

TRANSMITTAL

TO
The Council

DATE
06/18/21

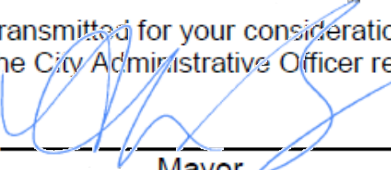
COUNCIL FILE NO.
16-0678

FROM
The Mayor

COUNCIL DISTRICT
All

Amendment No. 3 to Contract No. C-127800 with Electronic Output Solutions, Inc. for variable imaging (printing), mailing services, and electronic billing communication services.

Transmitted for your consideration.
Please see the City Administrative Officer report attached.



Mayor

(Ana Guerrero for)

RHL:AG:09210161

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

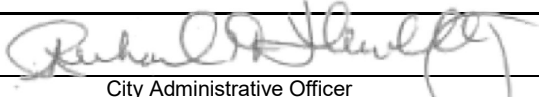
To: The Mayor	Date: 06/15/2021	C.D. No. All	CAO File No.: 0150-09805-0007
Contracting Department/Bureau: Office of Finance		Contact: Andrew Kaplan, (213) 978-3129	
Reference: Transmittal from the Office of Finance dated April 21, 2021.			
Purpose of Contract: Variable imaging (printing), mailing services, and electronic billing communication services.			
Type of Contract: () New contract (X) Amendment, Contract No. C-127800		Contract Term Date: June 1, 2021 to May 31, 2022	
Contract/Amendment Amount: Compensation is based on use of the Contractor's services.			
Source of funds: Fund 100, Dept. 39, Account No. 002120 - Printing and Binding			
Name and Address of Contractors: Electronic Output Solutions, Inc.; 2510 Commerce Way, Vista, CA 92081			
	Yes	No	N/A
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: 0%			
Contractor has complied with:		Yes	No
8. Business Inclusion Program		X	
9. Equal Benefits & First Source Hiring Ordinances		X	
10. Contractor Responsibility Ordinance		X	
11. Disclosure Ordinances		X	
12. Bidder Certification CEC Form 50		X	
13. Prohibited Contributors (Bidders) CEC Form 55		X	
14. California Iran Contracting Act of 2010			X

RECOMMENDATION

That the City Council, subject to the approval of the Mayor, authorize the Director of the Office of Finance, or designee, to execute Amendment No. 3 to contract no. C-127800 with Electronic Output Solutions, Inc., extending the term of the agreement for one-year, from June 1, 2021 to May 31, 2022, and increasing certain mailing and postage fees, subject to the review of the City Attorney as to form.

SUMMARY

The Office of Finance (Finance) requests authority to execute Amendment No. 3 to contract no. C-127800 with Electronic Output Solutions, Inc. (Contractor) for variable imaging (printing), mailing services, and electronic billing communication services. The proposed amendment will extend the term of the agreement for one additional year, from June 1, 2021 to May 31, 2022. The initial term of the contract was for three years, from June 1, 2016 to May 31, 2019, with an option to extend for up to two additional years. The City exercised the option to extend for two additional years and the full-term of the contract ended on May 31, 2021. This request will extend the term of the agreement beyond the terms initially authorized by the Mayor and City Council. The proposed amendment also increases the first class postage and envelope fees assed by the United States Postal Service (USPS), as stated in line items 10, 11, and 13 of the contract. These fee increases represent actual direct cost increase to the Contractor for mailings and do not represent Contractor markup costs.

Augusto Gutierrez		 City Administrative Officer
AG	Analyst	

The City currently makes extensive use of data mailer forms to collect money, provide various certificates, and provide information to the public. The Contractor is responsible for providing form and mail processing services by converting electronic raw data received through an internet portal into various forms used by City Departments. These forms are then returned to the City for further processing, electronically transmitted to the recipient, or processed through the USPS for delivery. The Contractor's services supplements the services provided by the Department of General Service's Publishing Services Division. The Contractor is also responsible for providing an Internet-based portal for the electronic distribution of mailings to recipients that opt for this delivery method. The Contractor is required to maintain a tracking system that shows what files have been received, shipment records, distribution history, and invoicing.

Compensation to the Contractor is based on the type of job and number of forms that are generated or processed. The Contractor pays postage fees associated with fulfilling the mailings out of a postage fees escrow account established by the City. Total estimated compensation to the Contractor in 2020-21 is \$62,000 through June 2021. The original contract allows for price increases so long as the Contractor provides documentation that such increases are a direct cost increase to the Contractor for mailings and do not represent markup costs by the Contractor.

The Contractor was originally selected through a competitive procurement process. On March 9, 2015, Finance issued a request for proposals for variable imaging, mailing services, and electronic billing communications services. The Contractor submitted the most responsive bid and offered the best pricing. On June 29, 2016, the City Council approved a three year-contract with the Contractor from June 1, 2016 through May 31, 2019, with the option to extend by up to two years, for a total of five years. The Department has exercised both amendments to extend for two additional years through May 31, 2021 and now requests to extend for one additional year.

Finance plans to release a request for proposals at the beginning of the 2021-22 fiscal year to execute a new contract for variable imaging, mailing services, and electronic billing communications services.

In accordance with Charter Section 1022, the Office of the City Administrative Officer has determined that the work proposed to be contracted can be performed more feasibly by a contractor than by City employees because there is insufficient existing City staff to perform the work. The Contractor has complied with all City contracting requirements.

FISCAL IMPACT STATEMENT

There is no additional General Fund impact as funding is already provided in the Department's Printing and Binding Account.

FINANCIAL POLICIES STATEMENT

The action recommended in this report complies with the City's Financial Policies in that ongoing expenditures will be funded by ongoing revenues.

RHL:AG:09210161

Attachment: Request from the Office of Finance dated April 21, 2021, which incorporates the original Contract C-127800, amendments one and two to Contract C-127800, and the proposed amendment no. 3 to Contract C-127800.

DIANA MANGIOGLU
DIRECTOR of FINANCE
CITY TREASURER

CITY OF LOS ANGELES
CALIFORNIA



OFFICE OF FINANCE
200 N. SPRING ST.
ROOM 101 – CITY HALL
LOS ANGELES, CA 90012

(844) 663-4411

ERIC GARCETTI
MAYOR

April 21, 2021

The Honorable Eric Garcetti
Mayor, City of Los Angeles
200 North Spring Street, Room 303
Los Angeles, California 90012

Attention: Heleen Ramirez, Legislative Coordinator

**APPROVAL TO EXTEND CONTRACT C-127800 WITH ELECTRONIC OUTPUT SOLUTIONS, INC.,
AND UPDATE THE FIRST CLASS POSTAGE FEE BEING ASSESSED BY THE U.S. POSTAL
SERVICE**

Dear Mayor Garcetti:

In accordance with Mayor's Executive Direction No. 3, the Office of Finance (Finance) requests approval to extend the terms of agreement for contract C-127800 with Electronic Output Solutions, Inc. (EOS), and update the First Class Postage Fee being assessed by the U.S. Postal Service.

Pursuant to the terms of the agreement, EOS provides form and mail processing service by converting electronic raw data received through an internet portal into various forms used by the City. These forms are then returned to the City for further processing, electronically transmitted to the recipient, or processed through the U.S. Postal Service for delivery. The initial terms of the contract were for three (3) years, beginning June 1, 2016, and ending on May 31, 2019, with an option to extend for up to two (2) additional years. The option to extend for two additional years was exercised on March 13, 2019, which extended the terms of the agreement to May 31, 2021. The compensation for these services is based on the type and number of forms that are generated or processed.

This current proposed amendment will extend the terms of the agreement for one additional year to May 31, 2022, and will update the U.S. Postal Service fee rate. The attached amendment has been reviewed by the Office of the City Attorney.

BACKGROUND

Finance, pursuant to the City Charter, is responsible for collecting and enforcing the various tax ordinances of the City in addition to various permit fees that are under the jurisdiction of the Police, Fire, and other Departments. Finance currently makes extensive use of data mailer forms to collect money, provide various certificates, and provide information to the public. Each of these forms has a specific purpose with a specific remittance address and is processed and mailed at different intervals during the year. Although Finance utilizes the various print and mail services provided by the General Services Department (GSD), this agreement supplements GSD's capacity and provides services that GSD is unable to deliver.

In order to meet its tax and permit collection and enforcement obligations, on March 9, 2015, Finance issued a Request for Proposal for Variable Imaging, Mailing and Electronic Billing Communications Services to supplement GSD print and mailing services. Pursuant to review of all of the proposals, the EOS proposal was determined to be the most qualified and least expensive proposal. Accordingly, Finance entered into an agreement with EOS for provision of the supplemental print and mailing services needed by the City.

Pursuant to the terms of the executed contract, C-127800, EOS provides variable imaging, mailing services, and electronic mailing communications services (forms, certificates, billings, and other notices) for the City. All mailings are completed at the lowest bulk, pre-sorted rate available. As already noted, the initial terms of the agreement were for three years beginning June 1, 2016, and ending on May 31, 2019, with an option to extend for up to two (2) additional years. The option to extend for two additional years was exercised on March 13, 2019, which extended the terms of the agreement to May 31, 2021.

CURRENT REQUEST

Finance is currently requesting the extension of the EOS contract for one additional year, with an adjustment to the U.S. Postal Service's mailing fee, to extend the terms of this agreement to May 31, 2022. This request will extend the terms of the agreement beyond the terms initially authorized by the Mayor and Council.

This request is necessitated as a result of the fiscal restraints implemented by the City in response to the COVID-19. During the past year, Finance has not been able to issue an RFP or pursue a competitive process to find a replacement for these services. Failure to continue these services will have a severe impact on Finance's ability to collect taxes and issue permits, perform its enforcement obligations under the Charter, and will impact General Fund revenues.

FISCAL IMPACT

EOS compensation is determined by type and number of forms that are generated or processed by the service provider. Finance is budgeted for these expenditures in its Printing and Binding account.

RECOMMENDATIONS

Mayor Eric Garcetti

April 21, 2021


Page 3

Finance respectfully requests that the Mayor:

1. Authorize the Director of Finance to execute an amendment to contract C-127800 with Electronic Output Solutions, Inc., to extend the terms of the agreement for one additional year, from June 1, 2021, to May 31, 2022, and
2. Amend Unit Price on Line Item 10 from \$419 per 1,000 units to \$450 per 1,000 units, effective January 24, 2021, to reflect the increased fee being assessed by U.S. Postal Service for First Class Bulk Mail, subject to final review of the proposed amendments by the Office of the City Attorney.

If you have any questions, please contact Andrew Kaplan, Revenue Manager at (213) 978-3129 or by e-mail at andrew.kaplan@lacity.org.

Sincerely,



Diana Mangioglu

Director of Finance / City Treasurer

Attachments: Contract C-127800 - Electronic Output Solutions, Inc.
Amendment One to Contract C-127800
Amendment Two to Contract C-127800
Proposed Amendment Three to Contract C-127800

cc: Jeanne Holm, Office of the Mayor
Ha To, Office of the City Administrative Officer
Augusto Gutierrez, Office of the City Administrative Officer

CONTRACT SUMMARY SHEET

TO: THE OFFICE OF THE CITY CLERK,
COUNCIL/PUBLIC SERVICES DIVISION
ROOM 395, CITY HALL

DATE: July 7, 2016

(PLEASE DO NOT STAPLE THE CONTRACT FOR THE CLERK'S FILE)

FORM MUST BE TYPEWRITTEN

FROM (DEPARTMENT): Office of Finance

CONTACT PERSON: Ken White PHONE: 213-978-1510

CONTRACT NO.: C-127800 COUNCIL FILE NO.: 16-0678

ADOPTED BY COUNCIL: 6-29-16
DATE

APPROVED BY BPW: _____
DATE

NEW CONTRACT ☒
AMENDED AND RESTATED _____
ADDENDUM NO. _____
SUPPLEMENTAL NO. _____
CHANGE ORDER NO. _____
AMENDMENT _____

CONTRACTOR NAME: Electronic Output Solutions

TERM OF CONTRACT: June 1, 2016 THROUGH: May 31, 2019

TOTAL AMOUNT: Determined by usage

PURPOSE OF CONTRACT:

Creating, imaging, post-processing and mailing of forms used by City Departments using variable laser imaging and electronic billing communications.

NOTE: CONTRACTS ARE PUBLIC RECORDS - SCANNED AND UPLOADED TO THE INTERNET

CONTRACT
Between
THE CITY OF LOS ANGELES
And
ELECTRONIC OUTPUT SOLUTIONS, INC.

This Agreement is made and entered into by and between the City of Los Angeles (hereinafter CITY), a municipal corporation, acting by and through its Office of Finance, with offices located at 200 N. Spring St., Room 220, Los Angeles, CA 90012 and Electronic Output Solutions, Inc. (hereinafter CONTRACTOR), a corporation authorized to conduct business in the State of California, with offices located at 2510 Commerce Way, Vista, CA 92081 for the provision of Variable Imaging, Mailing and Electronic Billing Communications Services.

WHEREAS, the Office of Finance, pursuant to the City Charter, is responsible for collecting and enforcing the various tax ordinances of the City in addition to various permit fees that are under the jurisdiction of the Police, Fire, and other Departments; and,

WHEREAS, there are now approximately 475,000 active Business Tax accounts in the City's database; and,

WHEREAS, the City uses data mailer forms to collect money, provide various certificates, and provide information to the public; and,

WHEREAS, the City also utilizes an Internet-based portal for the electronic distribution of billing notices for businesses that register to receive them; and,

WHEREAS, the City seeks to continue contracting for creating, imaging, post-processing and mailing of forms used by City Departments and the provision of electronic distribution of mailings through an Internet-based portal; and,

WHEREAS, the City's current contract for such services expires May 29, 2016; and,

WHEREAS, the Contractor's services shall supplement and not replace the services provided by the Department of General Service's Publishing Services Division; and,

WHEREAS, the City issued a Request For Proposals March 9, 2015; and,

WHEREAS, Electronic Output Solutions was judged to have provided the most responsive proposal with the lowest ultimate cost to the City;

NOW, THEREFORE, in consideration of the above premises and of the representations and covenants hereinafter set forth, the parties hereto represent and covenant as follows:

I. Scope of Services

The City currently makes extensive use of data mailer forms to collect money, provide various certificates, and provide information to the public. Each of these forms has a specific purpose with a specific remittance address and is processed and mailed at different intervals during the year.

Contractor shall be responsible for fulfilling the processing requirements of converting raw data into finished mail pieces delivered to the U.S. Post Office. Some forms may be returned to the City for further processing. Forms are defined within the City's LATAX System as Microsoft Word templates and Contractor will utilize these templates in defining form overlays.

The Contractor shall also provide an Internet-based portal for the electronic distribution of mailings to recipients that opt for this delivery method. Electronically distributed mailings will include any of the form items specified under this Agreement for physical mailing along with specific annual mailing items processed by the City.

The City utilizes generic forms that are imaged using laser printers with duplex printing capabilities. #10 window envelopes are used to send out the mail and #9 window envelopes are used for return remittances. Contractor will utilize the data electronically transmitted from the City to create the forms and image the data, including postal bar code. Contractor will stuff the form(s) and #9 envelope into the #10 envelope and mail them. (Some low volume jobs will require printing the forms only and returning them to the user department for further processing.)

A. Forms Redesign/Re-engineering Services

Contractor shall provide all consultation and design services necessary to take advantage of current technology available to redesign the forms to maximize the form's effectiveness while minimizing the after-handling steps necessary upon receiving remittance. On occasion, Contractor shall provide redesign services as necessary to accommodate changing forms requirements. When new forms are developed or old ones modified, a proof must be submitted and approved by the user department and tested before they can be placed into production.

B. Production Services

The City will provide data transmission over the Internet via "FTP" or "PGP" encrypted data files or other mutually agreed secure data transfer mechanisms for all records to be processed as required. Contractor is to execute their imaging programs on the appropriate laser equipment necessary to convert raw data into imaged mail pieces for all non-electronically distributed mailings. The mailing addresses are to be CASS certified in order to standardize the addresses and apply Zip + 4 and bar codes to ensure the lowest possible postage rate.

C. Post-Processing Requirements

Contractor is to provide all post-processing steps necessary, after imaging, to produce mail pieces capable of being accepted by the U.S. Postal Service for mailing. Post-processing includes folding the laser-imaged sheets and stuffing them into a #10 envelope. In the case of form Types I and II it also requires stuffing a #9 envelope into the #10 envelope; form Type III does not require a return envelope. All form types require sealing the #10 envelope. (Some low volume jobs will require imaging the form only and the finished forms are to be returned to the user department for further processing.)

D. Mailing Requirements

Upon completion of post-processing steps, Contractor is to deliver mail pieces to the U.S. Postal Service, prepared in such a manner as to procure the lowest possible postal rate per piece. City shall establish a Postage Fees Escrow Account (Account) with the Contractor from which Contractor will pay postage fees associated with fulfilling the terms of this Contract. City agrees to maintain at all times a balance in the Account an amount estimated by City sufficient to pay postage fees for at least the following thirty (30) days. Contractor shall provide a monthly statement containing the number of items mailed, the amount of postage charged to the Account and the Account balance. Contractor shall refund to the City within ten (10) business days of the termination of this Agreement the remaining balance of the Account less any outstanding amounts which are then due to the Contractor. No jobs will be mailed unless sufficient postage funds are available to support all postage/shipping related cost.

E. Penalty Clause

Timely processing of mail pieces is essential to ensure adequate receipt of tax monies due. Should the Contractor be unable to deliver finished pieces to the U.S.P.O. within 72 hours of receipt of raw data, excluding non-postal business days, the City reserves the right to assess a penalty of \$1,000 for each 24-hour delay.

The Contractor shall be entitled to a reasonable extension of time, without imposition of penalty, for unavoidable delay in delivery due to causes which are entirely beyond the control of, and without the fault or negligence of the Contractor, including, but not limited to, acts of God or a public enemy, war or other national emergency making delivery temporarily impossible or illegal, strikes and labor disputes not brought on by any act or omission of the Contractor, fires, floods, epidemics, earthquakes, quarantine restrictions, or freight embargoes.

F. Electronic Distribution Requirements

Contractor is to provide an Internet-based portal or distribution system for recipients that elect electronic distributions of their mailings/billings. Upon receipt of mailing data to be processed from the City, the Contractor is to segregate items related to accounts

opting this distribution method. Contractor will notify Recipients by e-mail that a mailing/billing item is available for viewing/retrieval. The Contractor will provide a file of all accounts registered for electronic distribution to the City. The City will provide mailing data on an annual basis for electronic distribution of items not physically mailed by the vendor such as annual business tax and permit renewals based on this registration file. A listing of forms to be produced/distributed is attached as Appendix 1.

G. Equipment Requirements

Contractor must maintain the capability to receive an "FTP" or "HTTPS" transmission through the Internet and ability to provide web-based portal for secure enrollment and distribution of electronic statements.

H. Job Reruns

Jobs that require reprocessing of output due to Contractor error, whether human, mechanical or electronic, are to be re-run at Contractor's expense and with no additional cost to the City.

I. Additional Considerations

The City may request to have personnel present at the Contractor's plant for the post-processing of some jobs to assist in identifying all variable fields and to ensure that correct information is imaged on those fields. At the City's option, the Contractor may be requested to produce a test run of the forms and provide the test output for inspection and approval by the City before a production run is made.

J. Testing

When new forms are developed or old ones modified they must be tested before they can be placed into production. Contractor shall maintain security procedures to assure that test forms are not distributed as production forms to taxpayers. City's representative must review and approve representative test samples of all new or modified forms prior to their being released into production.

K. Current Forms

A listing of all forms and anticipated annual mailing requirements and imaging frequency is included in Appendix 1.

II. Deliverables

A. Accounting / Tracking System

Contractor shall maintain an invoice reconciliation system and processes for tracking print, mail and electronic distribution history. The City requires an online tracking

system that shows files received along with their amounts, excluded records and shipment reports. Office of Finance employees shall be able to log in and review the files that have been submitted via ftp for processing. These files will be reviewed for accuracy (template format) and some individual records may need to be excluded if necessary from the print/mail job.

The following reports shall be available:

1. **Shipment Report** – showing the date that a file was printed and mailed. This report is to be formatted to be acceptable in court as a proof of mailing.
2. **Daily Detail Report** – showing a recap of the number of records mailed/excluded for a particular file.
3. **Daily Submission Detail Report** – showing the account numbers, legal names, amounts, totals and exclusions (if any) for a particular file.
4. **Paperless Program Report** – in addition to the listed paperless requirements, a monthly report shall be provided showing what records were processed through the program. This report will be used in conjunction with the regular Daily Detail reports in order to track the progress of the program and confirm monthly invoiced amounts.

B. Disaster Recovery / Business Continuity Plan(s)

Contractor shall maintain a Disaster Recovery / Business Continuity Plan(s) which provides for the ongoing capability to continue to provide the services described herein if:

1. Workload exceeds capability to meet schedules;
2. Their production facility is disabled by whatever cause (including the contingency for relocating production to another facility); or
3. If electronic data transmission lines are down, the alternatives available to meet production schedules.

C. Contractual Line Items

1. Contractor shall provide all of the products and services specified in Lines 1 through 15 below.
2. Prices do not include Sales Taxes or Federal Excise Tax. Sales Tax will be added by the City at time of order. Any other taxes must be included in the proposed prices.
3. Prices include all delivery and unloading charges to the US Postal Service excepting for items requested by City to be delivered to City rather than to the U.S.P.S., where the actual cost of shipping may be added to invoice.
4. The **minimum charge** per production run for any combination of lines 1, 2, 3, 4, 5, 6, 7, 8 and 9 shall be \$25.00.

5. Wherever RECYLED* content is quoted in the following, Recycled and/or Post Consumer Waste Content shall be a minimum of 30%
 6. **Cost Increases** – Upon presentation by Contractor of documentation satisfactory to City of increases in the cost of paper to the Contractor, City may agree to adjust the prices for **Line Items 1, 2, 3, 4, 5, 6, 11, 12 and 13** of this Agreement by written amendment to this Agreement. Such adjustment shall not exceed the actual direct cost increase to the Contractor with no Contractor markup.
-

LINE 1 FORM TYPE I Estimated Annual Quantity over first 3 years of contract: 52,200

Description: PRINTING, TO INCLUDE IMAGING OF FORMS USING VARIABLE LASER IMAGING, PER FOLLOWING SPECIFICATIONS:

One page, 20 lb. paper, entire form is returned to the City with customer's remittance; when folded, must fit into a #9 return envelope.

A. PRINTED 1 SIDED / SIMPLEX (all black imaging)

Unit price per thousand with VIRGIN paper content:

20# PAPER

Unit Price: \$34.05 / 1,000

24# PAPER

Unit Price: \$38.59/ 1,000

Unit price per thousand with RECYCLED* content:

20# PAPER

Unit Price: \$36.35 / 1,000

24# PAPER

Unit Price: \$44.98/ 1,000

B. PRINTED 2 SIDED / DUPLEX (all black imaging)

Unit price per thousand with VIRGIN paper content:

20# PAPER

Unit Price: \$59.05 / 1,000

24# PAPER

Unit Price: \$63.59/ 1,000

Unit price per thousand with RECYCLED* content:

20# PAPER

Unit Price: \$61.35 / 1,000

24# PAPER

Unit Price: \$69.98/ 1,000

LINE 2 FORM TYPE II Estimated Annual Quantity over first 3 years of contract: 181,400

Description: PRINTING, TO INCLUDE IMAGING OF FORMS USING VARIABLE LASER IMAGING, PER FOLLOWING SPECIFICATIONS:

Two or three page form printed on 20# or 24# paper, all black imaging, to be folded, nested and inserted into a #10 double window envelope with a single #9 window reply envelope. Page 1 printed duplex. Page 2 printed simplex and may be perforated across the sheet 2/3 way down the page. Page 3 if required by City, printed duplex.

A. 2 PAGES (1 PAGE 2-SIDED DUPLEX AND 1 PAGE 1-SIDED SIMPLEX WITH POSSIBLE PERFORATION)

Unit price per thousand with VIRGIN paper content:

20# PAPER

Unit Price: \$93.69 / 1,000

24# PAPER

Unit Price: \$101.04/ 1,000

Unit price per thousand with RECYCLED* content:

20# PAPER

Unit Price: \$104.70 / 1,000

24# PAPER

Unit Price: \$121.95/ 1,000

B. WHEN 3RD PAGE IS REQUIRED (2 PAGES 2-SIDED DUPLEX AND 1 PAGE 1-SIDED SIMPLEX WITH POSSIBLE PERFORATION)

Unit price per thousand with VIRGIN paper content:

20# PAPER

Unit Price: \$132.04 / 1,000

24# PAPER

Unit Price: \$136.04/ 1,000

Unit price per thousand with RECYCLED* content:

20# PAPER

Unit Price: \$104.70 / 1,000

24# PAPER

Unit Price: \$121.95/ 1,000

LINE 3 FORM TYPE III Estimated Annual Quantity over first 3 years of contract: 10,000

Description: PRINTING, TO INCLUDE IMAGING OF FORMS USING VARIABLE LASER IMAGING, PER FOLLOWING SPECIFICATIONS.

One page form, 20 lb. paper with large City Seal; this is a one way form with no return envelope. Printed 1 Sided / Simplex (all black imaging).

Unit price per thousand with **VIRGIN** paper content:

20# PAPER

Unit Price: \$34.05 / 1,000

24# PAPER

Unit Price: \$38.59/ 1,000

Unit price per thousand with **RECYCLED*** content:

20# PAPER

Unit Price: \$36.35 / 1,000

24# PAPER

Unit Price: \$44.98/ 1,000

LINE 4 FORM TYPE IV Estimated Quantity over first 3 years of contract: 10,000

Description: PRINTING, TO INCLUDE IMAGING OF FORMS USING VARIABLE LASER IMAGING, PER FOLLOWING SPECIFICATIONS.

USPS Tri-fold self-mailer (3 panels tri-fold). Two page form printed on 20# or 24# paper, all black imaging with up to five areas printed in a different color ink. Page 1 printed duplex. Page 2 printed duplex. Both pages attached via perforation down the middle of page 1 and 2.

A. PRINTED IN COLOR

Unit price per thousand with **VIRGIN** paper content:

20# PAPER

Unit Price: \$320.00 / 1,000

24# PAPER

Unit Price: \$330.00/ 1,000

Unit price per thousand with **RECYCLED*** content:

20# PAPER

Unit Price: \$330.00 / 1,000

24# PAPER

Unit Price: \$350.00/ 1,000

B. PRINTED IN BLACK AND WHITE

Unit price per thousand with VIRGIN paper content:

20# PAPER

Unit Price: \$120.00 / 1,000

24# PAPER

Unit Price: \$130.00/ 1,000

Unit price per thousand with RECYCLED* content:

20# PAPER

Unit Price: \$130.00 / 1,000

24# PAPER

Unit Price: \$150.00/ 1,000

LINE 5 Estimated Quantity over first 3 years of contract: 3,000

Description: PRINTING AND INSERTING ONE ADDITIONAL 8 1/2" x 11" SHEET INTO THE #10 ENVELOPE

A. PRINTED 1 SIDED / SIMPLEX (all black imaging)

Unit price per thousand with VIRGIN paper content:

20# PAPER

Unit Price: \$34.05 / 1,000

24# PAPER

Unit Price: \$38.59/ 1,000

Unit price per thousand with RECYCLED* content:

20# PAPER

Unit Price: \$36.35 / 1,000

24# PAPER

Unit Price: \$44.98/ 1,000

B. PRINTED 2 SIDED / DUPLEX (all black imaging)

Unit price per thousand with VIRGIN paper content:

20# PAPER

Unit Price: \$59.05 / 1,000

24# PAPER

Unit Price: \$63.59/ 1,000

Unit price per thousand with RECYCLED* content:

20# PAPER

Unit Price: \$61.35 / 1,000

24# PAPER

Unit Price: \$69.98/ 1,000

LINE 6 Estimated Quantity over first three years of contract: 3,000

Description: PRINTING AND INSERTING ONE ADDITIONAL 8 1/2" x 3 2/3" SHEET INTO THE #10 ENVELOPE

A. PRINTED 1 SIDED / SIMPLEX (all black imaging)

Unit price per thousand with VIRGIN paper content:

20# PAPER

Unit Price: \$11.00 / 1,000

24# PAPER

Unit Price: \$12.50/ 1,000

Unit price per thousand with RECYCLED* content:

20# PAPER

Unit Price: \$13.00 / 1,000

24# PAPER

Unit Price: \$14.50/ 1,000

B. PRINTED 2 SIDED / DUPLEX (all black imaging)

Unit price per thousand with VIRGIN paper content:

20# PAPER

Unit Price: \$12.00 / 1,000

24# PAPER

Unit Price: \$25.00/ 1,000

Unit price per thousand with RECYCLED* content:

20# PAPER

Unit Price: \$26.00 / 1,000

24# PAPER

Unit Price: \$29.00/ 1,000

LINE 7 Estimated Quantity over first 3 years of contract: 330 hours

Description: PROGRAMMING AND SET-UP FOR PRINTING FORMS

Programming and Set-up charges are charges applicable to new forms (those not included in the listing provided in Appendix 1) and to modify existing forms.

- **Minor change:** change in address, hours of operation or other minor form revisions. Hourly charge is limited to one (1) hour.
- **Moderate change:** change of information in a few locations of the form, etc. Hourly charge is limited to two (2) hours.
- **Major change:** significant re-design of the form. Hourly charge is limited to three (3) hours.

Hourly Rate: FORM TYPES I to IV \$ 60.00 per hour

LINE 8 Anticipated Annual Quantity over first three years of contract: 243,600

Description: PRODUCTION SERVICES FOR PRINTING FORMS

The City will provide data transmission over the Internet via "FTP" or "PGP" encrypted data files or other mutually agreed secure data transfer mechanisms for all records to be processed as required. Contractor is to execute their imaging programs on the appropriate laser equipment necessary to convert raw data into imaged mail pieces for all non-electronically distributed mailings. The mailing addresses are to be CASS certified. CASS certification will standardize the addresses and apply Zip + 4 and bar code to ensure the lowest possible postage rate.

Unit Price FORM TYPES I to IV: \$ 10.00 / 1,000

LINE 9 Anticipated Annual Quantity over first three years of contract: 243,600

Description: POST PROCESSING SERVICES FOR PRINTING FORMS

Contractor to provide all post-processing steps necessary, after imaging, to produce mail pieces capable of being accepted by the U.S. Postal Service for mailing. Post-processing includes folding the laser-imaged sheets and stuffing them into a #10 envelope. In the case of form Types I and II it also requires stuffing a #9 envelope into the #10 envelope; form Type III does not require a return envelope. All form types require sealing the #10 envelope. (Some low volume jobs will require imaging the form only and the finished forms are to be returned to the user department for further processing.)

Unit price per thousand:

A. TYPE I FORM \$ 30.00 / 1,000

B. TYPE II FORM \$ 40.00 / 1,000

C. TYPE III FORM \$ 30.00 / 1,000

D. TYPE IV FORM \$ 60.00 / 1,000** (** fold, perforate 11 x17 to 8.5 x 11
trifold and tab)

LINE 10 Estimated Quantity over first 3 years of contract: 222,000

Description: POSTAGE, FIRST CLASS, PRICE PER OUNCE

Unit price may be adjusted periodically by written agreement of both parties not to exceed the "First Class, Mixed AADC" postage rate per ounce adopted by the US Postal Service.

Unit Price: \$ 419.00 / 1,000

LINE 11 Estimated Annual Quantity over first three years of contract: 222,000

Description: ENVELOPE, #10, TWO WINDOW – Per sample provided - WITH MESSAGE IMPRINTED IN GREEN ON BACK ENVELOPE FLAP
Minimum 24 lb. paper

Unit Price: \$ 26.70 / 1,000

LINE 12 Estimated Quantity over first three years of contract: 3,000

Description: INKJET IMPRINT MESSAGE IN GREEN, RED OR BLUE ON BACK ENVELOPE FLAP

Unit Price: \$ 17.00 / 1,000

LINE 13 Estimated Annual Quantity over first three years of contract: 212,000

Description: ENVELOPE, #9, STANDARD ONE-WINDOW, with LINES TO BE PRINTED @ TOP LEFT OF ENVELOPE FOR RESPONDENT TO ENTER RETURN ADDRESS ALONG WITH A "Check this box if this is a new address" CHECKBOX.
Minimum 24 lb. paper

Unit Price when ordered in lot of 120,000: \$ 22.95 / 1,000

Unit Price when ordered in lot of 60,000: \$ 27.37 / 1,000

LINE 14

Description: RUSH SERVICE CHARGE

Additional charge per thousand forms for jobs requested to be delivered in less than standard 72- hour delivery standard stated below.

A. Service completed in 8 hours - Unit Price: \$ 80.00 / 1,000

B. Service completed in 24 hours - Unit Price: \$ 50.00 / 1,000

C. Service completed in 48 hours - Unit Price: \$ 25.00 / 1,000

Turn-around time is defined as the time from when electronic (FTP) transmission of the file is made available to the vendor until the job is completed, post processed and delivered to the Post Office.

Contractor to provide turn around processing within 72 hours (three consecutive calendar days excluding holidays). Different City Departments may have processing deadlines sooner than 72 hours. Rush service will be requested for any jobs requiring less than 72 hours processing time. The City requires that vendor deliver any completed processing jobs to the destination (U.S.P.S. or Department) upon completion whether or not the 72 hours has been used.

LINE 15 Estimated Quantity over first 3 years of contract***: 18,000

**** This service only became operation in the last year of the current contract. Approximately 5,400 accounts are currently actively enrolled in the program. City's goal is to substantially increase the number of accounts enrolled in the program as it matures. The City currently has approximately 478,000 active Business Tax Accounts.*

Description: ELECTRONIC BILLING COMMUNICATON SERVICE

Contractor to provide an Internet-based portal or distribution system for recipients that elect electronic distributions of their mailings/billings. Upon receipt of mailing data to be processed from the City, the Contractor is to segregate items related to accounts opting this distribution method. Contractor will notify Recipients by e-mail that a mailing/billing item is available for viewing/retrieval. Contractor to provide a file of all accounts registered for electronic distribution to the City. The City will provide mailing data on an annual basis for electronic distribution of items not physically mailed by the Contractor such as annual business tax and permit renewals based on this registration file. A listing of forms to be produced/distributed is attached as Appendix 1.

Contractor is to provide setup and maintenance of an electronic billing communication service for electronic distribution of mailings/billings through an Internet-based portal. Contractor shall also be responsible for providing an Internet-based portal for the electronic distribution of mailings to recipients that opt for this delivery method. Electronically distributed mailings will include any of the form items specified under this Agreement for physical mailing along with specific annual mailing items processed by the City.

A. Unit Price: \$ 145.00 / 1,000

B. State initial setup cost: No Charge

C. Programming cost: \$ 95.00 per hour (New form design / maintenance)

**D. Cost for conversion of existing archive of electronic forms / user accounts:
Unit Price: \$ 95.00 / Hour**

E. Optional text message notifications: \$ 0.10 each

F. Any "e-Tax" bill not viewed by taxpayer within a time period established by the City (for example, 14 days) will be automatically printed and delivered via USPS to ensure taxpayer receives bill. This action will also cause taxpayer to revert to paper bill delivery until such time as taxpayer re-enrolls in electronic delivery again.

G. Included in above system at no additional charge, Contractor will provide two portals, one for testing of new templates and to proof changes to existing templates prior to being placed into production and a second production portal where all "e-Tax" bills will be hosted for delivery to taxpayers.

III. Term

The initial term of this Agreement shall be for a three-year period commencing June 1, 2016. This Agreement may be extended by up to an additional two years if both parties agree to the extension.

IV. Incorporation of Standard Provisions

A. Los Angeles Municipal Code - SEC. 21.17 - CONFIDENTIAL CHARACTER OF INFORMATION OBTAINED – DISCLOSURE UNLAWFUL.

"It shall be unlawful for the Director of Finance or any person having an administrative duty under the provisions of this Article or Article 1.6 to make known in any manner whatever the business affairs, and operations of, or the nature, amount or source of income, profits, losses, expenditures, net worth, or any particular thereof, or any other

information set forth in any statement or return or obtained by an investigation of records and equipment of any person required to obtain a business tax registration certificate or sales or use tax permit, or pay business, sales or use tax or any other person visited or examined in the discharge of official duty, or to permit any statement or return, or copy of either, or any book containing any abstract or particulars thereof to be seen or examined by any person..."

All personnel that are involved in the Program may be required to execute City Confidentiality Statements and acknowledge that misuse of confidential information is prohibited under LAMC Section 21.17.

B. STANDARD PROVISIONS

Hereby incorporated by reference into this Agreement are the "Standard Provisions for City Contracts" (Rev. 3-09) attached as Appendix A. Also incorporated by reference are the City's RFP and Electronic Output Solutions, Inc.'s proposal which are attached hereto as Appendix B and C respectively.

C. COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12)

The Contractor, Subcontractors, and their Principals are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the contract is valued at \$100,000 or more and requires approval of a City elected official. Additionally, Contractor is required to provide and update certain information to the City as specified by law. Any Contractor subject to Charter Section 470(c)(12), shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 for performance under this contract:

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are subcontractor on City of Los Angeles contract #_____. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to contractor within 5 business days. Failure to comply may result in termination of contract or any other available legal remedies includes fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.

Contractor, Subcontractors, and their Principals shall comply with these requirements and limitations. Violation of this provision shall entitle the City to terminate this Agreement and pursue any and all legal remedies that may be available.

D. Order of Precedence

In the event of any inconsistency between any of the provisions of this Agreement (including amendments thereto), and the documents incorporated by reference, the inconsistency shall be resolved by giving precedence in the following order:

1. Sections of this Agreement (including amendments thereto);
2. Standard Provisions for City Contracts (Rev. 3-09) attached as Appendix A;
3. The CITY's RFP attached as Appendix B; and,
4. Electronic Output Solutions' Proposal attached as Appendix C.

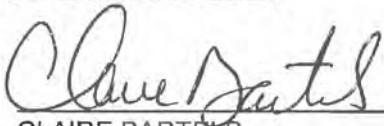
Signature Page Follows

IN WITNESS THEREOF, the parties hereto have caused this instrument to be signed by their respective duly authorized officers:

Approved Corporate Signature Methods (please sign in blue ink):

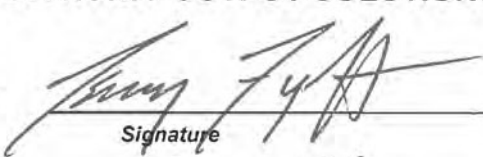
- a) Two signatures: one by Chairman of Board of Directors, President or Vice President; **and** one by Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer. -- **OR** --
- b) One signature by Corporate designated individual **together with** properly attested resolution of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

CITY OF LOS ANGELES

By: 
CLAIRE BARTELS
Director of Finance / City Treasurer

Date: 7-6-2016

ELECTRONIC OUTPUT SOLUTIONS, INC

By: 
Signature

Name: Terry Fyffe
Printed / Typed

Title: PRESIDENT / CEO
Printed / Typed

Date: JUNE 30th, 2016

By: _____
Signature

Name: _____
Printed / Typed

Title: _____
Printed / Typed

Date: _____

APPROVED AS TO FORM:

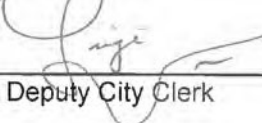
MICHAEL N. FEUER
City Attorney

By: 
Deputy Assistant City Attorney

Date: 7-5-16

ATTEST:

HOLLY L. WOLCOTT
City Clerk

By: 
Deputy City Clerk

Date: 7-7-16



C-127800

CONTRACT SUMMARY SHEET

TO: THE OFFICE OF THE CITY CLERK,
COUNCIL/PUBLIC SERVICES DIVISION
ROOM 395, CITY HALL

DATE: 1/25/2019

(PLEASE DO NOT STAPLE THE CONTRACT FOR THE CLERK'S FILE)

FORM MUST BE TYPEWRITTEN

FROM (DEPARTMENT): Office of Finance

CONTACT PERSON: Horacio Arroyo PHONE: 213-978-1554

CONTRACT NO.: C-127800 COUNCIL FILE NO.: _____

ADOPTED BY COUNCIL: _____

DATE

APPROVED BY BPW: _____

DATE

NEW CONTRACT _____
AMENDED AND RESTATED _____
ADDENDUM NO. _____
SUPPLEMENTAL NO. _____
CHANGE ORDER NO. _____
AMENDMENT ¹ _____

CONTRACTOR NAME: Electronic Output Solutions, Inc.

TERM OF CONTRACT: June 1, 2019 THROUGH: May 31, 2020

TOTAL AMOUNT: Determined by usage

PURPOSE OF CONTRACT:

Contract Amendment with Electronic Output Solutions Inc. (EOS) for creating, imaging, post-processing, and mailing of forms used by City Departments using variable laser imaging and electronic billing communications.

NOTE: CONTRACTS ARE PUBLIC RECORDS - SCANNED AND UPLOADED TO THE INTERNET

**FIRST AMENDMENT TO CONTRACT NO. C-127800
BETWEEN THE CITY OF LOS ANGELES
AND ELECTRONIC OUTPUT SOLUTIONS, INC.**

This FIRST AMENDMENT to Contract No. C-127800 is made and entered into by and between the City of Los Angeles (hereinafter "CITY"), a municipal corporation chartered by the laws of the State of California, acting by and through its Office of Finance and Electronic Output Solutions, Inc. (hereinafter "CONTRACTOR"), with offices located at 2510 Commerce Way, Vista, CA 92081 is entered into with reference to the following:

WHEREAS, on June 1, 2016, the parties entered into Contract No. C-127800 wherein CONTRACTOR agreed to provide Variable Imaging, Mailing Services and Electronic Billing Communications Services; and

WHEREAS, Contract No. C-127800 expires May 31, 2019; and,

WHEREAS, CITY would face the loss of significant revenue if there were a lapse in printing, mailing and electronic billing services; and,

WHEREAS, the parties hereto desire to exercise the first option to extend the term of the current Contract by one year.

AGREEMENT

NOW, THEREFORE, in consideration of the above premises and of the representations and covenants hereinafter set forth the CITY and the CONTRACTOR agree as follows:

1. TERM

Article III, Term, is hereby replaced in its entirety to read:

"The initial term of this Agreement started on June 1, 2016 and ends on May 30, 2019. This Agreement may be extended by up to an additional two years if both parties agree to the extension.

The Director of Finance may amend the agreement with CONTRACTOR to extend the term for an additional two years, in one-year increments, as long as all other terms and conditions remain the same and all other legal requirements are met."

2. INCORPORATION

Contract No. C-127800 is attached hereto as Exhibit 1 and incorporated by this reference.

Except as amended by this First Amendment, all other terms and conditions of the prior Agreement shall remain in full force and effect.

3. STANDARD PROVISIONS

Article IV (B), Standard Provisions, is hereby replaced in its entirety to read:

“Hereby incorporated by reference into this Agreement are the “Standard Provisions for City Contracts” (Rev. 10/17 v.3) attached as Appendix A. Also incorporated by Reference are the City’s RFP and Electronic Output Solutions, Inc.’s proposal which are attached hereto as Appendix B and C respectively.”

4. NO CHANGES IN PRICING

There will be no changes to the pricing schedule provided in the original contract.

5. RATIFICATION

Due to the need for CONTRACTOR’S services to be provided continuously on an ongoing basis, CONTRACTOR may have provided services prior to the execution of this First Amendment. To the extent that CONTRACTOR’S services were performed in accordance with the terms and condition of this contract, those services are hereby ratified.

Signature Page Follows

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

Approved Corporate Signature Methods (please sign in blue ink):

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

City of Los Angeles

By: Claire Bartels
CLAIRE BARTELS
Director of Finance / City Treasurer

Date: 1-24-2019

Electronic Output Solutions, Inc.

By: Tenny Fyffe
Signature

Name: Tenny Fyffe
Printed / Typed

Title: President
Printed / Typed

Date: 1-22-19

By: Karen D Fyffe
Signature

Name: Karen D Fyffe
Printed / Typed

Title: CFO
Printed / Typed

Date: 1-22-19

Approved as to Form and Legality:

MICHAEL N. FEUER
City Attorney

By: [Signature]

Title: Deputy City Attorney

Date: 1/24/19

Attest:

HOLLY L. WOLCOTT
City Clerk

By: Carolyn Peterson

Title: Deputy Clerk

Date: 1-25-19



STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. Construction of Provisions and Titles Herein

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

PSC-2. Applicable Law, Interpretation and Enforcement

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

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

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

PSC-3. Time of Effectiveness

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

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

PSC-4. Integrated Contract

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

PSC-5. Amendment

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

PSC-6. Excusable Delays

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

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

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

PSC-7. Waiver

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

PSC-8. Suspension

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

PSC-9. Termination

A. Termination for Convenience

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

B. Termination for Breach of Contract

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

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

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

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

PSC-10. Independent Contractor

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

PSC-11. Contractor's Personnel

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

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

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

PSC-12. Assignment and Delegation

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

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

PSC-13. Permits

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

PSC-14. Claims for Labor and Materials

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

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

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

PSC-16. Retention of Records, Audit and Reports

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

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

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

PSC-17. Bonds

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

PSC-18. Indemnification

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

PSC-19. Intellectual Property Indemnification

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

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

PSC-20. Intellectual Property Warranty

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

PSC-21. Ownership and License

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

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

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

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

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

PSC-22. Data Protection

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

PSC-23. Insurance

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

PSC-24. Best Terms

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

PSC-25. Warranty and Responsibility of Contractor

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

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

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

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

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

PSC-27. Child Support Assignment Orders

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

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

PSC-28. Living Wage Ordinance

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

PSC-29. Service Contractor Worker Retention Ordinance

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

PSC-30. Access and Accommodations

CONTRACTOR represents and certifies that:

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

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

PSC-31. Contractor Responsibility Ordinance

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

PSC-32. Business Inclusion Program

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

PSC-33. Slavery Disclosure Ordinance

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

PSC-34. First Source Hiring Ordinance

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

PSC-35. Local Business Preference Ordinance

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

PSC-36. Iran Contracting Act

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

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

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

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

**"Notice Regarding Restrictions on Campaign Contributions and Fundraising
in City Elections**

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

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

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

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

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

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

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

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

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

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

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

PSC-42. Possessory Interests Tax

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

PSC-43. Confidentiality

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

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

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

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

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

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

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

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

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

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

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

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

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

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

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

CONTRACT SUMMARY SHEET

TO: THE OFFICE OF THE CITY CLERK,
COUNCIL/PUBLIC SERVICES DIVISION
ROOM 395, CITY HALL

DATE: 3/13/19

(PLEASE DO NOT STAPLE THE CONTRACT FOR THE CLERK'S FILE)

FORM MUST BE TYPEWRITTEN

FROM (DEPARTMENT): Office of Finance

CONTACT PERSON: Edwin Avanesian PHONE: (213) 978-3129

CONTRACT NO.: C-127800 COUNCIL FILE NO.: 16-0678

ADOPTED BY COUNCIL: _____
DATE

APPROVED BY BPW: _____
DATE

NEW CONTRACT _____
AMENDED AND RESTATED _____
ADDENDUM NO. _____
SUPPLEMENTAL NO. _____
CHANGE ORDER NO. _____
AMENDMENT 2nd

CONTRACTOR NAME: Electronic Output Solutions

TERM OF CONTRACT: June 1, 2019 THROUGH: May 30, 2021

TOTAL AMOUNT: Determined by usage

PURPOSE OF CONTRACT:

Contract Amendment with Electronic Output Solutions Inc. (EOS) for creating, imaging, post-processing, and mailing of forms used by City Departments using variable laser imaging and electronic billing communications. The 2nd amendment extends the contract through May 30, 2021.

NOTE: CONTRACTS ARE PUBLIC RECORDS - SCANNED AND UPLOADED TO THE INTERNET

**SECOND AMENDMENT TO CONTRACT NO. C-127800
BETWEEN THE CITY OF LOS ANGELES
AND ELECTRONIC OUTPUT SOLUTIONS, INC.**

This SECOND AMENDMENT to Contract No. C-127800 is made and entered into by and between the City of Los Angeles (hereinafter "CITY"), a municipal corporation chartered by the laws of the State of California, acting by and through its Office of Finance and Electronic Output Solutions, Inc. (hereinafter "CONTRACTOR"), with offices located at 2510 Commerce Way, Vista, CA 92081 is entered into with reference to the following:

WHEREAS, on June 1, 2016, the parties entered into Contract No. C-127800 wherein CONTRACTOR agreed to provide Variable Imaging, Mailing Services and Electronic Billing Communications Services; and

WHEREAS, CITY would face the loss of significant revenue if there were a lapse in printing, mailing and electronic billing services; and,

WHEREAS, the parties hereto desire to exercise both options to extend the term of the current Contract by two years.

AGREEMENT

NOW, THEREFORE, in consideration of the above premises and of the representations and covenants hereinafter set forth the CITY and the CONTRACTOR agree as follows:

1. TERM

Article III, Term, is hereby replaced in its entirety to read:

"The initial term of this Agreement started on June 1, 2016 and ends on May 30, 2019. The parties agree to extend the term of this Agreement until May 30, 2021."

2. INCORPORATION

Contract No. C-127800 and the First Amendment to Contract No. C-127800 is hereby incorporated by this reference.

Except as amended by this Second Amendment, all other terms and conditions of the prior Agreement shall remain in full force and effect.

3. STANDARD PROVISIONS

Article IV (B), Standard Provisions, is hereby replaced in its entirety to read:

“Hereby incorporated by reference into this Agreement are the “Standard Provisions for City Contracts” (Rev. 10/17 v.3) attached as Appendix A. Also incorporated by Reference are the City’s RFP and Electronic Output Solutions, Inc.’s proposal which are attached hereto as Appendix B and C respectively.”

4. NO CHANGES IN PRICING

There will be no changes to the pricing schedule provided in the original contract.

Signature Page Follows

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

Approved Corporate Signature Methods (please sign in blue ink):

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

City of Los Angeles

By: Claire Bartels
CLAIRE BARTELS
Director of Finance / City Treasurer

Date: 3/11/2019

Electronic Output Solutions, Inc.

By: Terry Fylfe
Signature
Name: Terry Fylfe
Printed / Typed

Title: President
Printed / Typed

Date: 3/6/2019

By: Karen D Fylfe
Signature
Name: Karen D Fylfe
Printed / Typed
Title: CFO
Printed / Typed

Date: 3/6/2019

Approved as to Form and Legality:

MICHAEL N. FEUER
City Attorney

By: Michael Valocchi

Title: Deputy City Attorney

Date: 3/13/19

Attest:

HOLLY L. WOLCOTT
City Clerk

By: Michael Valocchi

Title: Deputy Clerk

Date: 3/13/19



**THIRD AMENDMENT TO CONTRACT NO. C-127800
BETWEEN
THE CITY OF LOS ANGELES
AND
ELECTRONIC OUTPUT SOLUTIONS, INC.**

This THIRD AMENDMENT to Contract Number C-127800, hereinafter referred to as the "Agreement", is made and entered into by and between the City of Los Angeles, a municipal corporation hereinafter referred to as the "City", and Electronic Output Solutions, Inc., hereinafter referred to as the "Contractor" with reference to the following.

WITNESSETH

WHEREAS, on July 7, 2016, the parties entered into Contract No. C-127800 wherein Contractor agreed to provide Variable Imaging, Mailing Services and Electronic Billing Communications Services;

WHEREAS, Contract No. C-127800 is set to expire on May 31, 2021;

WHEREAS, the CITY would face the loss of significant revenue if there were a lapse in printing, mailing and electronic billing services;

WHEREAS, Article II (C) (6) permits the Contractor to request modification to the terms of the agreement for price increases to Line items, provided that "[s]uch adjustment shall not exceed the actual direct cost increase to the Contractor with no Contractor markup";

WHEREAS, the Contractor has presented the City with documentation satisfactory to the City of price increases and the City has determined that the requested price increase does not include Contractor markup;

WHEREAS, the postage fees quoted in Article II(C)(2) – Line 10 of the Agreement is based on the fee charged by the United States Postal Service (USPS) and that the fee was increased by USPS from \$0.419 to \$0.45 per ounce effective January 24th, 2021; and

WHEREAS, both parties hereto desire to extend the terms of the Agreement, as amended herein, for one additional year.

AGREEMENT

NOW THEREFORE the parties hereby covenant and agree as follows:

A. Article II(C)(2) – **LINE 10** is hereby amended in its entirety to read:

“LINE 10 Estimated Quantity over first 3 years of contract: 222,000

Description: POSTAGE, FIRST CLASS, PRICE PER OUNCE

Unit price may be adjusted periodically by written agreement of both parties not to exceed the “First Class, Mixed AADC” postage rate per ounce adopted by the US Postal Service.

Unit Price: **\$ 419.00 /1,000** ***

*** Effectives January 24th, 2021, and going forward, the ‘Unit Price’ shall be \$450.00/1,000”

B. Article II(C)(2) – **LINE 11** is hereby amended in its entirety to read:

“LINE 11 Estimated Annual Quantity over first three years of contract:
222,000

Description: ENVELOPE. #10, TWO WINDOW - Per sample provided - WITH MESSAGE IMPRINTED IN GREEN ON BACK ENVELOPE FLAP Minimum 24 lb. paper

Unit Price when ordered in lot of 180,000: **\$ 27.77/1,000**

Unit Price when ordered in lot of 60,000: **\$ 33.00 /1,000**”

C. Article II(C)(2) – **LINE 13** is hereby amended in its entirety to read:

“LINE 13 Estimated Annual Quantity over first three years of contract:
212,000

Description: ENVELOPE, #9, STANDARD ONE-WINDOW, with LINES TO BE PRINTED @ TOP LEFT OF ENVELOPE FOR RESPONDENT TO ENTER RETURN ADDRESS ALONG WITH A “*Check this box if this is a new address*” CHECKBOX. Minimum 24 lb. paper

Unit Price when ordered in lot of 180,000: **\$ 23.87/1,000**

Unit Price when ordered in lot of 60,000: **\$ 28.47/1,000**”

D. Article III – **TERM**, is hereby amended in its entirety to read:

“The terms of this Agreement shall commence on June 1, 2016, and continue through May 31, 2022, unless terminated earlier as provided herein or amended as elsewhere provided herein.”

E. Article IV(A) – **STANDARD PROVISIONS** is hereby amended as follows:

The Standard Provisions for City Contracts dated March 2009 (*rev. 03/09*) are hereby deleted and replaced by the Standard Provision for City Contracts dated October 2017 (*Rev. 10/17*)[v.3]) and attached hereto as Exhibit I.

F. **DISCLOSURE OF BORDER WALL CONTRACTING ORDINANCE**

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

G. **GENERAL PROVISIONS**

Except as amended by the First and Second Amendments, and this Third Amendment, all other provisions of Contract Number C-127800 dated July 7, 2016, shall remain in full force and effect.

Signature Page Follows

IN WITNESS THEREOF, the parties hereto have caused this instrument to be signed by their respective duly authorized officers:

Approved Corporate Signature Methods (Please sign in **blue** ink):

- a) Two Signatures: One by Chairman of Board of Directors, President or Vice-President; **and** one by Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer. – **OR** –
- b) One Signature: by Corporate designated individual together with a properly attested resolution of Board of Directors authorizing the individual to sign on the company's behalf.

CITY OF LOS ANGELES

ELECTRONIC OUTPUT SOLUTIONS, INC.

By: _____

DIANA MANGIOGLU
Director of Finance / City Treasurer

Date: _____

By: _____
Signature

Name: _____
Printed / Typed

Title: _____
Printed / Typed

Date: _____

By: _____
Signature

Name: _____
Printed / Typed

Title: _____
Printed / Typed

Date: _____

APPROVED AS TO FORM:

MICHAEL N. FEUER
City Attorney

By: _____
Deputy City Attorney

Date: _____

ATTEST:

HOLLY L. WOLCOTT
City Clerk

By: _____
Deputy City Clerk

Date: _____

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. Construction of Provisions and Titles Herein

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

PSC-2. Applicable Law, Interpretation and Enforcement

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

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

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

PSC-3. Time of Effectiveness

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

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

PSC-4. Integrated Contract

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

PSC-5. Amendment

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

PSC-6. Excusable Delays

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

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

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

PSC-7. Waiver

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

PSC-8. Suspension

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

PSC-9. Termination

A. Termination for Convenience

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

B. Termination for Breach of Contract

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

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

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

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

PSC-10. Independent Contractor

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

PSC-11. Contractor's Personnel

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

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

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

PSC-12. Assignment and Delegation

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

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

PSC-13. Permits

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

PSC-14. Claims for Labor and Materials

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

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

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

PSC-16. Retention of Records, Audit and Reports

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

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

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

PSC-17. Bonds

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

PSC-18. Indemnification

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

PSC-19. Intellectual Property Indemnification

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

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

PSC-20. Intellectual Property Warranty

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

PSC-21. Ownership and License

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

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

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

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

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

PSC-22. Data Protection

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

PSC-23. Insurance

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

PSC-24. Best Terms

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

PSC-25. Warranty and Responsibility of Contractor

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

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

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

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

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

PSC-27. Child Support Assignment Orders

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

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

PSC-28. Living Wage Ordinance

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

PSC-29. Service Contractor Worker Retention Ordinance

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

PSC-30. Access and Accommodations

CONTRACTOR represents and certifies that:

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

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

PSC-31. Contractor Responsibility Ordinance

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

PSC-32. Business Inclusion Program

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

PSC-33. Slavery Disclosure Ordinance

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

PSC-34. First Source Hiring Ordinance

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

PSC-35. Local Business Preference Ordinance

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

PSC-36. Iran Contracting Act

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PSC-42. Possessory Interests Tax

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

PSC-43. Confidentiality

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

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

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

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

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

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

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

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

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

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

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

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

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

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

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

Required Insurance and Minimum Limits

Name: _____

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 (WC) and Employer's Liability (EL)

WC Statutory

EL _____

☐ Waiver of Subrogation in favor of City

☐ Longshore & Harbor Workers

☐ Jones Act

General Liability

☐ Products/Completed Operations

☐ Sexual Misconduct

☐ Fire Legal Liability

☐ _____

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

Professional Liability (Errors and Omissions)

Discovery Period _____

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

☐ All Risk Coverage

☐ Boiler and Machinery

☐ Flood

☐ Builder's Risk

☐ Earthquake

☐ _____

Pollution Liability

☐ _____

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

Crime Insurance

Other: _____