

December 3, 2013

LOS ANGELES FIRE DEPARTMENT



JAMES G. FEARHERSTONE
INTERIM FIRE CHIEF

November 22, 2013

BOARD OF FIRE COMMISSIONERS
FILE NO. 13-141

TO: Board of Fire Commissioners

FROM: James G. Featherstone, Interim Fire Chief

SUBJECT: SOFTWARE LICENSE AGREEMENT WITH FIRSTWATCH SOLUTIONS, INC. TO CONTINUE THE SYNDROMIC SURVEILLANCE PROGRAM

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 Withdrawn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

SUMMARY

In 2007, the Los Angeles County Emergency Medical Services (EMS) Agency asked the Los Angeles Fire Department to partner with the County in the implementation and evaluation of Syndromic Surveillance. Syndromic Surveillance (or bio-surveillance), provides early detection of potential bio-hazardous events, and involves the collection and analysis of large statistical data sets to aid in the forecast of local health trends. The Department's 9-1-1 EMS incident data collects real-time data from the Department's Computer Aided Dispatch (CAD) system. The Syndromic Surveillance software immediately analyzes and processes the data to determine if triggers have been activated; and, if so, alerts key personnel.

In 2012 the Los Angeles County Department of Public Health (LACDPH) received additional grant funding from the Center for Disease Control (CDC) to continue the Syndromic Surveillance program in the Los Angeles area for a period of up to 5 years, subject to funding in future years.

The Board of Fire Commissioners approved the receipt of grant funds from the Los Angeles County Department of Public Health to continue the Syndromic Surveillance program with FirstWatch Solutions, Inc. on November 6, 2012. Subsequently, the City Council and Mayor also authorized the Fire Chief to enter into an agreement with FirstWatch Solutions, Inc. for the period of September 1, 2012 through June 30, 2013, and future amendments, subject to approval and funding of LACDPH (reference BFC 12-183; CF 13-0117).

In late FY2013, the LAFD was informed by LACDPH that funding would not be available to continue the program in FY2014. Though the grant funding has not continued, the

LAFD has found tremendous value in the use of the FirstWatch Solutions, Inc. Syndromic Surveillance software application. The LAFD has identified funding in the FY2013-14 Budget to continue the software licensing.

RECOMMENDATIONS

That the Board:

1. Authorize the Fire Chief, subject to the approval of the Mayor, to execute the Agreement with FirstWatch Solutions, Inc., and;
2. Forward this report and agreement to the Mayor in accordance with Executive Directive No. 3 (Villaraigosa series).

FISCAL IMPACT

The Department has sufficient funds in the FY2013-14 budget.

CONCLUSION

The continuation of the Syndromic Surveillance software from FirstWatch Solutions, Inc., has proven crucial to analysis of EMS data by the LAFD. The success of the Syndromic Surveillance program provides the LAFD the ability to heighten the level of services it provides to the residents of the City.

Board Report prepared by William R. Jones, Senior Management Analyst II,
Administrative Services Bureau

Attachments

PROFESSIONAL SERVICES AGREEMENT

Contractor: FirstWatch® Solutions, Inc.

Title: Syndromic Surveillance Software License Agreement

Said Agreement is Number C- of City Contracts

TABLE OF CONTENTS

<u>Section Number and Table</u>	<u>Page</u>
---------------------------------	-------------

I INTRODUCTION

§101	Parties to the Agreement	2
§102	Representatives of the Parties and Service of Notices	3
§103	Independent Contractor	3
§104	Conditions Precedent to Execution of this Agreement	4

II TERM AND SERVICES TO BE PROVIDED

§201	Time of Performance	4
§202	Services to be Provided by Contractor	4

III PAYMENT

§301	Compensation and Method of Payment	5
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IV STANDARD PROVISIONS

§401	City's Standard Provisions for Contracts	6
§402	Applicable Law, Interpretation and Enforcement	6
§403	Integrated Agreement	7
§404	Permits	7

TABLE OF CONTENTS

<u>Section Number and Table</u>	<u>Page</u>
§405 Compliance with Statutes and Regulations	7
§406 Federal, State, and Local Taxes	7
§407 Inventions, Patents and Copyrights	7

V

DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501 Defaults	9
§502 Suspension	9
§503 Termination	10
§504 Notices of Suspension and Termination	10
§505 Amendments	10
§506 Survival	11

VI

ENTIRE AGREEMENT

§601 Complete Agreement	11
§602 Number of Pages and Attachments	11
Execution (Signature) Page	12

Exhibits

Exhibit A	City's Standard Provisions for Contracts
Exhibit B	Insurance Requirements
Exhibit C	Business Associate Agreement
Exhibit D	Project Services
Exhibit D-1	FW Software/Hardware Requirements
Exhibit D-2	FirstWatch® Solutions, Inc. System Maintenance Agreement
Exhibit D-2-A	FirstWatch® Maintenance Services
Exhibit D-3	Pricing and Payment Schedule

AGREEMENT NUMBER _____ OF CITY CONTRACTS
BETWEEN
THE CITY OF LOS ANGELES
AND

THIS AGREEMENT is made and entered into by and between the City of Los Angeles, a municipal corporation ("City"), acting through the Los Angeles City Fire Department ("LAFD") and FirstWatch Solutions, Inc., a California Corporation ("Contractor").

W I T N E S S E T H

WHEREAS, pursuant to the provisions of the Public Health and Social Security Emergency Funds Act (Section 319 of the Public Health Services Act, 42 U.S.C. 247d), the United States Department of Health and Human Services ("Grantor") awarded a grant (Grant") to Los Angeles County ("County") for the distribution of funds to healthcare entities and emergency medical service providers, in accordance with the Health Resources and Services Administration National Bioterrorism Hospital Preparedness Program; and

WHEREAS, LAFD provides emergency medical services within the County; and

WHEREAS, pursuant to a separate agreement between the City and the County, the County previously distributed Grant funds to City to license software ("Software") from a vendor that will allow real-time information to be shared by key personnel from LAFD and the County's Acute Communicable Disease Control Program, Bioterrorism Epidemiology and Surveillance Section; and

WHEREAS, effective July 1, 2013, the County will cease to distribute Grant funds to City to license software ("Software") from a vendor that will allow real-time information to be shared by key personnel from LAFD and the County's Acute Communicable Disease Control program, Bioterrorism Epidemiology and Surveillance Section; and

WHEREAS, effective July 1, 2013 through June 30, 2014, the City will utilize Kaiser Trust Funds (Fund 40J, Appr Acct 3840JB) to license software ("Software") from a vendor that will allow real-time information to be shared by key personnel from LAFD and the County's Acute Communicable Disease Control program, Bioterrorism Epidemiology and Surveillance Section, subject to the execution of a separate Business Associate Agreement; and

WHEREAS, the City and the Contractor seek to execute a Software License Agreement, wherein the Contractor will license to the City said Software; and

WHEREAS, the Contractor provided the like technological services to the City from September 20, 2007 through August 31, 2012 (refer to Council File Number 07-2155 dated August 10, 2007) under Agreement No. C-112458 and from September 1, 2012 through June 30, 2013 (refer to Council File Number 13-0117 dated February 19, 2013) under Agreement No. C-122234 as authorized by the City Council and the Mayor; and

WHEREAS, the City and the Contractor are desirous of executing a supplemental Agreement in lieu of an Amendment to Agreement C-122234 as authorized by the City Council and the Mayor (refer to Council File Number 07-2155 dated August 10, 2007 and Council File No 13-0117 dated February 19, 2013) to continue the services of the Contractor for the term of July 1, 2013 through June 30, 2014, unless otherwise amended to extend the term; and

WHEREAS, the services to be provided herein are of a professional, expert, temporary, and occasional nature; and

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

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

I.
INTRODUCTION

§101. Parties to the Agreement

The parties to this Agreement are:

- A. The City of Los Angeles, a municipal corporation, having its principal office at 200 North Main Street, Los Angeles, California 90012.
- B. The Contractor, known as FirstWatch® Solutions, Inc., a California Corporation, having its principal office at 322 Encinitas Boulevard, Suite #100, Encinitas, California 92024.

§102. Representatives of the Parties and Service of Notices

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

1. The representative of the City shall be, unless otherwise stated in the Agreement:

James G. Featherstone, Interim Fire Chief
Los Angeles Fire Department
200 N. Main Street, Room 1800
Los Angeles, CA 90012

With copies to:

Kurt Sato, Director of Systems
Management Information Systems Division
Los Angeles Fire Department
200 N. Main Street, Room 1680
Los Angeles, CA 90012

2. The representative of the Contractor shall be:

Todd Stout, President
FirstWatch® Solutions, Inc.
322 Encinitas Boulevard, Suite #100
Encinitas, CA 92024

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

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

§103. Independent Contractor

The Contractor is acting hereunder as an independent contractor and not as an agent or employee of the City. No employee of the Contractor has been, is, or shall be an employee of the City by virtue of this Agreement, and the Contractor shall so inform each employee organization and each employee who is hired or retained under this Agreement. Contractor shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the City.

§104. Conditions Precedent to Execution of This Agreement

Contractor shall provide proof of insurance as required by the City in accordance with Section 401 of this Agreement and attached hereto as Exhibit A and Exhibit B, and made a part hereof.

II. TERM AND SERVICES TO BE PROVIDED

§201. Time of Performance

The term of this Agreement shall commence on July 1, 2013 and end June 30, 2014, unless amended to extend the term, and to include any additional period of time as is required to complete any necessary close-out activities. Said term is subject to the provisions herein. Performance shall not commence until the Contractor has obtained the City's approval of the insurance required in Exhibit B herein. To the extent that services have been provided by the Contractor prior to the execution of this agreement, and where those services are consistent with the terms and conditions of this agreement, said services shall be covered by this agreement and full payment rendered.

§202. Services to be Provided by the Contractor

The Contractor shall provide software licensing and support services supported by the Project Services as detailed in Exhibit D, and the collective documentation that comprises Exhibits D-1 through D-3. All work related to the services support is subject to prior City approval. Failure to receive approval may result in withholding compensation pursuant to §301.

Contractor shall capture dispatch data from LAFD's 9-1-1 dispatch data repository via a secure virtual private network (VPN) to VPN or Secure Sockets Layer (SSL) encrypted connection. The data captured by the Contractor will be stored in a secured database inside its firewall. The data will be accessible to authorized LAFD and County Health Department employees through a SSL connection similar to on-line banking transactions.

The data will include: date and time of call, problem/nature of call, call latitude/longitude, zip code, call disposition, incident city, and incident type and other fields as agreed to by both parties. Patient information, such as names, shall not be included. LAFD and County Health Department shall define forty (40) triggers or filters that will limit and focus the types of incidents tracked, for example, flu-like symptoms.

The data will be displayed on maps and charts showing geographic distributions of occurrences within the City's geographic boundaries. Only authorized LAFD and

County Health Department employees, and others authorized by the City, will have access to the charts and maps.

City shall provide hardware and software as detailed in Exhibit D-1.

City and Contractor shall execute a First Watch Solutions, Inc. System Maintenance Agreement attached hereto as Exhibit D-2.

III. PAYMENT

§301. Compensation and Method of Payment

- A. The City shall pay to the Contractor as compensation for complete and satisfactory performance of the terms of this Agreement, an amount not to exceed sixty-seventy thousand six hundred seventeen dollars (\$67,617). The foregoing rate represents the total compensation to be paid by City to Contractor for services to be performed as designated by this Agreement. Contractor shall be paid according to the Payment Schedule attached hereto as Exhibit D-3.
- B. Each invoice shall be submitted on the Contractor's letterhead; include the name, hours, rate of pay for all personnel to be paid; include evidence of the completed project; include supporting documentation for all approved purchases of equipment or supplies and shall be accompanied by a statement detailing the work completed for the month. All expenses for travel must receive prior approval from the City and must be documented and will be paid only in conformance with City policies and procedures. Funds shall not be released until the City has approved the work received and satisfied with the documentation included in the invoice.
- C. It is understood that the City makes no commitment to fund this Agreement beyond the terms set herein. However, should the City desire to amend this Agreement to provide for the maintenance of the Software, the Contractor shall provide maintenance of the Software to the City at rates delineated in Exhibit D-3.
- D. It is understood that the Contractor will not have access to Protected Health Information (PHI) that is under the control of the City. However, there exists the possibility that there may be times the Contractor will be exposed or provided PHI data in the course of system maintenance. To the extent that the Contractor does have access to PHI, the Contractor agrees to abide by Exhibit C of this agreement and the terms and conditions set forth in the Business Associate Agreement between the City and the Contractor, which is incorporated herein as Exhibit C.
- E. Invoices and supporting documentation shall be prepared at the sole expense and responsibility of the Contractor. The City will not compensate the contractor for

any costs incurred for invoice preparation. The City may request, in writing, changes to the content and format of the invoice and supporting documentation at any time. The City reserves the right to request additional supporting documentation to substantiate costs at any time. All invoices must be signed by an officer of the Contractor under penalty of perjury that the information submitted is true and correct.

- F. Funding for all periods of this contract is subject to the continuing availability of Grant funds for this program to the City. The Contract may be terminated immediately upon written notice to the Contractor of a loss or reduction of Grant funds.
- G. Contractor shall warrant that any applicable discounts have been included in the costs to the City.

IV. STANDARD PROVISIONS

§401. Standard Provisions for City Contracts

The CITY's Standard Provisions for Professional Services Contracts (Revised March 2009) are incorporated herein by reference. A copy of said Provisions is attached hereto as Exhibit A and made a part hereof. CONTRACTOR agrees to fully comply with all requirements of this document.

By entering into this agreement with the LAFD, First Watch agrees to abide by the applicable City's Standard Provisions for City Contracts (PSCs), with the following exemptions.

Pursuant to the City Administrative Code, the City acknowledges First Watch is exempt from PSC numbers 15 and 23; as these provisions are not required to be part of, or applicable to, this agreement.

In the event of conflict between provisions of the Agreement and the CITY's Standard Provisions (Exhibit A), the language of the Agreement shall be controlling.

§402. 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. This Agreement shall be enforced and interpreted under the laws of the State of California and the City.

If any part, term or provision of this Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions shall not be affected thereby.

§403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.

§404. Permits

The Contractor and its officers, agents and employees shall obtain and maintain all permits and licenses necessary for the Contractor's performance hereunder and shall pay any fees required therefore. The Contractor further certifies to immediately notify the City of any suspension, termination, lapses, non-renewals or restrictions of licenses, certificates, or other documents.

§405. Compliance with State and Federal Statutes and Regulations

Contractor shall comply with all applicable requirements of state, federal, County and City of Los Angeles laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement.

§406. Federal, State and Local Taxes

Federal, State and local taxes shall be the responsibility of the Contractor as an independent Contractor and not as a City employee.

§407. Inventions, Patents and Copyrights

A. Inventions and Patents

1. Reporting Procedure for Inventions

If any custom software module or process developed specifically for the City under this Agreement produces any invention or discovery (Invention) including, without limitation, processes and business methods, the Contractor shall promptly report the Invention to the City. The City shall then report the Invention to the Grantor.

2. Allocation of Patent Rights

Unless otherwise provided, the Grantor shall determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered. The determination shall be consistent with the Federal Acquisition Regulations System (System), which is based on 35 U.S.C. §§ 200 et seq.; 37 CFR Part 401; Presidential Memorandum on Government Patent Policy to the

Heads of the Executive Departments and Agencies, dated 2/18/1983); and Executive Order 12591, 4/10/87, as amended by Executive Order 12618, 12/22/87, 52 FR 48661. Contractor hereby agrees to be bound by the System, and will contractually require its personnel to be bound by the System.

3. Right of City to Use Inventions

City shall have a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

B. Copyright Policies

1. Copyright Ownership

Unless otherwise provided by the terms of this Agreement, when copyrightable material is developed related to a custom software module or process developed specifically for the City under this Agreement (Material), the author or the City, at the City's discretion, may copyright the Material. Before copywriting any Material, the Contractor shall obtain written permission from the City.

2. Rights of City in Copyrighted Materials

If the City declines to copyright the Material, the City shall have a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.

3. Rights of Grantor in Copyrighted Materials

Pursuant to 28 CFR 66.34, 28 C.F.R. § 70.36 and 37 C.F.R. Part 401, the Grantor shall have a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.

C. Rights to Data

The Grantor and the City shall have unlimited rights or copyright license to any data first produced or delivered under this Agreement, pursuant to 48 CFR 27.401 and 48 USC 27.404(a),

If any project produced under this Agreement contains data not first produced under this Agreement, or data published with the notice of 17 U.S.C. Section 401 or 402, the Grantor shall have limited rights to such data pursuant to 48 CFR 27.404 (f) (2).

D. Obligations Binding on Subcontractors

Contractor shall require all subcontractors to comply with the obligations of this section by incorporating the terms herein into all subcontracts.

V.

DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

Should the Contractor fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the City reserves the right to:

- A. Reduce the total budget;
- B. Make any changes in the general scope of this Agreement;
- C. Suspend project operations in accordance with §502 of this Agreement; or
- D. Terminate the Agreement.

§502. Suspension

The City may suspend all or part of the project operations for failure by the Contractor to comply with the terms and conditions of this Agreement by giving written notice, which shall be effective upon receipt.

- A. Said notice shall set forth the specific conditions of non-compliance and the period provided for corrective action.
- B. Within five (5) working days the Contractor shall reply in writing setting forth the corrective actions which will be undertaken, subject to City approval in writing.
- C. Performance under this Agreement shall be automatically suspended without any notice from the City as of the date the Contractor is not fully insured in compliance with Exhibit B, (Insurance) herein. Performance shall not resume without the prior written approval of City.

§503. Termination

- A. Either party to this Agreement may terminate this Agreement or any part hereof upon giving the other party at least thirty (30) days written notice prior to the effective date of such termination, which date shall be specified in such notice.

- B. All property, documents, data, studies, reports and records purchased or prepared by the Contractor under this Agreement shall be returned to the City or disposed of according to City directives.
- C. In the event that the Contractor ceases to operate (i.e. dissolution of corporate status, declaration of bankruptcy, etc.) Contractor shall provide to the City copies of all records relating to this Agreement.
- D. Upon satisfactory completion of all termination activities, the City shall determine the total amount of compensation that shall be paid to the Contractor for any unreimbursed expenses reasonably and necessarily incurred in the satisfactory performance of this Agreement. Should payment already have been made to the Contractor, contract agrees to reimburse the City on a pro-rated basis of the period for which payment was made.
- E. The City may withhold any payments due to the Contractor until such time as the exact amount of any damages that may be due to the City from the Contractor is determined.
- F. The foregoing Subsection B, C, D and E shall also apply to activities terminating upon the date specified in §201 or upon completion of the performance of this Agreement.

§504. Notices of Suspension or Termination

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

§505. Amendments

Any change in the terms of this Agreement, including changes in the services to be performed by the Contractor, and any increase or decrease in the amount of compensation which are agreed to by the City and the Contractor shall be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the parties thereto.

The Contractor agrees to comply with all future City Directives, or any rules, amendments or requirements promulgated by the City affecting this Contract.

§506. Survival

The respective rights and obligations of the Contractor under §503 of this Agreement, as a Business Associate, shall survive the termination of this Agreement.

VI.
ENTIRE AGREEMENT

§601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. No verbal agreement nor conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement.

§602. Number of Pages and Attachments

This Agreement is executed in four (4) quadruplicate originals, each of which is deemed to be an original. This Agreement includes twelve (12) pages and four (4) Exhibits which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

APPROVED AS TO FORM AND LEGALITY: For: THE CITY OF LOS ANGELES:

MICHAEL N. FEUER, City Attorney

JAMES G. FEATHERSTONE,
Interim Fire Chief

By _____
Deputy/Assistant City Attorney

Date _____

Date _____

ATTEST:
Holly Wolcott, Interim City Clerk

For: FIRST WATCH SOLUTIONS, INC.
(Contractor's Corporate Seal or Notary)

By _____
Deputy City Clerk
Date _____

By _____

Print Name _____

Title _____

ATTEST:

By _____

Print Name _____

Title _____

City Business License Number _____
Internal Revenue Service ID Number _____
Council File/CAO File Number _____ Date of Approval _____
Said Agreement is Number _____ of City Contracts

Exhibit A

STANDARD PROVISIONS FOR CITY CONTRACTS

TABLE OF CONTENTS

PSC-1	<u>CONSTRUCTION OF PROVISIONS AND TITLES HEREIN</u>	1
PSC-2	<u>NUMBER OF ORIGINALS</u>	1
PSC-3	<u>APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT</u>	1
PSC-4	<u>TIME OF EFFECTIVENESS</u>	2
PSC-5	<u>INTEGRATED CONTRACT</u>	2
PSC-6	<u>AMENDMENT</u>	2
PSC-7	<u>EXCUSABLE DELAYS</u>	2
PSC-8	<u>BREACH</u>	2
PSC-9	<u>WAIVER</u>	3
PSC-10	<u>TERMINATION</u>	3
PSC-11	<u>INDEPENDENT CONTRACTOR</u>	4
PSC-12	<u>CONTRACTOR'S PERSONNEL</u>	4
PSC-13	<u>PROHIBITION AGAINST ASSIGNMENT OR DELEGATION</u>	5
PSC-14	<u>PERMITS</u>	5
PSC-15	<u>CLAIMS FOR LABOR AND MATERIALS</u>	5
PSC-16	<u>CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED</u>	5
PSC-17	<u>RETENTION OF RECORDS, AUDIT AND REPORTS</u>	5
PSC-18	<u>FALSE CLAIMS ACT</u>	6
PSC-19	<u>BONDS</u>	6
PSC-20	<u>INDEMNIFICATION</u>	6
PSC-21	<u>INTELLECTUAL PROPERTY INDEMNIFICATION</u>	6

TABLE OF CONTENTS (Continued)

PSC-22	<u>INTELLECTUAL PROPERTY WARRANTY</u>	7
PSC-23	<u>OWNERSHIP AND LICENSE</u>	7
PSC-24	<u>INSURANCE</u>	8
PSC-25	<u>DISCOUNT TERMS</u>	8
PSC-26	<u>WARRANTY AND RESPONSIBILITY OF CONTRACTOR</u>	8
PSC-27	<u>NON-DISCRIMINATION</u>	8
PSC-28	<u>EQUAL EMPLOYMENT PRACTICES</u>	9
PSC-29	<u>AFFIRMATIVE ACTION PROGRAM</u>	11
PSC-30	<u>CHILD SUPPORT ASSIGNMENT ORDERS</u>	15
PSC-31	<u>LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE</u>	16
PSC-32	<u>AMERICANS WITH DISABILITIES ACT</u>	17
PSC-33	<u>CONTRACTOR RESPONSIBILITY ORDINANCE</u>	18
PSC-34	<u>MINORITY, WOMEN, AND OTHER BUSINESS ENTERPRISE OUTREACH PROGRAM</u>	18
PSC-35	<u>EQUAL BENEFITS ORDINANCE</u>	18
PSC-36	<u>SLAVERY DISCLOSURE ORDINANCE</u>	19
EXHIBIT 1	<u>INSURANCE CONTRACTUAL REQUIREMENTS</u>	20

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 obligate 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 <i>Statutory</i> EL
<input type="checkbox"/> Waiver of Subrogation in favor of City <input type="checkbox"/> Longshore & Harbor Workers <input type="checkbox"/> Jones Act	
General Liability	
<input type="checkbox"/> Products/Completed Operations <input type="checkbox"/> Sexual Misconduct <input type="checkbox"/> Fire Legal Liability <input type="checkbox"/>	
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)	
<input type="checkbox"/> All Risk Coverage <input type="checkbox"/> Boiler and Machinery <input type="checkbox"/> Flood <input type="checkbox"/> Builder's Risk <input type="checkbox"/> Earthquake <input type="checkbox"/>	
Pollution Liability	
<input type="checkbox"/>	
Surety Bonds – Performance and Payment (Labor and Materials) Bonds	100 % of Contract Price
Crime Insurance	

Other: _____

Required Insurance and Minimum Limits

Name: Los Angeles Fire DepartmentDate: 08/21/2013Agreement/Reference: FirstWatch Solutions, Inc.

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

Limits

☒ **Workers' Compensation - Workers' Compensation (WC) and Employer's Liability (EL)**
WC StatutoryEL \$1,000,000☐ Waiver of Subrogation in favor of City☐ Longshore & Harbor Workers☐ Jones Act

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

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

☒ **Professional Liability** (Errors and Omissions) \$1,000,000
Discovery Period 12 Months After Completion of Work or Date of Termination

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

☐ All Risk Coverage☐ Boiler and Machinery☐ Flood☐ Builder's Risk☐ Earthquake☐ Fine Arts - Cover value of exhibit

 _____ **Pollution Liability**

☐ _____

 _____ **Surety Bonds - Performance and Payment (Labor and Materials) Bonds** 100% of the contract price

 _____ **Crime Insurance**

Other: General Notes:

1) If a contractor has no employees and decides to not cover herself/himself for workers' compensation, please complete the form entitled

"Request For Waiver of Workers' Compensation Insurance Requirement" located at: <http://cao.lacity.org/risk/InsuranceForms.htm>

2) In the absence of imposed auto liability requirements, all contractors using vehicles during the course of their contract must adhere to the financial responsibility laws of the State of California.

Exhibit "C"

**BUSINESS ASSOCIATE AGREEMENT BETWEEN
THE CITY OF LOS ANGELES FIRE DEPARTMENT
AND
FIRSTWATCH SOLUTIONS, INC.**

This Business Associate Agreement ("Agreement"), is made as of this ___ day of _____, 2013, between the *Los Angeles Fire Department* ("Covered Entity") and *FirstWatch Solutions, Inc.* (the "Business Associate") (collectively the "Parties") to comply with the privacy and security standards required under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), adopted by the U.S. Department of Health and Human Services and as amended January 25, 2013, [45 C.F.R. Parts 160, 162 and 164; Volume 78 Fed. Reg. No. 17, Pages 5566 through 5702, January 23, 2013] and, in order to satisfy the electronic storage requirements of the Health Information Technology for Economic and Clinical Health Act as incorporated in the American Recovery and Reinvestment Act of 2009 (hereinafter referred to as "HITECH"), and any applicable state confidentiality laws.

RECITALS

WHEREAS, Business Associate will provide *software licensing and services as outlined in Exhibit "D" of Contract No. [REDACTED]*, and all future amendments, the "Contract";

WHEREAS the Covered Entity and Business Associate have entered into the contract under which the Covered Entity will need to disclose to Business Associate certain "Protected Health Information" ("PHI") that is subject to protection under HIPAA and HITECH;

WHEREAS, HIPAA 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 Final HIPAA Regulations and the HITECH Act, as amended as of January 23, 2013.

1. **Business Associate** ("BA") shall have the meaning ascribed in 45 C.F.R. § 160.103 and refers to *FirstWatch Solutions, Inc.* (hereinafter referred to as "FirstWatch") for purposes of this Agreement.
2. **Contract** means Los Angeles City Contract Number [REDACTED], including all amendments, by and between the City of Los Angeles and *FirstWatch* with includes performing the activities related to *software licensing and data analysis*.
3. **Covered Entity** ("CE") means the *Los Angeles Fire Department* (hereinafter referred to as "LAFD".)
4. **Designated Record Set** means a group of records maintained by or for a Covered Entity that are: (i) medical 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; and/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. **Health Care Component** (“HCC”) means those portions of the Hybrid Entity that perform HIPAA-related activities. The *LAFD* became a HCC by the Los Angeles City Council action which adopted the recommendation of the Personnel Committee meeting on July 30, 2010. [Council File No. 10-1181.]
6. **HITECT Act** (“HITECT”) means the Health Information Technology for Economic and Clinical Health Act, which is Title XIII of the American Recovery and Reinvestment Act, and any amendments, regulations, rules and guidance issued thereto and the relevant dates for compliance.
7. **HIPAA Final Regulations** means 45 C.F.R. Parts 160, 162 and 164 as amended on January 23, 2013 and effective on March 23, 2013 but only to the extent it allies to a Covered Entity, Hybrid Entity and/or Business Associate.
8. **Hybrid Entity** (“HE”) means, for purposes of this Agreement, the City of Los Angeles, a single legal municipal entity that is (i) a Covered Entity; (ii) whose business activities include both covered and non-covered HIPAA functions; and (iii) that has designated *LAFD*, along with other portions of the City of Los Angeles, as a HHC pursuant to 45 C.F.R. § 160.103.
9. **Individual** means the person who is the subject of the Protected Health Information as defined in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 502(g).
10. **Protected Health Information** (“PHI”) means the Individually Identifiable Health Information (“IIHI”) described in 45 C.F.R. § 160.103 that is transmitted electronically; maintained electronically; or transmitted or maintained in any other form or medium.
11. **Required by Law** means mandate contained in law that compels a use or disclosure of PHI under 45 C.F.R. § 164.512(a)(1) and (2).
12. **Secretary** means the Secretary of the Department of Health and Human Services or their designee under 45 C.F.R. § 160.103.
13. **Subcontractor** means a person or entity that, creates, receives, maintains or transmits protected health information on behalf of the business associate. (45 C.F.R. 160.103(3)(iii))

B. DISCLOSURE OF PHI TO BUSINESS ASSOCIATE

In connection with the services provided by BA to or on behalf of CE, described in this Agreement, CE may disclose PHI to BA for the purpose of *software licensing and data analysis*. These activities include *those items identified in Exhibit “D” of Contract No. [REDACTED], and all future amendments*.

BA shall comply with its obligations under this Agreement and with all obligations of a BA under HIPAA, HITECH, and other related laws and any implementing regulations, as they exist at the time this Agreement is executed and as they are amended, for so long as this Agreement is in place. Specifically, the BA will comply with all the obligations and assume the liability for failure to do so as provided for in the Final Rules reflected in the Federal Register, Vol. 78, No. 17, commencing at Page 5677, dated, January 25, 2013 which implements among other things Section 13401 of HITECH.

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 CRF §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 or 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. [45 C.F.R. § 164.504(e)(2)(i)]

D. OBLIGATIONS OF BUSINESS ASSOCIATE

Business Associate agrees to comply with applicable federal and state privacy and security laws, specifically the provisions of the HIPAA Administrative Simplification to the extent applicable to business associates.

1. Use and Disclosure of PHI. Except as otherwise permitted by this Agreement or applicable law, Business Associate shall not use or disclose PHI other than as permitted or required by the Agreement or as Required By Law, except as necessary to conduct an audit of Emergency Medical Billing practices of the LAFD as described in this Agreement and the Contract to or on behalf of the Covered Entity. These activities include a review of selected records and may include the transmitting or receiving of 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 HIPAA Final Rules 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 Associates 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 within 24 hours of discovery of the improper use or disclosure, *or, if CE's offices are closed, at the earliest moment following discovery.*

2. Data Aggregation. In the event that Business Associate works for more than one Covered Entity, Business Associate is not 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 HIPAA Administrative Simplification.
3. De-identified Information. Business Associate may use and disclose de-identified health information if (i) the use is disclosed to Covered Entity in writing and permitted in writing by Covered Entity in its sole discretion and (ii) the de-identification is in compliance with 45 CFR §164.502(d), and the de-identified health information meets the standard and implementation specifications for de-identification under 45 CFR §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 ("ePHI") 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 which pertain to the billing or operations of the CE 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, 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, in the event any Individual delivers directly to Business Associate a request for access to PHI, in order for Covered Entity to respond to such Individual, forward such request to Covered Entity in order to meet the requirements of 45 CFR §164.524(a)(1). Under the HIPAA Final Rules 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. [45 C.F.R. § 164.524(b)(2).] 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 HIPAA Administrative Simplification.

(b) Individual Right to Amendment. Business Associate agrees, if it maintains PHI in a Designated Record Set, to make the Designated Record Set available to Covered Entity for amendments to PHI pursuant to 45 CFR §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 CFR §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 HIPAA Final Rules 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 Covered Entity 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 three (3) years prior to the request (not including disclosures prior to the compliance date of the HIPAA Administrative Simplification 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 HIPAA Administrative Simplification 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 Rules, 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 within **24** hours of discovery of the security incident, *or, if CE's offices are closed, at the earliest moment following discovery.*

E. TERM AND TERMINATION

1. Term. The Term of its 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 discovering 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 representatives 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:

Los Angeles Fire Department
Attention: Fire Chief
200 N. Main St., Room 1800
Los Angeles, California 90012
(213) 978-3838
(213) 978-3814 Fax

And:

Los Angeles Fire Department
Attention: Fire Administrator
200 N. Main St., Room 1630
Los Angeles, California 90012
(213) 978-3731
(213) 978-3414 Fax

If to Business Associate:

Todd Stout, President
FirstWatch Solutions, Inc
322 Encinitas Boulevard, Suite #100
Encinitas, CA 92024
Phone No. 760-943-9123
Fax No. 760-942-8329

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.

<<<Signature Page Follows>>>

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

Dated:

For: THE CITY OF LOS ANGELES

By: _____
JAMES G. FEATHERSTONE
Interim Fire Chief
Los Angeles Fire Department

Dated:

For: FIRSTWATCH SOLUTIONS, INC.

By: _____

Approved as to Form:

ATTEST:

MICHAEL N. FEUER, City Attorney

HOLLY L. WOLCOTT, Interim City Clerk

By:

By:

Anthony-Paul Diaz, Deputy City Attorney

Deputy City Clerk

Date:

Date:

EXHIBIT D

Project Services

- Single license of FirstWatch Thin-Client (Remote Data Gathering) Software installed on Licensee's dedicated FirstWatch PC/Server
 - All data integration with Los Angeles Fire Department's Computer Aided Dispatch System integrated via:
 - Connectivity to a data source via ODBC or similar means;
 - or Text or XML **file** output for each incident from a Licensee-provided process (one or more files for each incident) that provides files on the dedicated FirstWatch PC/Server;
 - or client provided web services interface allowing FirstWatch to securely access, query and receive necessary data via a non-dedicated internet connection. Client provided web services interface will include the ability to encrypt and decrypt data and options to query live and historical data.
 - Data Shuttle, remote connectivity and other software and processes on Licensee's dedicated FirstWatch PC which work together to reliably and securely transmit data to the FirstWatch Data Center, and allow for remote support, using Licensee-provided, always-on Internet connectivity.
 - Linking of data sources requires, at a minimum, a unique key that exists within each data source in a useable format.
- Modify centrally located FirstWatch server-based processes, software and database as necessary to receive Licensee's data, import into FirstWatch database, and monitor for statistically-significant increases in volume or geographic clusters of calls which meet user-defined criteria.
- Provide up to fifty (50) Licensee-specific user login(s) and password(s) to allow up to six (6) simultaneous users on the FirstWatch subscriber Internet site, which doubles during an alert to twelve (12) simultaneous users. (Access by additional users may be purchased, and access via FirstWatch to other, 3rd-party services or tools, may be licensed separately.)
- Provide the ability for the Licensee to define all system included and client purchased "trigger sets" for monitoring by FirstWatch. Licensee will be able to make up to 4 major or "wholesale" changes to each trigger per year.
- Provide the ability for the Licensee to define up to fifty (50) alert recipients for each trigger, via a combination of email, text messaging, fax, or compatible paging system.

Provide a default "All Events" trigger with monitoring and alerts to demonstrate complete functionality of system.

Exhibit D – 1: FW Software/Hardware Requirements

FirstWatch Hardware Requirements:	
Minimum (only if using existing equipment)	Preferred (required/minimum if new equipment)
Dedicated PC or Virtual Machine used exclusively for FirstWatch purposes	Dedicated Server or Virtual Machine used exclusively for FirstWatch purposes
Pentium IV Compatible 2.0GHz or better as long as it meets the minimum requirements for installed OS	Core Duo 2.4GHz or better
1GB RAM or better	4GB RAM or better
250GB Hard Drive or larger (two partitions 20GB (OS), balance as data)	500GB Hard Drive or larger (two partitions 20GB (OS), balance as data)
10/100mb Ethernet Card	100mb / 1GB Ethernet Card
16/32bit color video, capable of displaying 1024 x 768 in "High" or "True" color	16/32bit color video, capable of displaying 1024 x 768 in "High" or "True" color
Keyboard / mouse / monitor or via KVM	Keyboard / mouse / monitor or via KVM
CD-R/CD R-RW drive or better	CD-RW/DVD drive or better
FirstWatch Software Requirements:	
Minimum	Preferred
Microsoft Windows 2003/2008/XP/Vista/7 Professional including all the latest updates and patches loaded	Microsoft Windows Server 2008 (64bit) Standard Edition including all the latest updates.
Complete (run all from my hard drive) installation of Microsoft Access 2007 or later including all the latest updates and patches loaded. If the database to be monitored is MS SQL Server, SQL Server Management Studio can be installed instead of MS Access. Note: If Priority Alert was purchased, preferred specifications are required.	Complete (run all from my hard drive) installation of Microsoft Access 2007 or later including all the latest updates and patches loaded. If the database to be monitored is MS SQL Server, SQL Server Management Studio can be installed instead of MS Access. NOTE: The FirstWatch Priority Alert Module Requires MS SQL Server 2008 R2 Express Edition download for free at: http://www.microsoft.com/express/database
ODBC driver or other licensed and approved connectivity to underlying database	ODBC driver or other licensed and approved connectivity to underlying database
Virus Protection Software of customer's choosing	Virus Protection Software of customer's choosing
WinZip or compatible software - Not Required if functionality included in Windows OS	WinZip or compatible software - Not Required if functionality included in Windows OS
Microsoft .NET Framework Version 3.5. (installed with local FirstWatch Thin Client Software)	Microsoft .NET Framework Version 3.5 (installed with local FirstWatch Thin Client Software)
Automated Time synchronization software or process of clients choosing. MS Windows OS feature is fine.	Automated Time synchronization software or process of clients choosing. MS Windows OS feature is fine.

Connectivity / Firewall & Environment:
Always-on high speed broadband Internet connectivity under customer specified and controlled security settings; Recommend static IP address with hardware firewall.
Read-only Network access to database(s) being monitored (ODBC connection)
Outbound access for HTTP (port 80) and HTTPS (port 443) with access to *.firstwatch.net.
For agencies using FirstWatch provided WebEx Remote Access service for installation and support, it may be necessary to create an exception list for WebEx sites on the firewall or proxy to properly use WebEx services. In most cases, the IP Range that can be used to add an exception for the firewall or proxy is 64.68.96.0-64.68.127.255.
SMTP account and access through client controlled server (preferred, not required) or SMTP access to mail.stoutsolutions.com and mail.firstwatch.net. SMTP will be required for Priority Alerting Module if it was purchased.
Local (not network) server administrator account with access to specifications above.
To maximize system availability FirstWatch recommends remote-client hardware be located with other critical systems and when possible include UPS, back-up generator, monitored data circuit(s) and HVAC controlled secure environment.
Support:
<i>Minimum</i>
Allow FirstWatch access to the dedicated machine via WebEx Remote Access client services (or authorized substitute, including VPN). WebEx Remote Access client software provided with FirstWatch under maintenance and service agreement. If VPN or other connection requires additional hardware or software on client or support side, it will be the responsibility of the customer to supply it.

Disclaimer: Although FirstWatch requires a dedicated machine for our applications, some clients have requested running the FirstWatch applications on a server that is shared with other applications or in a virtual server environment. We have successfully deployed in a combination of these configurations and are willing to attempt an install in this environment if the client understands that there is risk involved. The risk is that if another process or application on the same machine renders the machine unresponsive, it could potentially stop the processing of the FirstWatch applications. Conversely the FirstWatch applications may affect the other applications. Therefore, if the client decides to move forward in this manner and results in ongoing problems with our application, we will respectfully request that our system be transferred to a dedicated machine for the purpose of running the FirstWatch applications. FirstWatch staff will be happy to assist the client with reconfiguring the FirstWatch system on a new machine.

Exhibit D – 1: FW Software/Hardware Requirements

FirstWatch Hardware Requirements:	
Minimum (only if using existing equipment)	Preferred (required/minimum if new equipment)
Dedicated PC or Virtual Machine used exclusively for FirstWatch purposes	Dedicated Server or Virtual Machine used exclusively for FirstWatch purposes
Pentium IV Compatible 2.0GHz or better as long as it meets the minimum requirements for installed OS	Core Duo 2.4GHz or better
1GB RAM or better	4GB RAM or better
250GB Hard Drive or larger (two partitions 20GB (OS), balance as data)	500GB Hard Drive or larger (two partitions 20GB (OS), balance as data)
10/100mb Ethernet Card	100mb / 1GB Ethernet Card
16/32bit color video, capable of displaying 1024 x 768 in "High" or "True" color	16/32bit color video, capable of displaying 1024 x 768 in "High" or "True" color
Keyboard / mouse / monitor or via KVM	Keyboard / mouse / monitor or via KVM
CD-R/CD R-RW drive or better	CD-RW/DVD drive or better
FirstWatch Software Requirements:	
Minimum	Preferred
Microsoft Windows 2003/2008/XP/Vista/7 Professional including all the latest updates and patches loaded	Microsoft Windows Server 2008 (64bit) Standard Edition including all the latest updates.
Complete (run all from my hard drive) installation of Microsoft Access 2007 or later including all the latest updates and patches loaded. If the database to be monitored is MS SQL Server, SQL Server Management Studio can be installed instead of MS Access. Note: If Priority Alert was purchased, preferred specifications are required.	Complete (run all from my hard drive) installation of Microsoft Access 2007 or later including all the latest updates and patches loaded. If the database to be monitored is MS SQL Server, SQL Server Management Studio can be installed instead of MS Access. NOTE: The FirstWatch Priority Alert Module Requires MS SQL Server 2008 R2 Express Edition download for free at: http://www.microsoft.com/express/database
ODBC driver or other licensed and approved connectivity to underlying database	ODBC driver or other licensed and approved connectivity to underlying database
Virus Protection Software of customer's choosing	Virus Protection Software of customer's choosing
WinZip or compatible software - Not Required if functionality included in Windows OS	WinZip or compatible software - Not Required if functionality included in Windows OS
Microsoft .NET Framework Version 3.5. (installed with local FirstWatch Thin Client Software)	Microsoft .NET Framework Version 3.5 (installed with local FirstWatch Thin Client Software)
Automated Time synchronization software or process of clients choosing. MS Windows OS feature is fine.	Automated Time synchronization software or process of clients choosing. MS Windows OS feature is fine.

Connectivity / Firewall & Environment:
Always-on high speed broadband Internet connectivity under customer specified and controlled security settings; Recommend static IP address with hardware firewall.
Read-only Network access to database(s) being monitored (ODBC connection)
Outbound access for HTTP (port 80) and HTTPS (port 443) with access to *.firstwatch.net.
For agencies using FirstWatch provided WebEx Remote Access service for installation and support, it may be necessary to create an exception list for WebEx sites on the firewall or proxy to properly use WebEx services. In most cases, the IP Range that can be used to add an exception for the firewall or proxy is 64.68.96.0-64.68.127.255.
SMTP account and access through client controlled server (preferred, not required) or SMTP access to mail.stoutsolutions.com and mail.firstwatch.net. SMTP will be required for Priority Alerting Module if it was purchased.
Local (not network) server administrator account with access to specifications above.
To maximize system availability FirstWatch recommends remote-client hardware be located with other critical systems and when possible include UPS, back-up generator, monitored data circuit(s) and HVAC controlled secure environment.
Support:
<i>Minimum</i>
Allow FirstWatch access to the dedicated machine via WebEx Remote Access client services (or authorized substitute, including VPN). WebEx Remote Access client software provided with FirstWatch under maintenance and service agreement. If VPN or other connection requires additional hardware or software on client or support side, it will be the responsibility of the customer to supply it.

Disclaimer: Although FirstWatch requires a dedicated machine for our applications, some clients have requested running the FirstWatch applications on a server that is shared with other applications or in a virtual server environment. We have successfully deployed in a combination of these configurations and are willing to attempt an install in this environment if the client understands that there is risk involved. The risk is that if another process or application on the same machine renders the machine unresponsive, it could potentially stop the processing of the FirstWatch applications. Conversely the FirstWatch applications may affect the other applications. Therefore, if the client decides to move forward in this manner and results in ongoing problems with our application, we will respectfully request that our system be transferred to a dedicated machine for the purpose of running the FirstWatch applications. FirstWatch staff will be happy to assist the client with reconfiguring the FirstWatch system on a new machine.
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Exhibit D-2: FIRSTWATCH SOLUTIONS, INC. SYSTEM MAINTENANCE AGREEMENT

This System Maintenance Agreement ("Agreement") is made and entered into as of _____, 2012, (the "Effective Date") by FirstWatch Solutions, Inc., ("FirstWatch"), a subsidiary of Stout Solutions, LLC, and the undersigned client ("Client").

BACKGROUND

FirstWatch provides data monitoring, syndromic surveillance software and other services (the "FirstWatch System") to Client;

Client and FirstWatch have entered into a Software License Agreement dated October 4, 2007 (the Software License Agreement").

The parties wish to reaffirm the Software License Agreement and continue the Maintenance Services on the terms contained in this Agreement.

AGREEMENT

In exchange for the mutual promises contained in this Agreement and other good and valuable consideration, Client and FirstWatch agree to the following:

1. *Services to be Provided by FirstWatch.* FirstWatch shall perform the maintenance services and upgrades described in this Section 1 and more fully set forth on Exhibit D-2-A ("Maintenance Services").

1.1. *Server Hosting.* Subject to the terms set forth in this Agreement, FirstWatch queries and exports or otherwise receives data from Client, or Client-affiliated organization(s), and securely aggregates that data into the FirstWatch Data Center(s)' database(s). FirstWatch implements and maintains a data monitoring system, and monitors records for user-defined criteria, and sends automatic notifications that such criteria have been met. FirstWatch also maintains an Internet site for FirstWatch Clients and Client-authorized subscribers to enable authorized online viewing of Client's records, criteria, notifications, etc., all collectively known as "Triggers".

1.2. *Software Bug Fixes, Upgrades and Enhancements.* During the Term of this Agreement, FirstWatch will maintain and, in some cases, enhance the FirstWatch infrastructure and software feature set that

comprises section 1.1 of this Agreement. Maintenance will include up to two major rewrites of each FirstWatch Trigger per year, as well as software bug fixes and system upgrades as they become available. Additionally, from time-to-time, FirstWatch may offer Client access to optional enhancements and/or add-ons at additional cost, not covered by Fees associated with this Agreement. Further, while FirstWatch will make every reasonable effort to assist Client with trouble-shooting, Maintenance Services do not cover repairs, re-installations, re-configuration, or other work relating to Client's third party software, hardware, networking, etc., or resulting from failures or errors of such components. Also, Maintenance Services will not cover other changes by non-FirstWatch personnel or processes, which result in problems providing the Maintenance Services. Examples include, but are not limited to, changes in the underlying data structure, data feed, code files, client networking or security changes, data entry procedures, etc.

1.3. *Training and Technical Support.* FirstWatch will provide training for Client personnel and make available training materials to persons whom Client identified as authorized users in accordance with the standards set forth on Exhibit D-2-A. FirstWatch may at any time amend Exhibit D-2-A to reflect changes in its business model or Maintenance Service offerings without notice to Client, provided, however, that the Maintenance Services provided to Client shall be substantially similar or superior to those offered on the Effective Date.

2. *Term.* The initial term of this Agreement (the "Term") begins as of the Effective Date and will continue, unless renewed pursuant to Section 3, until the close of business on the first (1st) anniversary of the Effective Date.

3. *Renewal.* The Term will automatically renew for additional one (1) year periods, (each such additional period being referred to in this Agreement as a "Renewal Term") unless, at least thirty (30) days prior to the expiration of the Term, or any Renewal Term, as the case may be, Client provides notice to FirstWatch of its intention to allow the Term or Renewal Term to expire without renewal.

4. *Payment Terms.* On or before the Effective Date, Client will pay to FirstWatch an annual maintenance fee as set forth on the invoice that accompanies this Agreement. FirstWatch reserves the right to change its fees effective as of the end of the Term or Renewal Term, as the case may be, and will provide Client notice at least sixty (60) days prior to the end of any Term or Renewal Term of any proposed amendment to the Fee Schedule.

5. *Termination.* Either party may terminate this Agreement if there is a material breach by the other party that is not cured within thirty (30) days after receipt of written notice of such breach. Upon termination of this Agreement, Client shall discontinue use of the FirstWatch System and the Software and return to FirstWatch or, at FirstWatch's option, certify in writing, the destruction of all Software, documentation and FirstWatch training materials.

6. *Miscellaneous.*

6.1. *Effectiveness of the Software License Agreement.* Each party hereby affirms that the Software License Agreement remains in full force and effect and agrees to continue to comply with its terms.

6.2 *Independent Contractors.* The parties and their respective personnel, are and will be independent contractors and neither party by virtue of this Agreement will have any right, power or authority to act or create any obligation, express or implied, on behalf of the other party.

6.3 *Waiver.* No waiver of any provision hereof or of any right or remedy hereunder will be effective unless in writing and signed by the party against whom such waiver is sought to be enforced. No delay in exercising, no course of dealing with respect to, and no partial exercise of any right or remedy hereunder will constitute a waiver of any other right or remedy, or future exercise thereof.

6.4 *Severability.* If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement will remain enforceable.

6.5 *Notice.* All notices will be in writing and will be deemed to be delivered when received by certified mail, postage prepaid, return receipt requested, or when sent by facsimile or e-mail

confirmed by call back. All notices will be directed to the Authorized Representatives of the parties specified in the Software License Agreement, at the respective addresses as either party may, from time to time, designate by notice to the other party.

6.6 *Amendment.* No amendment, change, waiver or discharge hereof will be valid unless in writing and signed by both parties.

6.7 *Assignment.* Neither party shall assign any of its rights or obligations under this Agreement whether voluntarily or by operation of law without the written consent of the other party, provided however, that either party will have the right to assign its obligations hereunder without consent to any acquiror by merger, sale of substantially all of a party's assets, or majority of its stock or otherwise.

6.8 *Entire Agreement.* This Agreement, together with Exhibit D-2-A which is hereby incorporated in this Agreement by reference, together with the Software License, represents the complete and exclusive statement of all mutual understandings between the parties with respect to the subject matter of this Agreement and supersedes all prior or contemporaneous proposals, communications and understandings, oral or written. If there is a conflict between the terms of the Software License Agreement and this Agreement, the terms of this Agreement shall govern. If there is a conflict between this Agreement and the specifications set forth on Exhibit D-2-A to this Agreement, then the terms of Exhibit D-2-A will govern.

IN WITNESS WHEREOF, the parties have signed and delivered this Agreement with the intention of being bound effective as of the Effective Date.

FirstWatch Solutions, Inc.

By: _____

Title: President

Client: City of Los Angeles, (LAFD):

By: _____

Title: _____

Exhibit D-2-A

FirstWatch® Maintenance Services

FirstWatch may, at any time, amend this document to reflect changes in its business model or service offerings without notice to Client, provided, however, that the Services provided to Client following an amendment shall be substantially similar or superior to those offered by FirstWatch.

Software and data center maintenance and support is included as part of Client's annual maintenance fees.

Support and Maintenance Services include:

- Normal Business Hour Support
- 24/7 Urgent Technical Support
- FirstWatch Thin-Client Support
- FirstWatch Automated System Health Monitoring
- FirstWatch Software Updates and Fixes
- FirstWatch Selected Software and System Enhancements
- Guidance and Support in Configuring Triggers

FirstWatch Responsibilities

Normal Business Hours Support

FirstWatch provides normal business hour support for non-critical matters such as configuration consultation, general questions/comments to report possible system problems and enhancement requests.

Normal Business Hours:

Mon-Fri, 9:00 am – 5:00 pm (Pacific Time), excluding holidays.

FirstWatch will make every effort to respond to all requests within one (1) business day or sooner.

24/7 Urgent Technical Support

24/7 technical support for urgent matters such as inability to access FirstWatch subscriber site or other urgent technical issues that may prevent normal use of the FirstWatch System – excluding issues within the Client's scope of responsibility. On-call technical support is not intended to be used for routine maintenance or changes to the FirstWatch System, unless the change is of an emergent nature.

FirstWatch will make every effort to respond to urgent technical support inquiries within two (2) hours or less.

FirstWatch will provide contact information and methods for requesting support.

FirstWatch Automated System Health Monitoring

FirstWatch includes several processes that monitor the Client's local FirstWatch System health related to data sources, network connectivity and status of Internet connection. This automated process logs system processes and notifies the on-call technician of potential system trouble.

FirstWatch Software Updates and Fixes

Includes all software updates to the FirstWatch modules purchased by the Client as long as maintenance for these modules is current and paid. In most cases updates are applied remotely and do not require any action by Client.

FirstWatch Selected Software and System Enhancement

Selected software and system enhancements may be implemented and offered to Client as add-ons to Client's FirstWatch System. Future additional software and system modules will be offered to Client at a discounted rate.

Advanced Notification of Downtime

In the event that the FirstWatch System or the Client's local FirstWatch System needs to be taken off-line for support, upgrades or maintenance, reasonable efforts will be made to notify the Client of the down-time in advance. Every effort will be made to provide Client with 24 hours advanced notice.

Client Responsibilities

FirstWatch Thin-Client

Client is responsible for maintaining the FirstWatch Thin-Client hardware & non-FirstWatch software, including operating system updates/patches, antivirus systems, firewalls, network and internet connectivity to FirstWatch technical specifications. Although FirstWatch will be happy to provide reasonable telephone or email technological advice on support and configuration matters, it is the Client's responsibility to maintain the functional platform for FirstWatch.

Remote Access

The FirstWatch preferred method of remote connectivity is via WebEx Access Anywhere. This functionality is provided to Client at no additional cost. Alternative methods of connectivity, such as Cisco VPN, Windows VPN or PCAnywhere can be considered, however Client may be responsible for associated costs relating to licensing, training and configuration of these methods. At least five (5) FirstWatch Support Technicians or Engineers will need access, and may need Client-provided software licenses, authentication devices (smart cards, etc) user accounts or other related items/processes.

If Client chooses not to grant FirstWatch 24/7 remote connectivity, they do so with the understanding this may delay FirstWatch from providing support and maintenance service until access is granted. Similarly, remote access methods other than detailed above may have the effect of delaying support and maintenance.

Client Technical Support Procedure

FirstWatch requests each Client provide contact information and desired procedures to follow when on-site support is needed. FirstWatch will use this information when a technical issue arises that cannot be resolved remotely either due to loss of connectivity to the FirstWatch Thin-Client or other unexpected problem. FirstWatch may not be able to adequately support the FirstWatch Thin-Client until on-site support personnel are available.

It is preferred that Client establishes internal support policies and have on-site personnel who can readily access the FirstWatch Thin-Client, test Internet connectivity and assist with basic trouble-shooting of OS, networking, database systems and knowledge of authentication/security processes for each system.

Client is also requested to identify individuals, including contact information for those individuals who are designated to request changes to system triggers, alerting matrix and other system information.

Advanced Notification of Client's Downtime, Data Source Changes, etc.

Client will notify FirstWatch of scheduled and unscheduled changes or downtime for the FirstWatch-monitored data source(s), network or Thin-Client hardware or software, or connectivity changes, as well as upgrades, maintenance or other changes which might affect the FirstWatch System.

Trigger Guidance & Training

Guidance and Support in Configuring and Triggers

FirstWatch will offer guidance and support to Clients in the configuration of their triggers, implementation of system and overall usage of FirstWatch. This guidance includes general best practices, sharing of processes and procedures of other FirstWatch Clients with the goal of assisting Client to achieve maximum benefit from their FirstWatch System.

Trigger Definition, Re-definition, & Refinement

FirstWatch will work with Client to make complete "wholesale" changes to each Trigger up to 2 times per year, and as many minor refinements to existing triggers as the Client reasonably requires per year. (Note: FirstWatch is working to develop & provide user-oriented, online tools to allow Client to define, re-define and/or refine triggers themselves, without FirstWatch involvement. Once

such tools are available, FirstWatch may reduce the number of minor refinements that will be done at no additional charge by FirstWatch on Client's behalf.)

Access to FirstWatch Documentation & Training Materials

FirstWatch will provide Client access to electronic versions of all available training materials pertinent to FirstWatch features available to Client as part of their initial Agreement and/or Maintenance Agreement.

Access to FirstWatch-Provided Online Group User-Training

FirstWatch will provide Client access to occasional (typically 2-4 per year) online multi-Client training sessions pertinent to Client's FirstWatch features.

Additional Training Available

If Client has purchased, or does purchase, additional general or Client-specific training, it will be separately scheduled at a time that is mutually acceptable to Client and FirstWatch, and will typically be provided online with standard FirstWatch materials, and customized to meet Client needs via interactive and online training.

Exhibit D-3: Pricing and Payment Schedule

This Agreement is dependent on funding by Los Angeles County and the Los Angeles Fire Department may cancel this Agreement at any time, with no obligation if the County fails to provide funds to cover the costs shown below, for any reason.

Quantity	Description	Item Total
1	Annual Support Renewal for FirstWatch System at LAFD for period from 7/1/2012 to 6/30/2013	\$67,617.00
1	Annual Support Renewal for FirstWatch System at LAFD for period from 7/1/2013 to 6/30/2014	\$67,617.00
1	Annual Support Renewal for FirstWatch System at LAFD for period from 7/1/2014 to 6/30/2015	\$67,617.00
1	Annual Support Renewal for FirstWatch System at LAFD for period from 7/1/2015 to 6/30/2016	\$67,617.00
1	Annual Support Renewal for FirstWatch System at LAFD for period from 7/1/2016 to 6/30/2017	\$67,617.00
System Support Renewal Total		\$338,085.00