

# LOS ANGELES FIRE DEPARTMENT



KRISTIN M. CROWLEY  
FIRE CHIEF

November 4, 2024

BOARD OF FIRE COMMISSIONERS  
FILE NO. 24-112

TO: Board of Fire Commissioners  
FROM: *KC* Kristin M. Crowley, Fire Chief  
SUBJECT: LETTER OF AGREEMENT WITH AL LARSON BOAT SHOP, INC. FOR  
FIREBOAT MAINTENANCE AND REPAIR SERVICES

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 Withdrawn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

### SUMMARY

The City of Los Angeles, through the Los Angeles Fire Department (LAFD), has an urgent need for dry dock maintenance and repair of two large fireboats (Fireboats 2 and 4) that operate at the Port of Los Angeles (POLA). It is imperative that Fireboats 2 and 4 are properly maintained and in operating condition. Al Larson Boat Shop, Inc. (Contractor) possesses the required expertise, equipment and ability to provide fireboat maintenance and repair services for the two fireboats.

The term of the Letter of Agreement (Agreement) will be covering the services from November 1, 2024, in the event emergency repair services are required prior to the approval and execution of the Agreement, through June 30, 2025.

Because of the urgency in implementing the services under the Agreement, a request will be made that the Mayor waive the Executive Directive No. 3 review.

### RECOMMENDATIONS

That the Board:

1. Approve and authorize the Fire Chief to execute the Letter of Agreement with Al Larson Boat Shop, Inc. to provide fire boat maintenance and repair services from November 1, 2024 through June 30, 2025, for a maximum compensation not to exceed \$2,000,000.
2. Transmit the Agreement to the Mayor in accordance with Executive Directive No. 3, and request the Mayor to waive the Executive Directive No. 3 review.

### DISCUSSION

The POLA covers approximately 7,500 acres of land and water, with approximately 4,300 acres of land and 3,200 acres of water for state-of-the-art cargo terminals, roadways, rail yards, and shipping channels. It is the busiest container port in the United States and a major gateway for international trade. Within this area, the LAFD provides both water-based and land-based services, which include firefighting, as well as technical rescue, hazardous materials mitigation, and emergency medical care.

As part of the water-based services, the LAFD operates, maintains, and staffs five primary fireboats, consisting of two large vessels (Fireboats 2 and 4), and three smaller vessels (Fireboats 1, 3 and 5). Fireboats 2 and 4 are equipped for heavy-duty firefighting on large vessels (e.g., container ships or tankers) and at industrial facilities around the POLA, rescue operations, emergency medical services, hazardous materials response and salvage operations.

The LAFD is responsible for the maintenance and repair of all five vessels, with the POLA reimbursing the LAFD for the maintenance costs of those vessels.

Immediate repairs on the LAFD fireboats are critical due to multiple significant equipment failures that threaten operational readiness and safety. Essential systems, including propulsion, water pumps, and navigation, have experienced repeated breakdowns, compromising the fireboats' ability to respond swiftly to emergencies in the POLA. Without prompt repairs, the fireboats risk becoming fully inoperable, severely impacting the LAFD's capacity to protect lives, infrastructure, and the environment in high-stakes maritime incidents. Addressing these repairs now is vital to ensure reliable response capabilities and maintain the safety of both LAFD personnel and the Port community.

The ongoing maintenance activities and emergencies affecting the POLA operations require the professional services of a contractor specializing in the maintenance and repair of fireboats. The LAFD has determined that the Contractor can provide routine service repairs, as well as emergency service repairs, on the fireboats.

The term of the Agreement is from November 1, 2024 through June 30, 2025, with the maximum compensation to not exceed \$2,000,000.

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

#### **FISCAL IMPACT**

Funding for this Agreement is available from the General Fund 100, Field Equipment Expense Account 3090. Pursuant to a Letter of Agreement between POLA and the LAFD, POLA will reimburse the LAFD for the maintenance expenditures.

Board Report prepared by Robert Caropino, Battalion Chief, Marine Operations Section

Attachment

**LETTER OF AGREEMENT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
AL LARSON BOAT SHOP, INC.  
FOR FIREBOAT MAINTENANCE AND REPAIR SERVICES**

**WHEREAS**, the City of Los Angeles (City) has an urgent need for dry dock maintenance and repair of its large fireboats, Fireboats 2 and 4, that are used and operated by the Los Angeles Fire Department (LAFD) in service to the Port of Los Angeles; and

**WHEREAS**, the Contractor, Al Larson Boat Shop, Inc., possesses the required expertise, equipment, and ability to complete the required tasks, including providing a dry dock, testing, inspecting, painting, and repairing or replacing doors, hatches, fire pumps, fittings, pipes, air controls, on-board machinery, flanges, check valves, water pumps, rub rails, strobe lights, engines, and other maintenance and repair services as needed; and

**WHEREAS**, this Letter of Agreement (LOA) is being used by the City to secure the services listed above; and

**WHEREAS**, the Contractor's services are deemed to be vital to meet the City's commitment to public safety, maintaining safe work environments, and efficient operations; and

**WHEREAS**, the Contractor will provide expert services for a temporary duration, for which the use of competitive bidding for such services is not practical or advantageous, nor reasonably practicable or compatible with the City's interests, thus, meeting the requirements pursuant to Los Angeles City Charter Sections 371(e)(2) and 372 which exempts this LOA from competitive bidding and competitive proposals.

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

**1. TERM OF THIS AGREEMENT**

The term of this LOA shall cover services from November 1, 2024 through June 30, 2025, and any additional time as may be necessary to close out activities, provided that said term is subject to the provisions of this LOA.

This LOA may be terminated by either party prior to the expiration of said term upon giving thirty (30) days written notice to the other party.

In the event this LOA is terminated by the City, the City shall compensate Contractor for those portions of work satisfactorily completed prior to the effective date of such termination, less payments previously made by the LAFD for said

services, but shall not be liable for the cost of services performed or expenses incurred subsequent to such termination.

## 2. STATEMENT OF WORK

The Contractor shall provide all tools, labor, and incidental materials necessary to perform the requested services on the following Fireboats:

- Fireboat 2: Built in 2003, Length Overall (LOA) 105', 29' Beam, 457 Ton Displacement, Shop/ID # 60610; located at LAFD Fire Station 112, 44 South Harbor Boulevard, Berth 86, San Pedro, CA 90731.
- Fireboat 4: Built in 1962, LOA 76' 6", 24' Beam, 135 Tons Displacement, Shop/ID # 60092; located at 400 Yacht St., Wilmington, CA 90744.

A. The general scope of services includes, but is not limited to: Testing, inspecting, painting, and repairing or replacing doors, hatches, ports, fire pumps, fittings, housing, pipes, air controls, on-board machinery, flanges, check valves, water pumps, rub rails, strobe lights, and similar miscellaneous parts/fixtures/services and/or repairs as needed. Examples of work to be performed consist of, but are not limited to the following:

a. Haul-out

- Contractor shall specify the haul-out method (floating dry dock, travel lift, or marine railway) and the capacity and availability (i.e., average wait time for scheduled and unscheduled haul-out).

b. Hull and Superstructure

- Hydro-wash of the entire bottom and under the swim step after a haul-out.
- Hull: Wash with fresh water before starting the work. All areas to be painted shall be washed with fresh water. If the non-skid is to be painted, it should be scrubbed with soap and water and rinsed.
- Sanding/Painting/Lettering: All work and paint shall be performed to the latest Marine Standards and quality.

c. Mechanical

- Inspection, maintenance and repair/replacement of engines; transmissions; propellers and shafts; heat exchangers; rudders; pumps; fuel systems; throttles; blowers; struts; and exhaust systems.

d. Marine Electronics – Maritime Electronics

- The installation, maintenance and repair of radar, sonar, radio, GPS, satellite, and chart plotters shall be performed by third parties as applicable to their respective systems.

e. Marine Electrical

- The installation, maintenance or repairs of all electrical systems must be of a marine grade type and meet the LAFD's or manufacturer's specifications.
  - f. Marine Canvas
    - The installation, maintenance or repair of tops and console covers using marine grade canvas, stainless steel fasteners and hardware.
  - g. Marine Hardware
    - The installation, maintenance and repair of marine hardware shall utilize marine grade stainless steel and be mounted to the LAFD's or manufacturer's specification.
- B. All materials shall be installed/applied in accordance with the manufacturer's instructions and U.S. Coast Guard regulations, unless otherwise specified.
- C. The Contractor shall apply all protective coating systems in strict compliance with the coating manufacturer's or coating consultant specialists' written instructions and coating system schedules. The Contractor shall warrant the application of all protective coating systems to be free from defects in materials and workmanship for a period of twenty-four (24) months. Contractor shall provide shore power during dry dock repairs.
- D. All labor shall be warranted against defects for six (6) months.
- E. All parts and materials shall be warranted based on the manufacturer warranty.
- F. The Contractor shall dispose of all hazardous chemicals and other hazardous waste in accordance with current Federal, State and local laws.

### **3. COMPENSATION AND METHOD OF PAYMENT**

#### **A. Compensation**

The City shall pay the Contractor for the complete and satisfactory services provided under this LOA, in accordance with the rate schedule specified in the Rate Schedule, attached hereto as Attachment A and incorporated by reference as though fully set forth herein. The total amount under this LOA shall not to exceed \$2,000,000.

#### **B. Invoices**

The Contractor shall submit invoices that detail the services performed and the total amount due. All invoices shall be submitted on the company's letterhead, along with the Contractor's remittance address to:

Robert Caropino, Battalion Chief  
Marine Operations Section  
Los Angeles Fire Department  
638 S. Beacon St., Suite 374  
San Pedro, CA 90731

And

Arman Serobyian, Sr. Auto Supervisor  
Supply and Maintenance Division  
Los Angeles Fire Department  
140 N. Avenue 19  
Los Angeles, CA 90031

The LAFD shall approve invoices for payment only after all services described are completed to the satisfaction of the City, and upon presentation of a proper invoice from the Contractor, which shall include the following information:

- a. Name and address of the company;
- b. Name and address of the Fire Department;
- c. Date of the invoice;
- d. Invoice number;
- e. Agreement number (if applicable);
- f. Description of the services, including, where applicable, the number of hours to complete the work;
- g. Payment terms, amount due, and due date;
- h. Certification by a duly authorized officer of the or;
- i. Discounts and terms (if applicable); and
- j. Remittance address (if different from the billing address).

#### C. Payment

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

Failure to adhere to these policies may result in nonpayment or non-approval of demands, pursuant to Charter Section 262(a), which requires the Controller

to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received by any City office or department, and approve demands before they are drawn on the Treasury

**4. STANDARD PROVISIONS FOR CITY CONTRACT (Rev. 6/24)[v.1]**

By entering into this LOA, the Contractor agrees to abide by the Standard Provisions for City Contracts (Rev. 6/24)[v.1], attached hereto as Attachment B and incorporated by reference as though fully set forth herein.

**5. ORDER OF PRECEDENCE**

In the event of any inconsistency between any of the provisions of this LOA and/or prior attachments, the inconsistency shall be resolved by giving precedence in the following order:

- 1) This Letter of Agreement between the City of Los Angeles and Al Larson Boat Shop, Inc.
- 2) Attachment B – Standard Provisions for City Contracts (Rev. 6/24)[v.1]
- 3) Attachment A – Rate Schedule

**6. COUNTERPARTS/NUMBER OF PAGES**

This LOA may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by the City) and sent by e-mail shall be deemed original signatures. This LOA includes six (6) pages and two (2) Attachments.

[SIGNATURE PAGE FOLLOWS]

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

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

**AL LARSON BOAT SHOP, INC.,  
a California Corporation**

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

By: \_\_\_\_\_  
KRISTIN M. CROWLEY  
Fire Chief  
Los Angeles Fire Department

By: \_\_\_\_\_  
JACK WALL  
President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
JEFF WALL  
Secretary

By: \_\_\_\_\_  
CATHERINE NGUYEN  
Deputy City Attorney

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\*Approved signature methods for California corporations:

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

Or

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



# **ATTACHMENT A**

## **Rate Schedule**

**ATTACHMENT A**  
**November 2024 - December 2024**

**Rate Sheet**  
**Providing On-Call Vessel Maintenance and Repair Service**

<b>Blocking, Haul Out, and Launch Rate</b>				
Tasks	Price	Unit	Estimated Annual Quantity	Estimated Annual Cost
<b>Fireboat 4</b> (Built in 1962, LOA 76'6", 24' Beam, 135 Ton Displacement)	\$ 9,575.00	Each	x 1	\$ 9,575.00
<b>Fireboat 2</b> (Built in 2003, 105' LOA, 29' Beam, 457 Ton Displacement)	\$ 15,900.00	Each	x 1	\$15,900.00
	\$	Each	x 1	\$
	\$	Each	x 1	\$
	\$	Each	x 1	\$
<b>ESTIMATED ANNUAL COST FOR ALL TASKS:</b>				<b>\$25,475.00</b>

<b>Lay Day Rate</b>				
Tasks	Price	Unit	Estimated Annual Quantity	Estimated Annual Cost
<b>Fireboat 4</b> (Built in 1962, LOA 76'6", 24' Beam, 135 Ton Displacement)	\$ 635.25	Each	x 1	\$ 635.25
<b>Fireboat 2</b> (Built in 2003, 105' LOA, 29' Beam, 457 Ton Displacement)	\$ 864.00	Each	x 1	\$ 864.00
	\$	Each	x 1	\$
	\$	Each	x 1	\$
	\$	Each	x 1	\$
<b>ESTIMATED ANNUAL COST FOR ALL TASKS:</b>				<b>\$1,499.25</b>

ATTACHMENT A  
November 2024 - December 2024

Rate Sheet  
Providing On-Call Vessel Maintenance and Repair Service

**Other Cost, Labor, Materials Not Included Above (as-needed)**

Item	Rate	Per
Regular Labor Rate for Repairs	\$ 87.50	Hour
Over-time Labor Rate for Repairs	\$ 131.25	Hour
Sub-Contractor Mark-up (maximum of 15%)	15%	Sub-Contractor
Materials Mark-up (maximum of 15%)	15%	Item
Laboratory Mark-up (maximum of 15%)	15%	Item
Disposal Charges (maximum of 15%)	15%	Item
Bond(s)	\$ 0	Lump Sum

**ATTACHMENT A**  
**January 2025 - June 2025**

**Rate Sheet**  
**Providing On-Call Vessel Maintenance and Repair Service**

<b>Blocking, Haul Out, and Launch Rate</b>				
Tasks	Price	Unit	Estimated Annual Quantity	Estimated Annual Cost
<b>Fireboat 4</b> (Built in 1962, LOA 76'6", 24' Beam, 135 Ton Displacement)	\$ 10,575.00	Each	x 1	\$10,575.00
<b>Fireboat 2</b> (Built in 2003, 105' LOA, 29' Beam, 457 Ton Displacement)	\$ 16,500.00	Each	x 1	\$16,500.00
	\$	Each	x 1	\$
	\$	Each	x 1	\$
	\$	Each	x 1	\$
<b>ESTIMATED ANNUAL COST FOR ALL TASKS:</b>				<b>\$27,075.00</b>

<b>Lay Day Rate</b>				
Tasks	Price	Unit	Estimated Annual Quantity	Estimated Annual Cost
<b>Fireboat 4</b> (Built in 1962, LOA 76'6", 24' Beam, 135 Ton Displacement)	\$ 635.25	Each	x 1	\$ 635.25
<b>Fireboat 2</b> (Built in 2003, 105' LOA, 29' Beam, 457 Ton Displacement)	\$ 864.00	Each	x 1	\$ 864.00
	\$	Each	x 1	\$
	\$	Each	x 1	\$
	\$	Each	x 1	\$
<b>ESTIMATED ANNUAL COST FOR ALL TASKS:</b>				<b>\$1,499.25</b>

**ATTACHMENT A**  
**January 2025 - June 2025**

**Rate Sheet**  
**Providing On-Call Vessel Maintenance and Repair Service**

<b>Other Cost, Labor, Materials Not Included Above (as-needed)</b>		
<b>Item</b>	<b>Rate</b>	<b>Per</b>
Regular Labor Rate for Repairs	\$ 90.00	Hour
Over-time Labor Rate for Repairs	\$ 135.00	Hour
Sub-Contractor Mark-up (maximum of 15%)	15%	Sub-Contractor
Materials Mark-up (maximum of 15%)	15%	Item
Laboratory Mark-up (maximum of 15%)	15%	Item
Disposal Charges (maximum of 15%)	15%	Item
Bond(s)	\$ 0	Lump Sum

# **ATTACHMENT B**

## **Standard Provisions for City Contracts (Rev. 6/24)[v.1]**

**STANDARD PROVISIONS FOR CITY CONTRACTS**

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## STANDARD PROVISIONS FOR CITY CONTRACTS

### **PSC-1. Construction of Provisions and Titles Herein**

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

### **PSC-2. Applicable Law, Interpretation and Enforcement**

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

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

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

### **PSC-3. Time of Effectiveness**

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

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

**PSC-4. Integrated Contract**

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

**PSC-5. Amendment**

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

**PSC-6. Excusable Delays**

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

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

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

**PSC-7. Waiver**

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

## **PSC-8. Suspension**

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

## **PSC-9. Termination**

### **A. Termination for Convenience**

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

### **B. Termination for Breach of Contract**

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

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

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

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

#### **PSC-10. Independent Contractor**

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

#### **PSC-11. Contractor's Personnel**

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

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

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

**PSC-12. Assignment and Delegation**

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

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

**PSC-13. Permits**

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

**PSC-14. Claims for Labor and Materials**

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

**PSC-15. Current Los Angeles City Business Tax Registration Certificate Required**

For the duration of this Contract, **CONTRACTOR** shall maintain valid Business Tax Registration Certificate(s) as required by **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

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

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

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

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

#### **PSC-17. Bonds**

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

#### **PSC-18. Indemnification**

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

#### **PSC-19. Intellectual Property Indemnification**

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

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

#### **PSC-20. Intellectual Property Warranty**

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

#### **PSC-21. Ownership and License**

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

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

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

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

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



**PSC-22. Data Protection**

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

**PSC-23. Insurance**

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

**PSC-24. Best Terms**

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

**PSC-25. Warranty and Responsibility of Contractor**

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

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

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

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

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

**PSC-27. Child Support Assignment Orders**

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

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

**PSC-28. Living Wage Ordinance**

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

**PSC-29. Service Contractor Worker Retention Ordinance**

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

**PSC-30. Access and Accommodations**

**CONTRACTOR** represents and certifies that:

- A. **CONTRACTOR** shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 *et seq.*, the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 *et seq.*, the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;
- B. **CONTRACTOR** shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. **CONTRACTOR** shall provide reasonable accommodation upon request to ensure equal access to **CITY**-funded programs, services and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this Contract are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

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

**PSC-31. Contractor Responsibility Ordinance**

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

**PSC-32. Business Inclusion Program**

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

**PSC-33. Slavery Disclosure Ordinance**

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

**PSC-34. First Source Hiring Ordinance**

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

**PSC-35. Local Business Preference Ordinance**

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

**PSC-36. Iran Contracting Act**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PSC-42. Possessory Interests Tax**

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

**PSC-43. Confidentiality**

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

**PSC-44. Contractor Data Reporting**

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

**EXHIBIT 1**

**INSURANCE CONTRACTUAL REQUIREMENTS**

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

**CONTRACTUAL REQUIREMENTS**

CONTRACTOR AGREES THAT:

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

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

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

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

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

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

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



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

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

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

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

# Required Insurance and Minimum Limits

Name: Al Larson Boat Shop, Inc.

Date: 10/15/2024

Agreement/Reference: Fireboat Maintenance and Repair Services

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

Limits

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

WC Statutory  
EL \$1,000,000

Waiver of Subrogation in favor of City

Longshore & Harbor Workers  
 Jones Act

**General Liability** At least \$2 million aggregate coverage. City of Los Angeles must be named as an additional insured party.

\$1,000,000

Products/Completed Operations

Sexual Misconduct

Fire Legal Liability

Should be in the form of Ship Repairers Liability

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

\$1,000,000

**Professional Liability** (Errors and Omissions)

Discovery Period \_\_\_\_\_

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

All Risk Coverage

Boiler and Machinery

Flood

Builder's Risk

Earthquake

**Pollution Liability**

\$1,000,000

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

100% of the contract price

**Crime Insurance**

Other: Submitted to Lauren Nakasuji @ LAFD, October 15, 2024

\*\*Insurance certificates MUST be submitted on the City's KwikComply site: <https://kwikcomply.org/>