

DRAFT

PROFESSIONAL SERVICES AGREEMENT

Between

THE CITY OF LOS ANGELES

And

Advanced Data Processing, Inc. (dba ADPI-Intermedix)

For

Emergency Medical Services System (EMSS)

For the

Los Angeles Fire Department

Agreement Number _____

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Professional Services Agreement

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DRAFT

AGREEMENT NUMBER _____
BETWEEN
THE CITY OF LOS ANGELES
AND
Advanced Data Processing, Inc.
FOR Emergency Medical Services System (EMSS)

THIS AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into by and between the City of Los Angeles, California, a municipal corporation (hereinafter referred to as the "CITY") by and through the Los Angeles Fire Department (hereinafter referred to as the "LAFD"), and Advanced Data Processing, Inc (dba ADPI-Intermedix), a Delaware corporation (hereinafter referred to as the "CONTRACTOR"), with reference to the following:

WHEREAS, automating the medical service billing and collection function and providing for certified medical billing specialists will generate significantly more revenue for the CITY than the current system and facilitate compliance with federal and state privacy laws; and

WHEREAS, the City Council directed the LAFD to issue a Request for Proposals (RFP) to automate and outsource emergency medical service billing and collections services (Council File 03-0814); and

WHEREAS, the work to be performed is expert and technical in nature;
and

WHEREAS, on August 22, 2007 the CITY issued a Request for Proposals (RFP) seeking qualified proposals and found CONTRACTOR's response to satisfy the level of qualifications and experience necessary to provide the type and level of service required by the CITY; and

WHEREAS, the City performed its Charter Section 1022 review and determined that the information technology portion of the work is proprietary to the CONTRACTOR and that the Software installation, maintenance and service must be performed by CONTRACTOR's staff; and

WHEREAS, although the City currently performs emergency medical service billing and collections, the work can be performed more economically by the CONTRACTOR because its services are automated to the extent possible and performed by certified specialists; and

WHEREAS, the parties wish to enter into an Agreement pursuant to which the CONTRACTOR will perform emergency medical service billing and collections services for LAFD; and

NOW THEREFORE, in consideration of the promises, representations, covenants and Agreements set forth herein, the parties represent, covenant and agree as follows.

1.0 PARTIES TO THE AGREEMENT AND REPRESENTATIVES

1.1 Parties to the Agreement

The parties to this Agreement are:

- a. The CITY, by and through the LAFD, having its principal office at 200 North Spring Street, Los Angeles, California 90012.
- b. CONTRACTOR, having its principal address at 6451 North Federal Highway, Suite 1002, Fort Lauderdale, Florida 33308.

1.2 Representatives of the Parties

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

- a. The CITY's representative is, unless otherwise stated in the Agreement:

Millage Peaks, Fire Chief
Los Angeles Fire Department
200 N. Main St., Room 1800
Los Angeles, California 90012
(213) 978-3838
(213) 978-3814 fax

And:

Georgia Mattera, Fire Administrator
Los Angeles Fire Department
Bureau of Administrative Services
200 N. Main St., Room 1630
Los Angeles, California 90012
(213) 978-3731
(213) 978-3414 fax

- b. The CONTRACTOR's representative is, unless otherwise stated in the Agreement:

Michael Brook, Senior Vice President
Advanced Data Processing, Inc.
(dba ADPI-Intermedix)
7750 Pardee Lane
Oakland, CA 94621
(510) 904-5713
(510) 904-5800 fax

1.3 Notices

- a. 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 mail, postage prepaid, return receipt requested and will be deemed communicated upon the earlier of the date of receipt or five days after mailing.
- b. If the name or address of the person designated to receive the notices, demands or communications is changed, written notice will be given in accordance with this Section, within five (5) working days of said change.
- c. Notifications shall be made via email and refer to non-standard occurrences that LAFD should be made aware of such as notifications regarding pending litigation, reimbursement, adjustments, etc.

2.0 GLOSSARY OF TERMS

Adjustments

"Adjustments" are reduction or increase in the collected amount due to the following: the correction of a clerical; any overpayments resulting from, but not limited to, the claims for low-income exceptions; the excess of amounts billed over the MediCal, Medicare and Worker's Compensation legal limit; exemptions for victims of crime pursuant to California Code Section 13957; City employees exemption pursuant to Administrative Code Section 22.210.2; exemptions for an incarcerated person in accordance with Administrative Code Section 22.210.2, U.S. Code Section 4006 and LA County Contract Number 61959; exemption for Veterans pursuant to U.S. Department of Treasury Code; and court orders, bankruptcy and litigations.

Documentation

"Documentation" is:

1. Evidential or reference documents: documents provided or collected together as evidence or as reference material.
2. Process of providing written information: the process of providing written details or information about something.
3. Computer software information: the instructions, tutorials, and reference information provided to explain how to install and use software or a computer system.

Draft Project Plan

"Draft Project Plan" is the initial version of the Project Plan that has not been finalized or approved by LAFD. The Draft Project Plan will include goals, objectives and tasks (including document flow and systems integrations) to be completed for transitioning from the LAFD's current EMS billing system to the new Software. The Draft Project Plan shall provide a detailed description of key deliverables with timing projections, including a detailed work breakdown structure. The work breakdown structure shall include the following details for each identified task: assumptions, prerequisites, responsibilities, key staff involvement, start/stop dates and milestones, and estimated work hours.

Fee Ordinances

"Fee Ordinances" are laws enacted by the City of Los Angeles specifying the fees that may be charged for a particular service.

Final Project Plan

"Final Project Plan" is the Project Plan that has been approved by the LAFD. Within thirty (30) days of the effective date, CONTRACTOR, working with the Project Manager, will deliver a Draft Project Plan to the LAFD. LAFD will review the Draft Project Plan and provide feedback to CONTRACTOR within 15 days. CONTRACTOR shall provide a Final Project Plan within 15 days from receiving LAFD feedback on the Draft Project Plan.

Full Outsourcing

This is the Full Service Solution offered by ADPI. This is all-inclusive, covering all optional ambulance billing services and all software licensing.

HCPCS

"HCPCS" Codes, Healthcare Common Procedure Coding System numbers, are the codes used by Medicare and monitored by the Centers for Medicare and Medicaid Services (CMS). They are based on the CPT Codes (Current Procedural Technology codes) developed by the American Medical Association.

HCPCS Codes are numbers assigned to every task and service a medical practitioner may provide to a Medicare patient including medical, surgical, and diagnostic services.

Litigation Accounts

"Litigation Accounts" are any accounts that CITY has identified as being in litigation or having the potential to be in litigation by a communication with the CITY or ADPI.

Procedure Codes

"Procedure Codes" are numbers or alphanumeric codes used to identify specific health interventions taken by medical professionals.

PCR or ePCR

"PCR" is a Patient Care Record and if in electronic form, referred to as ePCR, electronic Patient Care Record.

Project Implementation

"Project Implementation" refers to the rollout of the fully hosted ambulance billing solution at LAFD using ADPI's Software.

Software

"Software" is the Intermedix billing IMX software, or other ambulance billing software of equal or better functionality that is acceptable to LAFD.

Support Protocols

"Support Protocols" are the level of support provided by CONTRACTOR for system related issues. Email and telephone support is provided between 07:00 a.m. and 5:00 p.m. Pacific Time Monday through Friday (holidays excluded) while afterhours, holiday, and weekend support is telephone only. Issues resulting in a work stoppage or are otherwise deemed critical will receive an

immediate response and resolution. Non-critical issues will be prioritized and resolved according to the priority level and time of submission.

Transition Accounts

"Transition Accounts" are LAFD accounts that have a 902M patient encounter form completed, but have not been entered into a system

VPN (virtual private network)

"VPN" is network access for remote users: a network that provides remote offices or users with secure access to their organization's network using the Internet or other public telecommunications system.

Net Collections

"Net Collections" is the residual amount from monies collected on a monthly basis, less refunds, check deposits with non-sufficient funds (NSF), and any other applicable adjustments.

3.0 TERM OF AGREEMENT

The term of this Agreement will commence upon the date signed by both parties and executed by City Clerk, and will remain in full force and effect for a six-(6) year period from that date, unless terminated earlier as provided herein. The LAFD, at its sole discretion, has the option to extend the term of this Agreement for six (6) additional extensions of three (3)-years each.

4.0 PROCEDURES MANUAL

The Parties shall develop and maintain a Procedures Manual, which may be adjusted from time to time, governing the manner in which the Parties will conduct daily business. Either party's failure to comply with practices established in such Manual may be deemed to be a material breach of this contract, if not resolved or cured within a period of 30 days.

5.0 WEB HOSTING LICENSE

A. License

CONTRACTOR grants to CITY a limited, non-exclusive and non-transferable license: (i) to access and use the CONTRACTOR'S proprietary software (the "Software") in executable code format via Internet connection to CONTRACTOR's hosting facility solely in support of

the billing and collection with respect to the CITY's EMS services; and (ii) to use any associated end-user Documentation provided by CONTRACTOR (the "Documentation") in support of CITY's authorized use of the Software. Except as expressly permitted herein, no express or implied license is granted to CITY to use, receive, reproduce, copy, market, sell, distribute, license, sublicense, lease, timeshare, or rent the Software or any component thereof. No modification of, or preparation of derivative works based on the Software or Documentation is permitted. CITY shall not disassemble, decompile, decrypt or reverse engineer the Software or in any way attempt to discover or reproduce source code for the Software, or any portion thereof. CITY shall not develop or license any third party programs, applications, tools or other products which interface or interact with the Software without the prior written consent of CONTRACTOR. CITY agrees not to remove the copyright, trade secret or other proprietary protection legends or notices which appear on or in the Software. The Software may incorporate software under license from a third party. If the third party requires CITY's notification of such use through an End User License Agreement ("EULA"), CONTRACTOR will provide such notification to CITY. In order to use the Software, CITY agrees to be bound by all EULA(s) provided at the time of delivery whether by hardcopy or displayed upon installation or use of the Software. CITY's use of the Software subsequent to such notice(s) shall constitute CITY's acceptance of the EULA(s).

B. Service disruption caused by CITY

CONTRACTOR shall not be liable for service outages caused by direct CITY actions.

6.0 SERVICES TO BE PROVIDED

Upon award of the contract the CONTRACTOR agrees to provide the services as required in this section.

A. Transition

CONTRACTOR and LAFD agree that they shall fully cooperate with each other in transitioning EMS billing services from LAFD to CONTRACTOR. LAFD may elect to transfer responsibility for uncollected patient accounts created prior to the commencement of this agreement residing on LAFD's billing system ("Transition Accounts") to CONTRACTOR for billing, follow-up, and collection. Transition Accounts will exclude any patient accounts more than one year from the incident date. CONTRACTOR agrees to accept LAFD's patient and other data relating to Transition Accounts in any format.

LAFD will provide the CONTRACTOR with information relating to the Transition Accounts adequate to enable CONTRACTOR's proper coding, billing, or collection of the Transition Accounts in accordance with CONTRACTOR's obligations under this Agreement. To the extent such information is inadequate; CONTRACTOR agrees to exert commercially reasonable efforts to perform the Services with respect to the Transition Accounts.

B. Project Plan

1. Within 15 days of the effective date of the Agreement, CONTRACTOR will conduct a planning meeting with the Project Manager.
2. CONTRACTOR shall conduct a complete review of LAFD billing practices. This review will consist of on-site visits and data review with the objective of gathering requirements for the project.
3. Within 30 days of the effective date, CONTRACTOR, working with the Project Manager, will deliver a Draft Project Plan to the LAFD. The Draft Project Plan will include goals, objectives and tasks (including document flow and systems integrations) to be completed for transitioning from the LAFD's current EMS billing system to the new Software.
4. LAFD will review the Draft Project Plan and provide feedback to CONTRACTOR within 15 days.
5. CONTRACTOR shall provide a Final Project Plan within 15 days from receiving LAFD feedback on the Draft Project Plan.
6. Elements of the Final Project Plan shall include:
 - i. Establishment of document flow
 - ii. Establishing electronic data interchange (EDI) with payers (including but not limited to: Medicare, Tricare West, Blue Shield of CA, Railroad Medicare, Medi-Cal).
 - iii. Setup and testing of Software
 - iv. Setting up hospital Electronic File Transfer (VPN)
 - v. Develop and review core reports
 - vi. Develop auditing process
 - vii. ADPI-Intermedix Staff Training
 - viii. Go Live Date

C. Support

1. CONTRACTOR shall provide on-going system support and upgrades, including documentation and/or training when substantial system changes occur. A live support desk will be provided via

telephone that is staffed from 7:00 a.m. to 5:00 p.m. Pacific Time, Monday through Friday, excluding holidays.

2. CONTRACTOR shall provide a full-time individual for on-site support, at the designated location of the LAFD, during business hours of Project Implementation.
3. CONTRACTOR shall meet with LAFD at its offices or through technology aided meetings at the discretion of LAFD quarterly or more often.
4. CONTRACTOR shall provide after hours support in accordance with CONTRACTOR's Support Protocols.

D. Interface/Integration

1. CONTRACTOR shall integrate its billing system with LAFD's current cashiering system. This Integration must be via secure file transfer. CONTRACTOR shall provide payment files to LAFD cashiering system. Specific data formats and timing of such files will be agreed upon by CONTRACTOR and LAFD and are required to conform to LAFD specifications. CONTRACTOR must capture LAFD and/or lockbox identifiers in their system for cross reference purposes. All files must be secure and transmitted using secure file transfer and must conform to all CITY security requirements. Upon implementation of any new cashiering system, the CONTRACTOR shall be required to develop a "real time" interface between their billing system and the LAFD's new cashiering system within a mutually agreed upon time frame based on the LAFD's requirements.
2. CONTRACTOR must interface with the City's financial system as changed from time to time via secure file transfer. CONTRACTOR shall transmit relevant data for all accounts to the LAFD of Los Angeles for loading into the LAFD's current accounts receivable system. Specific file formats are required to conform to LAFD specifications. All files and transfers must conform to LAFD security requirements. Upon implementation of the City's "(FMS)" (Financial Management System) accounts receivable system, the CONTRACTOR shall develop a "real time" interface between their billing system and the City's FMS within a mutually agreed upon time frame based on the LAFD's requirements.
3. CONTRACTOR agrees to integrate, at its expense, its billing system with Sansio's field data capture system, and with any other relational database management system used by the CITY, at the

LAFD's direction at the time of implementation. This integration is to use an Extensible Markup Language (XML) based messaging interface or other interface platform as required by the LAFD, assuming the requirements do not place undue burden on the CONTRACTOR. Cost sharing will be negotiated if the CONTRACTOR provides evidence that CITY requirements create an undue burden. With respect to any such future CITY systems, the preferred interface between CITY applications and CONTRACTOR's systems are web services.

4. Integration will be deemed achieved when CONTRACTOR ensures that each of the CITY Systems are fully compatible with, and shall not be materially and adversely affected by, CONTRACTOR's billing system, and data may be transferred from CITY Systems to CONTRACTOR's billing system, and back. All file transfers must conform to the CITY's security requirements. CONTRACTOR agrees to acquire any reasonable software licenses required for access to or interface with any CITY systems.

E. Eligibility/Data Capture

1. CONTRACTOR must exert reasonable efforts to obtain missing or correct erroneous patient demographic and insurance information provided by LAFD.
2. CONTRACTOR shall maintain a complete accounting of patient account activity, including all communications.
3. CONTRACTOR must establish arrangements with hospitals or hospital associations to obtain patient demographic and insurance eligibility information where possible. CONTRACTOR shall obtain this data electronically or manually by means of fax, mail, or onsite visit to hospital. If hospital(s) refuse to share information, CONTRACTOR will notify the LAFD and collaborate with the CITY on potential options.
4. CONTRACTOR must establish and maintain an electronic insurance eligibility process to obtain insurance eligibility information when such information has not been provided by LAFD. CONTRACTOR shall extract eligibility data from various sources, including data obtained from hospitals, previous patient account records, and other commercially reliable sources.

F. Billing and Collection of Payments

1. CONTRACTOR shall process accounts using the Software unless express written permission advising otherwise is received from LAFD by the CONTRACTOR. The Software must be able to generate electronic claims in the format required by major payers, and must be capable of being updated regularly to facilitate capture of the most current HCPCS and Procedure Codes.
2. CONTRACTOR shall submit insurance claims promptly after obtaining required claim information. Secondary insurance claims shall be submitted after payment has been made by the primary insurance payer.
3. CONTRACTOR shall conduct all business in the most efficient manner and consistent with industry established best practices.
4. The Parties shall develop and maintain a Procedures Manual, which may be adjusted from time to time, governing the manner in which the Parties will conduct daily business. Either party's failure to comply with practices established in such Manual may be deemed to be a material breach of this contract if not resolved or cured within a period of 30 days.
5. Before pursuing payment directly from patients, CONTRACTOR must pursue its eligibility processes to obtain third party payer billing options by researching, among other things, patient past history on active and inactive accounts to obtain information regarding third party payers.
6. CONTRACTOR shall, upon notification of a rejected or denied claim, follow up with payers appropriately to resubmit the claim with appropriate documentation for determination or appeal within twenty business days.
7. CONTRACTOR shall direct all payments to LAFD's lockbox at LAFD designated depository, and shall deposit any payments received, by whatever means, in LAFD's Lockbox within one (1) business day after receipt.
8. CONTRACTOR shall post payments to individual patient accounts within three (3) business days from the date the CONTRACTOR receives the remittance advice or the EMS Lockbox details on the day payment is deposited.

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9. CONTRACTOR shall remit in full any payment received after the account has been returned to the LAFD. CONTRACTOR is not entitled to compensation for an account after it is returned to the LAFD.
10. CONTRACTOR shall have view access only to the designated EMS Lockbox account within the CITY's authorized banking system.
11. CONTRACTOR shall bill balance due accounts within an average of two (2) business days of posting partial payment to an individual patient account.
12. CONTRACTOR shall prepare refund documentation for erroneous or overpaid accounts and submit to LAFD within the parameters set by government payers and not to exceed five (5) business days after the end of the month. CONTRACTOR shall research refunds to confirm validity. CONTRACTOR shall submit supporting documentation as required by LAFD, insurance providers and patients.
13. CONTRACTOR shall establish and maintain fully auditable billing, collection and accounts receivable systems in accordance with Generally Accepted Accounting Principles and Governmental Accounting Standards Board guidelines. CONTRACTOR shall maintain appropriate accounting procedures for reconciling all deposits, receivables, billings, patient accounts, adjustments, and refunds.
14. CONTRACTOR shall collect patient signatures and create a master lifetime signatures file. To the extent LAFD obtains signatures of patients or their representatives, it shall be in accordance with the requirements established by law, commercial insurers, and LAFD policies. In the event that LAFD fails to obtain proper signatures or in circumstances where patient refused or was unable to sign, CONTRACTOR agrees to seek signatures from patient. If LAFD and CONTRACTOR fail to obtain a patient signature, CONTRACTOR agrees to bill patient and agrees not to bill Medicare.
15. CONTRACTOR shall turn over Litigation Accounts to the LAFD and cease billing efforts upon receiving notice of litigation from the CITY or LAFD. CONTRACTOR shall flag Litigation Accounts in its billing system. CONTRACTOR shall forward all payments for Litigation Accounts to LAFD. CONTRACTOR shall not deposit such payments without express direction from LAFD.

16. CONTRACTOR shall research unidentified (suspense file) payments on at least a weekly basis and post those payments to correct accounts once the appropriate account is identified.
17. CONTRACTOR shall assign cross-reference to its patient billing system with LAFD'S assigned transport numbers.
18. CONTRACTOR shall reconcile the number of PCRs processed with those received.
19. LAFD shall provide forms currently in use. CONTRACTOR shall generate any such forms as necessary. CONTRACTOR shall have all collection correspondence, notices, forms, and telephone scripts reviewed and approved by the LAFD. Letters must comply with all CITY, state and federal laws and policies and LAFD guidelines and policies regarding debt collection.
20. CONTRACTOR shall use mailings, skip tracing, and nationwide patient phone calls in their debt collection efforts and research returned mail to locate debtors.
21. CONTRACTOR shall work with patients to establish payment arrangements and establish a tracking mechanism to track payments for compliance.
22. CONTRACTOR shall electronically transfer the identified uncollectible accounts to LAFD no later than two hundred sixty (260) days from the initial invoice date. The transferred accounts shall be separately flagged in CONTRACTOR's billing system.
23. CONTRACTOR shall apply billing efforts on all emergency medical service accounts unless exempt from collection under the law or instructed otherwise by the CITY or LAFD.
24. CONTRACTOR shall not report to any credit reporting agencies any information relating to patient accounts.
25. CONTRACTOR shall provide a HIPAA Privacy Notice to transported, billed patients as an insert into the initial billing notice mailed to such patients.
26. CONTRACTOR shall provide for bill payments via mail, walk-ins at LAFD, telephone, and a secure Internet connection.

27. CONTRACTOR shall process patient requests within an average of 5 business days of receipt.
28. CONTRACTOR shall return patient calls by the end of the business day following the day of the call where there was a message left by the patient.
29. CONTRACTOR shall bill in accordance with the CITY's Fee Ordinance and shall not invoice for any additional amount unless instructed by the CITY.
30. CONTRACTOR shall only make Adjustments to patient accounts in the manner and with such documentation that is approved by the CITY.

G. Training

1. CONTRACTOR shall provide reasonably necessary training periodically, as requested by LAFD, to LAFD's designated Emergency Medical, and any additional personnel regarding the gathering of the necessary information and proper completion of run tickets and immediately notifying department personnel of changes in Medicare and Medicaid laws that impact ambulance billing, and providing education on those changes as needed.
2. CONTRACTOR shall monitor any laws pertaining to health care insurance, including but not limited to Medicare, Medicaid, and private plans. CONTRACTOR shall report such changes to the LAFD prior to the effective date of such law and make recommendations if needed.
3. CONTRACTOR shall assist the LAFD in developing a plan to comply with any changes in laws, including any new interpretation of such laws. Such plan may include the implementation of new policies and procedures; software changes, training programs, etc.
4. CONTRACTOR shall monitor any enforcement actions, guidance, and advisory opinions that relate to the Services to be provided under this Agreement and report any applicable information to the LAFD.
5. CONTRACTOR shall train its employees and designated LAFD employees with respect to the following subjects:
 - a. The requirements governing billing for emergency ambulance services, including but not limited to, the

requirements of Medicare, Medicaid, and commercial insurers relating to documentation, medical necessity, assignment of diagnostic and procedural codes, and preparation and submission of claims.

- b. The consequences of failing to comply with applicable laws, including the penalties for fraud and abuse.

- 6. CONTRACTOR shall furnish a review course on an annual basis to all employees performing medical necessity determination and medical diagnostic coding services pursuant to the terms of the Agreement. The annual course must include a review and update of the CONTRACTOR's Compliance Program and Agreement Services but shall not serve as a substitute course for the complete training requirement, referred to above.

H. Security

CONTRACTOR shall use all reasonable efforts under the law to maintain the security of the Software and data, but shall not be responsible for the CITY's loss or dissemination of passwords or other breaches beyond CONTRACTOR's reasonable control.

I. Audits

- 1. CONTRACTOR shall provide LAFD access to all requested information in order for LAFD to perform appropriate and periodic audits.
- 2. Reasonable notice will be given to CONTRACTOR for any planned audit and will be conducted during the CONTRACTOR's normal business hours. For this purpose, one-week advance notice is considered reasonable.

- 3. Audit reports may be run at anytime.

- 4. Audit results shall be maintained in confidence.

J. Standards/Laws

- 1. CONTRACTOR shall conduct billing efforts in compliance with all applicable CITY, state, and federal laws and rules governing collections.
- 2. CONTRACTOR shall utilize most up-to-date knowledge and information with regard to coding requirements and standards, to

ensure compliance with applicable Federal, State and local regulations.

3. CONTRACTOR shall create, implement and comply with a Compliance Plan consistent with the intent and activities included in the U.S. Office of Inspector General (OIG) Compliance Program Guidance for Third Party Medical Billing Companies 63 FR 70138; (December 18, 1998).

K. Reports

1. CONTRACTOR shall establish a reporting system that will enable the LAFD to monitor the performance of the services. Reports must be designed to give the LAFD the information needed to accurately measure performance.
2. CONTRACTOR shall provide timely comprehensive reports facilitating all required aspects of monitoring, evaluating, auditing and managing the services provided.
3. CONTRACTOR shall provide the reports specified in Exhibit B – LAFD Report Requirements as well as any other reports that CONTRACTOR provides in the normal course of business.
4. CONTRACTOR shall provide ad hoc reporting capability.
5. CONTRACTOR shall provide accounting reports in electronic form for all billing pursuant to Generally Accepted Accounting Principles on a monthly, quarterly, and annual basis, or as requested by the LAFD. These reports shall be made available to the LAFD 10 business days after the end of the month.

L. Coding

CONTRACTOR shall provide accurate coding of medical claims in accordance with the requirements of Medicare/Medicaid and any other applicable Federal, State, or County health care program and commercial insurers.

M. Fee Changes

CONTRACTOR shall make recommendations to LAFD regarding EMS fee ordinance amendments and regularly advise on changes in statutes and industry regulations. CONTRACTOR understands that LAFD must abide by the City's Fee Ordinances (LAAC Sec 22.210.2 and 5.181). Any proposed change to the requirements imposed by such ordinances may only be made by amendment to the ordinances.

N. Access to and Maintenance of Records

1. The CONTRACTOR shall make available its Software system to authorized LAFD personnel on a 24/7 basis and provide for the secure access to the LAFD's data. Secure authorization and secure data transfer must be provided. Furthermore, CONTRACTOR shall provide adequate system capability and facilities for archiving and retrieving either electronic images or original billing records, signature verifications, and related data.
2. Access to data shall be limited to the employees, representatives and agents of CONTRACTOR and authorized personnel of CITY. A complete and signed access form for each of CITY's personnel authorized to access the Software must be submitted to and approved by CONTRACTOR.
3. CONTRACTOR shall maintain records in an electronic format that meets all federal and state requirements for maintaining patient medical information. CONTRACTOR may not destroy data without written approval of the Los Angeles City Attorney.
4. CONTRACTOR shall do regular data backup. All backed up data in an electronic format shall meet all federal and state requirements for maintaining patient medical information.
5. CONTRACTOR shall have a disaster recovery and business restoration plan in place. CONTRACTOR shall test disaster recovery capabilities annually to ensure that data can be retrieved and made available to the LAFD. LAFD may audit periodically.
6. CONTRACTOR shall maintain records, including records of financial transactions, pertaining to the performance of the Agreement, in electronic form, in accordance with requirements prescribed by the LAFD. Said records will be subject to examination and audit by authorized LAFD personnel or by the LAFD's representative at any time during the term of this contract. The CONTRACTOR shall provide any reports requested by the LAFD. All records must be returned to the LAFD upon expiration or termination of this contract, whichever occurs first.

7.0 OBLIGATIONS OF LAFD

A. Documentation

1. Provide CONTRACTOR with patient encounter information on a timely basis and in sufficient detail to support diagnosis and procedure coding. LAFD will also provide patient demographic information necessary for accurate patient identification including name, address, social security number, date of birth, and telephone number. Where possible, LAFD will obtain and provide CONTRACTOR with patient health insurance, auto insurance, or other insurance information.
2. Provide CONTRACTOR with necessary documents required by third parties to allow for the electronic filing of claims by CONTRACTOR on LAFD's behalf.

B. Policies

LAFD shall provide CONTRACTOR with its approved billing policies and procedures including Fee Ordinances. LAFD will be responsible for engaging any third party collection service for uncollectible accounts after CONTRACTOR has exhausted its billing efforts for 260 days.

C. Refunds

LAFD shall provide timely process for refunds identified by CONTRACTOR for account overpayments or wrong payments, providing CONTRACTOR supplies sufficient documentation to support the refund.

D. Lock Box

LAFD shall provide a lock box address to CONTRACTOR and will instruct lock box vendor to forward all lock box documents to CONTRACTOR for processing if LAFD desires to utilize the services of a lock box vendor.

E. Bank Balance

LAFD shall at their discretion, provide CONTRACTOR with daily bank balance reporting capabilities via the bank's designated web site for the EMS billing lock box account only.

F. Compliance

LAFD shall cooperate with CONTRACTOR in all matters to ensure proper compliance with laws and regulations.

G. Internet Access

CITY shall be responsible for providing its own Internet Access, and in no event shall CITY be provided with direct access (by modem or otherwise) to the Software server, other than access that is available to third parties generally through the Internet. The parties acknowledge that, since the Internet is neither owned nor controlled by any other entity, CONTRACTOR makes no guarantee that any given user will be able to access the Software at any given time. There are no assurances that access will be available at all times and uninterrupted, and CONTRACTOR shall not be liable to CITY for its inability to access the Software.

H. City Acknowledges

CITY acknowledges that it is solely responsible for providing security software, including without limitation, firewalls and similar applications, to prevent unauthorized access to its computer systems.

8.0 NON-EXCLUSIVE AGREEMENT

CONTRACTOR understands and agrees that this is a non-exclusive Agreement to provide systems services to the LAFD and that the LAFD has entered into contracts for the provision of systems services with other contractors. The LAFD is free to use any systems contractors with whom LAFD has contracts and, therefore, the LAFD cannot estimate nor guarantee the volume or amount of work to be received by CONTRACTOR under this Agreement. If LAFD choose to use another contractor for similar services, the performance guarantee will no longer be in force.

9.0 COMPENSATION AND METHOD OF PAYMENT

9.1 Compensation

- a. For services provided under this Agreement, the CONTRACTOR shall be paid by the CITY in accordance with Exhibit C - Fee Schedule and the other conditions and provisions of this Section. The CITY shall issue a check for the amount invoiced, less any disputed amounts, within 30 days of acceptance of an accurate invoice. CITY's obligations hereunder are absolute and unconditional not subject to set-off, delay, counter claim,

termination or performance. CONTRACTOR shall resolve any disputed amounts within 60 days from when CITY gives notification of dispute.

- b. CONTRACTOR's compensation will be adjusted by the performance guarantee, if applicable.

9.2 Method of Payment

The CONTRACTOR must include the following information, and any other documentation requested by the LAFD on each invoice, unless instructed otherwise by LAFD.

1. Date of invoice.
2. Invoice number.
3. Agreement number
4. Description of services
5. Amount of Invoice, including the basis of the calculation.
6. Detailed listing of the invoices paid by patient or insurance providers, including date of calculation, amount of collection, and basis of calculation of CONTRACTOR's fee
7. An accounting of any Liquidated Damages resulting from the failure to achieve the Performance Measures in Section 10.0, if any.
8. A computation of the performance guarantee calculated in accordance with Section 10.0, if any.

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Deleted: Invoices furnished by CONTRACTOR under this agreement must be in a form acceptable to CITY

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LAFD agrees that it will be solely responsible for the cost of any and all lock-box services related to EMS lock box deposits. LAFD also agrees that it will be solely responsible for any cost associated with any credit card acceptance program in which LAFD elects to participate. Except as otherwise expressly provided for in 4.0 Services to be Provided, all other costs incurred by CONTRACTOR in the performance of the CONTRACTOR Services (including, but not limited to postage, materials, communications and phone costs and other operating costs) will be CONTRACTOR's sole responsibility.

Deleted: b. A computation of the performance guarantee calculated in accordance with Section 9, if any.¶

10.0 PERFORMANCE GUARANTEE

CONTRACTOR and CITY agree that optimizing collection performance requires that both CONTRACTOR and CITY meet their obligations under this contract. Based on CONTRACTOR's projections of increased collections, LAFD has established a Minimum Threshold as a collection performance standard.

For the initial partial fiscal year of the contract, the Minimum Threshold is an average of \$302 in Net Collections per transport (for reference, in the fiscal year ending June 30, 2009, average Net Collections per transport were \$302 which is based on collections of \$58,896,808 for 194,973 transports). Should the Medicare reimbursement changes be adopted and made effective by Congress for 2010 at the time of contract execution, the Net Collections per transport will be adjusted accordingly.

Each fiscal year, thereafter, the Minimum Threshold shall be adjusted to be equal to the actual average collection per incident over the preceding twelve (12)-month period. LAFD and CONTRACTOR shall also adjust the Minimum Threshold amounts when material changes in the reimbursement environment warrant. A material change for the purposes of this clause shall mean a change that impacts expected revenue by more than 5% for factors outside of the control of the CONTRACTOR.

Twelve months from the last month of end of the fiscal year (the "Measurement Period"), the Average Net Collection per Transport shall be computed for the entire 12 month period. Mechanics of the Average Net Collection per Transport calculation are as follows:

- a. The Average Net Collection per Transport for each Measurement Period shall be calculated twelve months after the last incident month. For example, Average Net Collection per Transport for January 2010 through December 2010 shall be calculated after the end of January 2012.
- b. Average Net Collection per Transport shall be computed by dividing the Net Collections associated with a given 12 months of transports by the number of transports entered by the CONTRACTOR for that 12 month period. For example, if there were 200,000 billable transports entered for the year ending December 2010 and Net Collections (measured on or after January 2012) were \$60.00 million, the actual average net collection per account would be equal to \$300.

If the actual Average Net Collection per Transport for any Measurement Period is less than the Minimum Threshold, CONTRACTOR shall incur a Performance Guarantee Penalty in accordance with the following schedule:

<u>% of Minimum Threshold Achieved</u>	<u>Performance Penalty %</u>
95% or greater	0%
90-94%	5% of annual fee
80-89%	10% of annual fee
70-79%	25% of annual fee
<70%	50% of annual fee

For each Measurement Period where any penalties have been imposed and CONTRACTOR subsequently achieves the Minimum Threshold, the penalty shall be recouped by CONTRACTOR.

11.0 COMPLIANCE STANDARDS

- a. **Compliance Program.** CONTRACTOR shall have a compliance program that encapsulates the following seven elements:
1. The development and distribution of written standards of conduct, as well as written policies and procedures that promote the billing company's commitment to compliance (e.g., by including adherence to the compliance program as an element in evaluating managers and employees, subcontractors and agents) and that addresses specific areas of potential fraud, such as the claims submission process, code gaming and financial relationships with its providers;
 2. The designation of a chief compliance officer and other appropriate bodies, e.g., a corporate compliance committee, charged with the responsibility of operating and monitoring the compliance program and who report directly to the CONTRACTOR's senior leadership and the governing body/board;
 3. The development and implementation of regular, effective education and training programs for all affected employees, subcontractors and agents;
 4. The creation and maintenance of process, such as a hotline, to receive complaints and the adoption of procedures to protect the anonymity of complainants and to protect callers from retaliation;
 5. The development of a system to respond to allegations of improper/illegal activities and the enforcement of appropriate disciplinary action against employees who have violated internal compliance policies, applicable status, regulations or Federal, State or private payer health care program requirements;
 6. The use of audits and/or other risk evaluation techniques to monitor compliance and assist in the reduction of identified program areas;
 7. The investigation and correction of identified systemic programs and the development of policies addressing the non-employment of sanctioned individuals.
 8. At any point, the LAFD may participate in the Compliance Program and may request additional details regarding the accounts reviewed. In instances where changes are made as a result of the claims review

findings, the LAFD may audit the effectiveness of the new process or request the CONTRACTOR to do so.

b. Claims Review:

1. CONTRACTOR shall perform a claims review using a random sample of 500 accounts on a quarterly basis. The CONTRACTOR shall select a random sample of 500 accounts and will review the accounts for accuracy of:
 - a. Coding
 - b. Medical necessity determination on government claims
 - c. Charges captured (all and proper)
 - d. Charges to the LAFD's charge master
 - e. Claim filing
 - f. Signatures documented for Medicare claims
 - g. Payments and adjustments posted correctly to account (for time lagged accounts)
 - h. Patient invoicing, where applicable, occurred correctly (for time lagged accounts)
2. CONTRACTOR shall base its sample selection on Federal Governmental Accountability Standards (RAT-STAT).
3. For each area identified above, the CONTRACTOR shall divide the number of problem accounts by 500. In any area where the error rate exceeds 5%, CONTRACTOR shall research the root cause of the problem, document the remediation plan, and then implement the plan.
4. The claims review will result in a summary report of the findings, which at minimum, will include:
 - a. An overview of the findings
 - b. Specific results for the various areas audited
 - c. In any area where the audit identified less than 90% accuracy, an explanation of the remediation activities the CONTRACTOR shall implement
5. The CONTRACTOR shall retain the audit documentation for at least thirty-six (36) months should the LAFD wish to review the accounts in detail.

12.0 KEY PERSONNEL

12.1 LAFD Key Personnel

- a) Project Manager as designated by the Fire Chief.

b) System Administrator.

c) Authorized Users.

12.2 CONTRACTOR Key Personnel

- a. A Staff Assignment Table, Exhibit F, provided by CONTRACTOR, lists the Project Manager, all Key Personnel and their assignments during the project, including any subcontractor personnel. The table contains all key assigned personnel who have been approved for work on this project, including replacement personnel who may be substituted for an assigned staff member should they be ultimately be unavailable.
- b. The LAFD reserves the right to approve or disapprove key personnel. The LAFD will allow a CONTRACTOR or subcontractor to substitute out key personnel upon LAFD written approval, as long as approval is not unreasonably withheld, conditioned, or delayed. Replacement of reassigned personnel, if approved, shall be with personnel with equal or greater ability and qualifications, and provided at no charge for their first 10 business days following their start date to bring the replacement up to speed. In addition, LAFD reserves the right to require a replacement of employees whom LAFD judges to be unsuitable, or whose continued use is deemed to be contrary to the best interest of the LAFD.

13.0 CONFIDENTIALITY

13.1 Confidentiality

- a. All data, documents, records, recorded testimony, audiotapes, videotapes, materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, financial information, and other information disclosed or submitted, orally, in writing, or by any other media, to CONTRACTOR by the LAFD, and other documents to which the CONTRACTOR has access during the term of this Agreement are confidential information (hereinafter referred to as "Confidential Information"). The CONTRACTOR agrees that both during the term of this Agreement and a period of two (2) year thereafter, LAFD's Confidential Information shall be considered and kept as the private and privileged records of LAFD and will not be divulged to any person, firm, corporation, or other entity except on the prior direct written authorization of LAFD or in the event of:

- i. Confidential Information which at the time of disclosure is already in the public domain;

Deleted: and after

Comment [m1]: Standard language from non-disclosure agreements

- ii. Confidential Information which after disclosure is published or otherwise becomes a part of the public domain through no fault of the recipient (but only after it is published or otherwise becomes part of the public domain);
 - iii. Confidential Information which the recipient can show was in its possession at the time of disclosure and it was not acquired, directly or indirectly, from the other Party hereto; or
 - iv. Confidential Information which was received by the recipient after the time of disclosure hereunder from a third party who did not acquire it, directly or indirectly, from the disclosure Party under an obligation of confidence.
- b. The CONTRACTOR must ensure that each individual sent on an assignment under this Agreement will have executed a Confidentiality Agreement prior to commencing any assignment. CONTRACTOR agrees to provide the signed Confidentiality Agreement to the LAFD prior to commencing any assignment. The Confidentiality Agreement to be used is attached hereto as Exhibit E. The CONTRACTOR is responsible for ensuring compliance with the Confidentiality Agreements.
- c. CONTRACTOR shall protect the confidentiality of all patient records as set forth in State and/or Federal laws on confidentiality of medical records.

13.2 CONTRACTOR's Interaction with the Media

CONTRACTOR shall refer all inquiries from the news media to LAFD, shall immediately contact LAFD to inform LAFD of the inquiry, and shall comply with the procedures of LAFD's public affairs staff regarding statements to the media relating to this Agreement or CONTRACTOR's services hereunder.

13.3 Requirements Apply to All Subcontractors

The CONTRACTOR shall ensure that these requirements are provided to and apply to all subcontractors of this Agreement.

13.4 Continued Requirements

The requirements of this Section survive termination of this Agreement.

14.0 INSURANCE

a. CONTRACTOR shall procure and maintain for the duration of this Agreement, the following insurance coverage:

1. Workers' Compensation insurance in compliance with the applicable state and federal laws, and not less than \$1,000,000;
2. General Liability insurance in an amount no less than \$1,000,000 per occurrence;
3. Coverage for business interruption, destruction of data processing equipment and media, liabilities affecting accounts receivable, and valuable documents in an amount no less than \$5,000,000 aggregate;
4. Liability coverage for all vehicles whether owned, hired or used in the amount of \$500,000; and

b. The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage

a. LAFD, its officers, officials, employees and volunteers are to be covered as additional insured as respects: liability arising out of activities performed by or on behalf of the CONTRACTOR, including the insured general supervision of the CONTRACTOR; products and completed operations of the CONTRACTOR; premises owned, occupied or used by the CONTRACTOR; or automobiles owned, leased, hired or borrowed by the CONTRACTOR. The coverage shall contain no special limitations on the scope of protections afforded LAFD, its officers, officials, employees or volunteers.

b. CONTRACTOR's insurance coverage shall be primary insurance as respects LAFD, its officers, officials, employees and volunteers. Any insurance of self-insurance maintained by LAFD, its officers, officials, employees or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it. CONTRACTOR hereby waives subrogation rights for loss or damage against LAFD.

c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to LAFD, its officers, officials, employees or volunteers.

- d. CONTRACTOR's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. Companies issuing the insurance policy or policies, shall have no recourse against LAFD for payment of premiums or assessments for any deductibles with are all at the sole responsibility and risk of CONTRACTOR.

2. All Coverage

- a. Each insurance policy required by this Section -shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to LAFD.

CONTRACTOR shall furnish LAFD with certificates of insurance and with original endorsements effecting coverage required by this Section if requested. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by LAFD before work commences. LAFD reserves the right to require complete, certified copies of all required insurance policies at any time.

15.0 CONTRACT TERMINATION

a. Termination for Convenience

The City may terminate this Contract for the City's convenience at any time by giving Contractor at least ninety (90) days written notice thereof. Upon receipt of said notice, Contractor shall immediately take action not to incur any additional obligations, cost or expenses, except as may be reasonably necessary to terminate its activities. The City shall pay Contractor its fees through the effective date of termination and those reasonable and necessary costs incurred by Contractor to affect such termination. Thereafter, Contractor shall have no further claims against the City under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights thereto, shall become City property upon the date of such termination. Contractor agrees to execute any documents necessary for the City to perfect, memorialize, or record the City's ownership of rights provided herein.

Comment [m2]: Covered in contract termination

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Deleted: Withholding: Should any of CONTRACTOR or Subcontractor's required insurance lapse during the term of the Agreement, the City shall not process any requests for payments originating after such lapse until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date.

Deleted: reasonable and allowable costs

b. Termination for Breach of Contract

1. If Contractor fails to perform a material amount of the provisions of this Contract, the City may give Contractor written notice of a default. If Contractor does not cure such default or provide a plan to cure such default which is acceptable to the City within the time permitted by the City, then the City may terminate this Contract due to Contractor's breach of this Contract.

2. 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 and such proceedings are not terminated within 120 days, then the City may immediately terminate this Contract.

3. If Contractor engages in any dishonest conduct related to the performance or administration of this Contract or violates the City's lobbying policies, either of which have a material financial impact on the City, then the City may immediately terminate this Contract.

4. In the event the City terminates this Contract as provided in Section 14.0, the City may procure, upon such terms and in such manner as the City may deem appropriate, services similar in scope and level of effort to those so terminated, and Contractor shall be liable to the City for all of its costs related to the transition to a new provider, not to exceed a period of a four (4) month transition period.

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c. General

5. All finished or unfinished City documents and materials produced or procured under this Contract, including all intellectual property rights hereto, shall become City property upon date of such termination. Contractor agrees to execute any documents necessary for the City to perfect, memorialize, or record the City's ownership of rights provided herein.

6. 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 Termination for Convenience, above.

7. The rights and remedies of either party 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.

8. The amount due the Contractor by reason of termination shall be determined as follows:

a. If the termination is for the City's convenience, the Contractor will be paid in accordance with Section 9.0 of this Contract.

b. If the termination is for the Contractor's default, the total sum payable to the Contractor will be determined in accordance with Section 9.0 of this contract. The City, however, may retain from said payment an amount equal to any additional costs incurred by the City in completing that part of the work that is in default.

16.0 LIMITATION ON LIABILITY

Notwithstanding anything contained in this agreement to the contrary, (i) in no event shall CONTRACTOR be liable to CITY for any special, indirect, incidental, punitive or consequential damages (including lost profits) even if advised of the possibility of such damages, and (ii) CONTRACTOR's total cumulative liability will be limited to the sum of the fees and compensation actually received by CONTRACTOR pursuant to this agreement during the twelve (12) months immediately preceding the event giving rise to the liability. The foregoing limitations apply to all liabilities and damages in any way arising out of this agreement or CONTRACTOR's performance or nonperformance thereunder, whether based on breach of contract, warranty, tort, product liability, strict liability, or any other theory of liability. In connection with any purchase, licensing, or sale of products, contractor disclaims all express and implied warranties, including, but not limited to, the implied warranties of title, merchantability and fitness for a particular purpose. This section shall survive the expiration or termination of this agreement.

Deleted: 9. In addition to the above setoff amount, the City shall also be entitled to recover for other damages as provided by law.¶

17.0 STANDARD PROVISIONS

The CONTRACTOR shall comply with the applicable requirements of the Standard Provisions for LAFD Contracts (Rev. 3/09), attached hereto as and incorporated herein by reference. Should there be any discrepancy between provisions in this contract and the Standard Provisions, those in this contract shall take precedence.

18.0 TABLE OF EXHIBITS

The Exhibits listed below are incorporated into this Agreement by this reference.

Document
Exhibit A Standard Provisions for City Contracts
Exhibit B LAFD Report Requirements
Exhibit C Fee Schedule
Exhibit D Business Associate Agreement
Exhibit E Confidentiality Agreement
Exhibit F Staff Assignment Table

[Signature page follows.]

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

THE CITY OF LOS ANGELES

Advanced Data Processing, Inc.,
a Delaware Corporation

By _____
MILLAGE PEAKS
Fire Chief

By _____
Doug Shamon
President and CEO

Date _____

Date _____

APPROVED AS TO FORM:

ATTEST:

CITY ATTORNEY CARMEN A. TRUTANICH

CITY CLERK JUNE LAGMAY

By _____
Laurel Lightner
Assistant City Attorney

By _____
Deputy City Clerk

Date _____

Date _____

LAFD Business License Number _____
Internal Revenue Service Taxpayer Identification Number _____
Agreement Number _____

Exhibit A

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 hereof. The language of this Contract shall be construed according to its fair meaning and not strictly for or against the **CITY** or **CONTRACTOR**. The word "**CONTRACTOR**" herein in this Contract includes the party or parties identified in the Contract. The singular shall include the plural; if there is more than one **CONTRACTOR** herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. NUMBER OF ORIGINALS

The number of original texts of this Contract shall be equal to the number of the parties hereto, one text being retained by each party. At the **CITY'S** option, one or more additional original texts of this Contract may also be retained by the City.

PSC-3. APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. 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, and/or procedures that apply to the performance of this Contract.

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 law of a federal, state or local government having jurisdiction over this Contract, the validity of the remaining parts, terms or provisions of the Contract shall not be affected thereby.

PSC-4. 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** hereto;
- 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 the **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract.

PSC-5. INTEGRATED CONTRACT

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter hereof, 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 paragraph PSC-6 hereof.

PSC-6. AMENDMENT

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-4.

PSC-7. EXCUSABLE DELAYS

In the event that performance on the part of any party hereto is delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder include, but are not limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; earthquakes; epidemics; quarantine restrictions; strikes; freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

PSC-8. BREACH

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights

and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

PSC-9. 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-10. TERMINATION

A. TERMINATION FOR CONVENIENCE

The **CITY** may terminate this Contract for the **CITY'S** convenience at any time by giving **CONTRACTOR** thirty days written notice thereof. Upon receipt of said notice, **CONTRACTOR** shall immediately take action not to incur any additional obligations, cost or expenses, except as may be reasonably necessary to terminate its activities. The **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 affect such termination. Thereafter, **CONTRACTOR** shall have no further claims against the **CITY** under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights thereto, shall become **CITY** property upon the date of such termination. **CONTRACTOR** agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.

B. TERMINATION FOR BREACH OF CONTRACT

1. Except for excusable delays as provided in PSC-7, 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, the **CITY** may give **CONTRACTOR** written notice of such default. If **CONTRACTOR** does not cure such default or provide a plan to cure such default which is acceptable to the **CITY** within the time permitted by the **CITY**, then the **CITY** may terminate this Contract due to **CONTRACTOR'S** breach of this Contract.
2. 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 the **CITY** may immediately terminate this Contract.
3. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates the

CITY'S lobbying policies, then the **CITY** may immediately terminate this Contract.

4. In the event the **CITY** terminates this Contract as provided in this section, the **CITY** may procure, upon such terms and in such manner as the **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to the **CITY** for all of its costs and damages, including, but not limited, any excess costs for such services.
5. All finished or unfinished documents and materials produced or procured under this Contract, including all intellectual property rights thereto, shall become **CITY** property upon date of such termination. **CONTRACTOR** agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.
6. 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-10(A) Termination for Convenience.
7. The rights and remedies of the **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.

PSC-11. INDEPENDENT CONTRACTOR

CONTRACTOR is acting hereunder as an independent contractor and not as an agent or employee of the **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 the **CITY**.

PSC-12. CONTRACTOR'S PERSONNEL

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

CONTRACTOR shall not use subcontractors to assist in performance of this Contract without the prior written approval of the **CITY**. If the **CITY** permits the use of subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of

this Contract. The **CITY** has the right to approve **CONTRACTOR'S** subcontractors, and the **CITY** reserves the right to request replacement of subcontractors. The **CITY** does not have any obligation to pay **CONTRACTOR'S** subcontractors, and nothing herein creates any privity between the **CITY** and the subcontractors.

PSC-13. PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

CONTRACTOR may not, unless it has first obtained the written permission of the **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-14. PERMITS

CONTRACTOR and its directors, officers, partners, agents, employees, and subcontractors, to the extent allowed hereunder, shall obtain and maintain all licenses, permits, certifications and other documents necessary for **CONTRACTOR'S** performance hereunder and shall pay any fees required therefor. **CONTRACTOR** certifies to immediately notify the **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

PSC-15. CLAIMS FOR LABOR AND MATERIALS

CONTRACTOR shall promptly pay when due all amounts payable 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), against **CONTRACTOR'S** rights to payments hereunder, or against the **CITY**, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

PSC-16. CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

If applicable, **CONTRACTOR** represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code. For the term covered by this Contract, **CONTRACTOR** shall maintain, or obtain as necessary, all such Certificates required of it under the Business Tax Ordinance, and shall not allow any such Certificate to be revoked or suspended.

PSC-17. 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, in accordance with

requirements prescribed by the **CITY**. These records shall be retained for a period of no less than three years following final payment made by the **CITY** hereunder or the expiration date of this Contract, whichever occurs last. Said records shall be subject to examination and audit by authorized **CITY** personnel or by the **CITY'S** representative at any time during the term of this Contract or within the three years following final payment made by the **CITY** hereunder or the expiration date of this Contract, whichever occurs last. **CONTRACTOR** shall provide any reports requested by the **CITY** regarding performance of this Contract. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

PSC-18. FALSE CLAIMS ACT

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the **CITY** under the False Claims Act (Cal. Gov. Code §§ 12650 *et seq.*), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim.

PSC-19. BONDS

All bonds which may be required hereunder shall conform to **CITY** requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

PSC-20. INDEMNIFICATION

Except for the active negligence or willful misconduct of the **CITY**, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, **CONTRACTOR** undertakes and agrees to defend, indemnify and hold harmless the **CITY** and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits 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 the **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 the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by **CONTRACTOR** or its subcontractors of any tier. Rights and remedies available to the **CITY** under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the **CITY**. The provisions of PSC-20 shall survive expiration or termination of this Contract.

PSC-21. INTELLECTUAL PROPERTY INDEMNIFICATION

CONTRACTOR, at its own expense, undertakes and agrees to defend, indemnify, and hold harmless the **CITY**, and any of its Boards, Officers, Agents, Employees, Assigns,

and Successors in Interest from and against all suits 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 the **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever 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 right (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 of any tier, in performing the work under this Contract; or (2) as a result of the **CITY'S** actual or intended use of any Work Product furnished by **CONTRACTOR**, or its subcontractors of any tier, under the Agreement. Rights and remedies available to the **CITY** under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the **CITY**. The provisions of PSC-21 shall survive expiration or termination of this Contract.

PSC-22. 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, patents, copyrights, trademarks, trade secrets, rights of publicity and proprietary information.

PSC-23. OWNERSHIP AND LICENSE

Unless otherwise provided for herein, all Work Products originated and prepared by **CONTRACTOR** or its subcontractors of any tier under this Contract shall be and remain the exclusive property of the **CITY** for its use in any manner it deems appropriate. Work Products are all works, tangible or not, created under this Contract including, without limitation, documents, material, data, reports, manuals, specifications, artwork, drawings, sketches, 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. **CONTRACTOR** hereby assigns, and agrees to assign, all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared by **CONTRACTOR** under this Contract. **CONTRACTOR** further agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.

For all Work Products delivered to the **CITY** that are not originated or prepared by **CONTRACTOR** or its subcontractors of any tier under this Contract, **CONTRACTOR** hereby grants 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 the **CITY**.

Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract to contractually bind or otherwise oblige its subcontractors performing work under this Contract such that the **CITY'S** ownership and license rights of all Work Products are preserved and protected as intended herein. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

PSC-24. INSURANCE

During the term of this Contract and without limiting **CONTRACTOR'S** indemnification of the **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by **CONTRACTOR**, but not less than the amounts and types listed on the Required Insurance and Minimum Limits sheet (Form General 146 in Exhibit 1 hereto), covering its operations hereunder. Such insurance shall conform to **CITY** requirements established by Charter, ordinance or policy, shall comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto) and shall 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-25. DISCOUNT TERMS

CONTRACTOR agrees to offer the **CITY** any discount terms that are offered to its best customers for the goods and services to be provided hereunder and apply such discount to payments made under this Contract which meet the discount terms.

PSC-26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR

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

PSC-27. NON-DISCRIMINATION

Unless otherwise exempt, this Contract is subject to the non-discrimination provisions in Sections 10.8 through 10.8.2 of the Los Angeles Administrative Code, as amended from time to time. The **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 the **CITY**. In performing this Contract, **CONTRACTOR** shall not

discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

PSC-28. EQUAL EMPLOYMENT PRACTICES

Unless otherwise exempt, this Contract is subject to the equal employment practices provisions in Section 10.8.3 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of this Contract, **CONTRACTOR** agrees and represents that it will provide equal employment practices and **CONTRACTOR** and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
 - 1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. **CONTRACTOR** agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- C. As part of the **CITY'S** supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, **CONTRACTOR** shall certify in the specified format that he or she has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of

race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of **CITY** contracts. On their or either of their request **CONTRACTOR** shall provide evidence that he or she has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Equal Employment Practices provisions of this Contract may be deemed to be a material breach of **CITY** contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has failed to comply with the Equal Employment Practices provisions of a **CITY** contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until **CONTRACTOR** shall establish and carry out a program in conformance with the provisions hereof.
- G. Notwithstanding any other provision of this Contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- H. Intentionally blank.
- I. Nothing contained in this Contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
- J. At the time a supplier registers to do business with the **CITY**, or when an individual bid or proposal is submitted, **CONTRACTOR** shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of **CITY** Contracts.

- K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
 - 1. Hiring practices;
 - 2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 - 3. Training and promotional opportunities; and
 - 4. Reasonable accommodations for persons with disabilities.
- L. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of the **CONTRACTOR'S** Contract with the **CITY**.

PSC-29. AFFIRMATIVE ACTION PROGRAM

Unless otherwise exempt, this Contract is subject to the affirmative action program provisions in Section 10.8.4 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of a **CITY** contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
 - 1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. **CONTRACTOR** shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to

their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

- C. As part of the **CITY'S** supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, **CONTRACTOR** shall certify on an electronic or hard copy form to be supplied, that **CONTRACTOR** has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of **CITY** contracts, and on their or either of their request to provide evidence that it has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Affirmative Action Program provisions of **CITY** contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has breached the Affirmative Action Program provisions of a **CITY** contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that **CONTRACTOR** has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a **CITY** contract, there may be deducted from the amount payable to **CONTRACTOR** by the **CITY** under the contract, a penalty of ten dollars

(\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a **CITY** contract.

- H. Notwithstanding any other provisions of a **CITY** contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- I. Intentionally blank.
- J. Nothing contained in **CITY** contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. **CONTRACTOR** shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the **CITY**. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, **CONTRACTOR** may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, **CONTRACTOR** must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.
 - 1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
 - 2. **CONTRACTOR** may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the **CITY** with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and **CONTRACTOR**.

- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation;
 4. Upgrading training and opportunities;
 5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the **CITY'S** Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the **CITY** and may be used at the discretion of the **CITY** in its Contract Compliance Affirmative Action Program.
- P. Intentionally blank.

- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the **CITY** and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the **CITY**.

PSC-30. CHILD SUPPORT ASSIGNMENT ORDERS

This Contract is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to the Child Support Assignment Orders Ordinance, **CONTRACTOR** will fully comply with all applicable State and Federal employment reporting requirements for **CONTRACTOR'S** employees. **CONTRACTOR** shall also certify (1) that the Principal Owner(s) of **CONTRACTOR** are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (2) that **CONTRACTOR** will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with Section 5230, *et seq.* of the California Family Code; and (3) that **CONTRACTOR** will maintain such compliance throughout the term of this Contract.

Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, the failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders or Notices of Assignment, or the failure of any Principal Owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract, subjecting this Contract to termination if such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the **CITY**.

Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to obtain compliance of its subcontractors shall constitute a default by **CONTRACTOR** under this Contract, subjecting this Contract to termination where such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the **CITY**.

CONTRACTOR certifies that, to the best of its knowledge, it is fully complying with the Earnings Assignment Orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in Section 7110(b) of the California Public Contract Code.

PSC-31. LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

- A. Unless otherwise exempt, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 *et seq.* of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time. These Ordinances require the following:
1. **CONTRACTOR** assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of compensated and uncompensated days off and health benefits, as defined in the LWO.
 2. **CONTRACTOR** further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. **CONTRACTOR** shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. **CONTRACTOR** shall deliver the executed pledges from each such subcontractor to the **CITY** within ninety (90) days of the execution of the subcontract. **CONTRACTOR'S** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of **CONTRACTOR** with respect to such pledges and fully discharge the obligation of **CONTRACTOR** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
 3. **CONTRACTOR**, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the **CITY** with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. **CONTRACTOR** shall post the Notice of Prohibition Against Retaliation provided by the **CITY**.
 4. Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-31 and shall incorporate the provisions of the LWO and the SCWRO.

5. **CONTRACTOR** shall comply with all rules, regulations and policies promulgated by the **CITY'S** Designated Administrative Agency which may be amended from time to time.
- B. Under the provisions of Sections 10.36.3(c) and 10.37.6(c) of the Los Angeles Administrative Code, the **CITY** shall have the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if the **CITY** determines that the subject **CONTRACTOR** has violated provisions of either the LWO or the SCWRO, or both.
- C. Where under the LWO Section 10.37.6(d), the **CITY'S** Designated Administrative Agency has determined (a) that **CONTRACTOR** is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the **CITY** in such circumstances may impound monies otherwise due **CONTRACTOR** in accordance with the following procedures. Impoundment shall mean that from monies due **CONTRACTOR**, **CITY** may deduct the amount determined to be due and owing by **CONTRACTOR** to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d)(3) and disposed of under procedures described therein through final and binding arbitration. Whether **CONTRACTOR** is to continue work following an impoundment shall remain in the sole discretion of the **CITY**. **CONTRACTOR** may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.
- D. **CONTRACTOR** shall inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit (EIC). **CONTRACTOR** shall also make available to employees the forms informing them about the EIC and forms required to secure advance EIC payments from **CONTRACTOR**.

PSC-32. AMERICANS WITH DISABILITIES ACT

CONTRACTOR hereby certifies that it will comply with the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*, and its implementing regulations. **CONTRACTOR** will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. **CONTRACTOR** will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by **CONTRACTOR**, relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

PSC-33. CONTRACTOR RESPONSIBILITY ORDINANCE

Unless otherwise exempt, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time, which requires **CONTRACTOR** to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect **CONTRACTOR'S** fitness and ability to continue performing this Contract.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this Contract, **CONTRACTOR** pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this Contract, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. **CONTRACTOR** further agrees to: (1) notify the **CITY** within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that **CONTRACTOR** is not in compliance with all applicable federal, state and local laws in performance of this Contract; (2) notify the **CITY** within thirty calendar days of all findings by a government agency or court of competent jurisdiction that **CONTRACTOR** has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, submit a Pledge of Compliance to the **CITY**; and (4) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the **CITY** within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

PSC-34. MINORITY, WOMEN, AND OTHER BUSINESS ENTERPRISE OUTREACH PROGRAM

CONTRACTOR agrees and obligates itself to utilize the services of Minority, Women and Other Business Enterprise firms on a level so designated in its proposal, if any. **CONTRACTOR** certifies that it has complied with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, if applicable. **CONTRACTOR** shall not change any of these designated subcontractors, nor shall **CONTRACTOR** reduce their level of effort, without prior written approval of the **CITY**, provided that such approval shall not be unreasonably withheld.

PSC-35. EQUAL BENEFITS ORDINANCE

Unless otherwise exempt, this Contract is subject to the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of the Contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** will comply with the EBO.
- B. The failure of **CONTRACTOR** to comply with the EBO will be deemed to be a material breach of this Contract by the **CITY**.
- C. If **CONTRACTOR** fails to comply with the EBO the **CITY** may cancel, terminate or suspend this Contract, in whole or in part, and all monies due or to become due under this Contract may be retained by the **CITY**. The **CITY** may also pursue any and all other remedies at law or in equity for any breach.
- D. Failure to comply with the EBO may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.
- E. If the **CITY'S** Designated Administrative Agency determines that a **CONTRACTOR** has set up or used its contracting entity for the purpose of evading the intent of the EBO, the **CITY** may terminate the Contract. Violation of this provision may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.

CONTRACTOR shall post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Office of Contract Compliance at (213) 847-1922."

PSC-36. SLAVERY DISCLOSURE ORDINANCE

Unless otherwise exempt, this Contract is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as amended from time to time. **CONTRACTOR** certifies that it has complied with the applicable provisions of the Slavery Disclosure Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Contract.

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

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

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

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

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

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

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

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

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

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

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

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

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

9. Commencement of Work. For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-4, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

Exhibit 1 (Continued)

Required Insurance and Minimum Limits

Name: _____ Date: _____

Agreement/Reference: _____

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

	Limits
Workers' Compensation – Workers' Compensation (WC) and Employer's Liability (EL)	WC <u>Statutory</u> EL _____
<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Waiver of Subrogation in favor of City </div> <div> <input type="checkbox"/> Longshore & Harbor Workers <input type="checkbox"/> Jones Act </div> </div>	
General Liability	
<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Products/Completed Operations <input type="checkbox"/> Fire Legal Liability <input type="checkbox"/> _____ </div> <div> <input type="checkbox"/> Sexual Misconduct _____ </div> </div>	
Automobile Liability (for any and all vehicles used for this Contract, other than commuting to/from work)	
Professional Liability (Errors and Omissions)	
Property Insurance (to cover replacement cost of building – as determined by insurance company)	
<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> All Risk Coverage <input type="checkbox"/> Flood _____ <input type="checkbox"/> Earthquake _____ </div> <div> <input type="checkbox"/> Boiler and Machinery <input type="checkbox"/> Builder's Risk <input type="checkbox"/> _____ </div> </div>	
Pollution Liability	
<input type="checkbox"/> _____	
Surety Bonds – Performance and Payment (Labor and Materials) Bonds	100 % of Contract Price
Crime Insurance	_____
Other: _____ _____ _____ _____	

Exhibit B – LAFD Report Requirements

The EMSS must include the following printable reports, ready to use as part of the system rollout:

1. **Operations Summary Report:**

Report displaying total claims and dollar amounts submitted, paid, adjusted, and written off for a particular date, or range of dates.

2. **Period-end Aged Report:**

Revenue summary for a particular date or range of dates.

3. **Audit Trail Reports:**

a) Change-analysis audit trail reports of all user activity, and

b) Report displaying all activity performed by a specific user within a user defined time period.

4. **Overpayment Report by Account:**

Report shall display: invoice number, patient's name (first name, last name, middle initial[s]), date of service, invoice amount, payment amount and overpayment amount, grouped by payment source (e.g. patient, insurance, and attorney).

5. **Balance Due Letter (BDL) Response Summary Report (yearly):**

Report displaying the BDL issue date, the total number of BDL's issued (per issue date), number of payment postings per month, total payment entries, total accounts with payment and the total amount recorded (per issue date).

6. **Explanation of Medicare Benefits (weekly):**

c) **Reversal of Previous Payment** - Report displaying the patient's name / crossover carrier, invoice number, Medicare number, service date, procedure code, invoice amount, amount approved, claim code, deduct amount, Medicare payment and Co-Ins amount;

d) **Settled and Crossed Over** - Report displaying the patient's name / crossover carrier, invoice number, Medicare number, service date, procedure code, invoice amount, amount approved, claim code, deduct amount, Medicare payment and Co-Ins amount;

e) **Denied** - Report displaying the patient's name / crossover carrier, invoice number, Medicare number, service date, procedure code, invoice amount, amount approved, claim code, deduct amount, Medicare payment and Co-Ins amount;

f) **Settled** - Report displaying the patient's name / crossover carrier, invoice number, Medicare number, service date, procedure code, invoice amount, amount approved, claim code, deduct amount, Medicare payment, and Co-Ins amount, and

g) **Summary Report** –Report displaying the total Medicare payment, total penalty for late claim filing, total Medicare provider adjustment and adjusted total Medicare payment.

7. **Billing History Report by Insurance Company (yearly):** - Report displaying the insurance code, insurance company name, number of account billed per insurance company and total of last statement amount.
8. **Explanation of Medi-Cal Benefits (weekly):**
 - a) **Crossover Settled** - Report displaying the patient's name (first name, last name, middle initials), invoice number, Medi-Cal number, claim number, service date, procedure code, invoice amount, amount approved, codes and medical payment;
 - b) **Crossover Pending** - Report displaying the patient's name (first name, last name, middle initials), invoice number, Medi-Cal number, claim number, service date, procedure code, invoice amount, amount approved, codes and medical payment;
 - c) **Medi-Cal Settled** - Report displaying the patient's name (first name, last name, middle initials), invoice number, Medi-Cal number, claim number, service date, procedure code, invoice amount, amount approved, codes and medical payment;
 - d) **Medical Pending** - Report displaying the patient's name (first name, last name, middle initials), invoice number, Medi-Cal number, claim number, service date, procedure code, invoice amount, amount approved, codes and medical payment;
 - e) **Medi-Cal Denied** - Report displaying the patient's name (first name, last name, middle initials), invoice number, Medi-Cal number, claim number, service date, procedure code, invoice amount, amount approved, codes and medical payment.
9. **Outstanding Medi-Cal Accounts from "user defined time":** - Time must be user entered time parameter Report displaying the invoice number, patient's name (first name, last name, middle initials), ID, SSN, invoice amount, balance amount and invoice date.
10. **Delinquent Account Report by insurance companies (monthly)** - Three separate reports, listing accounts that meet the criteria specified in the system to refer accounts to the City of Los Angeles, Office of Finance:
 - a) **Delinquent accounts (1st notice)** by insurance companies (with the address of the insurance company displayed on the report) – summary and detailed report. Report displaying the invoice number, date of service ID, patient's name, date of birth, bill amount, original statement date and the re-bill date;
 - b) **Delinquent accounts 2nd notice** by insurance companies (with the address of the insurance company displayed on the report) - summary and detailed report. Report displaying the invoice number, date of service ID, patient's name, date of birth, bill amount, original statement date, and the re-bill date; and
 - c) **Delinquent accounts final report** by insurance companies (with the address of the insurance company displayed on the report) – summary and detailed report. Report displaying the HCFA insurance company

name, invoice number, date of service, ID number, patient's name, date of birth, bill amount, first bill, legal sts date and CD.

11. City Attorney Process Results Analysis Report - (monthly):

- a) Detailed report of insurance companies and the CA1 (first notice) progress. CA1 issue date shall be user entered date parameter. Report displaying the insurance company code, total account, accounts paid in full, total invoice amount, current balance, payment for first six months, payment after first six months, number of statement letters sent out per month;
- b) Detailed report listing of insurance companies and the CA2 (second notice) progress. CA2 issue date shall be user entered date parameter. Report displaying the insurance company code, total account, accounts paid in full, total invoice amount, current balance, payment for first six months, payment after first six months, number of statement letters sent out per month; and
- c) Summary report listing the CA1 (first notice) and CA2 (second notice) progress summary report. Report summarizing the total account, accounts paid in full, total invoice amount, total current balance, total payment for first six months, total payment after first six months, and total number of statement letters sent out per month for all insurance companies combined.

12. Private Insurance/Itemized Statements Daily Summary Report: - Report summarizing total statements printed.

13. Accounts on Medicare 2nd (HS) Hold Weekly Report: - Report displaying the incident date, invoice number, patient's name (first name, last name, middle initials), patient's date of birth, Invoice amount, current balance and tab indicator.

14. Quarterly report on Accounts Forwarded to the Office of Finance (for reduction requests). - Report displaying the incident number patient's name (first name, last name, middle initials), date, activity sequence number, activity code, payment adjustment, balance, check number and comment.

15. Report on Accounts to be Researched at Various Hospitals (monthly):

- a. Known accounts to be researched at various hospitals. Report displaying the hospital code, service month, invoice number, incident date, patient's name, patient's date of birth, patient's address, patient's telephone number, and the file number by hospitals;
- b. Unknown accounts to be researched at various hospitals. Reports displaying the hospital code, invoice number, incident date, patient's name, patient's date of birth, hospitalization time and the custody flag.

16. Report on Patients With SSN With Account Not Paid Within 11 months: - Report displaying the invoice number, incident date, patient's name (first name, last name, middle initials), patient's age, patient's date of birth, SSN and account balance.

17. Report On Accounts having a 30-day (3A) hold (monthly): - Report displaying the number of days left from the suspended billing cycle, invoice number, date

of service, patient's name (first name, last name, middle initials), patient's date of birth, and patient's address.

18. Insurance Itemized Pended Over 60 Days Report (detailed and summary report): - Report displaying the invoice number, insurance company code, hold comment, account activity code, balance, statement date and **comments**.
19. Electronic Billing Detail Listing: - Date must be user entered date parameter / Insurance company must be **user entered** parameter. Report displaying the operator ID, **patient's name** (first name, last name, middle initials), invoice number and the invoice **amount of all accounts** submitted to Medicare, Medi-Cal, and /or the clearinghouse for **electronic** billing.
20. Kaiser Targeted - Destination Billing Report (detailed and summary): - Date range shall be user entered date range parameter. Report identifying all accounts where the patient was transported to a Kaiser Permanente facility. Report shall display the invoice number, patient's name (first name, last name, middle initials), insurance number, hospital name, patient's date of birth, incident date, mileage, bill description, bill date and bill amount.
21. Weekly Medicare/Medi-Cal Rebill Report: - Report displaying the, invoice number, patient's name (first name, last name, middle initials) and the current balance.
22. Cash Receipts Report (detailed and summary):
 - a) Daily Cash Receipts Report - Report displaying the operator ID, invoice number, patient's name (first name, last name, middle initials), payment type, check number, receipt number, and payment amount from different sources (e.g. patient, private insurance, city, Medicare, Medi-Cal, attorney, county, state, Medicare/Medi-Cal subsidiary, etc.); and
 - b) Monthly Cash Receipts Report - Report displaying the date paid, item count, amount paid, **adjustments**, and adjusted amount from different sources (e.g. patient, **private insurance**, city, Medicare, Medi-Cal, attorney, county, state, etc.)
23. Monthly Adjustments Report (detailed and summary): - Report displaying the adjustment date, item count, and adjustment amount for different adjustment types (e.g. non-billable to billable, correction to misapplied payment, refund, city benefit adjustment, etc.)
24. Daily Data Entry Adjustments Report (detailed and summary): - Report displaying the operator ID, invoice number, patient's name, adjustment code, adjustment amount, **comments**, and error messages for different adjustment types (e.g. non-billable to billable, correction to misapplied payment, refund, city benefit adjustment, etc.)
25. Weekly Insurance Overpayment Report: - Report displaying the invoice number, incident date, incident number, patient's name (first name, last name, middle initials), invoice amount, and current balance amount;

26. Managerial Reports:

1. Report tracking number of BLS and ALS transports by incident date for user selected fiscal years;

Summary report on number of invoices issued by invoice date;

2. Analysis report comparing total number of payments and adjustments to total dollar value of invoices both collected and outstanding, as well as before and after adjustments cumulative for various fiscal years;
3. Analysis of total accounts issued including dollar value, number of payments and adjustments and payment breakdown by account across invoice date;
4. Cumulative report tracking payment and adjustment breakdown information from 2003 to current year for comparative analysis;
5. Summary report tracking adjustments by type of adjustment for user specified fiscal year;
6. Reports tracking total invoice amount and adjusted amount with a breakdown of when the adjustments were made by fiscal year;
7. Report tracking all payment information by source of payment for user specified fiscal year;
8. Report tracking total invoice amount and total payments received broken down by the fiscal year the payment was made across the fiscal year the invoice was issued;
9. Summary reports of all payments and adjustments should be available on a daily, weekly, monthly, quarterly and fiscal year basis;
10. Analysis of all accounts submitted to insurance payers and the average number of days from invoice to payment (weekly and monthly); and 12. Report providing analysis of invoices generated, payments received (full and partial), and number of days required from invoice to payment.

27. Write-off Report: - Report displaying accounts receiving a write-off.

28. Refund Report:

Report displaying progress of refunds from inquiry to payment issued for both patients and insurance companies; and

1. Report displaying all accounts where overpayment has been written off due to no response after one year from notification.

29. Collection Report: - Report displaying all collection activity for accounts that were referred to a collection agency.

30. Denials Report:

Report displaying the number of denied claims and the reasons for the denial by insurance company and billing operator;

- a) Aging report of denied claims by reason for denial, and c) List of all claims submitted electronically that were denied and the reason for the denial by submission date.

31. Low-income Request Report: - Report displaying accounts requesting low-income consideration and status of each account.
32. Pending-Adjudication Report: - Report displaying accounts pending adjudication of a complaint and status of each account.
33. Electronic File Submission/Received Report: - Report displaying the number, type, and dollar amount of patient invoices included on the electronic file generated for transmission to outside vendor.
34. Eligibility-Verification Report: -
- a) Report displaying the list of accounts submitted electronically for eligibility verification; and
 - b) Exception report displaying accounts that were unable to be verified due to communication error or malfunction.
35. Daily Activity Report (detail and summary): - Date must be user entered date parameter. Report listing all accounts billed on a daily basis and the type of invoice issued.
36. Correspondence Report (detail and summary): - Date range must be user entered date range parameter. Report listing all correspondence issued by the system, by correspondence type, for a user specified date range.

Exhibit C Fee Schedule

1. Base Fee:

The Base Fee shall be 5.5% of Net Collections.

2. Net Collections:

- a. "Net Collections" is the residual amount from monies collected on a monthly basis, less refunds; check deposits with non-sufficient funds (NSF), and any other applicable adjustments.
- b. Net Collections due to CONTRACTOR is subject to provisions of Performance Guarantee and Minimum Service Levels required under this agreement.
- c. Any amounts collected by third party collection services will not be included in Net Collections.

3. Adjustments:

Reduction or increase in the collected amount due to the following: the correction of a clerical; any overpayments resulting from, but not limited to, the claims for low-income exceptions; the excess of amounts billed over the MediCal, Medicare and Worker's Compensation legal limit; exemptions for victims of crime pursuant to California Code Section 13957; City employees exemption pursuant to Administrative Code Section 22.210.2; exemptions for an incarcerated person in accordance with Administrative Code Section 22.210.2, U.S. Code Section 4006 and LA County Contract Number 61959; exemption for Veterans pursuant to U.S. Department of Treasury Code; and court orders, bankruptcy and litigations.

Comment [m1]: This section is now part of the main contract - Exhibit C now is just the Fee.

Deleted:

Exhibit D

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (the "BA-Agreement"), is made as of the ____ day of _____, 20__ (the "Effective Date"), by and between Business Associate and Covered Entity (collectively the "Parties") to comply with privacy standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts 160 and 164, subparts A and E ("the Privacy Rule") and security standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts 160, 162 and 164, subpart C ("the Security Rule") and any applicable state confidentiality laws.

RECITALS

WHEREAS, Business Associate provides emergency medical service billing functions and billing software licenses to or on behalf of Covered Entity;

WHEREAS, in connection with these services, Covered Entity discloses to Business Associate certain protected health information that is subject to protection under the Privacy Rule and the Security Rule; and

WHEREAS, the Privacy Rule requires that Covered Entity receive adequate assurances that Business Associate will comply with certain obligations with respect to the PHI received in the course of providing services to or on behalf of Covered Entity.

NOW THEREFORE, in consideration of the mutual promises and covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

A. Definitions. Terms used in this Agreement, but not otherwise defined, shall have the meaning ascribed by the Privacy Rule and the Security Rule, as amended from time to time.

1. Business Associate shall have the meaning ascribed in 45 CFR §103, and refer to ADPI, Inc. for purposes of this Agreement.

2. Contract means Los Angeles City Contract # _____ by and between the LAFD and ADPI for emergency medical service billing activities and related software.

3. Covered Entity means the Los Angeles Fire Department, a health care component of the City of Los Angeles.

4. Designated Record Set means a group of records maintained by or for a covered entity that is:
(i) the medical records and billing records about Individuals maintained by or for a covered health

care provider; (ii) the enrollment, payment, claims adjudication, and case or medical management record system maintained by or for a health plan; or (iii) used, in whole or in part, by or for the covered entity to make decisions about Individuals. For purposes of this definition, the term "record" means any item, collection, or grouping of information that includes protected health information and is maintained, collected, used, or disseminated by or for a covered entity.

5. HIPAA Rules means the Privacy Rule and the Security Rule when referred to collectively.
6. Hybrid Entity means the City of Los Angeles, a single legal entity, (i) that is a covered entity; (ii) whose business activities include both covered and non-covered functions; and (iii) that designated its Fire Department as a health care component pursuant to 45 U.S.C. 105 (a) (2)(iii)(C), by its action on _____ through _____.
7. Individual means the person who is the subject of the protected health information under the definition found at 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
8. Privacy Rule means the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E.
9. Protected Health Information or PHI means the individually identified health information described at 45 C.F.R. § 160.103, which is transmitted or maintained in any form or medium.
10. Required By Law means mandate contained in law that compels a use or disclosure of PHI.
11. Secretary means the Secretary of the Department of Health and Human Services or her designee.
12. Security Rule means the Standards for Security of Individually Identifiable Health Information as fully set forth at 45 C.F.R. Parts 160, 162 and 164, subpart C.

B. DISCLOSURE OF PHI TO BUSINESS ASSOCIATE

In connection with the services provided by Business Associate to or on behalf of Covered Entity, described in this Agreement and the Contract, Covered Entity may disclose PHI to Business Associate for the purposes of performing all described billing activities related to emergency medical services provided by the LAFD. These activities include providing or designing software, hosting a website, billing Individuals and their insurance providers and transmitting or receiving PHI, as may be required from time to time, to other business associates or covered entities.

C. OBLIGATIONS OF COVERED ENTITY

1. Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.

2. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.

3. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use disclosure of Protected Health Information.

4. Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under HIPAA if done by Covered Entity.

D. Obligations of Business Associate. Business Associate agrees to comply with applicable federal and state confidentiality and security laws, specifically the provisions of the Privacy Rule and Security Rule applicable to business associates (as defined by the Privacy Rule), including:

1. Use and Disclosure of PHI. Except as otherwise permitted by this Agreement or applicable law, Business Associate shall not use or disclose PHI except as necessary to provide the emergency medical service billing activities and software described in this Agreement and the Contract to or on behalf of the Covered Entity. These activities include providing or designing software, hosting a website, billing Individuals and their insurance providers and transmitting or receiving PHI, as may be required from time to time, to other business associates or covered entities on behalf of Covered Entity. Business Associate shall not use or disclose PHI that would violate the HIPAA Rules if used or disclosed by Covered Entity. Provided, however, Business Associate may use and disclose PHI as necessary for the proper management and administration of Business Associate, or to carry out its legal responsibilities. Business Associate shall in such cases:

(a) provide information to members of its workforce using or disclosing PHI regarding the confidentiality requirements of the Privacy Rule and this Agreement;

(b) obtain reasonable assurances from the person or entity to whom the PHI is disclosed that: (i) the PHI will be held confidential and further used and disclosed only as Required by Law or for the purpose for which it was disclosed to the person or entity; and (ii) the person or entity will notify Business Associate of any instances of which it is aware in which confidentiality of the PHI has been breached; and

(c) agree to notify the designated Privacy Officer of Covered Entity of any instances of which it is aware in which the PHI is used or disclosed for a purpose that is not otherwise provided for in this Agreement or for a purpose not expressly permitted by the HIPAA Rules.

2. Data Aggregation. In the event that Business Associate works for more than one Covered Entity, Business Associate is permitted to use and disclose PHI for data aggregation purposes, however, only in order to analyze data for permitted health care operations, and only to the extent that such use is permitted under the Privacy Rule.

3. De-identified Information. Business Associate may use and disclose de-identified health information if (i) the use is disclosed to Covered Entity and permitted by Covered Entity in its sole

discretion and (ii) the de-identification is in compliance with 45 C.F.R. §164.502(d), and the de-identified health information meets the standard and implementation specifications for de-identification under 45 C.F.R. §164.514(a) and (b).

4. Safeguards. Business Associate shall maintain appropriate safeguards to ensure that PHI is not used or disclosed other than as provided by this Agreement or as Required by Law. Business Associate shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic PHI it creates, receives, maintains, or transmits on behalf of Covered Entity.

5. Minimum Necessary. Business Associate shall attempt to ensure that all uses and disclosures of PHI are subject to the principle of "minimum necessary use and disclosure," i.e., that only PHI that is the minimum necessary to accomplish the intended purpose of the use, disclosure, or request is used or disclosed.

6. Disclosure to Agents and Subcontractors. If Business Associate discloses PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, to agents, including a subcontractor, Business Associate shall require the agent or subcontractor to agree to the same restrictions and conditions as apply to Business Associate under this Agreement. Business Associate shall ensure that any agent, including a subcontractor, agrees to implement reasonable and appropriate safeguards to protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity. Business Associate shall be liable to Covered Entity for any acts, failures or omissions of the agent or subcontractor in providing the services as if they were Business Associate's own acts, failures or omissions, to the extent permitted by law. Business Associate further expressly warrants that its agents or subcontractors will be specifically advised of, and will comply in all respects with, the terms of this Agreement.

7. Individual Rights Regarding Designated Record Sets. If Business Associate maintains a Designated Record Set on behalf of Covered Entity, Business Associate agrees as follows:

(a) Individual Right to Copy or Inspection. Business Associate agrees that if it maintains a Designated Record Set for Covered Entity that is not maintained by Covered Entity, it will permit an Individual to inspect or copy PHI about the Individual in that set as directed by Covered Entity to meet the requirements of 45 C.F.R. § 164.524. Under the Privacy Rule, Covered Entity is required to take action on such requests as soon as possible, but not later than 30 days following receipt of the request. Business Associate agrees to make reasonable efforts to assist Covered Entity in meeting this deadline. The information shall be provided in the form or format requested if it is readily producible in such form or format; or in summary, if the Individual has agreed in advance to accept the information in summary form. A reasonable, cost-based fee for copying health information may be charged. If Covered Entity maintains the requested records, Covered Entity, rather than Business Associate shall permit access according to its policies and procedures implementing the Privacy Rule.

(b) Individual Right to Amendment. Business Associate agrees, if it maintains PHI in a Designated Record Set, to make amendments to PHI at the request and direction of Covered Entity pursuant to 45 C.F.R. 164.526. If Business Associate maintains a record in a Designated Record Set

that is not also maintained by Covered Entity, Business Associate agrees that it will accommodate an Individual's request to amend PHI only in conjunction with a determination by Covered Entity that the amendment is appropriate according to 45 C.F.R. § 164.526.

(c) Accounting of Disclosures. Business Associate agrees to maintain documentation of the information required to provide an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528, and to make this information available to Covered Entity upon Covered Entity's request, in order to allow Covered Entity to respond to an Individual's request for accounting of disclosures. Under the Privacy Rule, Covered Entity is required to take action on such requests as soon as possible but not later than 60 days following receipt of the request. Business Associate agrees to use its best efforts to assist Covered Entity in meeting this deadline. Such accounting must be provided without cost to the individual or Covered Entity if it is the first accounting requested by an individual within any 12 month period; however, a reasonable, cost-based fee may be charged for subsequent accountings if Business Associate informs the individual in advance of the fee and is afforded an opportunity to withdraw or modify the request. Such accounting is limited to disclosures that were made in the six (6) years prior to the request (not including disclosures prior to the compliance date of the Privacy Rule) and shall be provided for as long as Business Associate maintains the PHI.

8. Internal Practices, Policies and Procedures. Except as otherwise specified herein, Business Associate shall make available its internal practices, policies and procedures relating to the use and disclosure of PHI, received from or on behalf of Covered Entity to the Secretary or his or her agents for the purpose of determining Covered Entity's compliance with the HIPAA Rules, or any other health oversight agency, or to Covered Entity. Records requested that are not protected by an applicable legal privilege will be made available in the time and manner specified by Covered Entity or the Secretary.

9. Notice of Privacy Practices. Business Associate shall abide by the limitations of Covered Entity's Notice of which it has knowledge. Any use or disclosure permitted by this Agreement may be amended by changes to Covered Entity's Notice; provided, however, that the amended Notice shall not affect permitted uses and disclosures on which Business Associate relied prior to receiving notice of such amended Notice.

10. Withdrawal of Authorization. If the use or disclosure of PHI in this Agreement is based upon an Individual's specific authorization for the use or disclosure of his or her PHI, and the Individual revokes such authorization, the effective date of such authorization has expired, or such authorization is found to be defective in any manner that renders it invalid, Business Associate shall, if it has notice of such revocation, expiration, or invalidity, cease the use and disclosure of the Individual's PHI except to the extent it has relied on such use or disclosure, or if an exception under the Privacy Rule expressly applies.

11. Knowledge of HIPAA Rules. Business Associate agrees to review and understand the HIPAA Rules as it applies to Business Associate, and to comply with the applicable requirements of the HIPAA Rule, as well as any applicable amendments.

12. Security Incident. Business Associate agrees to immediately report to the Covered Entity any security incident of which Business Associate becomes aware.

E. Term and Termination.

1. Term. The Term of this Agreement shall be effective as of the Effective Date of the Contract, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.

2. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

a. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement and the Contract if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

b. Immediately terminate this Agreement and the Contract if Business Associate has breached a material term of this Agreement and cure is not possible; or

c. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

3. Effect of Termination.

a. Except as provided in paragraph (b) of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

b. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon [Insert negotiated terms] that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

F. Miscellaneous

1. Indemnification.

a. To the extent permitted by law, Business Associate agrees to indemnify and hold harmless Covered Entity from and against all claims, demands, liabilities, judgments or causes of action of any nature for any relief, elements of recovery or damages recognized by law (including, without limitation, attorney's fees, defense costs, and equitable relief), for any damage or loss incurred by Covered Entity arising out of, resulting from, or attributable to any acts or omissions or other conduct of Business Associate or its agents in connection with the performance of Business Associate's or its agents' duties under this Agreement. This indemnity shall apply even if Covered Entity is alleged to be solely or jointly negligent or otherwise solely or jointly at fault; provided, however, that a trier of fact finds Covered Entity not to be solely or jointly negligent or otherwise solely or jointly at fault. This indemnity shall not be construed to limit Covered Entity's rights, if any, to common law indemnity.

b. Covered Entity shall have the option, at its sole discretion, to employ attorneys selected by it to defend any such action, the costs and expenses of which shall be the responsibility of Business Associate. Covered Entity shall provide Business Associate with timely notice of the existence of such proceedings and such information, documents and other cooperation as reasonably necessary to assist Business Associate in establishing a defense to such action.

c. These indemnities shall survive termination of this Agreement, and Covered Entity reserves the right, at its option and expense, to participate in the defense of any suit or proceeding through counsel of its own choosing.

2. Mitigation. If Business Associate violates this Agreement or the HIPAA Rules, Business Associate agrees to mitigate any damage caused by such breach, and bear any such related costs.

3. Rights of Proprietary Information. Covered Entity retains any and all rights to the proprietary information, confidential information, and PHI it releases to Business Associate.

4. Survival. The respective rights and obligations of Business Associate under Section (Effect of Termination) of this Agreement shall survive the termination of this Agreement.

5. Notices. Any notices pertaining to this Agreement shall be given in writing and shall be deemed duly given when personally delivered to a Party or a Party's authorized representative as listed below or sent by means of a reputable overnight carrier, or sent by means of certified mail, return receipt requested, postage prepaid. A notice sent by certified mail shall be deemed given on the date of receipt or refusal of receipt. All notices shall be addressed to the appropriate Party as follows:

If to Covered Entity:

Attn: _____

If to Business Associate:

Attn: _____

6. Amendments. This Agreement may not be changed or modified in any manner except by an instrument in writing signed by a duly authorized officer of each of the Parties hereto. The Parties, however, agree to amend this Agreement from time to time as necessary, in order to allow Covered Entity to comply with the requirements of the HIPAA Rules.

7. Choice of Law. This Agreement and the rights and the obligations of the Parties hereunder shall be governed by and construed under the laws of the State of California, without regard to applicable conflict of laws principles.

8. Assignment of Rights and Delegation of Duties. This Agreement is binding upon and inures to the benefit of the Parties hereto and their respective successors and permitted assigns. However, neither Party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding any provisions to the contrary; however, Covered Entity retains the right to assign or delegate any of its rights or obligations hereunder to any City department or office in a manner consistent with the HIPAA Rules. Assignments made in violation of this provision are null and void.

9. Nature of Agreement. Nothing in this Agreement shall be construed to create (i) a partnership, joint venture or other joint business relationship between the Parties or any of their affiliates, (ii) any fiduciary duty owed by one Party to another Party or any of its affiliates, or (iii) a relationship of employer and employee between the Parties.

10. No Waiver. Failure or delay on the part of either Party to exercise any right, power, privilege or remedy hereunder shall not constitute a waiver thereof. No provision of this Agreement may be waived by either Party except by a writing signed by an authorized representative of the Party making the waiver.

11. Equitable Relief. Any disclosure of misappropriation of PHI by Business Associate in violation of this Agreement will cause Covered Entity irreparable harm, the amount of which may be difficult to ascertain. Business Associate therefore agrees that Covered Entity shall have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining Business Associate from any such further disclosure or breach, and for such other relief as Covered Entity shall deem appropriate. Such rights are in addition to any other remedies available to Covered Entity at law or in equity. Business Associate expressly waives the defense that a remedy in damages will be adequate, and further waives any requirement in an action for specific performance or injunction for the posting of a bond by Covered Entity.

12. Severability. The provisions of this Agreement shall be severable, and if any provision of this Agreement shall be held or declared to be illegal, invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect as though such illegal, invalid or unenforceable provision had not been contained herein.

13. No Third Party Beneficiaries. Nothing in this Agreement shall be considered or construed as conferring any right or benefit on a person not party to this Agreement nor imposing any obligations on either Party hereto to persons not a party to this Agreement.

14. Headings. The descriptive headings of the articles, sections, subsections of this Agreement are inserted for convenience only, do not constitute a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

15. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the HIPAA Rules and any applicable state confidentiality laws. The provisions of this Agreement shall prevail over the provisions of any other agreement that exists between the Parties that may conflict with, or appear inconsistent with, any provision of this Agreement or the HIPAA Rules.

16. Regulatory References. A citation in this Agreement to the Code of Federal Regulations shall mean the cited section as that section may be amended from time to time.



Exhibit E - CONFIDENTIALITY AGREEMENT

I understand that my employer, Advanced Data Processing, Inc., has entered into a contract (hereinafter referred to as the "Agreement") with the City of Los Angeles to provide various services to the Los Angeles Fire Department.

I understand that Advanced Data Processing, Inc. has assigned me to provide temporary services to the Los Angeles Fire Department and that as part of that assignment I will have access to confidential information. "Confidential Information" includes all data, recorded testimony, audio-tapes, videotapes, materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, financial information, and other information disclosed or submitted, orally, in writing, or by any other media, to me by Advanced Data Processing, Inc. or the City of Los Angeles or the Los Angeles Fire Department.

I further understand that all information, records, software programs, documents, and data provided by the Los Angeles Fire Department to me, or accessed or reviewed by me, during the performance of this assignment will remain the property of the City of Los Angeles and/or the Los Angeles Fire Department. Any and all information, records, documents, and data provided by the Los Angeles Fire Department to me, or accessed or reviewed by me during performance of this assignment, are confidential.

I agree not to provide information, records, software programs, documents, and data, nor disclose their content or any information contained in them, either orally or in writing, to any other person or entity. I further agree not to make copies of any Confidential Information unless a formal Los Angeles Fire Department request is made through my employer.

I agree to forward all requests for the release of information received by me to my immediate supervisor.

I hereby agree that I will not divulge to any unauthorized person, information obtained while performing work pursuant to the Agreement between Advanced Data Processing, Inc. and the City of Los Angeles and/or Los Angeles Fire Department.

I will be responsible for protecting the confidentiality and maintaining the security of Los Angeles Fire Department materials, notes, records, documents, data and any other information in my possession. I am responsible for maintaining all stenographic recordings, either paper notes or electronic files, recorded by me indefinitely until they are turned over to my employer for storage and/or for future transcript requests.

This Agreement is to apply in conjunction with any prior confidentiality agreement between myself and Advanced Data Processing, Inc., and will not nullify such agreements, however, this Agreement will take precedence. Any conflicts with any other agreements will be modified to comply with the terms of this Agreement.

I acknowledge that violation of this Confidentiality Agreement may subject me to civil and/or criminal action and that the City of Los Angeles and/or the Los Angeles Fire Department will seek all possible legal redress.

Date

Recipient Signature

Please Print

Exhibit F
Staff Assignment Table

I. Staff Assignment for servicing the City of Los Angeles in EMS Billing

Project Element	Assigned Staff	Alternative Staff
◦ Senior Relationship Executive	◦ Doug Shamon	◦ Ken Cooke
◦ Account Executive	◦ Michael Brook	◦ Ken Cooke
◦ Client Service Leader	◦ Pamela Olkowski	◦ Michael Brook
◦ Planning & Project Management	◦ Pamela Olkowski	◦ Mori Moriuchi
Client Service Manger and On-site Project Management	◦ Camille Richardson (IMRI)	◦ Tonya Bonelli (IMRI)
◦ FDCS integration	◦ Daniel Savinon	◦ Joe Belfer
◦ Software Installation	◦ Clint Farquhar	◦ Austin Wyatt

Project Element	Assigned Staff	Alternative Staff
◦ AR Conversion (if needed)	◦ Joe Belfer, DICOT	◦ Dave Poole
◦ System Set Up	◦ Clint Farquhar	◦ Austin Wyatt
◦ Training	◦ Ange Mann	◦ Emily Lindner
◦ System Integration, interface and reporting	◦ Daniel Savinon	◦ Joe Belfer
◦ Reporting	◦ Surgen Adhikari	◦ Austin Wyatt

ADPI may utilize the services of our selected subcontracting partner, Information Management Resources, Inc. (IMRI), to provide our local on-site project coordination. Established in 1992, IMRI is a locally certified Minority Business Enterprise (MBE) and Woman Business Enterprise (WBE) specializing in project management for information technology, engineering and integration projects, as requested in the City's RFP.

The local on-site project coordination is important and will be provided constant process oversight from ADPI's Regional Vice President of Operations, Pamela Olkowski, as well as our Chief Technology Office, B.J. Guillot. As the City would expect, overall project oversight will come directly from the highest levels of our company, namely from our Senior Vice President for the West Region, Michael Brook, with visibility provided to the Chief Executive Officer, Doug Shamon and the Chief Operating Officer, Ken Cooke.

Project Staffing

ADPI's regional teams have a local concentration, allowing them to become specialists in each regional area. The dedicated regional team of staff members assigned to Los Angeles has been processing regional patient accounts for years and thus knows the challenges faced by the City's internal billing staff very well.

Additional management staff and company-wide resources will support this team as needed. Executive management will continually monitor and evaluate the status of LAFD issues.

The following are details on all management positions that will be involved in your account and in what capacity they will serve you.

Roles/Responsibilities -During Procurement

We will maintain relations with your designated representatives during the procurement process to ensure that you are outfitted with any and all information that you may need during this time period.

Rick Fossier: *General Proposal Contact*
Rick Fossier, Vice President of Business Development, will be your key contact during the procurement process.

Doug Shamon: *Procurement/Contract*
Mr. Shamon, President and CEO, will oversee our procurement process and work with the City of Los Angeles to establish a contract, if so awarded.

Michael Brook: *Contract*
Mr. Brook, Senior Vice President, will be the primary contact for developing the contract with the City of Los Angeles.

Brad Williams: *Contract/Finance*
Mr. Williams, Chief Accounting Officer, will handle contract administration and execution.

Qualifications of Key Personnel Identified in the Staffing Table

Douglas Shamon – President and CEO

Mr. Shamon will oversee our procurement process and work with the City of Los Angeles to establish a contract, if so awarded. He will also provide overall leadership, overseeing our contract performance to ensure client satisfaction. Mr. Shamon will work with you on the implementation of revenue strategies and policies to achieve your EMS revenue goals.

Mr. Shamon is a principal and the Chief Executive Officer of ADPI. With 15 years of healthcare business services and over 25 years of financial management experience, Mr. Shamon has held previous positions as Executive Vice President, Chief Financial Officer and Director of Certus Corporation, a healthcare services company, Chief Financial Officer at Transcend Services, Inc., and several other senior management positions including, Executive Vice President and Chief Financial Officer for both the Physician Services and Hospital Services division of Per Se Technologies, Inc. Mr. Shamon began his career with Arthur Andersen and Co. and also has experience with KPMG.

Mr. Shamon graduated from the Carroll School of Management at Boston College in 1983 majoring in accounting and computer science and holds an MBA degree with a concentration in finance from San Diego State University. Mr. Shamon is also a Certified Public Accountant.

Estimated time commitment: up to 10%

Ken Cooke-Chief Operating Officer

With over 20 years of operational experience, Mr. Cooke joined ADPI in the first quarter of 2008 as the Chief Operating Officer. Mr. Cooke was the US and Global CIO for PricewaterhouseCoopers, where he was responsible for establishing and delivering the firm's technology strategy. In addition, Mr. Cooke was also Managing Officer for the firm's Enterprise Solutions Center whose mission is to provide information and transaction processing through shared services to create optimal positioning in the industry. Mr. Cooke has also held positions as US E-Business Leader, Global Leader of E-Business, Deputy Senior Partner for Operation, West Region Tax Managing Partner and various other positions within PwC.

Mr. Cooke completed his undergraduate studies in Business/Economics at Marietta College and received an MBA from Ohio University.

Estimated time commitment: up to 10%

Michael Brook-Senior Vice President, West Region

Mr. Brook recently joined us as Senior Vice President of Operations responsible for the West Region EMS Operations. Mr. Brook provides operations leadership to the Oakland and Denver offices. Prior to joining Intermedix, Mr. Brook served 14 years as a Management Consultant and as an Operational Leader within PricewaterhouseCoopers (PwC). Mr. Brook has 18 years of experience in the areas of operations, process improvement, strategy, IT management, project management, marketing and organizational change. His experience includes supporting business leaders in driving improved business results and

transformation. Mr. Brook has worked with clients in many industries including those with an emphasis on healthcare, technology, and consumer products.

Mr. Brook has a Masters in Business Administration from the MIT Sloan School of Management and a Bachelors of Art, Economics from the University of California, Davis.

Estimated time commitment: up to 20%

Pamela Olkowski –Regional Vice President

Mrs. Olkowski will ensure that your EMS billing and patient customer service operations are being handled professionally and as contractually agreed. Mrs. Olkowski and her experienced regional team will provide quality services to the City. She will track incoming revenues to ensure everything is running efficiently and effectively with the highest quality.

Ms. Olkowski has 25 years experience in the health care industry, predominantly in medical billing and A/R management. Prior to joining ADPI, Ms. Olkowski was Director of Professional Services and Technical Support Zoll Data Systems. She also held positions with TriZetto as Director of Operations, with Integrated Management Solutions as A/R Consultant, and with TransCare New York as Director of Reimbursement.

Ms. Olkowski graduated from C.U.N.Y. at Queens College Cum Laude with a Bachelors degree.

Estimated time commitment: up to 25%

Mori Moriuchi-Regional Director

Mr. Moriuchi brings over 30 years of experience in healthcare experience to ADPI. He has provided revenue cycle strategic and operations improvement assessments; and implementation consulting services for hospital business offices, charge description master reviews/standardizations, AR reduction projects and underpayment recoveries. He most recently served as the Chief Compliance Officer for 300+ employees in six regional and home offices across the county providing accounts receivable billing, coding, HIM consulting and outsourcing, and government reimbursement services.

Mr. Moriuchi holds a MBA in Health Services Administration from Golden Gate University, SF, CA and a MSE in Industrial and Operations Engineering from University of Michigan, Ann Arbor, MI. Mr. Moriuchi is Certified in Healthcare Compliance and is a Certified Compliance and Ethics Professional. He is also a Fellow in HIMSS. He has served as member of both the Northern California Chapters of HFMA and HIMSS. Mr. Moriuchi has also spoken at regional and

national HFMA conferences, AAHAM, CHIA and CHAM. He has also published articles for the HFMA publications.

Estimated time commitment: up to 25% during implementation

Camille Richardson- Project Manager

Ms. Richardson has over 25 years experience successfully managing complex programs and information technology projects with such companies as IMRI, IBM, Metropolitan Water District, Zurich Tax Services, Ceridian, New Century Mortgage, and others. She has managed project portfolios in excess of \$40 million ensuring the successful delivery of projects aligned with the business strategy. She has extensive knowledge of application development methodologies including new development, data conversion, software package customization and implementation, Joint Application Design (JAD), and business process re-engineering. Ms. Richardson's expertise encompasses a variety of technologies and environments including: JAVA, Oracle, SQL Server, IBM Application System files, FoxPro, ADABAS, Windows 2000, IBM OS/390, and HP/3000 IMAGE.

Ms. Richardson is a graduate of the Entrepreneur Fast Trac Program from the University of Southern California and has a Bachelors of Art Degree in Computer Science from the Illinois Institute of Technology with minors in Math, Business and Marketing. Ms. Richardson is also a member of the Project Management Institute.

Estimated time commitment: up to 100% during implementation

Tonya Bonelli- Project Manager

Ms. Bonelli has over 14 years experience in project management, implementation, business analysis, training and account management with companies such as IMRI, Hyundai Motor America, Kaiser Permanente, Molina Healthcare, OAO Healthcare Solutions, Superior Vision Services and CAPP Care. She has managed numerous projects including software implementations, business process re-engineering, and operational improvement from planning through implementation. Ms. Bonelli also has extensive experience in designing and implementing integrated training programs.

Estimated time commitment: up to 100% during implementation

Daniel Savinon-Applications Developer

Mr. Savinon joined ADPI-Intermedix in March 2005 as a Java programmer and currently serves as the Rapid Response Team Manager. Mr. Savinon prioritizes and directs internal/external system requests dealing with the skip tracing, revenue cycle and HIPAA standard transactions. He has successfully led numerous ePCR and AR integrations for some of the largest EMS Providers in the nation. He has developed interfaces for EDI using ANSI ASC X12, XML and other proprietary file formats.

Prior to joining ADPI-Intermedix Mr. Savinon was a software test engineer for Motorola in the Commercial, Government and Industrial Solutions. He is also a certified First Responder.

Mr. Savinon is pursuing a Bachelors of Science in Computer Engineering from Florida International University.

Estimated time commitment: up to 40% during implementation

Joe Belfer-Director of Application Development and Support

Mr. Belfer will manage the implementation of all technology integration points.

Mr. Belfer has over 3 years leading development and over 7 years participating in a variety of enterprise level IT solutions using multiple advanced technology platforms. Prior to joining ADPI, he held the title of Senior Consultant at Arthur Andersen Business Consulting and Senior Programmer/Analyst at a leading travel company.

Mr. Belfer received his undergraduate degree in Business Administration-Management Information Systems from The University of Texas at Austin and is also a certified First Responder.

Estimated time commitment: up to 40% during implementation

Clint Farquhar-Client Support Specialist

Mr. Farquhar began his career with Intermedix in 2004, working in Patient Accounts department where he became the department lead. He was a member of the first Intermedix compliance committee, tasked with ensuring employees were following the procedures and guidelines set forth by the company and HIPAA. In the early 2006, Mr. Farquhar joined the Client Support team where he utilizes his knowledge gained from his Patient Accounts experience. Mr. Farquhar has also facilitated the client enrollment procedures for the various Federal and State Medicare and Medicaid programs. His current duties include overseeing a staff of three Client Support technicians, developing client reports, and ensuring that client requests are responded to quickly. Mr. Farquhar has assisted with various Intermedix system enhancements and updates. His

experience in billing gives him a clear understanding of processes and procedures that strengthen his abilities in his role supporting 190+ clients.

Clint holds an Associates degree from Lamar State College, Port Arthur, Texas.

Estimated time commitment: up to 40% during implementation

Austin Wyatt-Director of Technical Support Services

Mr. Wyatt is responsible for training, technical implementation and on-going technical support.

Mr. Wyatt brings over 10 years experience in financial fields including mortgage lending, loss mitigation, bank treasury, and debt recovery. Mr. Wyatt comes to ADPI from a successful third-party collection agency in which he played a principal role during the start-up phase. In addition to Mr. Wyatt's financial experience, he has a broad base of technological knowledge including hardware, networking, database management, and end-user operation. Mr. Wyatt's combination of financial and technological knowledge as well as his experience in related fields brings a unique value to ADPI and its clients.

Estimated time commitment: up to 40% during implementation

David Poole- Senior Vice President

Mr. Poole brings extensive knowledge of 3rd party billing through his 25 years of healthcare billing experience. Mr. Poole has held senior management positions with Medical Management Sciences, Blue Cross Blue Shield, and Per Se' Technologies. Mr. Poole has also started and successfully run his own independent healthcare billing consulting company.

Mr. Poole started his career in healthcare in the US Navy where he graduated as a Surgical Technologist. Subsequent to his service, he attended Kent State University for 4 years. Mr. Poole was also a senior executive at a hospital in Ohio before joining Blue Cross and Blue Shield.

Estimated time commitment: up to 15% if needed for AR Conversion

Ange Mann-Quality Assurance Manager

Ms. Mann joined ADPI-Intermedix in August 2005 as an Operations Manager and currently serves as the Quality Assurance Manager. Her medical coding and billing expertise enable her to understand and assist in the development of systematic workflow and QA processes. Ms. Mann has been instrumental in developing, documenting and training in coding, AR and payment workflow which has maximized employee productivity. Ms. Mann has over 14 years experience

in the healthcare industry predominantly in medical billing with a primary focus on medical coding. Her medical billing specialties include Radiology, Family Physician, General Surgery and EMS.

Estimated time commitment: up to 10%

Emily Lindner - Regional Manager

Ms. Lindner has over eight years experience in office management. Her focus has primarily been in the areas of financial analysis, workflow analysis and process reengineering. She has specific experience in the health care industry for the last 5 years. Prior to joining the ADPI/Intermedix team in 2006, Ms. Lindner developed and implemented a training program at a major medical insurance company.

Ms. Lindner holds a Bachelor of Science in Finance from Indiana University and has had additional training in project management and multiple software applications.

Estimated time commitment: up to 10%

Surgen Adhikari-Business Objects/Reporting Developer

Mr. Adhikari has over six years of IT experience with a strong focus in Business Intelligence technologies. He has extensive knowledge of and experience in the Business Objects Developer Suite (Business Objects Designer, Web Intelligence) as well as in-depth skills in designing and managing data warehouses and Business Objects universes. He also has significant experience in designing, testing and creating complex Business Objects end user reports to meet specifications. He has an undergraduate degree in Computer Science from AM College India.

Estimated time commitment: up to 40% during implementation