



LOS ANGELES FIRE DEPARTMENT

KRISTIN M. CROWLEY
FIRE CHIEF

November 7, 2022

BOARD OF FIRE COMMISSIONERS
FILE NO. 22-107

TO: Board of Fire Commissioners

FROM:  Kristin M. Crowley, Fire Chief

SUBJECT: FALSE FIRE ALARM PROGRAM

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 Withdrawn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

On May 23, 2018, City Council adopted the Public Safety Committee recommendation to approve the City Administrative Officer (CAO) report relative to implementing a False Fire Alarm Program (C.F. 12-0122). Council instructed:

1. The Fire Department to procure a contractual services agreement with a vendor to provide billing, collection and related false alarm management services;
2. The Fire Department to report on program implementation, including staffing requirements, false alarm fee structure, appeal process, and community notification; and
3. Request the City Attorney to assist the Fire Department in preparing a false fire alarm ordinance for program implementation.

A Fire Department response to an automatic alarm is deemed false if the responding unit determines the call was not due to a fire or other life safety emergency. The Department estimates that it responds to approximately 32,000 automatic alarms annually, of which approximately 15,000 (47%) are determined to be false alarms. The False Fire Alarm Program would serve as an incentive for property owners to fix faulty alarm systems, thereby enhancing the availability of vital and limited sworn resources to respond to true emergencies. The program would include a fee structure for full cost recovery imposed on property owners if it is determined that a response call was due to a false alarm; and a *penalty assessment for each false fire alarm occurring within 365 days of a "first" false fire alarm*. The full cost recovery false alarm fee is recommended at \$322, which would result in net collections of approximately \$3.7M assuming all false alarm billings are paid by the cited property owners.

This report summarizes the False Fire Alarm Program, including: general provisions of the proposed false fire alarm ordinance; the proposed Rules Governing Alarm Systems;

requested staff positions required for successful implementation; the recommended contract with CentralSquare Technologies, LLC to provide false alarm management, billing, collection and related services; projected net collections from the program; and a community outreach plan.

FINDINGS

False Fire Alarm Ordinance and Fee Schedule

The Fire Department worked with the City Attorney on the provisions to be included in an amendment to the Los Angeles Municipal Code to provide for the implementation of a False Fire Alarm Program, a fee and penalty assessment schedule, and an administrative appeal process. After City Council approves the program details, the false fire alarm ordinance will be transmitted by the City Attorney to Council for consideration.

The Department proposes a false fire alarm fee of \$322 calculated to provide full cost recovery (direct and indirect costs) of sworn personnel responding to a false alarm call, proposed civilian positions to administer the program (see below), and contract false fire alarm management services (see below). The sworn personnel cost component was based on an average time of approximately 13 minutes to respond and travel to the location of an automatic alarm call, evaluate and determine that the response was due to a false alarm, and travel back to the station. Either an Engine Company or a Truck Company responds to an automatic alarm call. An Engine Company is comprised of a Captain I, an Engineer and two Firefighters. A Truck Company is comprised of a Captain II, an Apparatus Operator and three Firefighters.

As noted on the below table, the first LAFD false alarm incident would result in a fee of \$322, which could be waived if the property owner completes Alarm School (allowable once every 365 days). A penalty assessment in \$50 increments would be added for each additional false alarm incident in a 365-day cycle. This false alarm fee and penalty assessment approach is similar to that utilized by the LAPD that resulted in a reduction of false alarm calls from 145,000 in 2009 to 43,000 in 2021. The below table shows the fee and penalty assessments through the sixth alarm in a 365-day cycle.

LAFD False Alarm Incidents	Fee
First Alarm	\$322*
Second Alarm	\$372 (\$322 + \$50)
Third Alarm	\$422 (\$322 + \$100)
Fourth Alarm	\$472 (\$322 + \$150)
Fifth Alarm	\$522 (\$322 + \$200)
Sixth Alarm	\$572 (\$322 + \$250)

*waived once every 365 days if alarm school is completed.

The below table shows false fire alarm fees of other local fire service agencies.

Fire Service Agency	First Alarm	Second Alarm	Third Alarm
City of Beverly Hills	\$222 (waived with alarm school)	\$276	\$386

City of Pasadena	\$0	\$415	\$415
City of Santa Monica	\$0	\$0	\$323.52
Orange County Fire Authority*	\$0	\$100	\$250

*Orange County Fire Authority applies penalties within a six-month time frame.

The false fire alarm ordinance will include a provision for an administrative appeal of the fee and/or penalty assessment to the Board of Fire Commissioners or its designee. Attached to this report is the proposed Rules Governing Alarm Systems that details the appeal procedure, and circumstances that would qualify for favorable consideration following a thorough review by the Department. The circumstances are:

- The fee and/or penalty was erroneously made,
- A preliminary investigation report which documents evidence of a fire or life-threatening emergency,
- Activation of the alarm system was caused by acts of God or unusual occurrences beyond the reasonable control of the alarm system user.

Staffing Requirements

To properly and successfully administer the program, the LAFD is requesting resolution authority for the following positions that will be performing the duties and responsibilities as summarized below. Full cost recovery of these positions is included in the false alarm fee. Initial program startup costs are budgeted in the Unappropriated Balance in the amount of \$277,488 (CF 21-0600-S115) to offset staffing and expense costs as fee revenues ramp up.

(1) Management Analyst:

- Manage the False Fire Alarm Program, including providing oversight of services provided by the contractor and collection agencies, and tracking and monitoring false fire alarm incident data.
- Review appeal requests for fee waivers and recommend approval or denial.
- Respond to inquiries from staff, the contractor and the public regarding the False Fire Alarm Program.

(1) Accountant:

- Analyze and reconcile receipts collected for the False Fire Alarm Program.
- Reconcile monthly receivable balances and prepare accounting related reports.
- Reconcile payments to collection agencies.

(1) Accounting Clerk:

- Provide general information related to billings and the Alarm Ordinance.
- Provide support to the Management Analyst in the processing of appeals and coordinating with the contractor.
- Prepare daily cash receipt entries. Provide supporting documents for cash receipt collections in Financial Management System. Research returned invoices and obtain correct addresses for re-mailing.

Contractual Services

The LAFD determined through the Charter Section 1022 process it is more economic to contract with a qualified vendor to provide a complete turnkey web-based alarm

management system that includes billing and collection capabilities and related administrative services. In seeking the most qualified vendor, the LAFD focused on ensuring the firm has a proven track record of successfully providing the complete range of program services to large public safety agencies. CentralSquare Technologies, LLC (CST) has provided public safety software and related services, such as false alarm management, billing, and collection, to several large agencies including the City of Dallas, the City of Chicago, and the California Highway Patrol. Moreover, CST's False Alarm Management System is powered by CryWolf, which is the same system that has been successfully used by the LAPD since 2008. For these reasons, the LAFD piggy-backed onto the City of Omaha Agreement with CST, which was awarded following a competitive process.

The range of services to be provided by CST include: developing an LAFD website portal which provides information on the false alarm program and enables online payments for false alarm billings; processing false alarm billings to property owners; processing payments to the City; referring non-payments to collection agencies; providing customer service oriented call centers to respond to inquiries from property owners on billings, the appeal procedure, alarm school, and other program matters; and assisting LAFD to develop alarm school content.

Calculation of payments to CST will be based on a graduated percentage share of net collections ranging from 13% to 10% applied incrementally within each net collection tier, as shown below.

Net Collections	City Share	Contractor Share
\$0 - 1,499,999	87%	13%
\$1,500,000 - \$1,999,999	88%	12%
\$2,000,000 - \$2,499,999	89%	11%
\$2,500,000 +	90%	10%

The graduated percentages will be applied incrementally; e.g., \$3,000,000 in net collections would yield the following Contractor share: 13% of \$1,499,999 + 12% of \$499,999 + 11% of \$499,999 + 10% of \$500,000 for a total of \$360,000.

For example, applying the above formula assuming net collections of \$3M, the calculation and payment share to the City and CST would be as follows:

Net Collections of \$3M	City Share	Contractor Share
First \$0 - 1,499,999 Collected	87%: \$1,304,999	13%: \$195,000
Next \$499,999 Collected	88%: \$439,999	12%: \$60,000
Next \$499,999 Collected	89%: \$444,999	11%: \$55,000
Collection Balance: \$500,003	90%: \$450,003	10%: \$50,000
Total: \$3,000,000	\$2,640,000	\$360,000

The contract term is for five (5) years, commencing upon the date of execution by the City Clerk, and terminating five years from that date, with the option to extend for an additional two (2) years, exercised in one-year increments.

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

Projected Collections

The Fire Department's projection of \$3.7 million was calculated based on the following assumptions:

Estimated billable false alarm calls: 15,000 – 15% approved waivers/appeals = 13,000 *

False alarm fee (includes LAFD staff and contractor costs): \$322

Projected gross collections: \$4.2M

Estimated contractor cost: (\$500,000)

Net Collections: \$3.7M

* 15% reduction from 15,000 estimated billable false alarm calls based on LAPD alarm program data of approved waivers/appeals; e.g., Alarm School participation.

It must be emphasized, however, that actual collections to be received in the first-year implementation of a new program is difficult to predict. The LAPD indicated a high rate of non-payments in the initial years of its false alarm program primarily due to resistance by property owners to being charged for a false alarm response. The Fire Department will closely monitor payments received during implementation and compile appropriate data on program issues.

Community Notification

Notification of the new False Fire Alarm ordinance and program will be posted on the LAFD's website, lafd.org. Additionally, LAFD's Fire Prevention Bureau (FPB) will seek assistance from the local and regional trade organizations, such as Building Owners and Managers Association (BOMA) and Central City Association of Los Angeles (CCA), to notify property owners of the new program. The Department will also discuss with the contractor, CST, community notification strategies used by other public agencies that may be feasible to deploy.

RECOMMENDATIONS

That the Board:

1. Approve and authorize the Fire Chief to execute the Agreement with CentralSquare Technologies, LLC to provide a complete turnkey web-based alarm management system, that includes billing and collection capabilities and related administrative services for a five-year term, commencing upon the date of execution by the City Clerk, and terminating five years from that date, with compensation based on a graduated net collection share of 90% City/10% Contractor to 87% City/13% Contractor as calculated on amounts collected; and authorize the Fire Chief to exercise the option to execute amendments to extend the term of the Agreement for up to two (2) one-year terms, contingent on the contractor having provided satisfactory services under the Agreement, and subject to review and approval by the City Attorney.
2. Transmit the Agreement to the Mayor in accordance with Executive Directive No.
3. Approve the Rules Governing Alarm Systems.

4. Recommend to City Council, subject to approval of the Mayor:
 - a. Authorize resolution authority for one Management Analyst, Class Code 9184; one Accountant, Class Code 1513; and one Accounting Clerk, Class Code 1223, for the period December 1, 2022 through June 30, 2023; subject to allocation by the Civil Service Commission.
 - b. Request the City Attorney to prepare an amendment to the Los Angeles Municipal Code to establish a False Fire Alarm Program.
5. Request the Controller to transfer \$277,488 from Fund 100/58, Unappropriated Balance, Account 580345, False Alarm Program, to the following accounts within Fund 100/38, Fire Department:

<u>Account</u>	<u>Amount</u>
001010, Salaries General	\$149,290
006010, Office & Administrative	<u>\$128,198</u>
Total	\$277,488

6. Authorize the Fire Department to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions, subject to the approval of the City Administrative Officer.

FISCAL IMPACT STATEMENT

The False Alarm Program will be full-cost recovery through establishment of a fee (\$322) to cover the cost of responses by sworn personnel to false alarm calls, civilian positions for program administration and the contractor for false alarm management services including support, billings and collections. It is projected that the program could generate approximately \$3.7M in net collections assuming all false alarm billings are paid by cited property owners. Initial program startup costs are budgeted in the Unappropriated Balance (CF 21-0600-S115).

Board Report prepared by Drew Steinberg, Public Safety Risk Manager.

Attachments:

Agreement with CentralSquare Technologies, LLC
Rules Governing Alarm Systems

AGREEMENT NO. _____

AGREEMENT BETWEEN

THE CITY OF LOS ANGELES

AND

CENTRALSQUARE TECHNOLOGIES, LLC

FOR

FALSE ALARM MANAGEMENT SERVICES

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AGREEMENT NO. _____

AGREEMENT
BETWEEN THE CITY OF LOS ANGELES
AND
CENTRALSQUARE TECHNOLOGIES, LLC

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” or “Department”), and CentralSquare Technologies, LLC, a Delaware Limited Liability Company (hereinafter referred to as “Contractor”), with reference to the following:

WHEREAS, the LAFD estimates it receives approximately 32,000 automatic alarms annually, of which approximately 15,000 are deemed false; and

WHEREAS, responding to false alarms diverts scarce fire resources from responding to real emergencies; and

WHEREAS, the Los Angeles Police Department (LAPD) implemented a false alarm fee program, resulting in a reduction of false alarm calls from a high of 145,000 in 2009 to 43,000 in 2021; and

WHEREAS, the LAPD’s alarm permitting, and billing and collection of false alarm fees are administered through its False Alarm System, and Alarm and Permit Management System; and

WHEREAS, due to the significantly lower volume of false fire alarm responses, the LAFD determined through the Charter Section 1022 process it is more economic to contract with a qualified vendor to provide a complete turnkey web-based alarm management system, that includes billing and collection capabilities and related administrative services; and

WHEREAS, the work to be performed under this Agreement is of a professional, scientific, expert and technical nature and the City finds that a competitive bidding process would not be practicable or advantageous for the City; and

WHEREAS, pursuant to Charter Section 371(e)(8), competitive bidding is not required due to a cooperative arrangement with another governmental agency for the utilization of the purchasing contracts and professional, scientific, expert, or technical services contracts; and

WHEREAS, following a competitive sealed proposal process for development, web-based delivery, data transfer, warranty, training, hosting, storage, and maintenance of a complete turnkey web-based false alarm management system, the City of Omaha executed an agreement with Contractor effective January 5, 2020; and

WHEREAS, it is neither reasonably practicable nor compatible with the City’s best interests to conduct a separate competitive process under Charter Section 372 given that the services can be

most economically obtained by contracting with Contractor for the same scope of services at the same or better terms as those provided in the City of Omaha contract; and

WHEREAS, the City and Contractor desire to enter into this Agreement whereby the Contractor will perform the work and furnish all labor, materials and equipment necessary in order to implement a complete turnkey web-based alarm management system, including the collection of monies due to the City.

NOW, THEREFORE, the City and the Contractor hereby covenant and agree as follows:

1.0 PARTIES TO THE AGREEMENT AND REPRESENTATIVES

1.1 Parties to the Agreement

1.1.1 City – The City of Los Angeles, a municipal corporation, acting by and through the Los Angeles Fire Department, having its principal office at 200 North Main Street, Room 1800, Los Angeles, CA 90012

1.1.2 Contractor – CentralSquare Technologies, LLC, 1000 Business Center Drive, Lake Mary, FL 32746

1.2 Representatives of the Parties and Service of Notices

The representatives of the respective 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:

Kristin M. Crowley, Fire Chief
Los Angeles Fire Department
200 North Main Street, Room 1800
Los Angeles, CA 90012

With copies to:

S. Jenny Park, Fire Administrator
Los Angeles Fire Department
200 North Main Street, Room 1630
Los Angeles, CA 90012
Attn: Emilio Rodriguez, Jr., Chief Management Analyst

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

CentralSquare Technologies, LLC
Attn: Legal Department
1000 Business Center Drive
Lake Mary, FL 32746

- 1.3 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 shall be deemed communicated as of the date of mailing.
- 1.4 If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice must be provided as described in this Agreement, within five (5) working days of said change.

2.0 TERM OF THE AGREEMENT

2.1 Term

The term of this Agreement shall commence upon the date of attestation (Effective Date) by the Los Angeles City Clerk, and will terminate five (5) years from that date, unless otherwise terminated by the City as provided for in this Agreement.

2.2 Amendments

This Agreement may be extended for an additional two (2) years, exercised in one-year increments, utilizing the amendment process described in Section PSC-5, Amendment, of Attachment A – Standard Provisions for City Contracts (Rev. 9/22)[v.1], attached hereto and incorporated by reference herein, and at the pricing set forth in Attachment C – Payment Terms of this Agreement, attached hereto and incorporated by reference herein. 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.

2.3 Ratification of Agreement

To the extent that the Contractor may have begun performance of the services before the Effective Date at the City's request and due to the immediate needs of the LAFD, the City hereby ratifies and accepts those services performed in accordance with this Agreement and authorizes payment as provided by the terms of this Agreement. Notwithstanding this Section, the term of this Agreement will remain as stated above.

3.0 PURPOSE OF AGREEMENT AND SCOPE OF SERVICES

- 3.1 The purpose of this Agreement is for Contractor to provide the LAFD with a comprehensive false alarm management system, comprising a set of technology solutions (the "System") and administrative services as further articulated in Attachment B – Statement of Work, attached hereto and incorporated by reference herein.
- 3.2 Contractor hereby provides City a license to access and use the System, and all its constituent parts.
- 3.3 City shall have the right to audit accounts at Contractor's place of business during regular business hours. Contractor shall provide all back-up documentation and substantiation that may be requested by the City with respect

to any collection activity. Contractor shall not be entitled to any interest from City for any delayed payments caused by a good faith dispute or as a result of payments the City has a right to withhold under the terms of this Agreement. City shall provide Contractor written notification at least two (2) weeks prior to any date of arrival for an on-site audit.

- 3.4 City may, at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to City from Contractor, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise and regardless of whether or not the debt due to City has been reduced to judgment by a court
- 3.5 To facilitate effective communication between City and the Contractor, City shall designate an Alarm Administrator. The Alarm Administrator shall have the power and authority to make decisions relating to the System. A secondary Alarm Administrator will also be designated to act on behalf of the Alarm Administrator when the primary Alarm Administrator is unavailable. The primary and secondary Alarm Administrators shall be designated by City. The Alarm Administrator may be given the authority to waive, void, or modify violation notices and the resulting fine amounts, to the extent authorized by the Board of Fire Commissioners and permitted under applicable law. Any such waiver, modification, or voiding will be communicated to the Contractor in a written format.

4.0 DEFINITIONS

- 4.1 The term “System” means all technology solutions, including an online web portal, a mobile application, a web page, and administrative services as further articulated in Attachment B – Statement of Work, necessary to facilitate City’s alarm management program according to the terms of this Agreement. System also means the CryWolf software, to which City shall be provided access and use under the terms of this Agreement.
- 4.2 The term “working day” means a weekday, Monday through Friday, excluding City Holidays, which are New Year’s Day, Martin Luther King Day, President’s Day, Cesar Chavez Day, Memorial Day, Fourth of July, Labor Day, Columbus Day (Indigenous Peoples Day), Thanksgiving Day, Day after Thanksgiving, and Christmas Day.

5.0 COMPENSATION AND METHOD OF PAYMENT

5.1 Compensation

For satisfactory services rendered under this Agreement, Contractor will be compensated in accordance with Attachment C – Payment Terms.

5.2 Method of Payment

The Contractor must include the following information, and any other documentation on each invoice:

- a. Date of invoice; and
- b. Invoice number; and
- c. Agreement number; and
- d. Description of services; and
- e. Detailed listing of the invoices paid by alarm users, including date of collection, amount of collection, total programs collections, and refunds during the preceding month in accordance with Attachment C – Payment Terms.

The City will make payment to the Contractor for the services performed after receipt and approval of the invoices by the City's Representative. The City will not unreasonably withhold approval of invoices. In the event any invoice is not approved, the City's Representative will immediately send a notice to the Contractor setting forth therein the reason(s) said invoice was not approved. Upon receipt of such notice, the Contractor may re-invoice the City for the accepted portion of the invoice or cure the defect identified in the City Representative's notice. The City will pay the revised invoice as soon as practical after its submission. If the City's Representative contests all or a portion of the invoice, the City's Representative and the Contractor will use their best efforts to resolve the disputed portion or portions of the invoice.

Failure to adhere to these policies may result in nonpayment or non-approval of demands, pursuant to 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.

5.3 Invoicing

5.3.1 The Contractor shall submit invoices to:

S. Jenny Park, Fire Administrator
Los Angeles Fire Department
200 North Main Street, Room 1630
Los Angeles, CA 90012
Attn: Emilio Rodriguez, Jr., Chief Management Analyst

6.0 DATA, MANAGEMENT, SECURITY, AND PRIVACY

6.1 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.

6.2 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 cost to City.

6.3 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.

6.4 Data Protection Unauthorized Access

Contractor shall implement and maintain appropriate administrative, technical and organizational security measures in order to safeguard against unauthorized access, disclosure, or theft of City Data. Contractor shall protect City Data using no less than the security means and technology necessary to meet the standard of care relevant to the data at issue. Such security measures shall be in accordance with recognized industry best practices and the standard of care imposed by state and federal laws and regulations relating to the protection of such information.

6.5 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.

6.6 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.

6.7 Data Protection Hacking

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

6.8 On Shore Development and Access

Contractor shall provide its services to the City and its end users solely from 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 headquarters 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.

6.9 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, 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.

6.10 Least Privilege

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

6.11 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.

6.12 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.

6.13 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 must 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.

6.14 Physical and Environmental Security

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

6.15 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.

6.16 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 must be updated continuously, and software patches provided by vendors must 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.

6.17 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.

6.18 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.

6.19 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.

6.20 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.

6.21 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.

6.22 Vulnerability and Risk Assessments

At least annually, Contractor shall perform vulnerability tests and assessments of all systems that contain City Data. Within sixty (60) days of attestation, Contractor shall provide the City with a written “Vulnerability and Risk Assessment Report” that describes the last vulnerability and risk assessment conducted within one year, including the methods and results. The Contractor shall provide the City with each annual report thereafter.

6.23 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 and subcontractors that Contractor may use) 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 and agreed upon timeframes.

6.24 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-6, Excusable Delays, of the Standard Provisions for City Contracts (Rev. 9/22)[v.1] (collectively, a “Disaster”); and (b) restoring Service functionality promptly after a Disaster. The DR Plan will include procedures no less protective than industry standard, and Contractor shall update the DR Plan as the industry standard changes.

6.25 Data Return and Destruction

At the conclusion of the Agreement and as instructed by City, Contractor shall (at its sole cost) return, 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 will 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.

6.26 Data Breach

Contractor shall notify City in writing as soon as reasonably feasible, but in any event within twenty-four 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. Except for a Data Breach or Security Incident that a court of competent jurisdictions determines is attributable to the City's sole negligence, 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.

6.27 Confidentiality

6.27.1 City's Confidential Information

For purposes of this Section 6.27, "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.

6.27.2 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, and Contractor shall, upon request, certify to City its compliance with this sentence.

6.27.3 Exceptions

The confidentiality obligations set forth in Section 6.27 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.

6.28 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.

7.0 REPRESENTATIONS AND WARRANTIES

Contractor represents and warrants that:

7.1 Compliance with Law

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

7.2 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.

7.3 Intellectual Property Warranty

(i) The Contractor's performance under this Agreement does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, rights of publicity or proprietary information; and (ii) the Contractor is the owner of the intellectual property rights for the services provided pursuant to this Agreement and of each and every component thereof, or has a valid license for the services provided, as described in Subsection 7.3.1

7.3.1 Third Party Software

In the event the Contractor provides any third-party software ("Third-Party Software"), including Open Source Software, to the City in connection with this Agreement:

- 7.3.1.1 The Contractor has and will maintain the right to license and provide access to any Third-Party Software licensed to the City, or otherwise provided to the City under this Agreement;
- 7.3.1.2 The Third-Party Software does not, and the use of the Third-Party Software by the City as contemplated by this Agreement will not, infringe any intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, rights of publicity, and proprietary information, of any third party in any way;
- 7.3.1.3 The City is not obligated to pay any third party any fees, royalties, or other payments for the City's use of any Third-Party Software in accordance with the terms of this Agreement;
- 7.3.1.4 To the extent permitted by law or contract, the Contractor shall pass through to the City the warranties for the Third-Party Software; and
- 7.3.1.5 Contractor shall provide the City license to access and use any Third-Party Software necessary for the functionality of the System at no additional cost, and inclusive of licensing for an unlimited number of users. Contractor shall ensure that any required third-party licenses are maintained within fully supported versions, and that any custom developed system software continues to function on any new versions of required third-party software (e.g., server, desktop and mobile operating system, browser, database,

application servers, etc.) as they become available. To the extent permitted by law or contract, the Contractor shall pass through to the City the warranties for the Third-Party Software.

7.3.2 Definition of Open Source Software.

For purposes of this section, “Open Source Software” means any software, programming, or other intellectual property that is subject to (i) the GNU General Public License, GNU Library General Public License, Artistic License, BSD license, Mozilla Public License, or any similar license, including, but not limited to, those licenses listed at www.opensource.org/licenses, or (ii) any agreement with terms requiring any intellectual property owned or licensed by the City to be (a) disclosed or distributed in source code or object code form; (b) licensed for the purpose of making derivative works; or (c) redistributable.

7.3.3 Third-Party and Open Source Software.

With regard to open-source software and any third-party software embedded system, all such software shall be considered, as appropriate, part of and included in the definition of “the System” and subject to all warranties, indemnities, and other requirements of this Agreement, including scope of license and maintenance and support.

7.4 Conformity to Specifications

The System will perform materially as described in Attachment B – Statement of Work.

7.5 Workmanlike Performance

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

7.6 Disabling Code Warranty

No software or services to which the City is provided access and use hereunder contains any undisclosed disabling code (defined as computer code designed to interfere with the normal operation of the software or the City’s hardware or software) or any program routine, device or other undisclosed feature, including, but not limited to, a time bomb, virus, drip-dead device, malicious logic, worm, Trojan horse, or trap door which is designed to delete, disable, deactivate, interfere with or otherwise harm the software or the City’s hardware or software.

7.7 Virus/Malicious Software Warranty

The Contractor has used its best efforts to scan for viruses within the software, and no malicious system will be supplied under this Agreement.

8.0 SOFTWARE

8.1 Software License

Contractor hereby grants City license to access and use the Software and any additional specific customization and development provided as part of the False Alarm Management Services described in Attachment B – Statement of Work, for City’s governmental purposes. The license covers all Software, including, without limitation, software interfaces and software modifications. The scope of the license is non-transferable and non-exclusive.

8.2 Duration of the Software License

City shall have the right to use the Software in accordance with Attachment B – Statement of Work for so long as the Contractor provides False Alarm Management Services to CITY and/or licenses the Software in accordance with the Termination provisions in this Contract. This license shall apply for the duration of the Contract and any extensions provided for herein or agreed to in writing by the parties. In the event the business relationship with Contractor is terminated or ended for any reason, City's license rights to use the Software shall likewise terminate except as provided for in this Contract, including Attachment C – Payment Terms.

8.3 Modification of the Software

- A. Modifications or adaptations of the Software shall be limited to creating or providing interfaces between the Software and City's computer systems required to import or export data in order to implement the Software as described in Attachment B – Statement of Work.
- B. City shall retain a nonexclusive License to use the modified and/or "customized" interfaces with the Software, provided, however, the use of the original Software with such adaptations in any projects other than the management of the Alarm Ordinance shall be subject to additional compensation to Contractor in an amount and subject to terms to be determined by the parties in writing prior to any such additional use.
- C. Any custom development of the Software or any interfaces made by the City shall be the property of the City and City shall retain all intellectual property rights to the development.

9.0 RESOLUTION OF DISPUTES

- A. Both parties shall undertake to reach an amicable settlement in cases of dispute. If an amicable settlement cannot be reached, or in the event of default that could result in termination of this Agreement, City and Contractor shall schedule a meeting of their representatives in a good faith attempt to resolve the issues in dispute. The meeting shall allow for a detailed presentation of each party's views on the issues and potential solutions to the dispute or default. If possible, the meeting should result in an agreed upon course of action to resolve the dispute or default.
- B. Contractor and City shall continue to perform any obligations under this Agreement during any dispute.
- C. The provisions of Sections 5.169 and 5.170 (Div. 5, Ch. 10, Art. 1) of the Los Angeles Administrative Code and Section 350 of the City Charter shall govern the procedure and rights of the parties with regard to claims arising from this Agreement.

10.0 LIMITATION OF LIABILITY

Except for (i) the indemnity obligations of Contractor under this Agreement with respect to claims by third parties arising from death or injury to any person or from destruction or damage to property; and (ii) the obligations of Contractor under PSC-22 ("Data Protection"), as modified in Section 13.1 below; the maximum aggregate liability of either party and its affiliates for any and all claims of any kind or nature whatsoever arising from this Agreement or the performance

of services pursuant to this Agreement, including without limitation any cause of action in contract, in tort (including without limitation negligence and strict liability), by statute, or otherwise, shall, notwithstanding anything to the contrary in this Agreement, be limited to an amount not to exceed the fees collected in connection with this agreement for the previous 12 months; provided, that to the extent City makes a claim as an additional insured against the insurer of Contractor in accordance with this Agreement, the foregoing limitation of liability shall not apply to such claim. City acknowledges that Contractor has agreed to the fee structure on the basis of and entered into this Agreement in reliance upon the foregoing limitation of liability, and that such limitation of liability constitutes an essential basis of this Agreement.

11.0 MISCELLANEOUS

11.1 Not a Waiver

Contractor acknowledges and agrees that nothing contained in this Agreement is, represents, or is intended to be construed as: a release, compromise, settlement, or waiver by City of any cause of action that City may have against Contractor. City reserves its rights in full, including, but not limited to, the right to bring any claim, cause of action, or request for reimbursement against Contractor in relation to this Agreement and other transactions between City and Contractor.

11.2 Audit Rights

In addition to those rights available to City elsewhere in this Agreement, including pursuant to PSC-16, Retention of Records, Audit and Reports, of Attachment A – Standard Provisions for City Contracts (Rev. 9/22)[v.1)]. Contractor shall provide City, or City's duly authorized representatives, access for the purposes of audit and investigation, to any and all books, documents, papers, records, deliverables, and software documentation pertaining to any past, current, or future (i) transactions between City and Contractor, (ii) work requested to be performed of Contractor, or (iii) demands for payment by Contractor.

11.3 Payment Does Not Imply Acceptance of Work

The granting of any payment by City, or the receipt thereof by Contractor, in no way lessens the liability of Contractor to replace unsatisfactory work, equipment, or materials although the unsatisfactory character of this work, equipment or materials may not have been apparent or detected at the time the payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and upon rejection must be replaced by Contractor without delay.

11.4 Publicity/Case Studies

Contractor shall refer all inquiries from the news media to City, shall immediately contact City to inform City of the inquiry, and shall comply with the procedures of City's Public Affairs staff regarding statements to the media relating to this Agreement or Contractor's services hereunder. Contractor shall not use City as a reference or case study absent receipt of City's prior written approval. Contractor shall further provide City with the opportunity to review and approve any such reference or case study prior to publication. In no event may Contractor use any City marks in conjunction with a reference or case study.

12.0 CITY CONTRACTING REQUIREMENTS

12.1 Standard Provisions

Contractor shall comply with the Standard Provisions for City Contracts (Rev. 9/22)[v.1], attached hereto as Attachment A and incorporated by reference as though fully set forth herein. The following exceptions and/or modifications shall apply to the Standard Provisions for City Contracts:

PSC-8. Suspension. The parties agree that any Suspension is subject to the terms of Attachment C – Payment Terms—Payment Process Section 1.4.

PSC-9. Termination. Section 6 of PSC-9 is hereby deleted.

PSC-11. Contractor's Personnel. City shall have the right to review the credentials of key personnel assigned to work under this contract.

PSC-21. Ownership and License shall not apply to any computer programs, databases, schematics, code, or interfaces of the Solution being licensed hereunder. For greater clarification, nothing in this Agreement or any Exhibits or Attachments shall be construed to be "work for hire". All intellectual property rights in Contractor's software shall remain with Contractor.

PSC-22. Data Protection. A. Contractor shall protect, using industry standard measures, including but not limited to NIST standards, City-provided data or consumer-provided data acquired in the course and scope of this Contract. Contractor shall notify City in writing as soon as reasonably feasible, and in any event within twenty-four hours of Contractor's confirmation 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. B. Except where the liability is solely attributable to the City's negligence, as determined by a court of competent jurisdiction, 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-24. Best Terms is hereby deleted.

12.2 Disclosure of Border Wall Contracting Ordinance

Contractor shall comply with Los Angeles Administrative Code (LAAC) Section 10.50 *et seq.*, "Disclosure of Border Wall Contracting Ordinance." City may terminate this Agreement at any time if 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.

13.0 ORDER OF PRECEDENCE

This Agreement, and any attachments or documents incorporated herein by inclusion or by reference constitutes the complete and entire Agreement between the City and the Contractor. In

the event of any inconsistency between the body of this Agreement and the Attachments, the order of precedence will be as follows:

- 1) This Agreement between the City of Los Angeles and CentralSquare Technologies, LLC
- 2) Attachment A – Standard Provisions for City Contracts (Rev. 9/22)[v.1]
- 3) Attachment B – Statement of Work
- 4) Attachment C – Payment Terms

14.0 ENTIRE AGREEMENT

This Agreement contains the full and complete Agreement between the parties. No verbal agreement or conversation with any officer or employee of either party will affect or modify any of the terms and conditions of this Agreement. No-shrink-wrap, click-wrap, privacy policy, or other terms and conditions or agreements (“Additional Contractor Software Terms”) provided with any products, services, documentation, or software provided by Contractor to City hereunder shall be binding on the City, even if use of the foregoing requires an affirmative “acceptance” of those Additional Contractor Software Terms before access is permitted. All such Additional Contractor Software Terms will be of no force or effect and will be deemed rejected by the City in their entirety.

15.0 COUNTERPARTS/ELECTRONIC SIGNATURES

This Agreement 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 signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.

[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

CENTRALSQUARE TECHNOLOGIES, LLC

By: _____
Kristin M. Crowley
Fire Chief

By: _____
Name: _____
Title: _____

Date: _____

Date: _____

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

By: _____
Samuel W. Petty
Deputy City Attorney

Date: _____

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By: _____
Deputy City Clerk

Date: _____

Agreement Number: _____

ATTACHMENT A

STANDARD PROVISIONS FOR CITY CONTRACTS (Rev. 9/22)[v.1]

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.

PSC-44. COVID-19

Employees of Contractor and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, “Contractor Personnel”), while performing services under this Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, “In-Person Services”) must be fully vaccinated against the novel coronavirus 2019 (“COVID-19”). “Fully vaccinated” means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated. Contractor shall retain such proof for the document retention period set forth in this Agreement. Contractor shall grant medical or religious exemptions (“Exemptions”) to Contractor Personnel as required by law. If Contractor wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Contractor shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Contractor. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Contractor shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

PSC-45. Contractor Data Reporting

If Contractor is a for-profit, privately owned business, Contractor shall, within 30 days of the effective date of the Contract and on an annual basis thereafter (i.e., within 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.

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

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

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

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

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

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

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

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

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

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

STANDARD PROVISIONS

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: CentralSquare Technologies, LLCDate: 05/24/2022Agreement/Reference: Los Angeles Fire Department (LAFD); Fire Alarm Management 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 (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)

1,000,000Discovery Period 12 months after completion of project or termination of agreement

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

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

☒ **Cyber Liability and Data Breach with Aggregate \$2MM**

1,000,000☐

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

☐ **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.

**ATTACHMENT B
FALSE ALARM MANAGEMENT SERVICES
STATEMENT OF WORK**

A. Summary

This CryWolf False Alarm Management Services Statement of Work (SOW) is a joint effort between CentralSquare Technologies (“CST” or CONTRACTOR”) and the City of Los Angeles Fire Department (“CUSTOMER” or “CITY”). This document outlines and describes the alarm program management services to be provided to the Fire Department, proposed project plan, deliverables, and the tasks required by both CONTRACTOR and CITY personnel.

A.1 Alarm Management Services Overview

CONTRACTOR’S alarm services team will administer CITY’s alarm program in accordance with CITY’s Alarm Ordinance.

- **Secure access online to adaptable reports:** CONTRACTOR will provide authorized CITY staff with direct inquiry and report generation capabilities via real-time, encrypted, Web-based connection to alarm management information.
- **Recording of Program Telephone Calls:** CONTRACTOR’S call center process will ensure the highest quality customer service including accurate, courteous, and consistent communications. In support of these objectives, CONTRACTOR will employ a communications appliance integrated into its telephone system to record incoming customer calls. Using this device, digital copies of incoming telephone calls will be captured in voice documents for later review, comment, and sharing of telephone conversations.
- **Extensive Language Support:** CONTRACTOR will utilize a Language Service to provide language support for 175 spoken languages and provide an array of communication choices for the hearing-impaired including Email, Text relay, Video relay and TTY formats.
- **Dedicated mailing address and toll-free citizen support line:** CONTRACTOR’S alarm management process will separate the CITY correspondence and calls received from the activity of other alarm programs administered to ensure high-quality and personalized service to the CITY. CONTRACTOR’S support line will be available Monday through Friday, except Federal Holidays, 9am to 5pm Pacific Time.
- **Alarm program remittances:** The CITY will establish a dedicated False Alarm Account at a FDIC-insured commercial bank lockbox for all mail-in payments. All false alarm program related fee collections from any payment channel including but not limited to mail-in, online, telephonic, walk-in to LAFD public counter site, will be deposited into the CITY’s False Alarm Account.
- **Internet-based payment of invoices:** CONTRACTOR will process false alarm payments made over the Web through the CONTRACTOR hosted website dedicated to the CITY false alarm program. “Pay-by-Web” will enable alarm holders to pay, at any time, individual false alarm invoices or the full balance owed using the following payment methods: electronic check, credit card, and debit card.
- **Enhanced Alarm Data Security:** Alarm response services require the collection, maintenance, and communication of sensitive and highly confidential data about alarm locations. As set forth more fully in the Agreement, CONTRACTOR will provide the technical infrastructure required to ensure the highest levels of data security to prevent unauthorized access to this information. This will include core network and DMZ server firewalls, private internal IP addresses, and real-time virus scanning of all data. CONTRACTOR will provide

encrypted (Certified TSL) data transfer for all web functions.

- **Adjudication and Hearing Support:** CONTRACTOR will provide a fully integrated hearing and appeal system that allows the adjudication by the CITY of any action for any account. The CryWolf system will generate various reports that document and support all billing, noticing, and status change decisions.
- **Collection Techniques:** CONTRACTOR will process violations and generate collection notices at the following intervals:
 - First Notice: Mailed within five (5) calendar days of false fire alarm data transfer; payment due within 30 days of invoice date.
 - Second Notice: Mailed within ten (10) calendar days after First Notice due date; payment due within 10 days of Second Notice date.
 - Third Notice: Mailed within ten (10) calendar days after Second Notice due date; payment due within 10 days of Third Notice date.

After the Third Notice payment due date, the invoice is considered delinquent. Delinquent accounts shall be referred to CONTRACTOR'S third-party collection agencies for nine (9) months to primary and six (6) months to secondary collections. After six months in secondary collections, delinquent accounts shall be returned to CITY for write-off process. To the extent permitted by California law, third-party collection fees will be added to delinquent accounts, which the collection agencies will retain. Net collections of delinquent accounts by the third-party collection agencies are subject to the contracted net collection share percentages.

- **Public Awareness Campaign:** CONTRACTOR will work with CITY to design a comprehensive public information campaign to ensure the highest degree of compliance and public support by providing samples, templates, and consultation to assist the CITY in executing an effective education campaign. Any costs to generate deliverables for the public awareness campaign is the responsibility of the CITY
- **Document Control and Mail Verification Software (DCMVS):** CONTRACTOR will use the latest Document Control and Mail Verification Software (DCMVS) to interface with the United States Postal Service to ensure compliance with the USPS CASS/PAVE and NCOA requirements.
- **Furnish and maintain all supplies:** CONTRACTOR will provide all computer hardware, furniture, equipment, and software necessary to install and operate the system at its processing facilities. CONTRACTOR will provide all necessary forms, supplies, postage, and mailing materials to administer the alarm program at CONTRACTOR facilities.

A.1.1 Alarm Program Website and Payment Portal:

CONTRACTOR will provide a fully interactive, secure Alarm Program website that can be accessed by a link on CITY's website and be available on a 24/7 basis.

The website will allow alarm users to update contact information, make payments, and provide alarm training, education, Alarm Awareness Class (Alarm School) and information regarding the CITY's ordinance. The online information will be determined by CITY and may include:

- Alarm Ordinance
- Appeal process
- False alarm fee structure
- Tips on How to Reduce False Alarms
- Frequently Asked Questions
- Alarm School

The CITY's Alarm Administrator will be provided secure online access to make changes to mailing addresses, phone numbers and contact information for alarm users and alarm companies, as required. The website will provide authorized CITY staff secure online access, on a 24/7 basis, to detailed alarm account information and histories, supporting documentation, financial and alarm activity reports, and real-time hearing and appeals decision-making.

Web-based payment of invoices: The Alarm Program payment portal will enable alarm system users to pay online directly, at any time, using the dedicated CITY alarm program website which CONTRACTOR will host for payments of individual alarm invoices, or the full balance owed. Online payment methods will include electronic check, credit card, and debit card. Processing of on-line electronic payments (check, credit card, debit card) will be performed by CONTRACTOR's third-party, PCI-compliant electronic payment process company (FIS Global). In addition to the balance due, the electronic payment process company will charge the alarm system users a separate transaction (service) fee for electronic card payments (credit card, , debit card) which will be paid for by the alarm system user.

A.1.2 CITY CAD to CryWolf Alarm Incident Data Transfer:

This project includes a data transfer interface between CryWolf and CITY's Computer Aided Dispatch (CAD) system. The interface will transfer false fire alarm incident data from CAD to CONTRACTOR'S CryWolf system for daily processing of false alarms. This process will be automated, using scheduled data transfers during off-peak hours to CONTRACTOR'S secure FTP site for processing and will not require CITY resources to operate. If CITY CAD system cannot support secure FTP, CITY involvement will be required to provide false alarm incidents in an alternative CONTRACTOR-defined format (Exhibit 1).

CITY will configure and extract a data file from the City CAD system, of CITY's current false fire alarm data to files that can be read by the CryWolf database conforming to the CryWolf prescribed formats (Refer to Exhibit 1). CryWolf will accommodate various methods of data transfer including simple flat files; e.g., comma delimited, fixed length, Excel, and web service (XML) formats. CryWolf will have capability to support more than 30 alarm incident data fields.

Any cost required by CITY for the purchase, license, implementation or support of this data extraction interface is CITY's responsibility and is not included in this Scope of Work.

A.2 CONTRACTOR Tasks to Support the Alarm Program

1. Import daily into the CONTRACTOR's CryWolf alarm billing system, alarm incident data, (in the format prescribed by CONTRACTOR in Exhibit 1, extracted by the CITY from the CITY CAD system;
2. Create and host a dedicated, secure (TLS encrypted) CITY Alarm Program website for alarm holders to obtain false alarm reduction educational information, review alarm ordinance and appeal requirements, access and update alarm account information, and pay alarm fees online if preferred. The website will be linked by the CITY to the CITY website;
3. Initialize, maintain, secure and back-up Program databases including alarm business, alarm system location and incident data; alarm-related financial transactions and accounts

receivable information. CONTRACTOR will comply with the provisions of the Alarm Ordinance, and update Program business rules to comply with Alarm Ordinance changes as supported by the CONTRACTOR software;

4. Process false alarm incident data, including the matching of false alarm incidents with the alarm system location database maintained by CONTRACTOR;
5. Bill and correspond with alarm businesses and alarm users in accordance with the Alarm Ordinance provisions. This will include but may not be limited to invoices and delinquent payment notices. All correspondences will be sent by mail or email based on the alarm user's accepted contact method(s);
6. Provide and host an Alarm Program website for public and CITY access. This website can be accessed by link to the CITY's website and allows alarm users to update contact information, make online payments, and provides alarm training, education, and alarm program information as provided by the CITY.
7. Answer telephone inquiries from CITY alarm users that are placed to a false alarm program toll-free customer service number established for the CITY;
8. Process fee / penalty payments mailed to and deposited in the CITY's dedicated False Alarm Account lockbox opened by the CITY at a FDIC-insured commercial bank. Payments received from other payment channels; e.g., online and walk-in to LAFD public counter site, as agreed upon by CONTRACTOR and the CITY, will also be deposited into the False Alarm Account lockbox and payments applied to the False Alarm Program;
9. Support CITY'S alarm hearings and appeals by notifying the CITY of any such appeals, providing a CITY Alarm Program representative with documentation supporting noticing/billing decisions; and updating the system with the disposition of any CITY hearing results;
10. Provide and maintain computer equipment, software and furniture at CONTRACTOR's Program processing facilities; and
11. Provide the CITY secure (TLS encrypted), online, on-demand access to alarm management information and reports including, but not limited to, alarm account transaction history, alarm system information, and financial transactions/balances with format and content specified by the CryWolf system and the CITY'S designated bank, and agreed upon between the CITY and CONTRACTOR

A.3 CITY Tasks to Support the Alarm Program

1. Appointing a CITY Alarm Administrator ("Administrator") and backup administrator who will be the primary points of contact between CONTRACTOR and CITY. The Administrator(s) is responsible for overseeing CONTRACTOR's operation of the False Alarm Management Services Program ("Program") and accessing Program information, as needed, via CONTRACTOR provided online access;
2. Approving or obtaining CITY approval of policies, procedures and materials used by CONTRACTOR in operating the Program, such as clarifications of Alarm Ordinance provisions, preferred responses to standard public telephone inquiries, and routine correspondence format and content;
3. Monitoring program progress and performance. This will include using CONTRACTOR'S secure internet administrative website to access false alarm processing data and reports, holding status meetings with CONTRACTOR, generating management reports from CryWolf, and keeping other CITY managers informed;

4. Working with CONTRACTOR to resolve, on a timely basis, any program policy or procedural issue that can adversely affect the program, the program's efficient and effective operation, or CITY.
5. Administering the CITY Hearing and Appeals process to include: Confirming hearing dates for written appeals submitted by alarm users to CryWolf Processing staff; participating as the Program's representative in the hearings; and documenting hearing results and ensuring that the results are provided to CryWolf processing staff to update the database.
6. Documenting and communicating false alarms, and deciding to suspend or limit response, as required by the alarm ordinance.
7. Determining whether calls are false alarms, providing any on-scene communications of alarm related information to alarm users, and for documenting alarm related information within the CAD system;
8. Extracting false alarm call incident data from the CITY CAD System and transferring this data electronically to CONTRACTOR (via CONTRACTOR's FTP site). The data extraction format will be provided by CONTRACTOR and CONTRACTOR will provide the CITY a routine for automating the daily transfer of alarm incident files to CONTRACTOR;
9. Executing the CITY's Alarm Program public awareness / education program.

A.4 Implementation Plan

The following sections provide an overview of the Implementation Plan for the CITY False Alarm Management Services project. The services will be provided directly and managed by CONTRACTOR. CONTRACTOR assumes full responsibility for all deliverables that CONTRACTOR provides and will be the single point of contact for CITY.

A.4.1 Implementation Tasks

An experienced alarm services team under the direction of CONTRACTOR'S proposed Project Manager will install, configure and maintain the False Alarm Management Services program in accordance with CITY's requirements and CITY's Alarm Ordinance.

The major tasks of CONTRACTOR'S proposed implementation plan are as follows:

- Contract and Project Plan
 - Complete contract paperwork
 - Finalize project startup plan and schedule
- Establish Alarm Program Website
 - CITY/CONTRACTOR review alarm program website template
 - CONTRACTOR develops draft website information; e.g., ordinance, appeal guidelines, tips to reduce false alarms, frequently asked questions (FAQ), online alarm school
 - CONTRACTOR integrates and tests online payment processing
 - CITY reviews and approves final program website and links site to main CITY website
 - CONTRACTOR tests and implements final program website
- Establish the Program Payment Processes
 - CITY establishes a dedicated bank lockbox and alarm program bank account at a

- FDIC-insured commercial bank
 - CONTRACTOR engages its online electronic payment processor (FIS Global)
 - CITY/CONTRACTOR establishes delinquent collection process with CONTRACTOR'S third-party collection agencies
 - CITY/CONTRACTOR establishes walk-in payment process and controls at LAFD public counter site
 - CITY/CONTRACTOR establishes business rules e.g., reconciliation procedures, acceptable check payee information, returned checks, excess payments, etc.
 - CITY/CONTRACTOR establishes appeal process and waiver guidelines
 - CITY/CONTRACTOR establishes payment reconciliation process
- Configure CAD Interfaces
 - CITY/CONTRACTOR review interface methodologies
 - CITY/CONTRACTOR test interfaces
 - Crossover to live CAD data transfer
- Establish Administrative Processes
 - CONTRACTOR completes program staffing, as necessary
 - CITY/CONTRACTOR review ordinance provisions and interpretations
 - CONTRACTOR develops program operating procedures and telephone scripts
 - CONTRACTOR prepares draft program correspondence, forms and invoice formats to include incident data from the CAD system and appropriate false alarm count at the subject location.
 - CITY edits and approves telephone scripts, correspondence, forms and invoice formats
 - CITY/CONTRACTOR develop public relations plan, e.g., press releases, public service announcements, etc.
 - CITY/CONTRACTOR reviews and approves geo- (address) validation process
 - CITY/CONTRACTOR tests and implements geo-validation process
- Test and Crossover to Live Operation
 - CITY/CONTRACTOR conduct end-to-end program test
 - Crossover to CONTRACTOR program administration
- Live Operation
 - Process daily false alarm activations
 - Generate and transmit required alarm notices and invoices
 - Begin payment processing and management reporting

A.4.2 System Testing Plan

CONTRACTOR will perform additional tests to ensure full system requirements are met including;

- Create required letter formats
- Enter all required location types
- Enter alarm count, letter selection and charge matrix

- Enter initial test alarm call information
- Generate test letters and invoices
- Review program progress and results with the CITY Alarm Program Administrator

**ATTACHMENT C
FALSE ALARM MANAGEMENT SERVICES
PAYMENT TERMS**

Net Collection Share Calculation

CONTRACTOR shall receive no compensation from CITY for upfront systems development, licensing, equipment, travel, support or other costs. CONTRACTOR shall purchase, configure, install, and customize all systems and processes CONTRACTOR requires to provide the Services described herein.

The CONTRACTOR's net collection share percentage (fee) is paid monthly based on the graduated net collections outlined as in the chart below.

Net Collections	CITY	CONTRACTOR
\$0 - 1,499,999	87%	13%
\$1,500,000 - \$1,999,999	88%	12%
\$2,000,000 - \$2,499,999	89%	11%
\$2,500,000 +	90%	10%

The graduated percentages will be applied incrementally; e.g., \$3,000,000 in net collections would yield the following CONTRACTOR revenue-share: 13% of \$1,499,999 + 12% of \$499,999 + 11% of \$499,999 + 10% of \$500,000 or a total of \$359,898.

1. The following shall be paid from the total collected (gross) revenue and subtracted from the total collected (gross) collections before the CITY and CONTRACTOR net collection sharing percentages are applied:
 - Any overpayments by alarm users to be refunded or held for application against future charges, as directed by the CITY;
 - Correspondence mailing costs (envelopes and paper) including postage (at first class postage rates); and
 - Bad check/return item fee for each non-negotiable or unhonored check and e-check.
2. The following shall be paid by CONTRACTOR from CONTRACTOR's portion of the net collection share:
 - Third-party credit card processing charges, except transaction fees which are being paid by the individual alarm system user.
3. The following shall be paid by CITY from CITY's portion of the net collection share:
 - Bank fees charged by CITY contracted commercial bank for any activities related to the dedicated False Alarm lockbox account including overdraft protection, fraud protection and other reasonable charges necessary to protect the funds in the lockbox.
 - Certified mail requirements (as directed by the CITY), billed separately, on the monthly basis.

False Alarm Program Collection Share Assumptions

The net collection share percentages will be based on the following False Alarm Program assumptions:

1. The False Alarm Fee and Penalty Assessments established by the CITY False Fire Alarm Ordinance as of the Contract Effective Date. The False Alarm Fee is calculated annually by the CITY to capture full cost recovery. The False Alarm Fee is charged for each false fire alarm. The Penalty Assessment is charged for each false alarm occurring within 365 days of a "first" false alarm.
2. The CITY adopts a fair, but firm approach to granting appeals. Appeals are granted and CITY waived charges must be in accordance with CITY's "Conditions for False Alarm Fee and/or Penalty Waiver" of the Rules Governing Alarm Systems adopted by the Board of Fire Commissioners as of the Contract Effective Date;
3. The CITY actively supports enforcement of the False Fire Alarm Ordinance, including support of reasonable measures to collect all amounts due for violations of the Ordinance.

Payment Process

CITY and CONTRACTOR agree as follows:

- 1.1 All false alarm related fee collections from any payment method, including but not limited to bank lockbox, and online electronic payments, shall be deposited, as soon as practical, in the dedicated False Alarm Bank Account ("False Alarm Account") to be established by the CITY at a FDIC-insured commercial bank;
- 1.2. Within ten (10) business days of the first of the month, CONTRACTOR will reconcile and report to the CITY the alarm related deposits for the most recent completed month. The reconciliation will show amounts deposited by source, refunded, waived, and adjusted in the False Alarm Account during the previous month and provide to the CITY with documentation showing the fee calculation and supporting bank reconciliation. CONTRACTOR will provide to the CITY a monthly report of all payments made to the CITY and deposited into the CITY'S False Alarm Account at the CITY'S contracted commercial bank. CITY will provide CONTRACTOR access to the False Alarm Account only for the purpose of running reports and viewing payment images.
- 1.3. CITY shall approve, authorize and cause the issuance of electronic payment of a complete invoice to CONTRACTOR within forty-five (45) business days of invoice receipt. The amount of CONTRACTOR'S fee shall be calculated based on the Net Collection Share Payment Calculation above. That amount shall be transferred to a bank and account authorized by CONTRACTOR. CITY shall not be responsible for, and CONTRACTOR waives the right to seek, any late fees, late charges, penalties, or interest.
- 1.4. At the termination of this Contract, CONTRACTOR shall continue to collect payments for the False Alarm Program and deposit to the CITY'S False Alarm Account and record such payments for the CITY on an Excel spreadsheet which will be provided to the CITY on a weekly basis for 90 days. At the end of each month, for the 90-day period, CONTRACTOR shall reconcile the False Alarm Account in accordance with the Payment Process outlined above and provide to the CITY spreadsheet of payments received after termination date. CONTRACTOR shall be compensated in accordance with contracted revenue-share percentages for those 90 days of payments collected after termination date.

CITY Payment Upon Early Termination

If, within the initial two (2) years of the effective date, this Contract is terminated by the CITY for convenience under the terms of this Agreement, CONTRACTOR shall be due a one-time Program Termination Fee, not to exceed \$24,000, to reimburse CONTRACTOR for startup costs, which Program Termination Fee will be reduced by \$1,000 on the first day of the first month following the Effective Date, and by an additional \$1,000 on the first day of each subsequent month, until the Program Termination Fee is \$0.. This fee shall be in addition to any other amounts due CONTRACTOR under the Contract.

EXHIBIT 1 - CAD to CryWolf Data File Transfer Specifications

CryWolf database can except data from a CAD or RMS system that can export, or have extracted, false alarm data in a format the CryWolf can read. These formats include ASCII text (flat file) where the data fields are delimited (separated) by commas, fixed lengths, or “pipe” characters; XML (web services); or MS Excel, CSV, SQL.

- All the data will be read as string from the file.
- CryWolf does not dictate the order of the fields in the text file.
- CryWolf only mandates a few fields (indicated below), but including as many fields as possible, in the extracted false alarm CAD file, is the best approach.
- All others can be included to simplify the work of the False Alarm Unit administrator.

It is recommended that the CAD extraction routine export daily alarm incident data, at a set time each day as specified by the agency. The extracted data will be in the form of a comma- or fixed- length separated, ASCII text file (or other format see above) and will be transferred to a Month/Year- designated folder. This folder will be at a specific network directory location that is accessible by both CAD (or RMS) and CryWolf. This file will include the date in its name, so that it can be easily selected by the agency’s CryWolf system operators for import and processing by CryWolf. The data fields in the CAD (or RMS) extracted file will be specified by agency. At a minimum the data fields will include a unique incident number, incident date, street address, suite or apartment if possible, and false alarm clearance code. The maximum number of fields will be limited by the data CryWolf currently maintains as described in table 1.1 of this document.

Mandatory Fields:

Case No	must be unique for each alarm incident
Incident Date	must be in some standard format (mm/dd/yy, mm/dd/yyyy, etc)
Incident Address	such as '123 MAIN ST'
Apartment/Suite	if applicable

The date is stored as a date, but the text string (01/01/01, 01/21/2001, etc.) in the text file is read and then converted as the field is loaded on the screen.

The next fields are used when the program is run in 'interactive' mode, where the program determines whether to charge or not, which assists in processing false alarms faster., the next four fields should be included, if possible.

Desired Fields

Dispatch Code	any code used by the CAD system to tell the type of call
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Clearance Code	any clearance code usually given by the officer to the dispatcher indicating whether this was a real crime, a false alarm, nothing found, etc.
Dispatch Comments	what the dispatcher types in usually what is relayed to him/her about the call. ('motion detector going off in back room','owner enroute', etc)
Officer Comments	whatever the officer says to the the dispatcher that is typed into the narrative area of the CAD ('nothing found', 'building checked secure', etc)

All other fields are optional.

A complete list of data fields is shown in Table 1.1

Table 1.1 - List of CryWolf “Call For Service” fields.

FieldName	Type	Size	Description
CaseNo	Text	50	Must be unique for every call
CADAlarmNo	Text	50	If the CAD record includes the Reg #
AlarmType	Text	50	Type of alarm call (fire, holdup, etc)
MonitoredBy	Text	50	CryWolf determines this value
FullAddress	Text	100	Incident address ‘123 MAIN ST’
Apt	Text	10	Apartment/Suite if applicable
IncidentDate	Date/Time		Actual Date of Incident
TimeReceived	Text	30	Time call received
TimeDispatched	Text	30	Time call dispatched
TimeOnScene	Text	30	Time first officer on scene
TimeCleared	Text	30	Time call is cleared
DispatcherInfo	Text	250	Any dispatcher info (ID, Name, etc)
CallTakerInfo	Text	250	Any Call Taker Info (ID, Name, etc)
OfficerID	Text	30	ID/Name of primary unit
UnitsAssigned	Text	250	List of multiple units if desired
DispatchCode	Text	50	The Call Type
ClearanceCode	Text	50	Final clearance code Must indicate if alarm is ‘false’ or an actual crime.
BeatNo	Text	50	The Beat/District/Area etc of the call
CADName	Text	250	The CAD ‘Common Place Name’ Name of the Business or Address
DisptchComments	Text	AnySize	Comments entered by the Dispatcher
OfcrComments	Text	AnySize	Officer comments (check secure, nothing found, etc)
Extra1	Text	250	Other field of your choice (optional)
Extra2	Text	250	Other field of your choice (optional)
Extra3	Text	250	Other field of your choice (optional)
Extra4	Text	250	Other field of your choice (optional)
Extra5	Text	250	Other field of your choice (optional)
Extra6	Text	250	Other field of your choice (optional)
Extra7	Text	250	Other field of your choice (optional)
Extra8	Text	250	Other field of your choice (optional)
DateEntered	Date/Time		Set by CryWolf
AlarmNo	Text	50	Set by CryWolf

LOS ANGELES FIRE COMMISSION RULES GOVERNING FIRE ALARM SYSTEMS

1. No person shall operate or use an alarm system for any purpose other than reporting a fire or other life-threatening emergency involving potential serious bodily injury. (Reference Fire Code 408.11)
2. All fire alarm systems required by the Los Angeles Fire Code shall be maintained to a level that is compliant with all applicable provisions. For specific information regarding the Chief's Regulation 4 program, click on the following: [\(Reference Chief Regulation 4 Program\)](#) or on the web at <https://www.lafd.org/regulation-4-schedule>.
3. No person shall operate or use an alarm system that causes a response to be generated by the Department or with a 9-1-1 emergency service number prior to verification if the alarm system has already experienced two or more false alarms within a 24-hour period. Verification may be made by the alarm system user, other person at the scene of the activation or alarm company operator, and shall be based on physical observation and/or inspection of the premises with specific focus in the area of the alarm activation. (For all penalties refer to the Fire Code Section 109.4.2 and Table 109.4)
4. Conditions FOR A FALSE ALARM FEE AND/OR PENALTY WAIVER

The Board of Fire Commissioners or its designee may waive or reverse any false alarm fee and/or penalty when it determines any of the following:

- a. The alarm system user has successfully completed Alarm School authorized by and accessed through the Los Angeles City Fire Department. Alarm School must be successfully completed within 60 days of the billing date. An Alarm School waiver will be applied to the lowest billed false alarm charge per 365 days.
- b. A preliminary investigation report (i.e., Arson report) which documents evidence of a fire or life-threatening emergency at the specific facility on the alarm date in question was filed by the alarm system user within thirty (30) calendar days of the alarm date and matching the alarm data provided by the Los Angeles City Fire Department dispatch program.
- c. Activation of the alarm system was caused by acts of God or unusual occurrences beyond the reasonable control of the alarm system user, such as but not limited to earthquake, flood, tsunami, hurricane force winds or verifiable utility service outages or interruptions.

EXAMPLES OF ALARM ACTIVATIONS THAT ARE NOT GROUNDS FOR A WAIVER OF A FALSE ALARM FEE AND/OR PENALTY INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING:

- a. Faulty equipment,
- b. Disputes with the alarm company, and
- c. Operator error.

**LOS ANGELES FIRE COMMISSION
RULES GOVERNING FIRE ALARM SYSTEMS**

5. WAIVER AND/OR HEARING REQUESTS. Alarm system users may appeal false alarm fees and/or penalties applied by requesting a waiver investigation in writing to the Board of Fire Commissioners within sixty (60) days of the billing date. Such request shall include all documentation to support their request.
6. If violations of the Fire Code are documented for an alarm system and not made compliant within thirty (30) days of the notice of violation, the alarm system user is subject to legal action by the City Attorney.

The following rules apply to all alarm company operators.

1. No alarm company shall cause a request for service to be placed with the Fire Department until such time as it has made two (2) attempts to verify the need for service by conferring with onsite personnel or telephonic means. This provision does not modify or limit item 4 above.
2. A system shall be put in test/service mode if there is system maintenance or construction on the building that would impact the operation of the alarm system. All fire alarm systems shall be returned to normal operating condition at the conclusion of the service task (i.e.; system test, maintenance or repair) and/or at the conclusion of the dedicated fire watch. Throughout the time in which a system is in test/service mode, a dedicated fire watch shall be maintained in compliance with the Los Angeles City Fire Department, Fire Prevention and Public Safety Bureau Requirements. (Reference Fire Code 901.7)