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Item Number
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Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:

Becca Doten, Chief Airport Affairs Officer
Chief Airport Affairs Officer

Reviewer:

Brian C. Ostler, City Attorney *BCO*

Justin Erbacci (Oct 28, 2022 15:43 PDT)

Justin Erbacci, Chief Executive Officer

Meeting Date

11/3/2022

Needs Council Approval: ☒ Y

Reviewed for/by	Date	Approval Status	By
Finance	10/19/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	9/27/2022	<input checked="" type="checkbox"/> Y	VW
Procurement	10/4/2022	<input type="checkbox"/> Y <input checked="" type="checkbox"/> Cond	GG
Guest Experience	10/6/2022	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	9/26/2022	<input checked="" type="checkbox"/> Y	BNZ

SUBJECT

Request to approve the award of a three-year contract, with two one-year renewal options, to Los Angeles Tourism and Convention Board, for professional services related to air service marketing, trade missions, and promotional and development consulting services for Los Angeles World Airports, for a not-to-exceed amount of \$2,250,000.

RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
3. FIND that the work can be performed more economically or feasibly by an independent contractor than by City employees.
4. FURTHER FIND that, pursuant to Charter Sections 371 (e)(10), the vendor has the qualifications, experience, and expertise required to perform the required professional, expert, technical and special services, and that it is not practicable or advantageous to obtain competitive proposals.
5. APPROVE the award of a three-year contract, with two one-year renewal options, to Los Angeles Tourism and Convention Board, for professional services related to air service

marketing, trade missions, and promotional and development consulting services for Los Angeles International Airport, for a not-to-exceed amount of \$2,250,000.

6. AUTHORIZE the Chief Executive Officer, or designee, to execute the contract after approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION

1. Purpose

To obtain expert, professional, and technical assistance in the areas of air service marketing, education and outreach, promotional and development consulting services, and international trade missions and aviation industry events for Los Angeles World Airports (LAWA), primarily to international airlines and the international aviation and tourism industry, with the goal of maintaining international air service market share and improving the guest experience by providing air service to primary and secondary international markets currently not served by LAX.

2. Prior Related Actions/History of Board Actions

- **November 6, 2014 – Resolution No. 25547 (DA-4952)**
The Board of Airport Commissioners (Board) awarded a three-year contract to Los Angeles Tourism and Convention Board for air service marketing and promotional and development consulting services for a not-to-exceed amount of \$6,600,000. Contract 4952 expired on November 11, 2017.
- **October 5, 2017 – Resolution No. 26358 (DA-5245)**
The Board awarded a three-year contract to Los Angeles Tourism and Convention Board for air service marketing and promotional and development consulting services for a not-to-exceed amount of \$6,000,000. Contract 5245 expired on November 11, 2020.
- **November 5, 2020 – First Amendment to Contract DA-5245**
The Board awarded a one-year extension to the Los Angeles Tourism and Convention Board for professional and expert air service marketing and direct promotional and development consulting services for Los Angeles International Airport. The contract expired on November 11, 2021.
- **November 11, 2021 – Second Amendment to Contract DA-5245**
The Board awarded a one-year extension to Los Angeles Tourism and Convention Board for professional and expert air service marketing and direct promotional and development consulting services for Los Angeles International Airport. The contract expires on November 11, 2022.

3. Background

The current contract with the Los Angeles Tourism and Convention Board (LATCB) will expire on November 11, 2022. Los Angeles World Airports has had a contract with this vendor since 2011 and has had service agreements with them dating back 16 years to 2006. The LATCB has a unique and specialized knowledge base and is recognized as the official City of Los Angeles tourism marketing organization. Staff recommends a new

contract for three of the four existing contract elements as follows: Air Services Marketing, Education, and Outreach Services; Air Service Marketing and Promotion of New Routes; and International Trade Missions and Aviation Industry Events. These elements require a unique set of skills, a specialty form of outreach, an understanding of and connections with a specialty international niche market to be successful. The LATCB is uniquely qualified with this skillset and can perform these services in LAWA's best interest.

The LATCB, a non-profit organization, markets and promotes Los Angeles as the premier destination for leisure travel, meetings, and conventions. The LATCB has an in-house marketing team consisting of Public Relations/Communications, Brand and Digital/Social, and Insights and Global Tourism Development (travel trade). These functions are integral to the LAWA contract, and continuation of these existing professional services is critical for LAWA as the Department continues to emerge from the COVID-19 pandemic and adjust our air services marketing and promotional development strategies to the current and future realities of domestic and international air travel.

The LATCB has established offices and experienced staff in key markets, including London (UK/Europe/Middle East), Mumbai, Sydney (Asia Pacific), and throughout China, as well as having assigned staff to both the Canadian and Mexican markets. The international teams function as an extension of LATCB (and therefore LAWA), and this boots-on-the-ground approach provides LAWA with a team of people with close ties to the airline and travel trade industry right in the country of origin. Another key element of the contract is the organization and management of trade and sales missions to international destinations. These trade missions require a delicate understanding of city protocols, administration, and deliverables. The work performed by LATCB for air services marketing, education, outreach, promotion of new routes and international trade missions, and aviation industry events requires a unique skillset and an understanding of and connections with a specialty market niche to be successful.

Many major airports have attempted to replicate the partnership that LAWA and LATCB has and, to that end, have established air service marketing contracts with their local tourism board. For example, the Port Authority NY NJ (PANYNJ) is currently working on a partnership opportunity with NYC & Co., which is considered to be the equivalent of LATCB for New York City.

Over the years, LATCB has successfully coordinated LAWA's participation in countless trade and sales missions around the globe. Most recently, LATCB coordinated LAWA's participation in the City of Los Angeles trade mission to Indonesia, Japan and Mexico. The LATCB also coordinated LAWA's participation in the 2022 World Routes Conference, a conference and exhibition dedicated to route strategy development and planning in the aviation industry.

4. Current Action/Rationale

The general scope of services for this contract include three elements, as follows:

Element I: Air Services Marketing, Education, and Outreach Services

Promote LAX as a leading airport destination across the globe to enhance its reputation, educate both the travel industry and passengers on new advances and capital improvement

projects, and encourage the growth of both flights and passengers. Market and promote LAX Facilities, Services, and Capital Improvement Program as follows:

- Work with LAWA team to grow and build relationships and promote LAX to the International Airline Industry and Travel Trade Industry
- Work closely with LAWA's Air Service Development team to create and implement a yearly marketing strategy that includes: Securing advertorial value in international aviation and travel trade publications to promote LAWA's current and future modernization projects at LAX; promoting and educating the airline industry on Capital Improvement Projects by circulating materials in key international aviation markets; coordinating familiarization tours to promote specified new or existing air routes or new LAX facilities; and conducting in-market training sessions exclusively on LAX services and facilities for reservation staff of airlines, tour operators, and other travel trade offering direct service to LAX
- Assist LAWA staff with the fulfillment of marketing or advertising needs as requested by LAWA management and within the contracted scope of work
- Generate publicity in print, social, and digital media about LAX modernization projects, existing LAX facilities, and services in key international markets
- Translate relevant information from LAWA into Chinese, Japanese, Korean, Spanish, and other appropriate languages, and ensure distribution to the correct international markets
- Write and distribute in-language, in-market stories about LAX
- Plan and assist in developing gate or experiential events

Element II: Air Service Marketing and Promotion of New Routes

Support activities required to grow, increase, or support international routes and develop relationships with international carriers to meet the objectives of LAWA's air service strategy, including, but not limited to:

- Working closely with LAWA team to develop and implement comprehensive marketing strategies around key new markets and airlines to promote trips on emerging flights to international destinations
- Providing experienced personnel for international media/social media planning and placement, and assisting and contributing to the production of marketing materials such as video and audio content appropriate for out-of-market promotional use
- Utilizing established LATCB communication channels and other California contracts, and assisting with the announcement of new routes and airlines to the L.A. and California markets
- Coordinating with the LAWA and Air Service Development team on marketing and promotional efforts

Element III: International Trade Missions and Aviation Industry Events

Work closely with LAWA's Air Service Development team to identify the most productive aviation industry conferences; plan and assist team, as needed, with reservations and marketing material; and identifying promotional, media, and speaking opportunities at these meetings. Coordinate with the City of Los Angeles on trade missions to promote its airport system. The tasks to be performed by the consultant include, but are not limited to, the following:

- Organize and manage LAWA's participation at aviation industry conferences to promote LAX
- Identify and organize speaking opportunities for LAWA officials at domestic and international aviation industry events
- Organize LAWA's participation in and host trade missions to promote LAX
- Collaborate with and/or represent LAWA at aviation industry trade shows promoting LAX's modernization projects and encouraging new routes and airlines
- Work with Manage Design and develop digital, trade show, or printed presentations and other materials for marketing LAX to prospective air carriers

How This Action Advances a Specific Strategic Plan Goal and Objective

This action advances this strategic goal and objective: *Sustain a Strong Business: Diversify and grow revenue sources, and manage costs.* Maintaining a diverse group of airlines and ensuring growth in new and underserved markets while also building a recovery plan that bring back lost or reduced service will have a primary impact on LAWA's revenue and long-term stability. Additionally, marketing the LAX destination abroad to airlines and other aviation industry leaders will contribute to LAWA's growth and sustainability. Finally, this new contract represents time and cost savings to LAWA as LATCB is the only organization with the required skillset who can perform the requested services in LAWA's best interest.

5. Selection Process

The LATCB markets and promotes Los Angeles as the premier destination for leisure travel, meetings, and conventions. The firm's marketing and outreach consists of in-house Public Relations/Communications, brand and digital/social, and insights and global tourism development (travel trade). These functions are integral to the LAWA contract. The professional contracts they maintain, the communications channels they own and update, and the general work they perform is unique and what LAWA requires to be successful with its mission. Lastly, and fundamental to the recommendation for this contract, is the network of international offices that LATCB maintains across the globe. Conducting a full Request for Proposals for the requested services would be impractical as the costs for another firm to re-create these services already offered by LATCB would be exorbitant. Any new firm hired to perform the requested services for LAWA would be required to replicate its international network and work with LATCB to insert LAWA and its facilities and marketing goals and objectives into the trade missions and aviation-related events; this would translate into duplicative work and potentially higher costs for LAWA. The LATCB is the only organization with the required skillset needed to perform these services in LAWA's best interest.

6. Fiscal Impact

The not-to-exceed amount of \$2,250,000 over the three-year term will be recovered through LAX landing fees.

7. Alternatives Considered

- ***Take No Action***
Los Angeles World Airports does not have staff with the expertise, experience, or qualifications required to conduct the services requested in this scope of work. Not

awarding a contract would result in LAWA not being able to market and promote LAX facilities and services effectively in the international aviation marketplace, thus impacting LAX's air service market share and revenue stream as well as the guest experience.

APPROPRIATIONS

Funds for this contract are available in the Fiscal Year 2022-23 Los Angeles World Airports Operating Budget in Cost Center 1220002 – Chief External Affairs, Commitment Item 524 – Advertising. Funding for subsequent years will be requested as part of the annual budget process.

STANDARD PROVISIONS

1. This item, as a continuing administrative, maintenance and personnel-related activity, is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
2. The proposed document(s) is/are subject to approval as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373.
4. LATCB will comply with the provisions of the Living Wage Ordinance.
5. Procurement Services has reviewed this action (File No. 10297). No mandatory Small Business Enterprise, Local Business Enterprise/Small Local Business Enterprise, and Disabled Veterans Business Enterprise goal for this project has been established, as no subcontracting opportunities were identified.
6. LATCB will comply with the provisions of the Affirmative Action Program.
7. LATCB has been assigned Business Tax Registration Certificate No. 0000901452-0001-5.
8. LATCB will comply with the provisions of the Child Support Obligations Ordinance.
9. LATCB has approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports.
10. Pursuant to Charter Section 1022, staff determined the work specified on the proposed contract can be performed more feasibly or economically by an Independent Contractor than by City employees.
11. LATCB must submit the Contractor Responsibility Program Questionnaire and Pledge of Compliance and must comply with the provisions of the Contractor Responsibility Program.
12. LATCB must be determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of contract.

13. LATCB will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. LATCB must submit the Bidders Contribution CEC Form 55 and must comply with its provisions.
15. LATCB must submit the MLO CEC Form 50 and must comply with its provisions.
16. LATCB must submit the Iran Contract Act and must comply with its provisions.

**CONTRACT BETWEEN CITY OF LOS ANGELES AND LOS ANGELES
TOURISM & CONVENTION BOARD FOR AIR SERVICE MARKETING,
PROMOTIONAL AND DEVELOPMENT CONSULTING SERVICES FOR
LOS ANGELES WORLD AIRPORTS**

THIS CONTRACT, made and entered into this _____ day of _____ 2022 at Los Angeles, California by and between the City of Los Angeles, a municipal corporation, (hereinafter referred to as “**City**”), acting by order of and through its Board of Airport Commissioners (hereinafter referred to as “**Board**”) of the Department of Airports (hereinafter referred to as “**Department**” or “**LAWA**”), and **LOS ANGELES TOURISM & CONVENTION BOARD**, a California 501(c)6 nonprofit corporation (hereinafter referred to as “**Consultant**”).

RECITALS

That for and in consideration of the covenants and conditions hereinafter contained to be kept and performed by the respective parties, IT IS AGREED AS FOLLOWS:

WHEREAS, LAWA desires to obtain professional and expert services for (a) air services marketing, education and outreach, (b) air service marketing and promotion of new routes, and (c) international trade missions and aviation industry events (“**Services**”) for Los Angeles International Airport (“**LAX**”); and,

WHEREAS, the Board has determined that this contract is for the performance of professional, scientific, expert, technical or other special services, and that the use of competitive bidding would be undesirable, impractical or impossible; and,

WHEREAS, Consultant represents that it has the knowledge and expertise to provide such Services; and

NOW THEREFORE, that for and in consideration of the covenants and conditions hereinafter contained to be kept and performed by the respective parties, IT IS AGREED AS FOLLOWS:

Section 1.0 Term of Contract.

1.1 The term of this Contract shall be for the period of three years commencing on _____, 2022 and expiring on _____, 2025 with two one year options to extend. LAWA may terminate this Contract upon giving Contractor a thirty (30) day advance written notice or as provided elsewhere in the Contract.

1.2 Performance, or continued performance, of this Contract by the Consultant will be wholly contingent upon annual approval of funding for this Contract by the Board. If such funding is not approved, this Contract will immediately terminate and shall present no further obligations for the City, the Board, LAWA, LAWA’s Chief Executive Officer (“CEO”) and the Consultant. Further, termination of this Contract based upon this contingency shall present no liability for the City, the Board, LAWA, the CEO, or the Consultant for breach of this Contract.

Section 2.0 Incorporation by Reference.

2.1 It is expressly understood and agreed that the following shall constitute, and are hereby incorporated by this reference, and made a material part of this Contract as though fully set forth herein: (i) the exhibits attached hereto, including but not limited to the Scope of Work, **Exhibit A**, and Consultant's Fee Schedule/Cost, **Exhibit A-1**, and (ii) the Cost Reimbursable Guidelines, **Exhibit B**, attached hereto.

Section 3.0 Warranty and Quality of Consultant's Services.

3.1 Consultant warrants that the services provided herein shall conform to high professional standards and shall be completed in a manner consistent with professional standards practiced among those firms within Consultant's profession, doing the same or similar work under the same or similar circumstances.

3.2 If in City's sole discretion any of Consultant's subconsultants, agents or employees are not performing his/her duties under this contract to the satisfaction of the City, then City shall have the right to request that such subconsultant, agent or employee be removed from the project, and Consultant shall comply with such request and promptly assign a new subconsultant, agent or employee to replace the removed subconsultant, agent or employee within a reasonable time thereafter, but not longer than ten (10) business days. In no case shall the City's request to assign a new subconsultant, agent or employee result in Consultant terminating this Contract.

Section 4.0 Fees and Rates.

4.1 For all products and services rendered, all costs, direct or indirect, and all expenses incurred by Consultant pursuant to this Contract, City shall pay Consultant, (1) in accordance with pre-approved projects as detailed and budgeted in quarterly Task Orders and/or 2) on a direct reimbursable basis for actual time or actual costs incurred. Payment for Task Order Services shall not be made until such services have been completed. Said all-inclusive hourly rates in Exhibit A-1 shall include without limitation, all provisions for compensation, fringe benefits, overhead, insurance, office supplies, communications, photocopying, reproduction, courier service, general administration, other overhead expenses, profits and fees, and usual and customary expenses associated with normal business operations, unless otherwise expressly provided in Exhibit A-1. City shall not pay any additional sums or supplemental rates of pay for "overtime" unless otherwise expressly provided for in Exhibit A-1. Consultant certifies that its rates in Exhibit A-1 are consistent with Generally Accepted Accounting Principles and OMB Circular No. A-122.

4.1.1 Upon the expiration of the first year of this Contract, provided that Consultant is not then in default beyond any applicable notice and cure period under this Contract, the rates as set forth in Exhibit A-1 may be increased annually up to three percent (3%) if, LAWA's CEO, acting within his or her legal authority, determines, in his or her sole discretion, that an adjustment is warranted due to an increase in Consultant's cost(s). In no event shall the total sum of all rate increases under this Section 4.1.1 exceed One Hundred Fifty Thousand and 00/100 Dollars (\$150,000).

4.2 Regardless of any other provision of this Contract, it is understood and agreed that the total contract amount to be paid by City to Consultant for all of Consultant's services shall not exceed \$2,250,000.

4.3 **Accounting Requirements.** Consultant shall create three project codes ("**LAWA Project Codes**") for each and every department incurring costs or performing work under the Contract ("**Accounting Department**"). The three LAWA Project Codes are: (i) Air Services Marketing, Education and Outreach, (ii) Air Service Marketing and Promotion of New Routes, and (c) International Trade Missions and Aviation Industry Events. The work that may be performed under each LAWA Project Code is described in the Scope of Work, Exhibit A. Every regional office with a Regional Director shall be a separate department, subject to this Section 4.3 in its entirety.

4.3.1 **Time Records and Task Order Completion.** All Consultant employees and sub-Consultants shall contemporaneously record the time they spend performing work under the Contract in hourly increments with a description of the work performed with sufficient particularity to allocate the costs associated with the time to a LAWA Project Code ("**Time Records**") and if applicable Task Order. At minimum, the Time Records shall include the following:

(a) a designation of the LAWA Project Code to which the work should be billed;

(b) a description of any collateral or documentation produced (e.g. presentation, advertisement, video, article, press release, etc.); and

(c) for time billed to Route Development and Marketing International Air Service, a description must include (1) the name of each airline Consultant is working with, (2) the current or prospective airline routes being developed or promoted, and (3) the name of the primary contact at each airline, and (4) for cooperative marketing with airlines, documentation of the airline's financial contribution (direct or in-kind).

4.3.2 **Program Costs.** Non-labor costs accrued by Consultant for payments to third parties ("**Program Costs**") shall be allocated to the appropriate Accounting Department and LAWA Project Code. The Consultant's accounting system shall contain a copy of the invoice and a description, in English, of the goods or services purchased sufficient to support allocation to one of the LAWA Project Codes.

4.3.3 **Shared Program Costs.** Program costs shared with Consultant's domestic marketing programs shall not be charged to LAWA under this Contract.

4.3.4 **Corporate Overhead Share.** Corporate overhead expenses shall not be separately charged to LAWA under this Contract.

4.3.5 **International Trade Mission Costs.** Costs allocated to the Contract for City of Los Angeles' international trade missions require LAWA's advance written approval. Consultant's invoice must include (i) a description of the trade mission, its contribution in promoting new or existing routes or airport facilities and services, and

projected costs (ii) describe LAWA's role and identify all LAWA staff members attending the trade mission, and (iii) a detailed accounting of the costs apportioned to LAWA. Consultant shall invoice LAWA for its authorized share of costs based on actual costs incurred.

4.4 **Invoices.** Consultant shall submit monthly invoices for work performed and actual costs incurred during the prior month consistent with the requirements of this Contract, and only for those services set forth in the Scope of Work, Exhibit A, and Task Orders pursuant to Section 6.1. Consultant shall attach to each invoice a status report specifying in detail the quantity and pricing of the services it has supplied to City during the period covered by the invoice which shall contain the following information:

- (a) Written summary of the work performed under each of the three LAWA Project Codes;
- (b) By accounting department and LAWA Project Code, the total costs billed pursuant to Section 4.1 and total Program Costs;
- (c) Time Records and descriptions of Program Costs; and
- (d) Electronic copies of all collateral documentation produced by Consultant.

Unless otherwise specifically directed by the CEO, Consultant shall submit all pertinent Time Records for itself, and for all Sub-Consultants, that relate to each of its submitted monthly invoice(s). Each Time Record must be signed by a duly authorized knowledgeable officer of that firm and must list all projects billed and provide a specific itemization of all hours charged for each task performed.

4.5 **Accompanying Verification.** All invoices submitted pursuant to this Contract shall be certified by a duly authorized and knowledgeable officer of Consultant in a statement containing the following:

“I certify, under penalty of perjury, under the laws of the State of California, that to the best of my knowledge and belief, the above bill/invoice is just, true, and correct according to the terms of this Contract, and that payment has not been received.”

4.6 City reserves the right to require additional substantiation of any payment request submitted if, in the opinion of the CEO or his/her designee (hereinafter collectively referred to as “CEO”), such would be in the best interest of City, including, but not limited to, invoice charges that are inconsistent with this Contract or that require additional supporting documentation. In order to verify charges incurred and invoiced by Consultant in the performance of this Contract, Consultant agrees to make pertinent books and records available to City's representative at LAWA's Office at LAWA's designated address upon fifteen (15) days notice. In the event Consultant does not make available to City the pertinent books and records within the aforesaid fifteen (15) days as set forth in this subsection, Consultant agrees to pay for all travel costs, housing, and other related expenses associated with the audit of said books, reports, accounts, and records by City at Consultant's place of records. City will not audit books, accounts, and/or records

relating to Consultant's overhead, general and administrative expenses and Consultant's profit. The aforesaid records shall not include any proprietary records of Consultant such as cost data.

4.7 Overcharges in Invoices and Overpayments. To the extent that an audit by LAWA, the City, City's independent auditors, Consultant, or their designees, discloses excess charges inaccurately or improperly invoiced to LAWA for Consultant's fees and rates, or for excess payments inaccurately or improperly billed to LAWA, Consultant agrees to remit the amount of overcharge or overpayment to LAWA upon demand. If such audit discloses an overcharge of two percent (2%) or more of the total amount invoiced to LAWA, for any year audited, and such audit is correct, Consultant shall pay the actual costs of such audit, which cost, in the case of audits conducted by LAWA, City's auditors, or City's in-house staff, shall be computed on the basis of two (2) times the direct payroll of the audit staff completing the audit and audit report. Should such audit disclose an underpayment to Consultant, LAWA shall promptly remit the amount of underpayment to Consultant.

4.8 City, the Federal Aviation Administration (FAA), the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records, of Consultant, and/or of Sub-Consultants, which are directly pertinent to this Contract, for the purpose of making audits, examinations, excerpts and transcriptions. Consultant shall maintain "records", including, but not limited to, books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form, sufficient to properly reflect all costs claimed to have been incurred under this Contract. Consultant shall make available to the City and to the Comptroller General, upon request and within a reasonable time, such records, materials and other evidence described herein for examination, audit or reproduction. Such records related to this Contract work shall be maintained and made available by Consultant for not less than six (6) years after final payment on, final termination settlement of, or final dispute resolution of, this Contract, whichever is later. Consultant shall include, in any and all Sub-Consultant agreements under this Contract that exceed One Hundred Thousand Dollars (\$100,000.00), a provision setting forth the record retention requirements specified in this paragraph.

4.9 Consultant shall comply with all applicable laws, rules, regulations, and shall hold all necessary consultations and conferences with personnel of any and all city, county, state, or federal agencies, as applicable, which may have jurisdiction over, or be concerned with, elements of the work to be performed by Consultant under this Contract.

4.10 Consultant acknowledges that Consultant shall be liable to City and LAWA for any payments made to Consultant under this Contract subsequently found by the Federal Aviation Administration ("FAA") to be noncompliant with 49 U.S.C. §§ 47107(b) and 47107 (I) (2) (B) or the Federal Aviation Administration's Airport Revenue Use Policy (64 Fed. Reg. 7696 (Feb. 16, 1999)). Consultant will return the full amount of any such noncompliant payment(s) within the time required by the FAA in any corrective action plan or other formal agreement with LAWA addressing the noncompliant payment(s).

4.11 City, upon receipt and following approval of each payment request, shall remit to Consultant, at the address specified in this Contract, the appropriate amount. Good faith efforts will be made to pay invoices within thirty (30) days of City's receipt thereof. If additional

documentation is necessary or any invoiced amounts are disputed by LAWA, LAWA shall notify Consultant, within thirty (30) days of receiving the invoice, that it is withholding payment for the disputed charge(s) until they are resolved to LAWA's reasonable satisfaction. All undisputed charges shall be paid within thirty (30) days of receipt of invoice.

4.12 City shall not make payments for work not yet performed nor for work deemed unsatisfactory by City. The parties agree that the CEO shall make the final determination as to when Consultant's services or any part thereof have been satisfactorily performed or completed to justify release of any given payment to Consultant under this Contract.

4.13 City is not obligated to pay for Consultant's time, mileage, or other expenses associated with travel unless specifically authorized by advance written notice through Task Orders from City. All travel must be in conformity with the Cost Reimbursable Guidelines, Exhibit B, and the Los Angeles Administrative Code Sections 4.220 through 4.242.8.

4.14 If a necessary change causes an increase in the scope of work or services to be performed or the Services to be supplied by Consultant pursuant to this Contract, then the parties hereto shall first agree upon additional compensation, if any, to be paid to Consultant therefore, and this Contract shall be amended, in writing, prior to the performance by Consultant of said increased work or service.

4.15 The prices offered for the purchase of Services under this agreement shall be as low as those currently charged the Consultant's most favored customers for comparable quantities under similar terms and conditions. If, at the time City places orders for Services, additional discounts are available to Consultant's other government and commercial customers based on volume guarantees, then, on condition that City requests Consultant's then current list of lowest available prices from Consultant, City will be offered the opportunity to purchase Services at such lower prices as those charged to Consultant's most favored customer based on comparable quantities and similar terms and conditions.

Section 5.0 Services to be Performed by Consultant.

5.1 **Scope of Work.** Consultant agrees to perform all Services in strict compliance with the Scope of Work, Exhibit A. All work shall be assigned in written Task Orders issued by City and as may be further described in this Contract including all documents incorporated herein or that may be referenced. Upon request by CEO, Consultant shall provide a complete detailed fee proposal(s) for each task, or phases within the task(s). The fee proposal shall include, but not be limited to, detailed scope of work, total fee, total number of hours, schedule, etc. Consultant shall secure an approved Task Order for each task and/or specific phases with the tasks, prior to performing the required Services.

5.2 **Incidental Work.** It is expressly understood and agreed that Consultant shall perform all work required to complete the Services as described by Task Orders, including work for which no specific proposal item(s) was/were included, and/or including work which is required to furnish final, finished and detailed Work consistent with and fulfilling the intent of the Contract. All such incidental work shall not be considered extra work for which additional compensation can be claimed by Consultant.

5.3 **Deliverables.** In its performance of the Services, Consultant agrees to provide any Deliverables defined in the specific Task Orders to this Contract, and as may be further described in this Contract.

5.4 During the term of this Contract, Consultant shall, at all times, comply with all applicable laws, rules and regulations, of any and all City, State, and Federal agencies, including, but not limited to, the Federal Aviation Administration (“FAA”), the Transportation Security Administration (“TSA”), the Department of Transportation (“DOT”), which may have jurisdiction over, or be concerned with, the programming and planning of Program tasks. Consultant shall work with the City to resolve any conflicting legal authorities and/or requirements, provided however, to the extent resolution of conflicts is not possible, the City’s determination will be final.

Section 6.0 Task Orders.

6.1 Any Services to be provided by Consultant shall only be performed pursuant to Task Orders that provide a detailed description of either the services or tasks to be performed and the personnel to be provided, the time frame for the work to be performed, the not to exceed amount to be charged and any estimated expenses.

6.2 All personnel to be assigned to work under this Contract shall be authorized through a written Task Order.

6.3 Consultant shall provide a complete detailed proposal for each Task Order.

6.4 Task Orders and any and all amendments to Task Orders shall be in writing and signed by LAWA and the Consultant.

6.5 This is a non-exclusive Contract and Consultant shall be paid only for the scope and amount authorized within any given executed Task Order. Upon written authorization by LAWA, funds may be reallocated from one Task Order to another. In the interests of clarity, while LAWA and Consultant shall mutually agree on the annual dollar amounts to be allocated to each Task associated with this Contract, the parties may subsequently agree to reallocate funds based on business need, subject to LAWA’s written authorization.

Section 7.0 Time Periods for Completion of Consultant’s Services.

7.1 It is understood and agreed that time is of the essence in the performance of each task(s), and phases within each task(s), under this Contract. The services and any defined deliverables shall be completed and delivered in a prompt and timely fashion so as to permit the effective review and employment of the deliverables by City during and throughout the term of this Contract.

7.2 The time during which Consultant is delayed in its work by the acts or neglect of City, or by City’s employees or those under it by Contract or otherwise, by court order, by acts or failures to act of local, State and Federal Agencies, and the Airlines, or by acts of God which Consultant could not reasonably have foreseen and provided for, and which are not caused by, or the continuance of which are not due to any fault or negligence on the part of Consultant, shall be added to the applicable period of completion of Consultant’s services under this Contract, but City shall not be liable to Consultant for any damages on account of any such delay(s).

Section 8.0 Notices.

8.1 Notice to City. Written notices to City hereunder, with a copy to the City Attorney of the City of Los Angeles, shall be given by registered or certified mail, postage prepaid, and addressed to:

**Department of Airports
Attn: Becca Doten
1 World Way
Post Office Box 92216
Los Angeles, CA 90009-2216**

**Los Angeles City Attorney
Attn: General Counsel
1 World Way, Room 104
Post Office Box 92216
Los Angeles, CA 90009-2216**

or to such other address as City may designate by written notice to Consultant.

8.2 Notice to Consultant. Written notices to Consultant hereunder, with a copy to the City Attorney of the City of Los Angeles, shall be given by registered or certified mail, postage prepaid, and addressed to:

**Los Angeles Tourism & Convention Board
Attn: Patti MacJennett
Chief Stakeholder Officer
633 W. Fifth Street., Suite 1800
Los Angeles, CA 90071**

or to such other address as Consultant may designate by written notice to City.

8.3 The execution of any such notice by the CEO shall be as effective as to Consultant as if it were executed by the Board, or by Resolution or Order of said Board, and Consultant shall not question the authority of the CEO or the designee to execute any such notice.

8.4 All such notices, except as otherwise provided herein, may either be delivered personally to CEO with a copy to the Office of the City Attorney, Airport Division, in the one case, or to Consultant in the other case, or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid by certified or registered mail, return receipt requested, and shall be effective five (5) days after deposit in the mail.

Section 9.0 Insurance.

9.1 Consultant shall procure at its expense and keep in effect at all times during the term of this Contract, the types and amounts of insurance specified on Insurance, **Exhibit C**, attached hereto and incorporated by reference herein. The specified insurance shall also, either by provisions in the policies, by LAWA's own endorsement form or by other endorsement attached to such policies, include and insure City, its Department of Airports, its Board and all of City's officers, employees, and agents, their successors and assigns, as additional insureds, against the areas of risk described in **Exhibit C**, hereof with respect to Consultant's acts or omissions in its operations, use, and occupancy of all Airports owned and/or operated by Department (hereinafter collectively referred to as "Airport") or other related functions performed by or on behalf of Consultant in, on or about Airport.

9.2 Each specified insurance policy (other than Workers' Compensation and Employers' Liability and fire and extended coverages) shall contain a Severability of Interest (Cross Liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability", and a Contractual Endorsement which shall state, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Contract with the City of Los Angeles".

9.3 All such insurance shall be primary and noncontributing with any other insurance held by the Department where liability arises out of or results from the acts or omissions of Consultant, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Consultant. Such policies may provide for reasonable deductibles and/or retentions acceptable to the CEO based upon the nature of Consultant's operations and the type of insurance involved.

9.4 City shall have no liability for any premiums charged for such coverage(s). The inclusion of City, its Department, Board and all of City's officers, employees, and agents, their successors and assigns, as insureds is not intended to, and shall not, make them, or any of them, a partner or joint venturer with Consultant in Consultant's operations at Airport. In the event Consultant fails to furnish City evidence of insurance and maintain the insurance as required, City, upon ten (10) days prior written notice to comply, may (but shall not be required to) procure such insurance at the cost and expense of Consultant, and Consultant agrees to promptly reimburse City for the cost thereof plus fifteen percent (15%) for administrative overhead. Payment shall be made within thirty (30) days of invoice date.

9.5 At least ten (10) days prior to the expiration date of the above policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with City. If such coverage is canceled or reduced, Consultant shall, within fifteen (15) days of such cancellation of coverage, file with City evidence that the required insurance has been reinstated or provided through another insurance company or companies.

9.6 Consultant shall provide proof of all specified insurance and related requirements to City either by production of the actual insurance policy(ies), by use of City's own endorsement form(s), by broker's letter acceptable to the CEO in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance acceptable to the CEO. The documents evidencing all specified coverages shall be filed with City in duplicate and shall be procured and approved in strict accordance with the provisions in Sections 11.47 through 11.56 of City's Administrative Code prior to Consultant occupying the Airport. The documents shall contain the applicable policy number, the inclusive dates of policy coverages, and the insurance carrier's name, shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, reduction in coverage, or nonrenewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) days prior to the effective date thereof. City reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance.

9.7 City and Consultant agree that the insurance policy limits specified herein shall be reviewed for adequacy annually throughout the term of this Contract by the CEO who may,

thereafter, require Consultant, on thirty (30) days prior, written notice, to adjust the amounts of insurance coverage to whatever reasonable amount said CEO deems to be adequate.

9.8 Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code Sections 1760 through 1780, and any other regulations and/or directives from the State Department of Insurance or other regulatory board or agency. Consultant agrees, except where exempted, to provide City proof of said insurance by and through a surplus line broker licensed by the State of California.

Section 10.0 City Held Harmless

10.1 In addition to the provisions of Section 9 Insurance herein and to the fullest extent permitted by law, Consultant shall defend, indemnify, and hold harmless City and any and all of City's Boards, officers, agents, employees, assigns, successors in interest from and against any and all suits, claims, causes of action, liability, losses, damages, demands or expenses (including, but not limited to, attorney's fees and costs of litigation), claimed by anyone (including Consultant and/or Consultant's agents or employees) by reason of injury to, or death of, any person(s) (including Consultant and/or Consultant's agents or employees), or for damage to, or destruction of, any property (including property of Consultant and/or Consultant's agents or employees) or for any and all other losses, founded upon or alleged to arise out of, pertain to, or relate to the Consultant's (and/or its agents or employees) and/or Sub-Consultant's (and/or its agents or employees) performance of the Contract, whether or not contributed to by any act or omission of City, or of any of City's Boards, officers, agents or employees. If applicable (a) where such suits, claims, causes of action, liability, losses, damages, demands or expenses arise from or relate to Consultant's performance of a "Construction Contract" as defined by California Civil Code section 2783, this paragraph shall not be construed to require Consultant to indemnify or hold City harmless to the extent such suits, causes of action, claims, losses, demands and expenses are caused by the City's sole negligence, willful misconduct or active negligence; and/or where such suits, claims, causes of action, liability, losses, damages, demands or expenses arise from Consultant's design professional services as defined by California Civil Code section 2782.8, Consultant's duty to indemnify, including its duty and cost to defend, shall be limited to allegations, suits, claims, causes of action, liability, losses, damages, demands or expenses arising out of, pertaining to, or relating to the Consultant's negligence, recklessness or willful misconduct in the performance of the Contract.

10.2 In Consultant's defense of the City under this Section, negotiation, compromise, and settlement of any action, the City shall retain discretion in and control of the litigation, negotiation, compromise, settlement, and appeals there from, as required by the Los Angeles City Charter, particularly Article II, Sections 271, 272, and 273 thereof.

10.3 Survival of Indemnities. The provisions of this Section 10.0 City Held Harmless and all subsections thereof shall survive the termination of this Contract.

Section 11.0 Compliance With All Applicable Laws

11.1 Consultant shall be solely responsible for fully complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws and orders of any federal, state, or local government authority.

11.2 Consultant shall be solely responsible for fully complying with any and all applicable present and future orders, directives, or conditions issued, given or imposed by the CEO which are now in force or which may be hereafter adopted by the Board of Airport Commissioners or the CEO with respect to the operation of Airport.

11.3 Consultant shall be solely responsible for any and all civil or criminal penalties assessed as a result of its failure to comply with any of these rules, regulations, restrictions, restrictions, ordinances, statutes, laws, orders, directives or conditions.

11.4 Consultant shall be solely responsible for insuring that the Services fully comply with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws or orders of any federal, state, or local government authority.

Section 12.0 Disabled Access.

12.1 Consultant shall be solely responsible for fully complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access including any services, programs, improvements or activities provided by Consultant. Consultant shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Consultant's noncompliance. Further, Consultant agrees to cooperate fully with City in its efforts to comply with the Americans With Disability Act of 1990 and any amendments thereto, or successor statutes.

12.2 Should Consultant fail to comply with Section 12.1, then C i t y shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Consultant will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.

Section 13.0 Independent Consultant.

13.1 It is the express intention of the parties that Consultant is an independent Consultant and not an employee, agent, joint venturer or partner of City. Nothing in this Contract shall be interpreted or construed as creating or establishing the relationship of employer and employee between Consultant and City or between Consultant and any official, agent, or employee of City. Both parties acknowledge that Consultant is not an employee of City.

Consultant shall retain the right to perform services for others during the term of this Contract, unless specified to the contrary herein or prohibited by conflict of interest or ethics laws, regulations, or professional rules of conduct.

Section 14.0 Attorney's Fees. If City shall, without any fault, be made a party to any litigation commenced by or against Consultant arising out of Consultant's use or occupancy of Airport, then Consultant shall pay all costs, expenses, and reasonable attorney's fees incurred by or imposed upon City in connection with such litigation. Each party shall give prompt notice to the other of any claim or suit instituted against it that may affect the other party.

Section 15.0 Assignment or Transfer Prohibited.

15.1 Consultant shall not, in any manner, directly or indirectly, by operation of law or otherwise, hypothecate, assign, transfer, or encumber this Contract, or any portion thereof or any interest therein, in whole or in part, without the prior, written consent of City.

15.2 For purposes of this Contract, the terms “transfer” and “assign” shall include, but not be limited to, the following: (i) if Consultant is a joint venture, a limited liability company, or a partnership, the transfer of fifty percent (50%) or more of the interest or membership in the joint venture, the limited liability company, or the partnership; (ii) if Consultant is a corporation, any cumulative or aggregate sale, transfer, assignment, or hypothecation of fifty percent (50%) or more of the voting shares of Consultant; (iii) the dissolution by any means of Consultant; and, a change in business or corporate structure. Any such transfer, assignment, mortgaging, pledging, or encumbering of Consultant without the written consent of the CEO is a violation of this Contract and shall be voidable at City’s option and shall confer no right, title, or interest in or to this Contract upon the assignee, mortgagee, pledgee, encumbrancer, or other lien holder, successor, or purchaser.

15.3 When proper consent has been given by the CEO, the provisions of this Contract shall be binding upon, and shall inure to the benefit of, the heir(s), successor(s), executor(s), administrator(s) and assign(s) of the parties hereto.

Section 16.0 Abandonment of Project and Cancellation of Contract; Suspension of Services.

16.1 If, at any time, the CEO for any reason, with or without cause, decides to terminate the Project, or any part thereof, or Consultant’s services, or any part thereof, the CEO may: (1) require Consultant to terminate the performance of all, or a portion, of its services; and/or (2) terminate this Contract or any part thereof, upon giving Consultant thirty (30) days' written notice prior to the effective date of such termination which date shall be specified in such notice.

16.2 In the event this Contract, or any portion thereof, and/or Consultant's services, or any portion thereof, is terminated by the CEO, City shall compensate Consultant for services satisfactorily performed and completed prior to the effective date of such termination, plus any non-refundable expenses or commitments incurred by Consultant in the performance of any Task Order issued by LAWA prior to the effective date of such termination, less payment previously made by City for said services. City shall not be liable for the cost of work performed or expenses incurred subsequent to the date specified by City in the thirty (30) day written notice to terminate, and in no event shall such payments exceed the amount specified in Section 4 hereof, to be paid by City to Consultant, without the prior approval of Board, unless this Contract is first amended in writing. Such payments shall be made by City within a reasonable time following receipt of Consultant's invoice(s) therefore.

16.3 It is understood and agreed that should the CEO decide that any portion of Project and/or Consultant's services shall be suspended, or terminated, this Contract shall continue to apply to that portion or those portions not suspended or terminated, and that such suspension or termination of a portion of Project or services shall in no way make void or invalid this Contract.

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

Section 17.0 Default and Right of Termination

17.1 In the event Consultant fails to abide by the terms, covenants and conditions of this Contract, City shall give Consultant written notice to correct the defect or default and, if the same is not corrected, or substantial steps are not taken toward accomplishing such correction, within ten (10) days after City's mailing such notification, City may terminate this Contract forthwith upon giving Consultant a ten (10) day written notice.

17.2 Notwithstanding anything herein to the contrary, City has the right to terminate this Contract, with or without cause, upon giving Consultant thirty (30) days advance written notice or as otherwise provided herein.

17.3 A material default or breach of the terms of any other lease, license, permit, or contract held by Consultant with City shall constitute a material breach of the terms of this Contract and shall give City the right to terminate this contract for cause in accordance with the procedures set forth herein.

Section 18.0 Waiver. The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any other term, covenant, or condition, or of any subsequent breach of the same term, covenant, or condition.

Section 19.0 Intellectual Property Ownership and Rights

19.1 **Ownership**. All Work Products originated and prepared by Consultant or its sub-Consultant of any tier under this Contract shall be and remain the property of the City for its use in any manner it deems appropriate; provided, however, that any use unintended under this Contract, or modification or alteration of the Work Products without the direct involvement of the Consultant shall be without Liability to Consultant. Work Products are all works, tangible or not, created under this Contract for the City including, without limitation, documents, material, data, reports, manuals, specifications, artwork, drawings, sketches, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas matters and combinations thereof, and all forms of intellectual property therein. To the extent applicable under the U.S. Copyright Act, all works created by Consultant under this Contract are work- made-for-hire created for the sole benefit and ownership of the City. Consultant hereby assigns, and agrees to assign to City, all goodwill, copyrights and trademarks in all Work Products originated and prepared by Consultant under this Contract. Consultant further agrees to execute any documents necessary for the City to perfect, memorialize, or record the City's ownership of rights provided herein. This paragraph shall survive expiration or termination of this Contract.

19.2 **Obligations on Sub-Consultant**. Any sub-contract entered into by Consultant relating to this Contract, to the extent allowed hereunder, shall include a like provision (on City's

ownership in Work Products) for work to be performed under this Contract to Contractually bind or otherwise oblige its sub-Consultants performing work under this Contract such that the City's ownership rights of all Work Products are preserved and protected as intended herein. Failure of Consultant to comply with this requirement or to obtain the compliance of its sub-Consultant with such obligations shall subject Consultant to all remedies allowed under law and termination of this Contract.

19.3 **Use of Work Products by Third Parties**. Consultant shall not make available, provide or disclose any Work Product to any third party without prior written consent of the City.

19.4 **No Transfer of Pre-Existing Intellectual Property**. Nothing herein may be construed to transfer to the City any ownership, interest or right in any of the Consultant's intellectual property, trade secrets or know-how that is pre-existing before commencement of this Contract, or that is derived independent of Consultant's performance of this Contract.

19.5 **Non-Infringement Warranty**. Consultant hereby represents and warrants that performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, right of publicity and proprietary information. This section shall survive expiration or termination of this Contract.

19.6 **Indemnification of Third Party Intellectual Property Infringement Claims**. Consultant will defend at its expense and hold harmless in any infringement claim, demand, proceeding, suit or action ("**Action**" hereinafter) against the City, its commissioners, officers, directors, agents, employees, or affiliates ("**City Defendants**") for any infringement or violation, actual or alleged, direct or contributory, intentional or otherwise, of any intellectual property rights, including patents, copyrights, trade secrets, trademarks, service marks, ideas, concepts, themes, methods, algorithms and other proprietary information or rights (collectively "**Intellectual Property Rights**" hereinafter), (1) on or in any design, medium, matter, plant, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by the Consultant or Sub-Consultants in performing the work under this Contract; or (2) as a result of the City's actual or intended use of any Work Product furnished by Consultant and/or Sub-Consultant under the Contract. Consultant also shall indemnify the City against any loss, cost, expense, liability, and damages awarded against the City or settlement as a consequence of such Action. Under no circumstances is Consultant liable under this sub-section to defend and hold the City harmless, where the City licenses or sublicenses for profit any of the intellectual property rights in the Work Product to a third-party whose use of the intellectual property gives rise to the alleged infringement and whose use is not in any way part of the intended use for the benefit of the City under this Contract.

19.7 In Consultant's defense of the City Defendants, negotiation, compromise, and settlement of any such infringement Action, LAWA and the Board shall retain discretion in and control of the litigation, negotiation, compromise, settlement, and appeals there from, as required by the Los Angeles City Charter, particularly Article II, Sections 271, 272 and 273 thereof.

19.8 Where any Work Product furnished by Consultant is in a form of software or firmware ("**Vehicle**"), and if any part of the such Vehicle (a) becomes the subject of an Action, is adjudicated as infringing a third party's Intellectual Property right, or (c) has its use enjoined or

license terminated; Consultant shall, with the City's consent, do one of the following immediately. Consultant shall at its expense either:

i) procure for the City the right to continue using said part of the Vehicle;

OR

ii) replace the Vehicle with a functionally equivalent, non-infringing product.

Exercise of any of the above-mentioned options shall not cause undue business interruption to the City or diminish the intended benefits and use of the Work Product by the City under the specifications herein.

19.9 Rights and remedies available to the City hereinabove shall survive the expiration or other termination of this agreement. Further, the rights and remedies are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the City of Los Angeles. This Paragraph shall survive the expiration or other termination of this Contract.

19.10 **Consultant's Trade Secrets**. Trade Secrets, as used in this Contract, are defined in California Government Code Section 6254.7 and California Evidence Code Section 1061(a)(1) and may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within a commercial concern who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it. No Work Products or Deliverables created and delivered to City under this Contract may constitute Trade Secrets of Consultant.

19.11 Consultant hereby stipulates that City is not nor expected to be in possession of any of Consultant's Trade Secrets. In the unlikely event that Consultant reveals any of its Trade Secrets (that is so marked conspicuously on every page) to City to further the intent and purpose of this Contract and so notifies City in writing that it has revealed its Trade Secrets to City, then City agrees to notify Consultant of any request made pursuant to the California Public Records Act, Cal. Gov. Code, § 6250 et seq., ("CPRA") that includes Consultant's Trade Secrets. City may disclose any of Consultant's Trade Secrets if Consultant does not object in writing to the City after ten (10) calendar days from the notice mailing date by the City to Consultant of the CPRA request.

19.12 Unless expressly stated otherwise, for all pre-existing third-party and Consultant's intellectual property (if any), including software, required to operate or use any Work Product delivered by Consultant, Consultant hereby grants and will cause others to grant City (including its agents and Consultants) a royalty-paid, perpetual, irrevocable license to use such pre-existing intellectual property internally by the City (including its agents and Consultants).

Section 20.0 Miscellaneous Provisions

20.1 **Fair Meaning**. The language of this Contract shall be construed according to its fair meaning, and not strictly for or against either LAWA or Consultant.

20.2 **Section Headings.** The Section headings appearing herein are for the convenience of LAWA and Consultant, and shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this Contract.

20.3 **Void Provisions.** If any provision of this Contract is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Contract, and all such other provisions shall remain in full force and effect.

20.4 **Two Constructions.** It is the intention of the parties hereto that if any provision of this Contract is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

20.5 **Laws of California.** This Contract shall be construed and enforced in accordance with the laws of the State of California and venue shall lie in the appropriate U.S. Federal Court or California Superior Court located in Los Angeles County.

20.6 **Gender.** The use of any gender herein shall include all genders, and the use of any number shall be construed as the singular or the plural, all as the context may require.

20.7 **Ordinance and Los Angeles Administrative Code (hereinafter referred to as "Code") Language Governs.** Ordinance and Code Exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the Exhibits and the applicable ordinance and/or code language, or amendments thereto, the language of the ordinance and/or code shall govern.

20.8 **Amendments to Ordinances and Codes.** The obligation to comply with any Ordinances and Codes that have been incorporated into this Contract by reference shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Contract.

20.9 **Force Majeure.** Notwithstanding any other provision hereof, neither the Consultant nor the City shall be held responsible or liable for failure to meet their respective obligations under this agreement, if such failure shall be due to causes beyond the Consultant's or City's control. Such causes include but are not limited to: strikes, fire, flood, civil disorder, acts of God or the public enemy, acts of terrorism, acts of the Federal Government or any unit of state or local government in either sovereign or contractual capacity, insurrection, epidemics, freight embargos or delay in transportation, and changes in federal, state or local laws.

Section 21.0 Confidentiality of Information.

21.1 Unless expressly agreed otherwise by the CEO/Board in writing, all Deliverables (including but not limited to all drawings, documents, specifications, plans, reports, statistics and data) and any other information in any form prepared by or provided to Consultant in connection with this Contract (collectively, "Program Data") are property of the City and are confidential. Consultant expressly agrees that, except as specifically authorized by the CEO/Board in writing or as may be required by law, Program Data will be made available only to the CEO/Board, his/her designees, and, on a need-to-know basis, Consultant's employees and subConsultants. Consultant acknowledges that Program Data may contain information vital to the security of the Airports.

Consultant shall take utmost precaution/measures while sharing information with its SubConsultants, and shall do so on a need-to-know basis only, even while working on the Program. If Consultant fails to comply with this section, Consultant will be liable for the reasonable costs of actions taken by the City, the airlines, the Federal Aviation Administration (“FAA”), or the Transportation Security Administration (“TSA”) that the applicable entity reasonably incurs in good faith as a result of such failure, including, without limitation, the design and construction of improvements, procurement and installation of security devices, and posting of guards. Consultant and its SubConsultants shall store all the information gathered as part of this Program in a secure and safe place during and/or after the performance of this Contract.

21.2 Except as authorized in writing by the CEO/Board, Consultant shall not issue any publicity news releases or grant press interviews promoting City’s decision to award this Contract to Consultant, and except as may be required by law during or after the performance of this Contract, shall not disseminate any information regarding its Services or the tasks/projects to which the Services pertain, unless directly related to the performance of Consultant’s Services in connection with this Contract. Notwithstanding the foregoing, Consultant shall be permitted to share this Contract and all its terms with its General Counsel and the independent accounting firm then responsible for conducting annual audits of the Consultant’s financials. In addition, Consultant may disclose the annual fees payable to Consultant under this Contract as part of Consultant’s budget and financial reporting processes to its employees, Board of Directors, the Los Angeles Department of Convention & Tourism Development and the Los Angeles Tourism Marketing District Corporation.

21.3 If Consultant is presented with a subpoena or a request by an administrative agency regarding any Program Data which may be in Consultant's possession by reason of this Contract, Consultant must immediately give written notice to the CEO/Board and to the City Attorney for the City of Los Angeles, with the understanding that the City will have the opportunity to contest such process by any means available to it before any Program Data are submitted to any court, administrative agency, or other third party. Consultant, however, is not obligated to withhold the delivery beyond the time ordered by the court or administrative agency, unless the subpoena or request is quashed or the time to produce is otherwise extended.

Section 22.0 Airport Security, Badging and Vehicles.

22.1 This Contract is expressly subject to 49 U.S.C. Chapter 44903, Security, the provisions of which, and all rules and regulations promulgated under it, are incorporated by reference. Consultant must comply, and must cause its Subconsultants/Subconsultants, guests, and invitees to comply, with all such rules and regulations as they apply to them, as well as any other applicable rules and regulations governing the conduct and operation of the City’s Airports which may be promulgated from time to time by the CEO/Board.

22.2 If, in the performance of this Contract, any employee of Consultant or any Subconsultant has (i) unescorted access or regular escorted access to aircraft located on or at the City's Airport(s); (ii) unescorted access or regular escorted access to secured areas; or (iii) capability to allow others to have unescorted access to such aircraft or secured areas, then that employee is subject to such employment investigations (including the submission of fingerprints to the City to conduct criminal history record checks) as well as the FAA, the TSA, and other agencies that the City considers prudent.

22.3 All such individuals who pass the requisite employment investigation will be required to participate in a security awareness program and will be issued an identification badge that must be visibly displayed at all times while on the airfield or other secured areas of the Airport(s). They will further be required to report suspected security violations in accordance with rules and regulations promulgated by the Secretary of the United States Department of Transportation, by the Administrator of the FAA, the Under Secretary of the TSA and the CEO/Board.

22.4 All vehicles and equipment must be kept within the work areas established for that work shift unless traveling to or from the Program site. Under no circumstances may vehicles or equipment be parked outside these areas. At no time may any vehicles be parked or operate within 131 feet of the centerline of any operational taxiway segment or within 257 feet of the centerline of any operational runway during any work shift. At no time may any vehicles or equipment be parked within 160 feet of the centerline of an operational taxiway segment or within 400 feet of the centerline of an operational runway (object free area) during periods other than the work shifts.

22.5 Failure to comply with applicable rules and regulations may result in administrative actions or judicial prosecution. Consultant will be solely liable for any fines or penalties imposed for violation of rule(s) and regulation(s) by its employees and those of its subconsultants, guests, and invitees.

22.6 All badging request must be approved in writing by the CEO and or his/her authorized representative managing this contract.

Section 23.0 Compliance with Los Angeles City Charter Section 470(c)(12).

Consultant, Subconsultants, 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, Consultant is required to provide and update certain information to the City as specified by law. Any Consultant subject to Charter Section 470(c)(12) shall include the following notice in any contract with a subconsultant 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 a subconsultant on City of Los Angeles Contract No. _____. Pursuant to City Charter Section 470(c)(12), subconsultant and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for twelve (12) months after the City contract is signed. Subconsultant is required to provide to Consultant names and addresses of the subconsultant's principals and contract information and shall update that information if it changes during the twelve (12) month time period. Subconsultant's information included must be provided to Consultant within five (5) business days. Failure to comply may result in termination of contract or any other available legal remedies including 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.

Consultant, SubConsultants, and their Principals shall comply with these requirements and limitations throughout the term of this Contract. Violation of this provision shall entitle the City to terminate this Contract and pursue any and all legal remedies that may be available.

Section 24.0 Municipal Lobbying Ordinance. Consultant shall comply with the provisions of the City of Los Angeles Municipal Lobbying Ordinance throughout the term of this Contract.

Section 25.0 Entire Agreement. This Contract contains the entire agreement between the parties hereto and supersedes any and all prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements or understandings, oral or written, between and among the parties relating to the subject matter contained in this Contract which are not fully set forth herein. This is an integrated Contract.

Section 26.0 Living Wage and Service Contract Worker Retention Requirements.

26.1 Living Wage Ordinance

26.1.1 General Provisions: Living Wage Policy. This Contract is subject to the Living Wage Ordinance ("LWO") (Section 10.37, et seq., of the Los Angeles Administrative Code, which is incorporated herein by this reference. The LWO requires that, unless specific exemptions apply, any employees of service Consultants who render services that involve an expenditure in excess of Twenty Five Thousand Dollar (\$25,000) and a contract term of at least three (3) months are covered by the LWO if any of the following applies: (1) at least some of the services are rendered by employees whose work site is on property owned by the City, (2) the services could feasibly be performed by City of Los Angeles employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year. The LWO also requires that employees be provided with at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than Twelve Dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. Consultant shall permit access to work sites for authorized City representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by the City. Whether or not subject to the LWO, Consultant shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to Section 10.37.6(c), Consultant agrees to comply with federal law prohibiting retaliation for union organizing.

26.1.2 Living Wage Coverage Determination. An initial determination has been made that this is a service contract under the LWO, and that it is not exempt from coverage by the LWO. Determinations as to whether this Contract is a service contract covered by the LWO, or whether an employer or employee are exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. In some circumstances, applications for exemption must be reviewed periodically. City shall notify Consultant in writing about any redetermination by City of coverage or exemption status. To the extent Consultant claims non-coverage or exemption from the provisions of the LWO, the burden shall be on Consultant to prove such non-coverage or exemption.

26.1.3 Compliance; Termination Provisions And Other Remedies: Living Wage Policy. If Consultant is not initially exempt from the LWO, Consultant shall comply with all of the provisions of the LWO, including payment to employees at the minimum wage rates, effective on the Execution Date of this Contract, and shall execute the Declaration of Compliance Form attached to this Contract, as part of Exhibit C, contemporaneously with the execution of this Contract. If Consultant is initially exempt from the LWO, but later no longer qualifies for any exemption, Consultant shall, at such time as Consultant is no longer exempt, comply with the provisions of the LWO and execute the then currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of this Contract and City shall be entitled to terminate this Contract and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if City determines that Consultant violated the provisions of the LWO. The procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided elsewhere in this Contract. Nothing in this Contract shall be construed to extend the time periods or limit the remedies provided in the LWO.

26.2 Service Contract Worker Retention Ordinance. This Contract may be subject to the Service Contract Worker Retention Ordinance (“**SCWRO**”)(Section 10.36, et seq, of the Los Angeles Administrative Code), that is incorporated herein by this reference. If applicable, Consultant must also comply with the SCWRO which requires that, unless specific exemptions apply, all employers under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of Twenty Five Thousand Dollars (\$25,000) and a contract term of at least three (3) months, shall provide retention by a successor Consultant for a ninety (90) day transition period of the employees who have been employed for the preceding twelve (12) months or more by the terminated Consultant or subConsultant, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if City determines that the subject Consultant violated the provisions of the SCWRO.

Section 27.0 Small Business Enterprise

27.1 Consultant hereby agrees and obligates itself to utilize the services of the Small Business Enterprise (“**SBE**”) firms, Local Business Enterprise (“**LBE**”) firms, and Local Small Business Enterprise (“**LSBE**”) firms as designated in its Proposal on the level designated in its

Proposal (specifically, a Ten Percent (10%) SBE, Three Percent (3%) LBE, and Two Percent (2%) LSBE Subcontractor level of participation). In the interests of clarity, these percentages are not additive. For purposes of illustration, should Consultant utilize the services of an LSBE Subcontractor at 10% that would satisfy the total Small Business Enterprise requirement.

27.2 Consultant hereby further agrees and obligates itself to strictly comply with all of the Rules and Regulations of LAWA's Small Business Enterprise Program and Local Business Enterprise Program. Failure to comply with any of the Program's requirements shall subject the Consultant to the "Penalties" set forth in the Program's Rules.

27.3 Consultant shall submit, on a monthly basis, together with its invoice for payment the SBE Utilization Form listing the SBE SubConsultants utilized during the reporting period. Consultant shall cooperate with LAWA personnel in providing such information as shall be requested by LAWA in order to ensure compliance with the provisions of this section. LAWA will not process or pay Consultant's subsequent invoices if the SBE Utilization Forms are not timely submitted or if the Consultant fails to cooperate with LAWA personnel by promptly providing any and all information related to SBE participation requested by LAWA.

27.4 Failure to comply with any of the terms of this Section (or the terms of this Contract) shall constitute a material breach of contract and may result in the Consultant being deemed "Non-Responsible." (Section 10.40 et seq. of the Los Angeles Administrative Code.)

Section 28.0 Nondiscrimination and Equal Employment Practices/ Affirmative Action Program.

28.1 Federal Non-Discrimination Provisions

28.1.1 The Consultant assures that it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates the Consultant or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. This Provision binds Consultant from the bid solicitation period through the completion of the contract. All subcontracts awarded under or pursuant to this Contract shall contain this provision.¹

¹ Pursuant to Section 520 of the Airport and Airway Improvement Act of 1982, LAWA Consultants must comply with general civil rights prohibiting discrimination in employment practices.

28.2 Municipal Non-Discrimination Provisions.

28.2.1 Non-Discrimination In Use Of Airport. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition in the Contract, transfer, use, occupancy, tenure, or enjoyment of the Airport or any operations or activities conducted on the Airport. Nor shall Consultant or any person claiming under or through Consultant establish or contract any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of Consultants, subConsultants, or vendees of the Airport. Any assignment or transfer, which may be permitted under this Contract, shall also be subject to all non-discrimination clauses contained in Section 25.

28.2.2 Non-Discrimination In Employment. During the term of this Contract, Consultant agrees and obligates itself in the performance of this contract not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition. Consultant shall take affirmative action to insure that applicants for employment are treated, during the term of this Contract, without regard to the aforementioned factors and shall comply with the affirmative action requirements of the Los Angeles Administrative Code, Sections 10.8, et seq., or any successor ordinances or law concerned with discrimination.

28.2.3 Equal Employment Practices. Throughout the term of this Contract, Consultant agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"), including any future amendments thereto, which is incorporated herein by this reference. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of Consultant to comply with the Equal Employment Practices provisions of this Contract may be deemed to be a material breach of this Contract. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to Consultant. Upon a finding duly made that Consultant has failed to comply with the Equal Employment Practices provisions of this Contract, this Contract may be forthwith terminated, cancelled, or suspended.

28.2.4 Affirmative Action Program. Throughout the term of this Contract, Consultant agrees to comply with Section 10.8.4 of the Los Angeles Administrative Code ("Affirmative Action Program"), including any future amendments thereto, which is incorporated herein by this reference. By way of specification but not limitation, pursuant to Sections 10.8.4.E and 10.8.4.F of the Los Angeles Administrative Code, the failure of Consultant to comply with the Affirmative Action Program provisions of this Contract may be deemed to be a material breach of this Contract. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to Consultant. Upon a finding duly made that Consultant has failed to comply with the Affirmative Action Program provisions of this Contract, this Contract may be forthwith terminated, cancelled, or suspended.

28.3 All subcontracts awarded under or pursuant to this Contract shall contain similar provisions, and Consultant shall require each of its subconsultants to complete a like certification and to submit to Consultant an Affirmative Action Plan acceptable to City.

Section 29.0 Business Tax Registration.

29.1 Consultant represents that it has registered its business with the City Clerk of City and has obtained, and presently holds, from that Office a Business Tax Registration Certificate, or a Business Tax Exemption Number, required by City's own Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 and following, of City's Municipal Code).

29.2 Consultant shall maintain, or obtain as necessary, all such Certificates required of it under said Ordinance and shall not allow any such Certificate to be revoked or suspended during the term hereof.

Section 30.0 Child Support Orders. This Contract is subject to Section 10.10, Article I, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders, which is incorporated herein by this reference. Pursuant to this Section, Consultant (and any subconsultant of Consultant providing services to LAWA under this Contract) shall (1) fully comply with all State and Federal employment reporting requirements for Consultant's or Consultant's subconsultant's employees applicable to Child Support Assignment Orders; (2) certify that the principal owner(s) of Consultant and applicable subconsultants are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of this Contract. Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, failure of Consultant or an applicable subconsultant to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Consultant or applicable subconsultants to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this Contract subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Consultant by City (in lieu of any time for cure provided elsewhere in this Contract).

Section 31.0 Contractor Responsibility Program.

31.1 Pursuant to Resolution No. 21601 adopted by the Board of Airport Commissioners, effective August 23, 2011, it is the policy of Los Angeles World Airports (LAWA) to ensure that all LAWA Consultants/Contractors have the necessary quality, fitness and capacity to perform the work set forth in the contract. LAWA shall award contracts only to entities and individuals it has determined to be Responsible Consultants/Contractors. The provisions of this Program apply to leases and contracts for construction, for services, and for purchases of goods and products that require Board approval.

31.2 Bidders/Proposers are required to complete and submit with the bid/proposal the "Contractor Responsibility Program Questionnaire" that provides information LAWA needs in order to determine if the bidder/proposer is responsible and has the capability to perform the

Services specified in this Contract. Bidders/Proposers are also required to complete, sign and submit with the bid/proposal the “Contractor Responsibility Program Pledge of Compliance.” Bidders/Proposers are also required to respond within the specified time to LAWA’s request for information and documentation needed to support a Contractor Responsibility determination. Subconsultants will be required to submit the Pledge to the prime Consultant prior to commencing work. The CRP Rules and Regulations are available at <http://www.lawa.org>.

Section 32.0 Equal Benefits Ordinance.

32.1 Unless otherwise exempt, Consultant shall comply with the applicable provisions of the Equal Benefits Ordinance (“**EBO**”), Section 10.8.2.1 of the Los Angeles Administrative Code throughout the term of this Contract. Consultant shall not, in any of its operations within the City of Los Angeles or in other locations owned by the City of Los Angeles, including the Airport, discriminate in the provision of Non-ERISA Benefits (as defined below) between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration. As used above, the term “Non-ERISA Benefits” shall mean any and all benefits payable through benefit arrangements generally available to Consultant’s employees which are neither “employee welfare benefit plans” nor “employee pension plans”, as those terms are defined in Sections 3(1) and 3(2) of ERISA. Non-ERISA Benefits shall include, but not be limited to, all benefits offered currently or in the future, by Consultant to its employees, the spouses of its employees or the domestic partners of its employees, that are not defined as “employee welfare benefit plans” or “employee pension benefit plans”, and, which include any bereavement leave, family and medical leave, and travel discounts provided by Consultant to its employees, their spouses and the domestic partners of employees.

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

“During the term of a Contract with the City of Los Angeles, the Consultant will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles’ Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.”

32.3 The failure of Consultant to comply with the EBO will be deemed to be a material breach of the Contract by City. If Consultant fails to comply with the EBO, the City may cancel or terminate the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach. Failure to comply with the EBO may be used as evidence against Consultant in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Consultant Responsibility Ordinance. If the City determines that Consultant has set up or used its contracting entity for the purpose of evading the intent of the EBO, the City may terminate the Contract.

Section 33.0 First Source Hiring Program For Airport Employers (LAX Only)

Consultant shall comply with all terms and conditions of the First Source Hiring Program (“FSHP”) throughout the term of this Contract. The rules, regulations, requirements, and penalties of the FSHP attached as **Exhibit D** and made a material term of this Agreement.

Section 34.0 **Execution.** If this Agreement has been executed by electronic signature, all parties executing this document are expressly consenting, under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 (“E-SIGN”) and the California Uniform Electronic Transactions Act (“UETA”) (California Civil Code §1633.1 et seq.), that a signature by fax, e-mail, or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction

This Contract and any other document necessary for the consummation of the transaction contemplated by this Contract may be executed in counterparts, including counterparts that are manually executed and counterparts that are in the form of electronic records and are electronically executed. An electronic signature means a signature that is executed by symbol attached to or logically associate with a record and adopted by a party with the intent to sign such record, including facsimile or e-mail signatures. All executed counterparts shall constitute one Contract, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Contract and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called PDF format shall be legal and binding and shall have the same full force and effect as if a paper original of this Contract had been delivered that had been signed using a handwritten signature. All parties to this Contract (i) agree that an electronic signature, whether digital or encrypted, of a party to this Contract is intended to authenticate this writing and to have the same force and effect as a manual signature; (ii) intended to be bound by the signatures (whether original, faxed, or electronic) on any document sent or delivered by facsimile or electronic mail or other electronic means; (iii) are aware that the other party(ies) will rely on such signatures; and, (iv) hereby waive any defenses to the enforcement of the terms of this Contract based on the foregoing forms of signature. If this Contract has been executed by electronic signature, all parties executing this document are expressly consenting, under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 (“E-SIGN”) and the California Uniform Electronic Transactions Act (“UETA”) (California Civil Code §1633.1 et seq.), that a signature by fax, e-mail, or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[Signatures on following page]

IN WITNESS WHEREOF, City has caused this Contract to be executed on its behalf by the CEO and Consultant has caused the same to be executed by its duly authorized officers, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:

MICHAEL N. FEUER,
City Attorney

CITY OF LOS ANGELES

Date: _____

Date: _____

By: _____
Deputy/Assistant City Attorney


By: _____
Chief Executive Officer
Department of Airports

By: _____
Chief Financial Officer
Department of Airports

ATTEST:

By: _____

**LOS ANGELES TOURISM &
CONVENTION BOARD**

By: 
Patti MacJennett
Chief Stakeholder Officer


By: 
Adam Burke
President & Chief Executive Officer

EXHIBIT A

Scope of Work

LATCB

Scope of Services for Sole Source

2022

Element I: Air Services Marketing, Education and Outreach Services

Promote LAX as a leading airport destination across the globe to enhance its reputation, educate both the travel industry and passengers on new advances and capital improvement projects and encourage the growth of both flights and passengers.

Task A: Market and promote LAX Facilities, Services, and Capital Improvement Program (CIP)

- Work with LAWA team to grow and build relationships and promote LAX to the International Airline Industry and Travel Trade Industry
- Work closely with LAWA's Air Service Development team to create and implement a yearly marketing strategy that includes:
 - Securing advertorial value in international aviation and travel trade publications to promote LAWA's current and future modernization projects at LAX;
 - Promoting and educating the airline industry on Capital Improvement Projects by circulating materials in key international aviation markets;
 - Coordinating familiarization tours to promote specified new or existing air routes or new LAX facilities;
 - Conducting in-market training sessions exclusively on LAX services and facilities for reservation staff of airlines, tour operators, and other travel trade offering direct service to LAX;
 - Assisting LAWA staff with the fulfillment of marketing or advertising needs as requested by LAWA management and within the contracted scope of work;
 - Generating publicity in print, social and digital media about LAX modernization projects, existing LAX facilities and services in key international markets;
 - Translating relevant information from LAWA into Chinese, Japanese, Korean, Spanish, and other appropriate languages, and ensure distribution to the correct international markets;
 - Writing and distributing in-language, in-market stories about LAX; and
 - Planning and assisting in developing gate or experiential events.

Element II: Air Service Marketing and Promotion of New Routes

Support activities required to grow, increase or support international routes and develop relationships with international carriers to meet the objectives of LAWA's air service strategy, including but not limited to:

- Working closely with LAWA team to develop and implement comprehensive marketing strategies around key new markets and airlines to promote trips on emerging flights to international destinations;
- Providing experienced personnel for international media/social media planning and placement and assist and contribute to the production of marketing materials such as video and audio content appropriate for out-of-market promotional use; and
- Utilizing established LATCB communication channels and other California contracts, assist with the announcement of new routes and airlines to the LA and California markets.
- Coordinating with LAWA and Air Service Development team on marketing and promotional efforts.

Element III: International Trade Missions and Aviation Industry Events

Work closely with LAWA's Air Service Development team to identify the most productive aviation industry conferences, plan and assist team as needed with reservations, marketing material and identifying promotional, media and speaking opportunities at these meetings. Coordinate with the City of Los Angeles on trade missions to promote its airport system. The tasks to be performed by the consultant include, but are not limited to, the following:

- Organize and manage LAWA's participation at aviation industry conferences to promote LAX;
- Identify and organize speaking opportunities for LAWA officials at domestic and international aviation industry events; and
- Organize LAWA's participation in and host trade missions to promote LAX.
- Collaborate with or represent LAWA at aviation industry trade shows promoting LAX's modernization projects and encouraging new routes and airlines;
- Work with Manage Design and develop digital, trade show or printed presentations and other materials for marketing LAX to prospective air carriers

EXHIBIT A-1

Consultant's Fee Schedule/Cost

Billing Team	Level	Title	Rate (as of
Adam Burke	Executive	President & CEO	\$ 319
Patti MacJennett	Executive	Chief Stakeholder Officer	\$ 319
Aaron Nissen	Vice President	Business Intelligence Engineer	\$ 226
Bill Karz	Vice President	VP, Brand & Digital Marketing	\$ 226
Chris Heywood	Vice President	SVP, Global Communications	\$ 226
Francine Sheridan	Vice President	VP, Europe & Middle East	\$ 226
Kathy Smits	Vice President	SVP, Global Tourism Development	\$ 226
Craig Gibbons	Director	Managing Director, APAC	\$ 203
Gina Triglia	Director	Director, Tourism Insights	\$ 203
Hayley French	Director	Director, Travel Trade	\$ 203
Kate Chang	Director	Managing Director, China	\$ 203
Lei Dong	Director	Director, Beijing	\$ 203
Seema Kadam	Director	Regional Director, India	\$ 203
Shelley Leopold	Director	Creative Director	\$ 203
Tamy Martelli	Director	Regional Director, North America	\$ 203
Claudia Zervos	Manager	Manager, Global Tourism Development	\$ 113
Cynthia Rodriguez	Manager	Manager, Brand & Digital Marketing	\$ 113
Diana Rojas	Manager	Senior Manager, Global Tourism Development	\$ 113
Kathleen Brown	Manager	Travel Trade Manager, APAC	\$ 113
Marco Casteneda	Manager	Social Media Manager	\$ 113
Melissa Yunk	Manager	Global Communications Manager	\$ 113
Emily Ohara	Coordinator	Global Communications Coordinator	\$ 81
Mayra Briseno	Coordinator	Stakeholder Relations Coordinator	\$ 81

November 12, 2022)

EXHIBIT B

Cost Reimbursable Guidelines

Exhibit B: Cost Reimbursable Guidelines

The Consultant/Contractor shall be reimbursed for the following reimbursable costs in accordance with City policy, subject to amendments, and the guidelines detailed below:

A. REIMBURSABLE TRAVEL EXPENSES

It is the policy of LAWA to allow for the reimbursement of Consultant/Contractor relocation and travel expenses, in accordance with City policy, when it is determined that such reimbursement assists in the furtherance of official city business goals and/or increases revenue for LAWA. Official city business is constituted as and shall demonstrate:

- (1.) A valid City interest to be served or gained thereby;*
- (2.) Relevance to the City operations or the individual's role in such operations;*
- (3.) The promotion or development of City programs, methods or administration; or*
- (4.) Compliance with instructions or authorization of the Mayor or the City Council.*

It is expected that in each instance the Consultant/Contractor will only incur expenses that a reasonable and prudent person would incur if traveling on personal business.

LAWA policy allows for the reimbursement of Consultant/Contractor travel and related expenses provided that the contractor documents include a provision for the project related travel and related expenses for the furtherance of work. Prior written approval by an authorized LAWA signer is required. It is expected that before such authorization is granted, due consideration shall be given to such factors as suitability, level of seniority in the field of expertise, specialty discipline, and nature of the business involved.

For travel to locations other than LAX, prior written authorization is required and reimbursement of expenses shall be computed based upon City policy, subject to amendments, and all conditions as noted herein will apply. Only those Consultants specifically authorized by LAWA may submit travel expenses for reimbursement.

A.1 Travel Expenses Reimbursement Methodologies

a.) Travel Related Reimbursement Factor

This methodology shall be applied when the frequency of travel is known and forecasting of expenditures can be made with a certain level of predictability. Utilizing this methodology, LAWA may negotiate a travel-related reimbursement factor. This factor must be authorized by LAWA and detailed in a Task Order or Travel Authorization, as designated in the contract language. The authorizing document shall specify the time period for which this approval is granted. LAWA reserves the right to periodically review and adjust the travel related reimbursement factor.

Under this methodology, LAWA will not require submission of actual receipts for the reimbursement factor but will require verification of travel status in the form of airfare or transit receipts, or lodging receipt/lease agreement.

b.) Actual Costs for Airfare/Transit Expenses plus Not-to-Exceed Per Diem

In cases where Consultant travel is required for a limited duration, LAWA may authorize a Consultant to receive reimbursement of airfare and transportation expenses plus a not-to-

exceed per diem to cover lodging, meals and incidental expenses for one full day. With the exception of meals which will be covered via a meal allowance, all other travel-related expenses shall be based upon submission of actual receipts.

1.) Air Travel

Official travel shall be by the most direct routing and Consultant air travel expenses are allowable only for the lowest regular fare available for regularly scheduled airlines for the date and time selected. LAWA will reimburse for the price of a coach class, unrestricted ticket. When possible, economy or special fares are to be used. Consultants, when possible, should make every effort to make the reservation well in advance to be able to get the best price possible. Approved Air Travel must be supported by legible copies of airline tickets. Electronic tickets and boarding passes are acceptable. LAWA shall only reimburse for reservation change fees when the schedule change was requested by LAWA and is supported by documentation confirming LAWA's direction of schedule change. Comfort items such as paying for exit row seats or service upgrades are not allowable. In cases where the traveler is charged for the first checked bag, the City will reimburse for this fee. Baggage fees for additional items will not be automatically reimbursed unless a justification for a business need is provided. Checked baggage fees are considered a separate reimbursement expense and are not included as part of the per diem.

2.) Ground Transportation

For consultants approved on travel status, the least expensive and most practical form of public transportation shall continue to be reimbursed taking into consideration such factors as time, safety and availability. Ground transportation is defined as travel from home to airport and back, and from airport to LAWA business location and back.

a.) Local Transportation - Local transportation costs incurred by Consultant while in travel status will be reimbursed as follows:

- Taxi/limousine-bus/shuttle-bus/TNC - Reimbursable at actual cost.
- Rental Automobiles - Because of their cost, rental automobiles shall be used only when their use will affect a savings or other advantage, when the use of other transportation is not feasible, when transporting a LAWA partner who is accompanying the traveler and/or when transporting a significant quantity of LAWA collateral materials. Rental automobiles should be limited to compact models when available, unless hosting a LAWA partner who is accompanying the traveler and/or when transporting a significant quantity of LAWA collateral materials, in which case intermediate/mid-size models are acceptable. A legible copy of the automobile rental agreement is required. Rental of other than compact automobiles is allowable when compacts are not available or if more than two staff members are in the travel status. All rental cars will be returned with a full tank of gas when possible. Fuel charges will be reimbursed at the market price. Unreasonable or excessive fuel charges by the rental car agency may not be reimbursed.
- Private Automobile - Use of private or Consultant owned or leased automobiles will be reimbursed at the rate permitted under the Internal Revenue Service published rates as applicable to such costs. Prior written approval by LAWA is required before any private automobile will be allowable for reimbursement.

- Tolls and parking charges - for use of ferries, roads, bridges, and tunnels while traveling to and from commercial carriers and parking charges at origination/destination are reimbursable at cost.

b.) Local Travel - Travel to and from the Site for Home Office Staff who are located in any of the Consultant's office locations in the Los Angeles Vicinity is not reimbursable without prior written approval by LAWA.

3.) Not-to-Exceed Per Diem

The not-to-exceed per diem rate will be applied as a meal allowance, in accordance with the limits established by the City Controller, plus actual costs for lodging and incidentals. The combined total amount of the meal allowance, lodging and incidental costs shall be in accordance with City policy.

Covered Expenses:

- Lodging to include hotel/motel or corporate housing
- Meal allowance which covers meals, including gratuity
- Incidental expenses which includes:
- Fees and tips given to porters, baggage carriers, bellhops, hotel maids/servants, stewards or stewardesses, and others

A.2 Lodging/Meals Guidelines

A per diem may be used to reimburse Consultant for overnight accommodations and meals when in travel status on behalf of LAWA as outlined in the City's travel policy and amended from time to time. If Consultant's internal policy is a lower rate, the lower rate will be used. The per diem rate will be applied as a meal allowance, in accordance with the limits established by the City Controller, plus actual costs for lodging and incidental expenses. Receipts are required for lodging and incidental expenses and will be reimbursed in accordance with City policy. As the per diem is periodically updated by the CAO, reimbursement shall be made based upon the per diem rate published at the time expenses are incurred. In the selection of restaurants and lodging, it is expected that individuals will seek moderately priced establishments of acceptable quality. The Consultant must consider transportation costs, time, and other relevant factors in selecting the most economical and practical accommodations. Consultants will be required to select a hotel/motel within the City of Los Angeles limits. In cases where rates have been negotiated with the hotel properties surrounding its airports, LAWA will make this listing available for the Consultant's consideration. Approval of the properties not on the negotiated list will be evaluated based upon competitive rates. Lodging expenses will be reimbursed only at the single occupancy rate.

For traveling employees assigned to the Site on a regular basis, the Consultant may utilize internal policies, such as use corporate apartments, to determine the most cost effective lodging. Prior to leasing or procuring such lodging, the Consultant shall perform a lease versus per diem analysis and provide to LAWA for review and concurrence.

- a.) Incidental expenses – The per diem rate includes incidental expenses.
- b.) Expenses above the per diem rate shall not be reimbursed even if supported by receipts.

c.) Meal and incidental allowance will be prorated at 75% of the daily allowance as follows: (Note: Prorating of meal and incidental allowance is specified under IRS Publication 463.)

- On travel days regardless of departure and/or arrival times;
- When a meal is provided as part of the conference;
- For travel under the "50-mile" rule exceptions with overnight lodging and pre-approval

Note: No meal allowance will be provided when meals are provided throughout the day by the host or as part of a conference.

d.) Meal receipts do not have to be presented to receive the meal allowance per day of business travel except for travel on grant funded projects where the grantor requires complete documentation of travel expenses.

e.) Gratuities are limited to no more than 15% and are included as part of the Meal Allowance. There will be no additional reimbursement for gratuities.

f.) For international travel, meal and incidental allowances will be provided according to City policy.

A.3 Non-Reimbursable Travel Costs, including, but not limited to:

- a.) Non-economy class airfare.
- b.) Non-compact vehicle rental, except as otherwise noted in section A.1.b.2.a. above
- c.) Air flight insurance.
- d.) Expense of any insurance offered by the auto rental company such as Collision Damage Waiver, Personal Accident Insurance, Liability Insurance Supplement, Personal Effects Coverage, Supplemental Liability Protection, etc. in connection with a rented vehicle.
- e.) Auto repairs, replacement or towage to personal vehicle when such use has been authorized.
- f.) Valet parking when self-parking is available.
- g.) Expenses above the meal allowance shall not be reimbursed even if supported by receipts.
- h.) Meals and incidental expenses in excess of the set domestic stipend or international federal per diem rate will not be reimbursed.
- i.) Reimbursements for LAWA employee's meals are not allowable, except in accordance with City policy.
- j.) Alcoholic beverages.
- k.) Expenses incurred by a dependent or other person accompanying the Consultant employee on an official business trip are not allowable. Bills indicating multiple occupants are to be adjusted to single occupancy rate and disallowed unless disclosure is made indicating reason, names, and dates.
- l.) Expenses of a purely personal nature.

A.4 Other Allowable Direct Costs while on travel-status

- a.) Telephone - Actual cost of business telephone charges, subject to the limits on E-Mobile charges described below, incurred by Consultant while in travel status is reimbursable. Personal telephone charges are not allowable.
- b.) Mobile Communication Devices - Unnecessary and/or unreasonable charges such as roaming fees, except roaming fees incurred while in approved travel status, roadside assistance, home distance, text messaging or any other such feature that is not essential to the individuals job function will not be reimbursed. LAWA reserves the right to limit the number of individuals allowed to bill to mobile communication devices. LAWA will not reimburse for personal calls.

B. OTHER REIMBURSABLE EXPENSES

1. Supplies, materials and equipment - At actual cost for items used directly in the furtherance of work and supported by receipts on all individual items. Any equipment, copiers, computer software, intellectual property licenses or any other non-consumable supplies (collectively, "Equipment") purchased or licensed by Consultant for use at the Site and reimbursed by LAWA, shall be LAWA's and title therefore shall vest in LAWA upon such purchase or license. Equipment may also be leased if determined to be cost effective. The Consultant shall provide a lease versus purchase analysis for such proposed leased Equipment. If Equipment is currently owned by the Consultant, it may be leased for exclusive use at the Site and on the Project and reimbursed by LAWA at a fair market rate. No such Equipment may be purchased, leased or licensed without the prior written approval of LAWA.
2. Reproduction - At actual cost of outside reproduction of material and documents required in the furtherance of work.
3. Computer Services - Computers, peripherals and software that are deemed to be standard equipment used in the course of business and as such, shall not receive reimbursement, unless specifically authorized by LAWA.
4. E-Mobile and other Communication Devices - At actual cost for acquisition all devices combined such as cell phones, pagers, radios, etc. in an amount not to exceed \$100 per authorized individual. (Job site radio systems are not included in this limit.) The purchase of all devices to be reimbursed must be pre-approved by LAWA in writing with the device cost and model itemized and the device shall become LAWA's property upon project completion. Service charges for devices are reimbursable, except unnecessary and/or unreasonable charges such as roaming fees (except roaming fees incurred while in approved travel status), roadside assistance, home long distance, text messaging or any other such feature that are not essential to the individuals job function which will not be reimbursed. The City reserves the right to limit the number of individuals allowed to bill for mobile communication devices.
5. Vehicle and Equipment Costs - Prior to leasing/purchasing major equipment, trailers and/or vehicles, the Consultant shall perform a lease versus purchase analysis. If the job vehicle is currently owned by the Consultant parent company, it may be leased for exclusive use at the Site and on the Project and reimbursed by LAWA at a fair market/comparable lease rate. The analysis shall be approved by LAWA prior to leasing and/or purchasing major equipment and vehicles. Job vehicles and vehicles for Key Personnel will be reimbursed at actual leased cost as long as such lease cost is reasonable. Repairs related to normal wear and tear for such vehicles will be reimbursed at actual cost as long as such costs are reasonable. Reimbursement will not

be made for repairs related to abuse or neglect by the Consultant nor will repairs related to items covered by insurance be reimbursed. Task Orders will be reimbursed via a wet lease rate when the Task Order so specifies. This rate will cover all cost related to the operation of the vehicle, which includes but is not limited to the lease, insurance, gasoline, maintenance, and repairs.

6. Training and Seminar Costs - Training and seminar costs for Consultant employees may be reimbursed only if such training or seminar directly benefits the City, and has been approved by LAWA in advance.
7. Business Meeting Expenses – Subject to LAWA prior approval, reimbursement for business meeting expenses on behalf of LAWA shall be made at actual cost and supported by receipts. A list of attendees and subject of meeting will be required.
8. Other costs that are not included in or covered by the Consultant's Overhead Rate - At actual cost for items used directly in the furtherance of work, subject to the prior written approval of LAWA, and supported by receipts.

C. COSTS NOT REIMBURSABLE

Include charges for non-economy class airfare, bidding and proposal costs associated with obtaining the Contract, contributions, personal telephone charges, dues and subscriptions, alcoholic beverages, expenses for transportation for personal pursuits, gifts, gratuities greater than 15%, microwaves and refrigerators, bottled water, paper plates, cups, coffee, creamer, wipes and hand sanitizer, and other charges expressly disallowed under the terms of this Contract. Extraordinary expenses require prior LAWA approval.

D. CONSULTANT'S SUBCONSULTANTS

Consultant Sub-Consultants shall follow the reimbursable expense guidelines set forth for Consultant herein.

EXHIBIT C

Insurance



RISK MANAGEMENT DIVISION
INSURANCE REQUIREMENTS

NAME: Los Angeles Tourism & Convention Board (LATCB)
AGREEMENT: Contract / Provide Air Service Marketing, Promotional, and Development Consulting Services
LAWA DIVISION: Corporate Strategy and Affairs Office
WIZARD ID NO.: 10297

The insured must maintain insurance coverage at limits normally required of its type operation; however, the following coverage noted with an "X" is the minimum required and must be at least the level of the limits indicated. All policies must be occurrence based with the minimum required per occurrence limits indicated below.

LIMITS

(X) Workers' Compensation (Statutory)/Employer's Liability

Statutory

☐ Voluntary Compensation Endorsement

☒ Waiver of Subrogation

(X) Automobile Liability - covering owned, non-owned & hired auto

\$1,000,000

(X) General Liability - including the following coverage:

\$1,000,000

☒ Contractual (Blanket/Schedule)

☒ Independent Contractors

☒ Personal Injury

☒ Premises & Operations (minimum \$1 million each occurrence)

☐ Products /Completed Operations

☒ Additional Insured Endorsement, **specifically** naming LAWA

(Please see attached supplement).

☐ Hangar keepers Legal Liability (At least at a limit of liability of \$ 1 million)

(X) Professional Liability - Claims-made policy: continuous coverage for three years after contract completion, or three-year extended reporting period beginning after contract completion.

\$1,000,000

*******RETURN THIS PAGE WITH EVIDENCE OF YOUR INSURANCE*******
SUBMIT ALL DOCUMENTS TO RISKINSURANCE@LAWA.ORG



RISK MANAGEMENT DIVISION
INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS (SUPPLEMENT)

The only evidence of insurance accepted will be either a Certificate of Insurance, or a True and Certified copy of the policy. The following items must accompany the form of evidence provided:

Insurance companies, must have an **AM Best rating of A- or better**, and have a minimum **financial size of at least four**

Endorsements:

- **Workers Compensation Waiver of Subrogation Endorsement
(WC 04 03 06 or similar)**
- **General Liability Additional Insured Endorsement**
- **Ongoing and Products - Completed Operations Endorsement
(ISO Standard Endorsements preferred)**

Certificate Holder:

**Los Angeles World Airports
PO Box 92216
Los Angeles, CA 90009**

A typed legible name of the Authorized Representative must accompany the signature on the Certificate of Insurance and/or the True and Certified copy of the policy.

A blanket/automatic endorsement is not acceptable unless you have a direct contract with LAWA.

Language written on a certificate of insurance is not acceptable as an endorsement.

Insurance

Contractor shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified herein. The specified insurance shall also, either by provisions in the policies or by endorsement attached to such policies, specifically name the City of Los Angeles, Los Angeles World Airports, its Board of Airport Commissioners (hereinafter referred to as "Board"), and all of its officers, employees, and agents, their successors and assigns, as additional insureds, against the area of risk described herein as respects Contractor's acts or omissions in its operations, use and occupancy of the premises hereunder or other related functions performed by or on behalf of Contractor on Airport.

With respect to Workers' Compensation, the Contractor shall, by specific endorsement, waive its right of subrogation against the City of Los Angeles, Los Angeles World Airports, its Board, and all of its officers, employees and agents, their successors and assigns.

Each specified insurance policy (other than Workers' Compensation and Employers' Liability and fire and extended coverages) shall contain a Severability of Interest (Cross Liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Endorsement which shall state, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Agreement with the City of Los Angeles."

All such insurance shall be primary and noncontributing with any other insurance held by City's Department of Airport where liability arises out of or results from the acts or omissions of Contractor, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Contractor.

Such policies may provide for reasonable deductibles and/or retentions acceptable to the Chief Executive Officer of the Department of Airport (hereinafter referred to as "Chief Executive Officer") based upon the nature of Contractor's operations and the type insurance involved.

City shall have no liability for any premiums charged for such coverage(s). The inclusion of City, its Department of Airports, its Board, and all of its officers, employees and agents, and their agents and assigns, as insureds, is not intended to, and shall not, make them, or any of them a partner or joint venture with Contractor in its operations at Airport.

In the event Contractor fails to furnish City evidence of insurance and maintain the insurance as required, City, upon ten (10) day prior written notice to comply, may (but shall not be required to) procure such insurance at the cost and expense of Contractor, and Contractor agrees to promptly reimburse City for the cost thereof plus fifteen percent (15%) for administrative overhead.

At least ten (10) days prior to the expiration date of any of the above policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with City. If such coverage is canceled or reduced, Contractor shall, within fifteen (15) days of such cancellation or reduction of coverage, file with City evidence that the required insurance has been reinstated or provided through another insurance company or companies.

Contractor shall provide proof of all specified insurance and related requirements to City either by production of the actual insurance policy(ies), by a broker's letter acceptable to the Chief Executive Officer in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance acceptable to the Chief Executive Officer. The documents evidencing all specific coverages shall be filed with City prior to commencement of this contract. The documents shall contain the applicable policy number, the inclusive dates of policy coverages and the insurance carrier's name, shall bear signature and the typed name of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, reduction in coverage or nonrenewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) days prior to the effective date thereof.

City and Contractor agree that the insurance policy limits specified herein shall be reviewed for adequacy annually throughout the term of this Agreement by Chief Executive Officer, who may thereafter require Contractor to adjust the amounts of insurance coverage to whatever amount Chief Executive Officer deems to be adequate. City reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance.

City Held Harmless

To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless City and any and all of City's Boards, officers, agents, employees, assigns and successors in interest from and against any and all suits, claims, causes of action, liability, losses, damages, demands or expenses (including, but not limited to, attorney's fees and costs of litigation), claimed by anyone (including Contractor and/or Contractor's agents or employees) by reason of injury to, or death of, any person(s) (including Contractor and/or Contractor's agents or employees), or for damage to, or destruction of, any property (including property of Contractor and/or Contractor's agents or employees) or for any and all other losses, founded upon or alleged to arise out of, pertain to, or relate to the Contractor's and/or Sub-Contractor's performance of the Contract, whether or not contributed to by any act or omission of City, or of any of City's Boards, officers, agents or employees. Provided, however, that where such suits, claims, causes of action, liability, losses, damages, demands or expenses arise from or relate to Contractor's performance of a "Construction Contract" as defined by California Civil Code section 2783, this paragraph shall not be construed to require Contractor to indemnify or hold City harmless to the extent such suits, causes of action, claims, losses,

demands and expenses are caused by the City's sole negligence, willful misconduct or active negligence. Provided further that where such suits, claims, causes of action, liability, losses, damages, demands or expenses arise from Consultant's design professional services as defined by California Civil Code section 2782.8, Consultant's indemnity obligations shall be limited to allegations, suits, claims, causes of action, liability, losses, damages, demands or expenses arising out of, pertaining to, or relating to the Consultant's negligence, recklessness or willful misconduct in the performance of the Contract.

In addition, Contractor agrees to protect, defend, indemnify, keep and hold harmless City, including its Boards, Departments and City's officers, agents, servants and employees, from and against any and all claims, damages, liabilities, losses and expenses arising out of any threatened, alleged or actual claim that the end product provided to LAWA by Contractor violates any patent, copyright, trade secret, proprietary right, intellectual property right, moral right, privacy, or similar right, or any other rights of any third party anywhere in the world. Contractor agrees to, and shall, pay all damages, settlements, expenses and costs, including costs of investigation, court costs and attorney's fees, and all other costs and damages sustained or incurred by City arising out of, or relating to, the matters set forth above in this paragraph of the City's "Hold Harmless" agreement.

In Contractor's defense of the City under this Section, negotiation, compromise, and settlement of any action, the City shall retain discretion in and control of the litigation, negotiation, compromise, settlement, and appeals there from, as required by the Los Angeles City Charter, particularly Article II, Sections 271, 272 and 273 thereof.

Survival. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

Hazardous and Other Regulated Substances

(a) Contractor's performance under this Contract and/or occupancy or use of any LAWA property shall be in full compliance with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws and/or other orders of any governmental entity regarding the use, storage, handling, distribution, processing and/or disposal of hazardous wastes, extremely hazardous wastes, hazardous substances, hazardous materials, hazardous chemicals, toxic chemicals, toxic substances, pollutants, contaminants or other similarly regulated substances (hereinafter referred to as "hazardous substances"). Said hazardous substances shall include, but shall not be limited to, mold, gasoline, aviation, diesel and jet fuels, lubricating oils and solvents. Contractor agrees that any damages, penalties or fines levied on City and/or Contractor as a result of Contractor's noncompliance with any of the above shall be the sole responsibility of Contractor and further, that Contractor shall indemnify and pay and/or reimburse City for any damages, penalties or fines that City pays as a result of noncompliance with the above.

(b) In the case of any hazardous substance spill, contamination, leak, discharge or improper storage affecting LAWA property caused or contributed to by Contractor or its employees, servants, agents, contractors or subcontractors, Contractor agrees to make or cause to be made any necessary repairs or corrective actions as well as to clean up and remove any leakage, contamination or contaminated ground to the satisfaction of Chief Executive Officer. If Contractor fails to repair, cleanup, properly dispose of or take any other corrective actions as required herein, City may (but shall not be required to) take all steps it deems necessary to properly repair, clean up or otherwise correct the conditions resulting from the spill, leak or contamination. Any such repair, clean-up or corrective actions taken by City shall be at Contractor's sole cost and expense and Contractor shall indemnify and pay for and/or reimburse City for any and all costs (including any administrative costs) City incurs as a result of any repair, clean-up or corrective action it takes.

(c) Contractor shall promptly supply City with copies of all notices, reports, correspondence and submissions made by Contractor to any governmental entity regarding any hazardous substance spill, leak, discharge or clean-up including all test results.

(d) The provisions of this section shall survive the expiration or earlier termination of this Agreement.



1. **When should I comply with the Insurance Requirements?** The Risk Management Division's Insurance Compliance section is the first place to start if your proposal has been accepted or you have been awarded the bid. You cannot perform any work for the Department without approved evidence of insurance. Please be aware that if current evidence of insurance is not on file with the Insurance Compliance Section, invoices cannot be processed, badges cannot be issued and permits cannot be processed.

THE ACCOUNTING DIVISION HAS BEEN INSTRUCTED BY THE CITY CONTROLLER NOT TO PROCESS INVOICES UNLESS CURRENT EVIDENCE OF INSURANCE IS IN PLACE.

2. **What does LAWA consider as Acceptable Evidence of insurance?** The only evidence of insurance acceptable is either a Certificate of Insurance and/or a True and Certified copy of a policy. The following items must accompany the form of evidence provided:
 - a. A copy of the Waiver of Subrogation Endorsement **specifically** naming Los Angeles World Airports on the schedule is required for Workers' Compensation. **A BLANKET ENDORSEMENT AND/OR LANGUAGE ON A CERTIFICATE OF INSURANCE IS NOT ACCEPTABLE.**
 - b. A copy of the Additional Insured Endorsement (CG 20 10 11 85 or similar) **specifically** naming Los Angeles World Airports on the schedule is required for General Liability. **A BLANKET ENDORSEMENT AND/OR LANGUAGE WRITTEN ON A CERTIFICATE OF INSURANCE IS NOT ACCEPTABLE UNLESS YOU HAVE A DIRECT CONTRACT WITH LAWA.**
 - c. The Certificate of Insurance and/or the True and Certified copy of the policy must be signed by the Authorized Representative.
 - d. A copy of the Schedule of Underlying Coverage/Insurance is required for the Excess policy.
3. **Is there an added cost to add Los Angeles Worlds Airports as Additional Insured?** Possibly; there usually is an added cost to doing this. This fact should be considered when you are formulating your costs for the bid or proposal. Check with your insurance agent or broker as .
4. **How can I obtain information on your Insurance Requirements?** An Insurance Requirement Sheet is included in the Proposal/Bid Package, which specifically outlines the types and amounts of coverage required. This Requirement Sheet should be passed on to your authorized agent/broker for their review. You may also contact us at (424) 646- 5480.
5. **Do I need to prepare more forms if I already have LAWA's evidence of insurance?** No. If you already have current evidence of insurance on file with our Risk Management's Insurance Compliance Section, it is not necessary to complete a new set of forms. Once documentation is in place, you do not need to go through the process for each project. **However**, if the documents submitted are project specific, you will need to submit forms for each project. Therefore it is suggested that forms submitted indicate they are for the maximum coverage required and all LAWA projects. Please check with our office to be sure that all coverages are current. Your contract administrator can do this for you as well. Our office maintains a computerized record of your evidence of insurance.

6. **What insurance companies are acceptable to LAWA?** Insurance companies must have an A- or better rating and have a financial size of at least IV to be acceptable to LAWA. We use the A.M. Best Key Rating Guide as our reference.
7. **How long will I need the insurance coverage?** If you are awarded a contract, there will be a provision in your contract which specifically states that it is your responsibility to maintain current evidence of insurance in our files for the contract period.
8. **How long does it take LAWA to process my evidence of insurance?** Evidence of Insurance is processed upon receipt by LAWA. Please submit your evidence of insurance documents to the Risk Management Division's Insurance Compliance Section at riskinsurance@lawa.org, as soon as you are awarded the contract.
9. **When should I complete the evidence of insurance?** Prior to the commencement of this contract, the vendor must provide proof of insurance. Do not spend any money to meet the insurance requirements until you are awarded the contract by LAWA. Get an estimate or quote from your insurance agent or broker and factor that into the bid/proposal you are preparing. Enclose a statement, provided on your company letterhead, which states you have reviewed the insurance requirements and that you will provide the required evidence of insurance if you are awarded the contract.
Note for Prime Contractors: Prime Contractors are responsible for ensuring that their Sub-contractors have adequate evidence of insurance coverage appropriate to the work to be performed. At a minimum, if airfield access is involved, the sub- contractor must show \$10 million in coverage, plus endorsements. If no airfield access is involved in the work, the minimum threshold is \$1 million, plus endorsements. In rare cases, if the work is performed entirely off site, there may be no need for evidence of insurance coverage.
10. **Where is the Risk Management Division's Insurance Compliance Section located?**
7301 World Way West
2nd Floor
Los Angeles, CA 90045
riskinsurance@lawa.org
Phone: (424) 646-5480
Office Hours: Monday-Thursday, 7:30 a.m. to 3:30 p.m.
Friday: 7:30 a.m. to 12:00 noon
Closed Holidays and weekends

For more information on LAWA's insurance requirements, visit our webpage at:

<https://www.lawa.org/en/lawa-tenants-411/risk-management/insurance-compliance>

**GUIDANCE FOR SUBMITTING EVIDENCE OF INSURANCE TO THE CITY OF LOS ANGELES,
LOS ANGELES WORLD AIRPORTS**

Coverage & Limits: All insurance requirements established are based on the detailed scope of work and or/nature of your business with the Los Angeles World Airports (LAWA). The coverage and limits for each type of insurance are specified on the Insurance Requirements Sheet (IR Sheet).

Please give your insurance agent/broker a copy of the Insurance Requirements Sheet along with these instructions. All evidence of insurance must be authorized by a licensed insurance agent with authority to bind coverage.

1. **When to submit:** Normally, no work may begin until acceptable insurance is analyzed and approved by the Insurance Compliance Section. Upon approval the Contract Administrator will authorize a Notice to Proceed (NTP). So insurance documents should be submitted as early as practicable.
2. **Acceptable Evidence and Approval:** Electronic submission is the best method of submitting your documents, and designed to make the experience of submitting insurance information quick and easy. LAWA accepts the standard insurance industry form known as the **ACORD 25 Certificate of Liability Insurance**, with applicable endorsements and waiver of subrogation. Other insurance industry certificates that have been approved by the State of California, Broker's Letters, and True and Certified copy of insurance policies may be accepted. The following items (**#4 and #5**) **must accompany the form of evidence provided.**
3. **Additional Insured Endorsements:** (CG20101185 / CG2010 / CG2037 or similar) are required acceptable for the general liability policy. All endorsements must name the **City of Los Angeles, Los Angeles World Airports (LAWA), its Board, and all of its officers, employees and agents** as additional insured's.
4. **Waivers of Subrogation:** Required For Workers Compensation.
5. **Blanket Endorsement or Waiver of Subrogation:** Acceptable only for contracts directly with LAWA. If the policy includes an automatic or blanket additional insured endorsement, the Certificate must state **LAWA** is an automatic or blanket additional insured.
6. **Certificate Language:** Language written on the Certificate of Insurance in the "**Description of Operations Section**" is not acceptable as an endorsement.
7. **Cancellation Notice:** All Certificates must provide a thirty (**30**) **days' cancellation notice provision**, ten (10) days for non-payment of premium).
8. **Self-Insure:** If your agreement requires Workers' Compensation coverage and you have been authorized by the State of California to self-insure, a copy of the certificate from the State consenting to self- insurance must be provided from the State of California as proof of insurance.
9. **Acceptable Insurers:** LAWA uses the A.M. Best Key Rating Guide as our reference. All acceptable insurers must have an A.M. Best **A-VI or better rating** to be acceptable to LAWA.

10. **Transportation Companies:** Passenger Carriers are regulated by the Public Utilities Commission (PUC). Any questions concerning passenger carrier requirements may be directed to the PUC.
- 0-7 passengers.....\$750,000
 - 8-15 passengers.....\$1,500,000
 - 16 or more passengers \$5,000,000
11. **Vehicle Schedules:** Unless “ANY” auto is covered under the automobile policy, a vehicle schedule is required. The schedule issued on behalf of transportation companies must provide the make, model, VIN number and passenger count for every vehicle operating on Airport property.
12. **Multiple Policies:** More than one insurance policy may be required to comply with the insurance requirements.
13. **Underwriter:** In the case of syndicates or subscription policies, indicate lead underwriters or managing agent and attach a schedule of subscribers, including their percentage of participation.
14. **Project Reference:** Include reference of either the specific City agreement (bid, contract, lease, etc.) or indicate “ALL PROJECTS AT LAWA” covered. When coverage is on a scheduled basis, a separate sheet may be attached to the certificate listing such scheduled locations, vehicles, etc.
15. **Excess Insurance:** An Excess Umbrella policy can be provided to assist with meeting the insurance requirement limit(s) when the primary insurance coverage is less than the amount of coverage required for the project.
16. **Expiration and Renewal:** LAWA insurance file expiration coincides with your coverage expiration. Renewal is not automatic. You must provide the Insurance Compliance Section with renewal information. When renewing your insurance file information, the agent/broker/underwriter must provide current endorsements and waivers. The effective date on the Certificate of Insurance must coincide with the endorsements and waivers. Insurance documents cannot be altered and provided as proof of insurance.
17. **Contract Administrator:** Questions regarding your **contract** should be directed to your Contract Administrator or office responsible for your contract, lease, permit or other agreement.

Certificate Holder Information: **Los Angeles World Airports**
 Attn: Risk Management Department
 P.O. Box 92216
 Los Angeles, CA 90009

All questions relating to insurance should be directed to Risk Management, Insurance Compliance Section at (424) 646-5480.

Delays or failure in submitting acceptable insurance documentation and attachments may result in the withholding of payments, or the interruption and/or discontinuance of operations LAWA.

Email all insurance documentation and Correspondence to: **RISKINSURANCE@LAWA.ORG**

IV. Compliance Schedule.

- A. By April 30, 2019, one hundred percent (100%) of the Covered Vehicles operated by a Covered Vehicle Operator shall be (a) Alternative-Fuel Vehicles, (b) Optional Low NOx vehicles or (c) LEV II standard vehicles through 2019 or LEV III standard vehicles thereafter.
- B. A new Covered Vehicle Operator who plans to begin operations at LAX prior to April 30, 2019, must comply with the requirement set forth in Section III and subsection IV.A. prior to commencing operations at LAX.

V. Least-Polluting Available Vehicles. In cases where an Operator cannot comply with the requirements established pursuant to Sections III and IV above because neither Alternative-Fuel Vehicles, Optional Low NOx standard vehicles, or LEV II standard vehicles through 2019 and LEV III standard vehicles thereafter, are commercially available for performance of particular tasks, LAWA will instead require Operators to use the Least-Polluting Available Vehicles for such tasks. An Independent Third Party Monitor will determine whether Alternative-Fuel Vehicles, Optional Low NOx standard vehicles, or LEV II standard vehicles through 2019 and LEV III standard vehicles thereafter are commercially available to perform particular tasks, and, in cases where neither Alternative-Fuel Vehicles, Optional Low NOx standard vehicles, nor LEV II standard vehicles through 2019 and LEV III standard vehicles thereafter are commercially available for performance of a particular task, will identify the Least-Polluting Available Vehicle for performance of that task.

VI. Annual Reporting Requirement.

- A. By January 31st of each calendar year, Covered Vehicle Operators must submit to LAWA the vehicle information required on the reporting form accessible online at <https://online.lawa.org/altfuel/> for the prior calendar year.
- B. Low-Use Vehicles shall be included in the annual reporting. Where monthly trip data is used to establish low-use, the operator must provide proof such as transponder data records or an attestation acceptable to LAWA.
- C. A Covered Vehicle Operator who plans to begin operations at LAX must comply with this reporting requirement prior to commencing operations, and thereafter comply with the annual reporting deadline of January 31st of each calendar year.

VII. Enforcement.

- A. **Non-Compliance.** The following circumstances shall constitute non-compliance for purposes of this Section VII:
 - i) Failure to submit an annual report pursuant to Section VI above.
 - ii) Failure to use an Alternative Fuel Vehicle, an Optional Low NOx vehicle, a vehicle meeting LEV II standards prior to December 31, 2019, or LEV III standards thereafter, an approved Least-Polluting Available Vehicle, or a vehicle approved under LAWA's former Alternative Fuel Vehicle Requirement, including approved comparable emissions vehicles.

- iii) Failure to submit a Compliance Plan as defined in subsection VII.C. below within 30 days of notice of non-compliance from LAWA.
 - iv) Failure to adhere to an approved Compliance Plan as defined in subsection VII.C. below.
- B. Notice of Non-Compliance.** Covered Vehicle Operators found not to be in compliance with the Alternative Fuel Vehicle Requirement as set forth in subsection VII.A. above will be given a notice of non-compliance. Covered Vehicle Operators will have 30 days to correct the deficiencies documented in the notice of non-compliance by completing the annual report as defined in Section VI or submitting a Compliance Plan as defined in subsection VII.C. below, as applicable to the reason cited for non-compliance.
- C. Compliance Plan.**
- i) Operators shall transition to compliant vehicles as soon as practicable.
 - ii) Non-compliant Covered Vehicle Operators will be required to submit a Compliance Plan indicating the disposition (salvage, replace, remove from service, etc.) date for each non-compliant vehicle ("Compliance Plan") within 30 days of receiving a notice of non-compliance for a vehicle in the Operator's fleet. The Compliance Plan shall provide dates by which the non-compliant vehicle or vehicles in the Operator's fleet will meet the requirements of the LAX Alternative Fuel Vehicle Requirement and a justification for the new date. The Compliance Plan shall be signed under attestation.
 - iii) LAWA's Chief Executive Officer or his/her designee shall review the Operator's Compliance Plan and justification to determine its acceptability and authorize approval or disapproval.
 - iv) Covered Vehicle Operators shall have 30 days to seek review of LAWA's rejection of a Compliance Plan or any parts thereof by LAWA's Chief Executive Officer or his/her designee.
- D. Default.** Three or more instances of non-compliance with the LAX Alternative Fuel Vehicle Requirement as defined in subsection VII.A above within two years shall be considered a default of the applicable LAX permit, license, contract, lease, Non-Exclusive License Agreement (NELA), concessionaire agreement, and/or Certified Service Provider (CSP) Program. LAWA's Chief Executive Officer or his/her designee may, pursuant to the applicable terms provided therein, suspend or cancel a permit, license, contract, lease, NELA, concessionaire agreement or certified provider certification of non-compliant Covered Vehicle Operators who are not in compliance with this Alternative Fuel Vehicle Requirement. In addition, LAWA's Chief Executive Officer or his/her designee may seek to recoup LAWA's administrative costs from non-compliant operators.

IX. Periodic Review. This Requirement will be reviewed and updated periodically as deemed necessary by LAWA.

EXHIBIT D

First Source Hiring Program for Airport Employers

FIRST SOURCE HIRING PROGRAM

Pursuant to Resolution No. 22674 adopted by Board of Airport Commissioners on April 18, 2005, any contract awarded July 1, 2005 and thereafter shall be subject to the applicable provisions of the First Source Hiring Program (FSHP) for LAX airport jobs. This program will provide early access to targeted applicants for available LAX airport jobs, and employers will receive prompt, cost-free referrals of qualified and trained applicants.

All Contractors, Lessees, Licensees, and Construction Contractors with non-trade jobs, with new, amended, or renewed contracts will be required to participate in this program. As such, the FSHP will be incorporated as a material term of all LAX airport contracts, lease agreements and licensing or permitting agreements.

LAX employers with open non-construction positions must contact the FSHP, register their company and post their positions on the Applicant Tracking System (ATS) prior to posting their positions to the general public.

Failure to comply with this contract provision may result in liquidated damages of \$1,000.00.

For additional information regarding First Source Hiring Program please contact: Business and Job Resources Center, First Source Hiring Program, 6053 W. Century Blvd., 3rd Floor, Los Angeles, CA 90045, (424) 646-7300, (424) 646-9257 fax., web: <https://www.lawa.org/en/lawa-employment/lawa-business-and-job-resources-center>