract.

PSC-23. ARTIFICIAL INTELLIGENCE AND AUTOMATED PROCESSING

- A. **Disclosure and Approval.** **CONTRACTOR** shall not use any AI System that processes City Data, generates deliverables for **CITY**, interacts with the public or **CITY** personnel on **CITY's** behalf, or materially informs services or decisions under this Contract, or permit any Subprocessor to do so, without prior written disclosure to **CITY** of the AI System or provider, intended use case, categories of City Data processed, hosting region, retention practices, and material limitations reasonably known to **CONTRACTOR** that may affect accuracy, reliability, security, confidentiality, intellectual property, or bias. No such AI System or material AI feature may be enabled for **CITY** without **CITY's** prior written consent if it materially changes how City Data is processed or materially changes the risk profile of the services.
- B. **No Model Training or Secondary Use.** Except as expressly authorized in a written amendment signed by **CITY**, **CONTRACTOR** shall not, and shall cause its Subprocessors and AI providers not to, use City Data to train, retrain, fine-tune, or otherwise improve any AI System or model, whether general-purpose or customer-specific. Any retention of prompts, inputs, outputs, or feedback for abuse monitoring, safety review, or troubleshooting must be disclosed to **CITY** in advance, limited to the minimum necessary, protected as City Data, and not used for model training or generalized product improvement.

- C. Responsibility and Human Oversight. **CONTRACTOR** remains fully responsible for all services performed with or through an AI System. **CONTRACTOR** shall implement reasonable governance and quality controls appropriate to the use case, including documented intended use, change management, testing for material errors and security risks, and human review before any AI-generated output is relied upon for material legal, financial, employment, eligibility, benefits, enforcement, or safety decisions affecting any individual, unless **CITY** expressly authorizes otherwise in writing and applicable law permits such use.
- D. Output and Records. Any output, report, recommendation, code, content, or other deliverable generated by an AI System for **CITY** under this Contract shall be treated as Work Product or City Data, as applicable. Upon **CITY's** reasonable request, **CONTRACTOR** shall identify whether a deliverable was materially generated or modified using an AI System. **CONTRACTOR** shall, upon **CITY's** reasonable request, maintain and provide records sufficient to identify the AI System used, the material version or model family, the date of use, and the categories of City Data processed in connection with the services, except to the extent disclosure would reveal **CONTRACTOR's** trade secrets unrelated to **CITY's** use, in which case **CONTRACTOR** shall provide a reasonably informative summary.
- E. Changes and Suspension. **CONTRACTOR** shall provide **CITY** with reasonable advance written notice of any material change in an AI System or AI provider used to perform the services that is reasonably likely to affect City Data, security, confidentiality, functionality, or the risk profile of the services. If **CITY** reasonably determines that an AI System presents a material risk to City Data, **CITY** systems, or affected individuals, **CITY** may direct **CONTRACTOR** to suspend the applicable AI-enabled processing until the risk is remediated to **CITY's** reasonable satisfaction.

This PSC-23 shall survive expiration or termination of this Contract.

PSC-24. 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.

The insurance must name **CITY** as an additional insured with respect to liability coverage. No policies or certificates with respect to such insurance may be cancelled or materially changed without at least thirty (30) days' prior written notice by the respective insurer to **CITY**.

PSC-25. BEST TERMS/MOST FAVORED NATIONS

Throughout the term of this Contract, **CONTRACTOR**, shall offer **CITY** the same or better terms, prices, and discounts that are offered by **CONTRACTOR** to any person or entity for similar goods and services provided under this Contract. In the event that **CONTRACTOR** offers any customers pricing lower than that offered to **CITY** during the term of this **CONTRACT**, **CONTRACTOR** must immediately notify **CITY** in writing and provide those same terms to **CITY**.

PSC-26. 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.

CONTRACTOR further warrants that: (1) the services and any systems used to provide them will materially conform to the specifications, documentation, and representations made to **CITY** regarding functionality, security, retention, and AI use; (2) **CONTRACTOR** has implemented and will maintain the safeguards required by PSC-22 and PSC-23; (3) to **CONTRACTOR's** knowledge, and except as disclosed to **CITY** in writing, the services will not contain viruses, malware, back doors, time bombs, or other malicious code intentionally inserted by **CONTRACTOR**; and (4) any deliverable materially generated or supported by an AI System will be subject to reasonable human review and quality controls appropriate to its intended use before delivery to **CITY**.

PSC-27. NON-DISCRIMINATION IN EMPLOYMENT/AFFIRMATIVE ACTION

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, including 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.
- D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Contract by reference.

Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include a provision requiring compliance with Sections 10.8.3, and 10.8.4 of the LAAC.

PSC-28. ADDITIONAL STATE LAW AND ORDINANCE COMPLIANCE

In addition to complying with all federal, state, and local laws, as part of **CONTRACTOR's** contractual obligations to the **CITY**, **CONTRACTOR** agrees to comply with the following state laws, local ordinances, and directives, as amended from time to time (*subcontractors are not exempt):

*Living Wage Ordinance (Los Angeles Administrative Code Section 10.37 et seq.)

*Worker Retention Ordinance (Los Angeles Administrative Code Section 10.36 et seq.)

Slavery Disclosure Ordinance (Los Angeles Administrative Code Section 10.41 et seq.)

*First Source Hiring (Los Angeles Administrative Code Section 10.44 et seq.)

Iran Contracting Act 2010 (California Public Contract Code Sections 2200-2208)

Border Wall Contracting (Los Angeles Administrative Code Section 10.50.1 et seq.)

*Local Business Preference (Los Angeles Administrative Code Section 10.25 et seq.)

*MBE/WBE/SBE/EBE/DVBE/OBE (Executive Directive #14 (Villaraigosa))

*Contractor Responsibility (Los Angeles Administrative Code Section 10.40 et seq.)

City Contractor Evaluations (Los Angeles Administrative Code Section 10.39 et seq.)

*Prevailing Wage (Los Angeles Administrative Code Section 10.7.1)

*Child Support Assignment Orders (Los Angeles Administrative Code Section 10.10)

Restrictions on Campaign Contributions and Fundraising in City Elections (Los Angeles Administrative Code Section 49.7.35)

Compliance with California Public Resources Code Section 5164 (CA Public Resources Code Section 5164)

Time Off For Voting (CA Elections Code Section 14000 and 14001)

Zero Waste (Los Angeles Administrative Code Section 10.53)

Any subcontract entered into by a **CONTRACTOR** for work performed under this Contract must include a provision specifically requiring the subcontractor's compliance with each of the above provisions marked with an (*) asterisk.

PSC-29. ACCESS AND ACCOMMODATIONS

CONTRACTOR represents and certifies that:

- A. **CONTRACTOR** shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;
- 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, including equal access to facilities, services, and programs without regard to any person's citizenship or immigration status to the maximum extent that federal and state permits.
- D. **CONTRACTOR** shall ensure all web and mobile applications, and web and mobile content, developed, provided to, or maintained on behalf of **CITY**, comply with applicable federal and state accessibility laws, including the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. Section 12101 et seq. and its implementing regulations at 28 C.F.R. Part 35, including Section 35.200 et seq. and subsequent amendments, and California Government Code Section 11135, and shall conform to Web Content Accessibility Guidelines (WCAG) 2.1 Level AA, or any successor standard.

CONTRACTOR understands that **CITY** is expressly relying upon these certifications and representations as a material 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-30. BUSINESS INCLUSION PROGRAM

Unless otherwise exempted prior to bid submission, **CONTRACTOR** shall comply with all aspects of the Business Inclusion Program, including subcontractor outreach, as described in the Request for Proposal/Qualification process, throughout the duration of this Contract. **CONTRACTOR** shall utilize the Regional Alliance Marketplace for

Procurement ("RAMP") at <https://www.rampla.org>, to perform and document outreach to Small, Emerging, Disabled Veteran, Minority, Women, and Other Business Enterprises. **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 such effort, without prior written approval of **CITY**.

PSC-31. 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 (12) 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 (12) 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 (10) business days if it changes during the twelve (12) 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-32. 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-33. 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-34. COMPLIANCE WITH IDENTITY THEFT LAWS AND PAYMENT CARD DATA SECURITY STANDARDS

If **CONTRACTOR** stores, processes, transmits, or can access payment card data, financial account information, taxpayer information, or credentials that permit access to accounts or payment instruments, **CONTRACTOR** shall comply with all applicable identity theft, payment card, consumer protection, and data security laws and standards, including laws related to payment devices, credit and debit card fraud, the Fair and Accurate Credit Transactions Act (“FACTA”), and the then-current Payment Card Industry Data Security Standards (“PCI DSS”). **CONTRACTOR** shall use such information solely for the purpose of performing this Contract, shall not store authentication data after authorization except as expressly permitted by applicable standards, and shall implement reasonable measures to prevent skimming, credential compromise, and unauthorized account access. During the performance of any service to install, program, maintain, or update payment devices or payment applications, **CONTRACTOR** shall verify proper truncation of receipts in compliance with FACTA. Upon request, **CONTRACTOR** shall provide **CITY** with current attestation or other evidence of compliance reasonably acceptable to **CITY**. Any payment Security Incident shall be handled in accordance with PSC-22.

PSC-35. POSSESSORY INTEREST 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 at its own expense. **CONTRACTOR** acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

PSC-36. TAXES

CONTRACTOR shall report and pay all taxes, fees, levies, imposts, duties, assessments, charges and withholdings of any similar nature, however designated (including, any value added, transfer, sales, use, gross receipts, business, occupation, excise, personal property, real property, stamp or other taxes) ("Taxes") now or hereafter imposed or assessed by governmental body, agency or taxing authority in connection with this Contract, whether assessed on **CONTRACTOR** or **CITY**, other than any such Taxes required by law to be reported and paid by the **CITY**. **CITY** shall within 120 days of invoice reimburse **CONTRACTOR** for all such Taxes paid by **CONTRACTOR** on **CITY's** behalf, excluding Taxes on or measured by the overall gross receipts, net income, or the like of **CONTRACTOR** or its affiliates.

PSC-37. CONFIDENTIALITY

All City Data, Personal Information, Work Product, security information, system architecture, credentials, records, documents, materials, and other nonpublic information provided by **CITY** to **CONTRACTOR** or accessed, received, created, or developed by **CONTRACTOR** or its Subcontractors in connection with this Contract (collectively, "Confidential Information") are confidential. Confidential Information does not include information that **CONTRACTOR** can demonstrate by contemporaneous written records: (1) was lawfully known to **CONTRACTOR** without restriction before disclosure by **CITY**; (2) was independently developed without use of Confidential Information; or (3) becomes publicly available through no breach of this Contract; provided, however, that City Data, Personal Information, Work Product, and security information shall remain Confidential Information unless expressly released in writing by **CITY** or made public by **CITY**.

CONTRACTOR shall protect Confidential Information using at least the same degree of care it uses to protect its own confidential information of a similar nature, and in no event less than reasonable care. **CONTRACTOR** shall not access, use, reproduce, disclose, distribute, transfer, publish, or permit access to Confidential Information except as necessary to perform this Contract, as expressly authorized in writing by **CITY**, or as required by law. **CONTRACTOR** shall restrict access to Confidential Information to personnel and approved Subprocessors with a need to know and who are bound by written obligations of confidentiality and restricted use at least as protective as those contained in this Contract.

CONTRACTOR shall promptly notify **CITY** of any actual or attempted unauthorized access to Confidential Information and of any subpoena, court order, public records request, or other legal process seeking Confidential Information, unless prohibited by law. If disclosure is required by law, **CONTRACTOR** shall disclose only the minimum information legally required and, to the extent legally permitted, provide **CITY** a reasonable opportunity to seek protective relief or otherwise direct the response. **CONTRACTOR** shall not issue press releases or other public statements referencing **CITY's** Confidential Information without **CITY's** prior written approval.

Upon **CITY's** request or expiration or termination of this Contract, **CONTRACTOR** shall return or securely destroy Confidential Information in accordance with PSC-22. This provision shall survive expiration or termination of this Contract.

PSC-38. CONTRACTOR DATA REPORTING

If **CONTRACTOR** is a for-profit, privately owned business, **CONTRACTOR** shall, within thirty (30) days of the effective date of the Contract and on an annual basis thereafter (i.e., within thirty (30) days of the annual anniversary of the effective date of the Contract), report the following information to **CITY** via the Regional Alliance Marketplace for Procurement ("RAMP") or via another method specified by **CITY**: **CONTRACTOR's** and any Subcontractor's annual revenue, number of employees, location, industry, race/ethnicity and gender of majority owner ("Contractor/Subcontractor Information"). **CONTRACTOR** shall further request, on an annual basis, that any Subcontractor input or update its business profile, including the Contractor/Subcontractor Information, on RAMP or via another method prescribed by **CITY**.

PSC-39. SIGNATURES

This Contract may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or handwritten signatures scanned into .pdf format (or another electronic format designated by **CITY**) and sent by e-mail shall be deemed original signatures. Each party further agrees, and acknowledges that it is such party's intent, that if such party signs this Contract using an electronic signature, it is signing, and accepting this Contract and that signing this Contract using an electronic signature evidences the equivalent intent of a handwritten or facsimile signature on this Contract.