

November 19, 2019

LOS ANGELES FIRE DEPARTMENT



RALPH M. TERRAZAS
FIRE CHIEF

October 24, 2019

BOARD OF FIRE COMMISSIONERS
FILE NO. 19-134

TO: Board of Fire Commissioners

FROM: *RMT* Ralph M. Terrazas, Fire Chief

SUBJECT: AGREEMENT WITH HOWROYD-WRIGHT EMPLOYMENT AGENCY, INC.,
DBA APPLEONE EMPLOYMENT SERVICES, FOR AS-NEEDED,
TEMPORARY STAFFING 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 Withdrawn |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

Due to significant staffing shortages and peak workload demands, the Los Angeles Fire Department (LAFD) must contract for temporary staffing services to provide as-needed administrative staff to support the work of the Administrative Services Bureau and the Fire Prevention & Public Safety Bureau. Certain peak workload periods demand completion of a variety of critical functions that cannot be addressed by current staffing levels. Some of these function include the following:

Administrative Services Bureau

- Internal auditing of mandated documents prior to submission of grant reimbursement packages to ensure local, state, and federal compliance.
- Preparation of documents and reports related to closeout of grants programs, such as reconciliations, reimbursement requests, and final cash drawdowns.
- End of fiscal year processing requirements for payroll, accounting, and other auditing functions.

Fire Prevention & Public Safety Bureau

- Processing self-inspection affidavits for brush clearance, including the annual issuance of brush inspection notices.
- Preparation for state mandated audits and evaluations for the Certified Unified Program Agency (CUPA).
- Processing the backlog of illegal cannabis warrants in compliance with the directives of the City's newly formed Illegal Cannabis Task Force.

On April 6, 2018, the Office of City Clerk (City Clerk) released a Request for Proposals (RFP) for temporary staffing services. Following the completion of the RFP process, the City Clerk entered into an agreement with Howroyd-Wright Employment Agency, Inc., dba, AppleOne Employment Services (AppleOne), for temporary staffing services. Because it is essential that the work continue during the peak periods, the LAFD desires to enter into an

agreement with AppleOne for the as-needed temporary staffing services based on the competitive process used by the City Clerk.

The proposed Agreement with AppleOne is for three years, commencing upon the date of attestation by the City Clerk, and terminating three (3) years from that date. The total maximum compensation is not to exceed \$650,000 for the three years.

The City Attorney has reviewed and approved the Agreement as to legal form.

RECOMMENDATIONS

That the Board:

1. Approve and authorize the Fire Chief to execute the Agreement between the City and Howroyd-Wright Employment Agency, Inc., dba AppleOne Employment Services, for as-needed temporary staffing services for a three year term, commencing upon the date of attestation by the City Clerk, and terminating three (3) years from that date, with a maximum compensation not to exceed \$650,000.
2. Transmit the Agreement to the Mayor for review and approval, in accordance with Executive Directive No. 3.

FISCAL IMPACT

Sufficient funds are available in the LAFD Contractual Services account for FY 2019-20. Subsequent funding is subject to availability of funds in the Department's future budget years.

Board report prepared by Cyndi Del Poso, Management Analyst, Administrative Services Bureau.

Attachment

AGREEMENT NO. _____

**AGREEMENT BETWEEN
THE CITY OF LOS ANGELES
AND
HOWROYD-WRIGHT EMPLOYMENT AGENCY, INC.**

THIS AGREEMENT (hereinafter referred to as "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 the Los Angeles Fire Department (hereinafter referred to as "LAFD"), and Howroyd-Wright Employment Agency, Inc., a California corporation, doing business as AppleOne Employment Services, (hereinafter referred to as "CONTRACTOR") with reference to the following:

WHEREAS, the Office of the City Clerk (hereinafter referred to as "CLERK") issued a Request for Proposal (RFP) 2018-001 for temporary staffing services on April 6, 2018 and determined the CONTRACTOR to be qualified for procurement; and

WHEREAS, the LAFD would like to take advantage of the above referenced competitive contracting process to procure temporary administrative and accounting staffing services as provided in CLERK's Agreement C-132956; and

WHEREAS, the provision of seasonal, temporary staff support for LAFD is most efficiently handled through a contractual arrangement between the CITY and a personnel services agency; and

WHEREAS, pursuant to Los Angeles City Charter Section 1022, the CITY has determined that the work can be performed more economically or feasibly by independent contractors than by CITY employees; and

WHEREAS, the CITY desires to enter into an Agreement with the CONTRACTOR for temporary staffing services.

NOW, THEREFORE, in consideration of the above premises and of the covenants and representation set forth below the parties agree as follows:

I. PARTIES TO THE AGREEMENT

- A. The CITY, a municipal corporation, through its Fire Department, having its principal office at 200 North Main Street, Room 1800, Los Angeles, California 90012.
- B. The CONTRACTOR, known as Howroyd-Wright Employment Agency, Inc., a California corporation, doing business as AppleOne Employment Services, having its principal office at 725 South Figueroa Street, Los Angeles, California 90017.

II. REPRESENTATIVES OF THE PARTIES AND SERVICE OF NOTICE

A. The representatives of the respective parties authorized to administer this AGREEMENT and to whom formal notices, demands and communications shall be given are as follows:

1. The representative of the CITY shall be, unless otherwise stated in the agreement:

Ralph M. Terrazas, Fire Chief
Los Angeles Fire Department
200 North Main Street, Room 1800
Los Angeles, California 90012
(213) 978-3800

With a copy to:

Mark Davis, Chief Management Analyst
Los Angeles Fire Department, Financial Services Division
200 North Main Street, Room 1630
Los Angeles, California 90012
(213) 978-3434

2. The representative of the CONTRACTOR shall be, unless otherwise stated in the agreement:

Contractual Point of Contact:

Rick Hagmann, Vice President of Operations
Government Services
AppleOne Employment Services
16371 Beach Boulevard, Suite 240
Huntington Beach, California 92647
(866) 493-8343

With a copy to:

Service Point of Contact:

Wendy Diaz, Account Executive and Amber Reyes, Regional Vice President
AppleOne Employment Services
725 South Figueroa Street, Suite 1600
Los Angeles, California 90017
(213) 787-2278
Email: wdiaz@appleone.com or areyes@appleone.com

B. Formal notices, demands and communications, other than invoices, required hereunder by either party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.

- C. If the name of the person designated to receive the notices, demands or communication or the address of such person is changed, written notice shall be given, in accordance with Section II.B, within five (5) working days of said change.

III. INDEPENDENT CONTRACTOR

The CONTRACTOR is acting hereunder as an independent contractor and not as an agent or employee of the CITY. No employee of the CONTRACTOR has been, is, or shall be an employee of the CITY by virtue of this AGREEMENT, and the CONTRACTOR shall so inform each employee organization and each employee who is hired or retained under this AGREEMENT. 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 the CITY.

IV. TERM OF THIS AGREEMENT

The term of this AGREEMENT shall commence upon attestation by the Los Angeles City Clerk, and will terminate three (3) years from that date, unless terminated as provided elsewhere in this AGREEMENT or extended by written amendment. This AGREEMENT is non-exclusive. The LAFD retain the rights to utilize other vendors for the same or similar services during the term of this AGREEMENT.

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

V. PURPOSE OF THIS AGREEMENT

The purpose of this AGREEMENT is to retain the services of a reputable temporary staffing agency capable of providing a comprehensive catalog of clerical, office, and other related administrative service options to the LAFD on an as-needed, non-permanent basis.

VI. SCOPE OF SERVICES

CONTRACTOR shall provide the following services:

- A. Ensure that sufficient and adequate temporary support services are available on an on-call, as-needed basis, including evenings and weekends, at times, locations, and dates requested by the LAFD.
- B. Provide appropriate methods to match the clients needs in a timely manner.
- C. Confirm all scheduled work dates with the client at least one (1) business day before work is to commence.
- D. Provide an invoice for each work order, according to the specifications prescribed by the LAFD.

- E. Provide quarterly reports to the LAFD that includes, but is not limited to, hours worked and invoiced amounts.
- F. Provide, at a minimum, the following service categories which should not be construed as a detailed description of tasks, but rather a broad and general function:

Accounting and Financial Services - Temporary accounting staff responsible for, but not limited to, reconciling accounting records, preparing accounting reports and budgets, reviewing and verifying payroll documents and compliance documents for completeness, correct pay rate and reasonableness, producing reported work hour summary reports, posting accounting entries, summarizing accounting records, and accepting and processing invoice payments.

Administrative Office Support Services – Temporary administrative office support is responsible for, but not limited to, opening and routing mail, answering phones, providing customer service at public counters, drafting general correspondence, preparing minutes of meetings, and other related administrative support duties as assigned.

VII. COMPENSATION AND METHOD OF PAYMENT

- A. Compensation shall be based on the pricing schedule of services, listed in Exhibit A, and is to be adjusted annually in accordance with the CITY's Living Wage Rates. For updated information on current rates, please visit <https://bca.lacity.org/living-wages-ordinance-lwo>. The maximum amount for this AGREEMENT is not to exceed Six-Hundred Fifty Thousand Dollars (\$650,000) for the term of the contract as stated in Section IV TERM OF THIS AGREEMENT. The LAFD makes no guarantee of work or minimum amount of payment to the CONTRACTOR.
- B. All invoices shall be submitted to the LAFD for approval. Invoices shall be accompanied by a statement detailing the work completed for the month. Each monthly invoice shall:
 - 1. Be submitted on the CONTRACTOR's letterhead;
 - 2. Include the detail of the work completed, date services were rendered, the names of individuals who rendered services, the hourly rate of compensation, the total amount due per individual and the total amount due for the invoiced period; and
 - 3. Signed by an officer of the CONTRACTOR that the information submitted is true and correct.
- C. Funds shall not be released until the CITY has approved the work received and is satisfied with the documentation included in the invoice. Invoices and supporting documents shall be prepared at the sole expense and responsibility of the CONTRACTOR. Invoices shall be paid in accordance with standard CITY payment processing methods.

D. Invoices and any supporting documentation shall be submitted to:

Mark Davis, Chief Management Analyst
Los Angeles Fire Department, Financial Services Division
200 North Main Street, Room 1630
Los Angeles, California 90012

VIII. OWNERSHIP

- A. The CONTRACTOR acknowledges and agrees that all documents, reports, analyses, studies, drawings, information or data (hereinafter collectively referred to as "MATERIALS"), originated and prepared by the CONTRACTOR pursuant to the terms of this AGREEMENT, are "Work Made For Hire" and shall become the property of the CITY for its use in any manner it deems appropriate. The CONTRACTOR assigns any and all of its respective interests and rights in such property to the CITY.
- B. All documents and records (hereinafter collectively referred to as "DOCUMENTS") provided by the LAFD to the CONTRACTOR shall remain the property of the LAFD and shall be returned to the LAFD upon termination of this AGREEMENT or at the request of the LAFD.
- C. The provisions of this article survive termination of this AGREEMENT.

IX. CONFIDENTIALITY AND RESTRICTIONS ON DISCLOSURE

- A. All DOCUMENTS and information provided to the CONTRACTOR by the LAFD are confidential. All MATERIALS are to be considered confidential. The CONTRACTOR agrees not to provide these DOCUMENTS or MATERIALS, nor disclose their content or any information contained in them, either orally or in writing, to any other person or entity, except as authorized by the CITY or as required by law.
- B. The provisions of this article survive termination of this AGREEMENT.

X. CITY CONTRACTING REQUIREMENTS

A. Standard Provisions for City Contracts

The CONTRACTOR shall comply with the requirements of the Standard Provisions for City Contracts (Rev. 10/17)[v.3], attached hereto as Exhibit B and incorporated herein.

B. Responsibility to Provide Services in Accordance with Applicable Standards and Requirement to Possess All Valid Permits and Licenses

CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards among those firms in the CONTRACTOR's profession, doing the same or similar work, under the same or similar circumstances. CONTRACTOR must possess and maintain valid licenses and permits required to perform the services described herein.

C. Compliance with Statutes and Regulations

CONTRACTOR, in the performance of this AGREEMENT, shall comply with all applicable statutes, rules, regulations and orders of the United States, the State of California, the County of Los Angeles, and the CITY. CONTRACTOR shall comply with any subsequent, new, amended, or revised laws, regulations, and procedures that may apply to the performance of this AGREEMENT.

D. Federal, State and Local Taxes

Federal, State, and local taxes are the responsibility of the CONTRACTOR as an independent contractor and not as a CITY employee.

E. Disclosure of Border Wall Contracting Ordinance

The CONTRACTOR shall comply with the Los Angeles Administrative Code Section 10.50 et seq., 'Disclosure of Border Wall Contracting.' The CITY may terminate this AGREEMENT at any time if the CITY determines that CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

F. Disclosure of Contracts and Sponsorship of the National Rifle Association Ordinance

The CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.52 et seq., 'Disclosure of Contracts and Sponsorship of the National Rifle Association Ordinance.' The CITY may terminate this AGREEMENT at any time if the CITY determines that CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Contracts and Sponsorships with the National Rifle Association, as defined in LAAC Section 10.52.

XI. **DEFAULTS, SUSPENSION AND TERMINATION**

A. Defaults

Should the CONTRACTOR fail for any reason to comply with the contractual obligations of this AGREEMENT within the time specified, the CITY reserves the right to:

1. Reduce the total budget;
2. Make any changes in the general scope of this AGREEMENT;
3. Suspend services in accordance with Section XI.B, Suspension, of this AGREEMENT; or
4. Terminate the AGREEMENT.

B. Suspension

The CITY may suspend all or part of the services for failure by the CONTRACTOR to comply with the terms and conditions of this AGREEMENT by giving written notice, which shall be effective upon receipt.

1. Said notice shall set forth the specific conditions of non-compliance and the period provided for corrective action.
2. Within five (5) working days, the CONTRACTOR shall reply in writing, setting forth the corrective actions which will be undertaken, subject to CITY approval in writing.
3. Performance under this AGREEMENT shall be automatically suspended without any notice from the CITY as of the date the CONTRACTOR is not fully insured in compliance with the CITY's Standard Provisions, which are attached hereto as Exhibit B. Performance shall not resume without the prior written approval of CITY.

C. Termination

1. Either party to this AGREEMENT may terminate this AGREEMENT or any part hereof upon giving the other party at least thirty (30) days written notice prior to the effective date of such termination, which date shall be specified in such notice.
2. All property, documents, data, studies, reports and records purchased or prepared by the CONTRACTOR under this AGREEMENT shall be retained or disposed of according to CITY policies and procedures.
3. In the event that the CONTRACTOR ceases to operate, (i.e. dissolution of corporate status, declaration of bankruptcy, etc.) CONTRACTOR shall provide to the CITY copies of all records relating to this AGREEMENT.
4. Upon satisfactory completion of all termination activities, the CITY shall determine the total amount of compensation that shall be paid to the CONTRACTOR for any unreimbursed expenses reasonably and necessarily incurred in the satisfactory performance of this AGREEMENT.
5. The CITY may withhold any payments due to the CONTRACTOR until such time as the exact amount of any damages that may be due to the CITY from the CONTRACTOR is determined.
6. The foregoing Subsections 2, 3, 4, and 5 shall also apply to activities terminating upon the date specified in Section IV TERM OF THIS AGREEMENT or upon completion of the performance of this AGREEMENT.

D. Notices of Suspension or Termination

In the event that this AGREEMENT is suspended or terminated, the CONTRACTOR shall immediately notify all employees and participants and shall notify in writing all other parties contracted with under the terms of AGREEMENT within five (5) working days of such suspension or termination.

XII. COMPLETE AGREEMENT

This AGREEMENT contains the full and complete AGREEMENT between the two (2) parties. 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.

XIII. NUMBER OF PAGES AND ATTACHMENTS

This AGREEMENT is executed in three (3) triplicate originals, each of which is deemed to be an original. This AGREEMENT includes nine (9) pages and two (2) attachments (Exhibits A and B) which constitute the entire understanding and AGREEMENT of the parties.

Exhibit A – AppleOne Staffing Rates and Charges

Exhibit B – Standard Provisions for City Contracts (Rev. 10/17)[v.3]

{SIGNATURE PAGE FOLLOWS}

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective duly authorized representatives.

Approved Corporate Signature Methods:

- a. Two signatures: one by Chairman of Board of Directors, President, or Vice President; AND one by Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.
- b. One signature by corporate designated individual together with properly attested resolution of Board of Directors authorizing person to sign on the company's behalf.

THE CITY OF LOS ANGELES

HOWROYD-WRIGHT EMPLOYMENT
SERVICES, INC., a California corporation,
dba APPLEONE EMPLOYMENT
SERVICES

By: _____
RALPH M. TERRAZAS
Fire Chief
Los Angeles Fire Department

By: _____
BRETT W. HOWROYD
President

Date: _____

Date: _____

By: _____
MICHAEL A. HOYAL
Chief Financial Officer

Date: _____

APPROVED AS TO FORM:
MICHAEL N. FEUER, City Attorney

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By: _____
KIMBERLY D. MIERA
Deputy City Attorney

By: _____
Deputy City Clerk

Date: _____

Date: _____

Agreement Number: _____

EXHIBIT A

APPLEONE STAFFING RATES AND CHARGES

| TITLE | PAY RATE | | | BILL RATE | | | MARK UP |
|-----------------------------|----------|----|---------|-----------|----|---------|---------|
| Accounting Clerk | \$15.00 | to | \$18.00 | \$19.95 | to | \$23.94 | 33% |
| Bookkeeper | \$18.00 | to | \$23.00 | \$23.94 | to | \$30.59 | 33% |
| Accountant | \$19.00 | to | \$25.00 | \$25.27 | to | \$33.25 | 33% |
| Payroll Specialist | \$18.00 | to | \$23.00 | \$23.94 | to | \$30.59 | 33% |
| Mail Clerk | \$15.00 | to | \$17.00 | \$19.95 | to | \$22.61 | 33% |
| Office Clerk | \$15.00 | to | \$17.00 | \$19.95 | to | \$22.61 | 33% |
| Administrative Assistant | \$15.00 | to | \$17.00 | \$19.95 | to | \$22.61 | 33% |
| Messenger | \$13.50 | to | \$15.00 | \$17.96 | to | \$19.95 | 33% |
| Accounts Receivable/Payable | \$15.00 | to | \$18.00 | \$19.95 | to | \$23.94 | 33% |

EXHIBIT B

STANDARD PROVISIONS FOR CITY CONTRACTS (Rev. 10/17)[v.3]

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. Construction of Provisions and Titles Herein

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

PSC-2. Applicable Law, Interpretation and Enforcement

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

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

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

PSC-3. Time of Effectiveness

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

- A. This Contract has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR**;
- B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form; and
- D. This Contract has been signed on behalf of **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract.

PSC-4. Integrated Contract

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

PSC-5. Amendment

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

PSC-6. Excusable Delays

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

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

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

PSC-7. Waiver

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

PSC-8. Suspension

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

PSC-9. Termination

A. Termination for Convenience

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

B. Termination for Breach of Contract

1. Except as provided in PSC-6, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, **CITY** may give **CONTRACTOR** written notice of the default. **CITY'S** default notice will indicate whether the default may be cured and the time period to cure the default to the sole satisfaction of **CITY**. Additionally, **CITY'S** default notice may offer **CONTRACTOR** an opportunity to provide **CITY** with a plan to cure the default, which shall be submitted to **CITY** within the time period allowed by **CITY**. At **CITY'S** sole discretion, **CITY** may accept or reject **CONTRACTOR'S** plan. If the default cannot be cured or if **CONTRACTOR** fails to cure within the period allowed by **CITY**, then **CITY** may terminate this Contract due to **CONTRACTOR'S** breach of this Contract.
2. If the default under this Contract is due to **CONTRACTOR'S** failure to maintain the insurance required under this Contract, **CONTRACTOR** shall immediately: (1) suspend performance of any services under this Contract for which insurance was required; and (2) notify its employees and Subcontractors of the loss of insurance coverage and Contractor's obligation to suspend performance of

services. **CONTRACTOR** shall not recommence performance until **CONTRACTOR** is fully insured and in compliance with **CITY'S** requirements.

3. If a federal or state proceeding for relief of debtors is undertaken by or against **CONTRACTOR**, or if **CONTRACTOR** makes an assignment for the benefit of creditors, then **CITY** may immediately terminate this Contract.
4. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates **CITY'S** laws, regulations or policies relating to lobbying, then **CITY** may immediately terminate this Contract.
5. Acts of Moral Turpitude
 - a. **CONTRACTOR** shall immediately notify **CITY** if **CONTRACTOR** or any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").
 - b. If **CONTRACTOR** or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, an Act of Moral Turpitude, **CITY** may immediately terminate this Contract.
 - c. If **CONTRACTOR** or a Key Person is charged with or indicted for an Act of Moral Turpitude, **CITY** may terminate this Contract after providing **CONTRACTOR** an opportunity to present evidence of **CONTRACTOR'S** ability to perform under the terms of this Contract.
 - d. Acts of Moral Turpitude include, but are not limited to: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elderly abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.

- e. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this Contract, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of **CONTRACTOR**.
- 6. In the event **CITY** terminates this Contract as provided in this section, **CITY** may procure, upon such terms and in the manner as **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to **CITY** for all of its costs and damages, including, but not limited to, any excess costs for such services.
- 7. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-9(A) Termination for Convenience.
- 8. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- C. In the event that this Contract is terminated, **CONTRACTOR** shall immediately notify all employees and Subcontractors, and shall notify in writing all other parties contracted with under the terms of this Contract within five working days of the termination.

PSC-10. Independent Contractor

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

PSC-11. Contractor's Personnel

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

CONTRACTOR shall not use Subcontractors to assist in performance of this Contract without the prior written approval of **CITY**. If **CITY** permits the use of Subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of this Contract and paying all Subcontractors. **CITY** has the right to approve **CONTRACTOR'S** Subcontractors, and **CITY** reserves the right to request replacement of any

Subcontractor. **CITY** does not have any obligation to pay **CONTRACTOR'S** Subcontractors, and nothing herein creates any privity of contract between **CITY** and any Subcontractor.

PSC-12. Assignment and Delegation

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

- A. Assign or otherwise alienate any of its rights under this Contract, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

PSC-13. Permits

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

PSC-14. Claims for Labor and Materials

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

PSC-15. 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-16. Retention of Records, Audit and Reports

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

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

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

PSC-17. Bonds

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

PSC-18. Indemnification

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

PSC-19. Intellectual Property Indemnification

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

and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-20. Intellectual Property Warranty

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

PSC-21. Ownership and License

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

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

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

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

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

PSC-22. Data Protection

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

PSC-23. Insurance

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

PSC-24. Best Terms

Throughout the term of this Contract, **CONTRACTOR**, shall offer **CITY** the best terms, prices, and discounts that are offered to any of **CONTRACTOR'S** customers for similar goods and services provided under this Contract.

PSC-25. Warranty and Responsibility of Contractor

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

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

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

- A. **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and **CITY**. In performing this Contract, **CONTRACTOR** shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.
- B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this Contract by reference.
- C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Equal Employment Practices" provisions of this Contract.
- D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Affirmative Action Program" provisions of this Contract.

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

PSC-27. Child Support Assignment Orders

CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, **CONTRACTOR** shall fully comply with all applicable State and Federal employment reporting requirements. Failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract. Failure of **CONTRACTOR** or principal owner to cure

the default within 90 days of the notice of default will subject this Contract to termination for breach. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-28. Living Wage Ordinance

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

PSC-29. Service Contractor Worker Retention Ordinance

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

PSC-30. Access and Accommodations

CONTRACTOR represents and certifies that:

- 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;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this Contract are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

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

PSC-31. Contractor Responsibility Ordinance

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

PSC-32. Business Inclusion Program

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

PSC-33. Slavery Disclosure Ordinance

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

PSC-34. First Source Hiring Ordinance

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

PSC-35. Local Business Preference Ordinance

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

PSC-36. Iran Contracting Act

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

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

Unless otherwise exempt, if this Contract is valued at \$100,000 or more and requires approval by an elected **CITY** office, **CONTRACTOR**, **CONTRACTOR'S** principals, and **CONTRACTOR'S** Subcontractors expected to receive at least \$100,000 for performance under the Contract, and the principals of those Subcontractors (the "Restricted Persons")

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

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

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

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

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

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

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

provide any equipment or incur any expenses in excess of the appropriated amount(s) until **CITY** appropriates additional funds for this Contract.

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

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

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

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

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

PSC-42. Possessory Interests Tax

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

PSC-43. Confidentiality

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

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

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

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

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

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

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

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

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

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

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

self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

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

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

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

Required Insurance and Minimum Limits

Name: Howroyd-Wright Employment Agency, Inc. dba AppleOne Employment ServicesDate: 06/18/2019Agreement/Reference: Temporary Staffing Services

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

Limits

☒ **Workers' Compensation - Workers' Compensation (WC) and Employer's Liability (EL)**

WC StatutoryEL \$1,000,000☐ Waiver of Subrogation in favor of City☐ Longshore & Harbor Workers☐ Jones Act

☒ **General Liability**

\$1,000,000☒ Products/Completed Operations☐ Sexual Misconduct☐ Fire Legal Liability☐

☐ **Automobile Liability** (for any and all vehicles used for this contract, other than commuting to/from work)

☐ **Professional Liability** (Errors and Omissions)

Discovery Period _____

☐ **Property Insurance** (to cover replacement cost of building - as determined by insurance company)

☐ All Risk Coverage☐ Boiler and Machinery☐ Flood☐ Builder's Risk☐ Earthquake☐

☐ **Pollution Liability**

☐

☐ **Surety Bonds - Performance and Payment (Labor and Materials) Bonds**

100% of the contract price

☐ **Crime Insurance**

Other: 1) In the absence of imposed Auto Liability requirements, all contractors using vehicles during the course of their contract must adhere to the financial responsibility laws of the State of California.