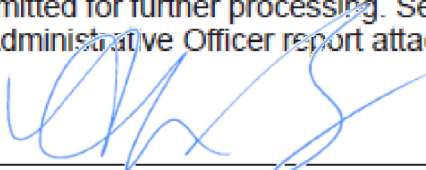


0220-03641-0008

**TRANSMITTAL**TO  
The City CouncilDATE  
12/29/20COUNCIL FILE NO.  
--FROM  
The MayorCOUNCIL DISTRICT  
--

**First Amendment to Contract No. C-129360 between the City of Los Angeles and  
PropertyRoom.com, Inc. for  
Internet Auctioning Services for Unclaimed Personal Property**

Transmitted for further processing. See the  
City Administrative Officer report attached.

  
\_\_\_\_\_  
MAYOR (Ana Guerrero for)

RHL:ED:04210017

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

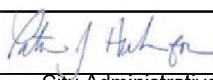
To: The Mayor	Date: 08-20-20	C.D. No. --	CAO File No.: 0220-03641-0008
Contracting Department/Bureau: Los Angeles Police Department (LAPD)		Contact: James Acheron, (213) 486-0378	
Reference: Board of Police Commissioners transmittal dated July 23, 2020; referred for report July 30, 2020			
Purpose of Contract: Internet auctioning services for unclaimed personal property.			
Type of Contract: ( ) New contract (x) Amendment, Contract No. C-129360		Contract Term Dates: July 1, 2020 through June 30, 2021	
Contract/Amendment Amount: \$0			
Proposed amount \$0 + Prior award(s) \$0 = Total \$0			
Source of funds: N/A			
Name of Contractor: PropertyRoom.com, Inc.			
Address: 4650 Wedgewood Blvd., Suite 102, Frederick, MD 21703			
	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%			
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 Council, subject to the approval of the Mayor, authorize the Chief of Police, or designee, to execute the First Amendment to Contract No. C-129360 between the City of Los Angeles and PropertyRoom.com, Inc. for internet auctioning services for unclaimed personal property, subject to the review and approval by the City Attorney as to form. The First Amendment will extend the term of the contract an additional one year from July 1, 2020 through June 30, 2021 and updated the City's Standard Provisions for City Contracts (Rev. 10/17) [v.3].

**SUMMARY**

The Los Angeles Police Department (LAPD) requests the authority to execute the First Amendment to Contract No. C-129360 between the City of Los Angeles and PropertyRoom.com, Inc. for internet auctioning services for unclaimed personal property. The First Amendment will extend the term of the contract an additional one year from July 1, 2020 through June 30, 2021 and update the City's Standard Provisions for City Contracts (Rev. 10/17) [v.3]. This is a revenue generating agreement and is at no cost to the City as compensation for services is provided on a contingency fee basis. The original agreement was in effect from June 1, 2015 through June 30, 2020.

Elaine Duong			
ED	Analyst	04210017	City Administrative Officer

The LAPD acquires numerous items of personal property during the conduct of its law enforcement operations. Certain unclaimed personal property must be disposed by means of a public auction in a manner consistent with state and municipal laws when that property has been designated for disposal. Since 2001, PropertyRoom.com has been providing internet auctioning services for the LAPD at no cost to the City and receives a portion of the proceeds from each sale.

Compensation is provided on a contingency basis where sales commission payments are made to PropertyRoom.com when properties are sold. The commission rate is 25-percent of the winning bid price if the winning bid price is equal to or greater than \$1,000, or 50-percent should the winning bid price be less than \$1,000. Through the on-line auctioning services provided by PropertyRoom.com, the LAPD has recognized annual net revenues of \$131,553 to \$374,752 from sales proceeds during the past four years, as show in the table below. Future year revenue is difficult to project as it is dependent upon the amount of personal property that is unclaimed and is designated for disposal through public auction, and the success of its subsequent sale.

<b>Fiscal Year</b>	<b>Net Sales Revenue</b>
2016-17	\$ 131,553
2017-18	195,532
2018-19	138,289
2019-20	374,752
<b>Total</b>	<b>\$ 840,126</b>

This Office finds that the proposed Amendment qualifies for exemption from the contractual services policy in the Mayor's Fiscal Year 2020-21 Cost Containment Measures memo dated June 24, 2020, in that this contractual service is revenue generating.

In accordance with Los Angeles Administrative Code Section 10.5(b)(2), Council approval of the proposed Amendment is required, as the cumulative term of the contract exceeds three years. To the best of our knowledge, the Contractor has complied with all standard provisions for City contracts.

## **FISCAL IMPACT STATEMENT**

Approval of the recommendation in this report will have no additional impact to the General Fund. The proposed agreement between the City of Los Angeles and PropertyRoom.com will result in no direct cost to the City. Prior year auction receipts from net sale proceeds range from \$131,553 to \$374,752 for Fiscal Year 2016-17 through 2019-20. Future year auction revenue is unknown as it is dependent upon the amount of personal property that is unclaimed and is designated for disposal through public auction, and the success of its subsequent sale.

## **FINANCIAL POLICIES STATEMENT**

The recommendation in this report complies with the City's Financial Policies in that there is no additional impact to the General Fund and that the services provided are revenue generating.

RHL:ED:04210017

Attachment

**AGENDA DATE: JULY 21, 2020**

**OPEN SESSION**

1-B

DEPARTMENT'S REPORT, dated July 10, 2020, relative to the request for approval of the First Amendment to contract no. C-129360 between the City of Los Angeles and Propertyroom.com, Inc., as set forth. [\[BPC #20-0081\]](#)

Recommendation(s) for Board action:

APPROVE the Department's report and TRANSMIT to the Mayor.

**Commissioner Decker moved, seconded by Commissioner Soboroff to APPROVE the Department's report and TRANSMIT to the Mayor. Unanimously adopted 3/0.**

**\*Commissioners Figueroa-Villa and Goldsmith were absent.**



# LOS ANGELES POLICE COMMISSION

Attachment

## BOARD OF POLICE COMMISSIONERS

EILEEN M. DECKER  
PRESIDENT

SHANE MURPHY GOLDSMITH  
VICE PRESIDENT

DALE BONNER  
SANDRA FIGUEROA-VILLA  
STEVE SOBOROFF

MARIA SILVA  
COMMISSION EXECUTIVE ASSISTANT II



ERIC GARCETTI  
MAYOR

RICHARD M. TEFANK  
EXECUTIVE DIRECTOR

MARK P. SMITH  
INSPECTOR GENERAL

EXECUTIVE OFFICE  
POLICE ADMINISTRATION BUILDING  
100 WEST FIRST STREET, SUITE 134  
LOS ANGELES, CA 90012-4112

(213) 236-1400 PHONE  
(213) 236-1410 FAX  
(213) 236-1440 TDD

July 23, 2020

BPC #20-0081

The Honorable Eric Garcetti  
Mayor, City of Los Angeles  
City Hall, Room 303  
Los Angeles, CA 90012

Attention Heleen Ramirez

Dear Honorable Mayor:

RE: REQUEST FOR APPROVAL OF THE FIRST AMENDMENT TO CONTRACT NO.  
C-129360 BETWEEN THE CITY OF LOS ANGELES AND PROPERTYROOM.COM,  
INC., AS SET FORTH.

At the regular meeting of the Board of Police Commissioners held Tuesday, July 21, 2020, the Board APPROVED the Department's report relative to the above matter.

This matter is being forwarded to you for approval.

Respectfully,

BOARD OF POLICE COMMISSIONERS

A handwritten signature in blue ink that reads "Maria Silva".

MARIA SILVA  
Commission Executive Assistant II

Attachment

c: Chief of Police

## INTRADEPARTMENTAL CORRESPONDENCE

JUL 15 2020

POLICE COMMISSION

July 10, 2020  
3.5

**TO:** The Honorable Board of Police Commissioners

*[Signature]* 7/15/20  
RICHARD M. TEJANK  
EXECUTIVE DIRECTOR DATE

**FROM:** Chief of Police

**SUBJECT:** REQUEST FOR APPROVAL OF THE FIRST AMENDMENT TO  
CONTRACT NO. C-129360 BETWEEN THE CITY OF LOS ANGELES AND  
PROPERTYROOM.COM, INC.

**RECOMMENDED ACTIONS**

1. That the Board of Police Commissioners (Board) REVIEW and APPROVE the attached First Amendment to Contract No. C-129360 between the City and PropertyRoom.com, Inc.
2. That the Board TRANSMIT the Amendment to the Office of the Mayor for review and approval.
3. That the Board AUTHORIZE the Chief of Police to execute the Amendment upon Mayoral approval.

**DISCUSSION**

On May 30, 2017, the City of Los Angeles (City) and PropertyRoom.com, Inc. (Contractor) entered into Contract No. C-129360 to provide the Los Angeles Police Department's (LAPD) Evidence and Property Management Division with Internet Auctioning Services for the five-year term retroactive to July 1, 2015 and ending on June 30, 2020 after the Contractor was selected through a Request for Proposals. Under the Original Agreement, the Contractor auctions unclaimed personal property to the public via the Internet. These services are provided by the Contractor at no cost to the City and generate revenue for the LAPD.

This First Amendment extends the term of the Original Agreement by an additional one-year period, commencing July 1, 2020 and ending on June 30, 2021, at no cost to the City to allow the LAPD time to negotiate a sole source contract for these services.

Should you have any questions concerning this request, please contact Police Administrator II Thom Brennan, Commanding Officer, Fiscal Group, at (213) 486-8590.

Respectfully,

*[Signature]*  
MICHEL R. MOORE  
Chief of Police

BOARD OF  
POLICE COMMISSIONERS  
Approved *July 21, 2020*  
Secretary *Maria Silva*

Attachment

## INTRADEPARTMENTAL CORRESPONDENCE

June 17, 2020  
3.5

**TO:** Chief of Police

**FROM:** Commanding Officer, Fiscal Group

**SUBJECT:** REQUEST FOR APPROVAL OF THE FIRST AMENDMENT TO  
CONTRACT NO. C-129360 BETWEEN THE CITY OF LOS ANGELES AND  
PROPERTYROOM.COM, INC.

It is requested that the Chief of Police review, approve, and transmit to the Board of Police Commissioners the attached First Amendment to Contract No. C-129360 between the City of Los Angeles (City) and PropertyRoom.com, Inc. (Contractor), for Internet Auctioning Services. The Office of the City Attorney has approved the attached Amendment as to form.

On May 30, 2017, the City and the Contractor entered into Contract No. C-129360 to provide the Los Angeles Police Department's (LAPD) Evidence and Property Management Division with Internet Auctioning Services for the five-year term retroactive to July 1, 2015 and ending on June 30, 2020 after the Contractor was selected through a Request for Proposals. Under the Original Agreement, the Contractor auctions unclaimed personal property to the public via the Internet. These services are provided by the Contractor at no cost to the City and generate revenue for the LAPD.

This First Amendment extends the term of the Original Agreement by an additional one-year period, commencing July 1, 2020 and ending on June 30, 2021, at no cost to the City to allow the LAPD time to negotiate a sole source contract for these services.

Should you have any questions concerning this request, please contact Senior Management Analyst II James T. Acheron, Officer in Charge, Contracts Section, Fiscal Group, at (213) 486-0112.



THOM BRENNAN, Police Administrator II  
Commanding Officer  
Fiscal Group

Attachments

**FIRST AMENDMENT TO CONTRACT NUMBER C-129360  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
PROPERTYROOM.COM, INC.  
FOR  
INTERNET AUCTIONING SERVICES FOR UNCLAIMED PERSONAL PROPERTY**

This FIRST AMENDMENT is made and entered into by and between the City of Los Angeles, California, a municipal corporation (hereinafter referred to as the "City"), acting by and through the Los Angeles Police Department (hereinafter referred to as the "LAPD" or the "Owner"), and PropertyRoom.com, Inc., a corporation formed under the laws of the state of Delaware, (hereinafter referred to as the "Contractor").

**RECITALS**

**WHEREAS**, the LAPD and the Contractor entered into Contract Number C-129360 ("Original Agreement") on May 30, 2017 to perform Internet Auctioning services of certain unclaimed personal property, which has been acquired by the LAPD in the conduct of its law enforcement functions and has subsequently been designated for disposal by the LAPD; and

**WHEREAS**, the term of the Original Agreement is retroactive to July 1, 2015, and will terminate on June 30, 2020; and

**WHEREAS**, the LAPD and the Contractor wish to amend the Original Agreement to extend the term of the Original Agreement for an additional one-year period, commencing July 1, 2020 through June 30, 2021.

**NOW THEREFORE**, the City and the Contractor hereby agree that the Original Agreement be amended as follows:

**1. Modification of Section 1.2, Representatives of the Parties.**

- a. Section 1.2.a is hereby deleted in its entirety and replaced with the following:

The City's representative is, unless otherwise stated in this Agreement:

Chief of Police  
Los Angeles Police Department  
100 West 1<sup>st</sup> Street, 10th Floor  
Los Angeles, California 90012



With copies to:

Commanding Officer  
Evidence and Property Management Division  
Los Angeles Police Department  
180 North Los Angeles Street Los Angeles, California 90012  
(213) 356-3710 Phone Number  
(213) 356-3785 Facsimile Number

- b. Each occurrence of the phrase "Property Division" in the original agreement is hereby deleted and replaced with "Evidence and Property Management Division."
2. Extension of the Term of Original Agreement. City and Contractor hereby agree that the term of the Original Agreement as set forth in Section 2.0 of the Original Agreement entitled "Term of Agreement" is hereby extended for an additional one-year period, beginning July 1, 2020 through June 30, 2021, unless terminated as provided in Section 5.0 of the Original Agreement.
3. Modification of Section 8.0, Standard Provisions.
  - a. Section 8.0, Standard Provisions, is hereby deleted in its entirety and replaced with the following:

The Contractor shall comply with the Standard Provisions for City Contracts (Rev. 10/17) [v.3], attached hereto as Exhibit 2 and incorporated herein by reference.
  - b. The following new Section 8.1 is added to the Original Agreement:

Contractor shall comply with Los Angeles Administrative Code ("LAAC") 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. The required affidavit must be submitted online at [www.labavn.org](http://www.labavn.org).
4. Replacement of Exhibit 1 of the Original Agreement.
  - a. Exhibit 1 of the Original Agreement, the Standard Provisions for City Contracts (Rev. 3/09), is hereby replaced by the Standard Provisions for City Contracts (Rev. 10/17) [v.3], which document is attached to this First Amendment as Exhibit 2.

- b. Each occurrence of the phrase "Standard Provisions for City Contracts (Rev. 3/09)" in the Original Agreement, is hereby deleted and replaced with "Standard Provisions for City Contracts (Rev. 10/17) [v.3]".
5. Ratification. Due to the need for the Contractor's services to be provided continuously, the Contractor may have provided services prior to the execution of this First Amendment. To the extent that said services were performed in accordance with the terms and conditions of the Original Agreement, those services are hereby ratified.
6. Order of Precedence. This First Amendment is intended to extend the term of the Original Agreement. In the event of an inconsistency between any of the provisions of this First Amendment to Contract No. C-129360, or all prior or current attachments, the inconsistency shall be resolved by giving previous exhibits, appendices, and/or amendments precedence in the following order:
- 1) First Amendment to Contract Number C-129360,
  - 2) LAPD Contract Number C-129360, and
  - 3) Standard Provisions for City Contracts (Rev. 10/17) [v.3].
7. Except as herein amended or modified, all terms and conditions of the Original Agreement shall remain unchanged and in full force and effect.
8. This First Amendment includes four (4) pages and one (1) exhibit. The Original Agreement is hereby incorporated by reference in its entirety into this First Amendment.
9. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.

**[Signature Page Follows]**

**[Remainder of the Page Intentionally Left Blank]**

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

THE CITY OF LOS ANGELES

PROPERTYROOM.COM, INC.

By: \_\_\_\_\_  
MICHEL R. MOORE  
Chief of Police

By: \_\_\_\_\_  
ANDREW J. NASH  
CEO

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

Date: 6/16/2020

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
Samuel Petty  
Deputy City Attorney

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

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: \_\_\_\_\_  
Deputy City Clerk

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

City Business License Number 0002884561-0001-9

Internal Revenue Service Taxpayer Identification Number 86-0962102

Agreement Number C-129360-1

---

**EXHIBIT 2**

**STANDARD PROVISIONS FOR CITY CONTRACTS (REV. 10/17) [V.3]**

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## STANDARD PROVISIONS FOR CITY CONTRACTS

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## STANDARD PROVISIONS FOR CITY CONTRACTS

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

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

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

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

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

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

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

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

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



**PSC-4. Integrated Contract**

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

**PSC-5. Amendment**

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

**PSC-6. Excusable Delays**

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

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

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

**PSC-7. Waiver**

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



**PSC-8. Suspension**

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

**PSC-9. Termination****A. Termination for Convenience**

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

**B. Termination for Breach of Contract**

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

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

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



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

**PSC-10. Independent Contractor**

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

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

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

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

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

**PSC-12. Assignment and Delegation**

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

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

**PSC-13. Permits**

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

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

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

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

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

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

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



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

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

**PSC-17. Bonds**

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

**PSC-18. Indemnification**

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

**PSC-19. Intellectual Property Indemnification**

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

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

**PSC-20. Intellectual Property Warranty**

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

**PSC-21. Ownership and License**

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

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

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

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

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



**PSC-22. Data Protection**

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

**PSC-23. Insurance**

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

**PSC-24. Best Terms**

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

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

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

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

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

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

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

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

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



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

**PSC-28. Living Wage Ordinance**

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

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

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

**PSC-30. Access and Accommodations**

**CONTRACTOR** represents and certifies that:

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

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

**PSC-31. Contractor Responsibility Ordinance**

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

**PSC-32. Business Inclusion Program**

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

**PSC-33. Slavery Disclosure Ordinance**

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

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

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

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

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

**PSC-36. Iran Contracting Act**

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

**PSC-42. Possessory Interests Tax**

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



**PSC-43. Confidentiality**

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

**EXHIBIT 1****INSURANCE CONTRACTUAL REQUIREMENTS**

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

**CONTRACTUAL REQUIREMENTS****CONTRACTOR AGREES THAT:**

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

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

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

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

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

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

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

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

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

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

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

## Required Insurance and Minimum Limits

Name: \_\_\_\_\_

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: \_\_\_\_\_