

0220-03641-0007

TRANSMITTAL

TO
The Council

DATE
3/6/17

COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
--

**Proposed contract between the Los Angeles Police Department and PropertyRoom.com
for internet auctioning services for unclaimed personal property**

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



MAYOR

(Ana Guerrero)

RHL:FGO:04170039t

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

| | | | |
|--|----------------|---|---|
| To: The Mayor | Date: 02-27-17 | C.D. No. -- | CAO File No.: 0220-03641-0007 |
| Contracting Department/Bureau: Police Department/Property Division | | Contact: Nancy Cammarata (213) 486-0378 | |
| Reference: Board of Police Commissioners transmittal dated August 16, 2016; referred for report August 24, 2016. | | | |
| Purpose of Contract: Internet auctioning services for unclaimed personal property. | | | |
| Type of Contract: (X) New contract () Amendment | | Contract Term Dates: July 1, 2015 to June 30, 2020 | |
| Contract/Amendment Amount: Compensation is based on a contingency fee. | | | |
| Source of funds: N/A; revenues generated through property auction sales. | | | |
| Name of Contractor: PropertyRoom.com, Inc. | | | |
| Address: 4650 Wedgewood Blvd., Suite 102, Frederick, MD 21703 | | | |
| | Yes | No | N/A* |
| 1. Council has approved the purpose | X | | |
| 2. Appropriated funds are available | X | | |
| 3. Charter Section 1022 findings completed | X | | |
| 4. Proposals have been requested | X | | |
| 5. Risk Management review completed | X | | |
| 6. Standard Provisions for City Contracts included | X | | |
| 7. Workforce that resides in the City: 0% | | | |
| | | | *N/A = not applicable ** Contracts over \$100,000 |

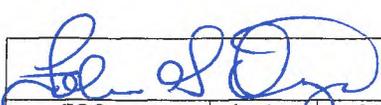
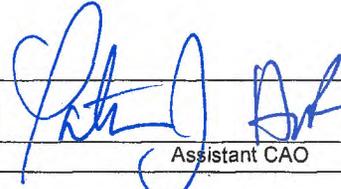
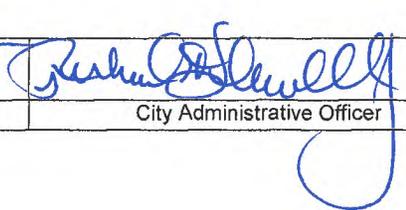
RECOMMENDATION

That the Council, subject to the approval of the Mayor, authorize the Chief of Police, or designee, to execute a professional services agreement with PropertyRoom.com, Inc. for internet auctioning services for unclaimed personal property, for a term of five years effective from July 1, 2015 through June 30, 2020, and on a contingency fee basis, subject to the review and approval by the City Attorney as to form.

SUMMARY

The Los Angeles Police Department (LAPD) requests retroactive approval to execute a contract with PropertyRoom.com, Inc. for internet auctioning services for unclaimed personal property for a term of five years from July 1, 2015 through June 30, 2020. Compensation for services will be provided on a contingency fee basis.

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

| | | |
|---|--|--|
|  FGO |  Assistant CAO |  City Administrative Officer |
| Analyst | 04170039 | |

On June 4, 2015, the LAPD issued a Request for Proposals (RFP) seeking a qualified contractor to perform internet auctioning services. The RFP was posted on the Business Assistance Virtual Network website with only one proposal being submitted that from PropertyRoom.com, which was deemed responsive to the RFP requirements. The Board of Police Commissioners approved the selection of the Contractor at its regular meeting on December 15, 2015.

Contractor compensation is provided on a contingency basis, whereas sales commission payments are made to the Contractor when properties are sold. The Contractor's commission rate is 25-percent if the winning bid price is equal to or greater than \$1,000, or 50-percent should the winning bid price be less than \$1,000. The remaining proceeds from sales will continue to be payable to the LAPD on a monthly basis.

Through the on-line auctioning services provided by the Contractor, the LAPD has recognized increased annual net revenues from sales proceeds during the past four years, as shown in the table below. Future year revenue is difficult to project as it is dependent upon the amount of unclaimed personal property acquired and the success of its subsequent sale.

On-line Auction Net Sales Revenue – FY 2012-13 through 2015-16

| Fiscal Year | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--------------------------|----------------|----------------|----------------|----------------|
| Net Sales Revenue | \$ 58,247 | \$ 89,457 | \$ 114,496 | \$ 154,827 |

A Charter Section 1022 Determination was completed by the Personnel Department and found that although City employees have the expertise to perform this work, the LAPD does not have sufficient personnel or the technical resources to conduct live or virtual auctions on a regular basis. Further, the long and short term costs associated with hiring personnel and purchasing the technical resources to allow the LAPD to manage the sale of unclaimed personal property exceeds the revenues generated.

FISCAL IMPACT STATEMENT

Approval of the recommendation in this report will have no impact on the General Fund. The proposed contract is a no cost agreement and is solely revenue generating. Prior year auction receipts from net sales proceeds ranged from \$58,247 to \$154,827 for FY 2012-13 through 2015-16. Future year revenue is difficult to project as it is dependent upon the amount of unclaimed personal property acquired and the success of its subsequent sale.

RHL:FGO:04170039

Attachment

LOS ANGELES POLICE COMMISSION

BOARD OF
POLICE COMMISSIONERS

MATTHEW M. JOHNSON
PRESIDENT

STEVE SOBOROFF
VICE PRESIDENT

SANDRA FIGUEROA-VILLA
KATHLEEN KIM
CYNTHIA McCLAIN-HILL

MARIA SILVA
COMMISSION EXECUTIVE ASSISTANT II



ERIC GARCETTI
Mayor

RICHARD M. TEFANK
EXECUTIVE DIRECTOR

ALEXANDER A. BUSTAMANTE
INSPECTOR GENERAL

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

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

2016 AUG 26 PM 2:34

August 16, 2016

BPC #16-0294

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

Attention Mandy Morales

Dear Honorable Mayor:

RE: APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH PROPERTY
ROOM.COM, INC., FOR INTERNET AUCTIONING SERVICES FOR UNCLAIMED
PERSONAL PROPERTY

At the regular meeting of the Board of Police Commissioners held Tuesday, August 23, 2016, the Board APPROVED the Department's report relative to the above matter.

This matter is being forwarded to you for approval.

Respectfully,

BOARD OF POLICE COMMISSIONERS

MARIA SILVA
Commission Executive Assistant

Attachment

c: Chief of Police

INTRADEPARTMENTAL CORRESPONDENCE

BPC # 16-0294 3B

RECEIVED

AUG 18 2016

POLICE COMMISSION



July 18, 2016
18.2.3

TO: The Honorable Board of Police Commissioners

FROM: Chief of Police

SUBJECT: APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH PROPERTY ROOM.COM, INC., FOR INTERNET AUCTIONING SERVICES FOR UNCLAIMED PERSONAL PROPERTY

RECOMMENDED ACTIONS

1. That the Board of Police Commissioners (Board) REVIEW and APPROVE the attached Personal Services Agreement.
2. That the Board TRANSMIT the Agreement to the Office of the Mayor for review and approval.
3. That the Board AUTHORIZE the Chief of Police to execute the Agreement upon Mayoral approval.

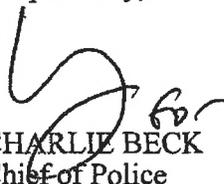
DISCUSSION

On June 4, 2015, the City issued a Request for Proposals (RFP) seeking qualified firms to perform the above-referenced Internet auctioning services under Charter Section 372. The City reviewed Contractor's Proposal and determined that the Contractor has the experience and qualifications to provide the type and level of service required by the City.

On December 15, 2015, the Board of Police Commissioners approved the selection of the Contractor to provide the Internet auctioning services for the City. The City and Contractor intend to enter into a five year Agreement for on-going support and operational tasks for Internet auctioning services for unclaimed personal property. The Contractor will auction unclaimed property to the public via the Internet.

Should you have any questions regarding this matter, please contact Police Administrator, Sandra M. Russell Police Commanding Officer, Property Division, at (213) 356-3710.

Respectfully,



CHARLIE BECK
Chief of Police

BOARD OF
POLICE COMMISSIONERS
Approved August 23, 2016
Secretary Maria Silva

Attachment

INTRADEPARTMENTAL CORRESPONDENCE

July 18, 2016
18.2.3

TO: Chief of Police

FROM: Director, Office of Special Operations

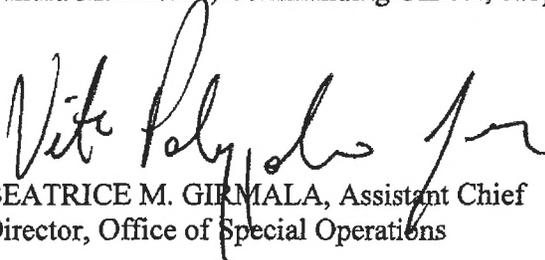
SUBJECT: APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH
PROPERTY ROOM.COM, INC., FOR INTERNET AUCTIONING SERVICES
FOR UNCLAIMED PERSONAL PROPERTY

It is requested that the Chief of Police review, approve, and transmit to the Board of Police Commissioners the attached Agreement between the City of Los Angeles ("City") and Property Room.Com, Inc. ("Contractor"), for Internet Auctioning Services. The Office of the City Attorney has approved the attached contract as to form and legality.

On June 4, 2015, the City issued a Request for Proposals (RFP) seeking qualified firms to perform the above-referenced Internet auctioning services under Charter Section 372. The City reviewed Contractor's Proposal and determined that the Contractor has the experience and qualifications to provide the type and level of service required by the City.

On December 15, 2015, the Board of Police Commissioners approved the selection of the Contractor to provide the Internet auctioning services for the City. The City and Contractor intend to enter into a five year Agreement for on-going support and operational tasks for Internet auctioning services for unclaimed personal property. The Contractor will auction unclaimed property to the public via the Internet.

Should you have any questions regarding this matter, please contact Police Administrator, Sandra M. Russell, Commanding Officer, Property Division, at (213) 356-3710.


BEATRICE M. GIRMALA, Assistant Chief
Director, Office of Special Operations

Attachments

PROFESSIONAL SERVICES AGREEMENT

CONTRACTOR: PROPERTYROOM.COM, INC.

Regarding: INTERNET AUCTIONING SERVICES FOR UNCLAIMED
PERSONAL PROPERTY

Agreement Number _____

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EXHIBIT 1 – Standard Provisions for City Contracts

- ATTACHMENT A – Iran Contracting Act of 2010 Compliance Affidavit**
- ATTACHMENT B – Prohibited Contributors (Bidders) CEC Form 55**

AGREEMENT NUMBER _____
BETWEEN THE CITY OF LOS ANGELES
AND
PROPERTYROOM.COM, INC.
FOR INTERNET AUCTIONING SERVICES FOR UNCLAIMED PERSONAL
PROPERTY

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

WHEREAS, in the conduct of its law enforcement functions, the LAPD acquires numerous items of personal property; and

WHEREAS, the LAPD must dispose of certain unclaimed personal property by means of an auction in a manner consistent with state and municipal laws when that property has been designated for disposal by the LAPD; and

WHEREAS, the LAPD in the past has disposed of such personal property by using a land auction company; and

WHEREAS, based on the results of a pilot program undertaken in 2001 to test the feasibility of auctioning property on the Internet, the City has determined that auctioning unclaimed personal property on the Internet will yield beneficial results for the LAPD and the City; and

WHEREAS, competitive bid under Charter Section 371 is not advantageous to the City because the required services are professional and expert in nature (371e2); and

WHEREAS, on June 4, 2015, the City issued a Request for Proposals (RFP) seeking qualified firms to perform the above-referenced Internet auctioning services under Charter Section 372; and

WHEREAS, the Contractor submitted an acceptable Proposal in accordance with the City's requirements; and

WHEREAS, the City reviewed Contractor's Proposal, found it to be most satisfactory in response to the services needed by the City, and determined that Contractor has the experience and qualifications to provide the type and level of service required by the City; and

WHEREAS, the parties hereto wish to enter into an Agreement pursuant to which the Contractor will perform the work and furnish the deliverables as described herein for consideration and upon the terms and conditions as hereinafter provided.

NOW THEREFORE, in consideration of the above premises and of the terms, covenants and considerations set forth herein, the parties agree as follows:

1.0 PARTIES TO THE AGREEMENT AND REPRESENTATIVES

1.1 Parties to the Agreement

The parties to this Agreement are:

- a. City – The City of Los Angeles, a municipal corporation, acting by and through the LAPD, having its principal office at 100 West First Street, Los Angeles, California 90012
- b. Contractor – PropertyRoom.com, Inc., 4650 Wedgewood Blvd., Suite 102, Frederick, MD, 21703

1.2 Representatives of the Parties

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

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

Charlie Beck
Chief of Police
Los Angeles Police Department
100 West 1st Street, 10th Floor
Los Angeles, California 90012

With copies to:

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

- b. The Contractor's representative is, unless otherwise stated in this Agreement:

Donald Nemer
Senior Vice President of Sales
PropertyRoom.com, Inc.
4650 Wedgewood Blvd., Suite 102
Frederick, MD 21703
(240) 233-5483 Phone Number
(443) 632-5483 Facsimile Number

With copies to:

Harry Brockman
Vice President of Client Services
64 Via Solaz
Rancho Santa Margarita, California 92688
(949) 547-0877 Phone Number

- 1.3** Formal notices, demands and communications to be given hereunder by either party must be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and will be deemed communicated as of the date of mailing.
- 1.4** If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice will be given in accord with this Section, within five (5) business days of said change.

2.0 TERM OF AGREEMENT

The term of this Agreement is retroactive to July 1, 2015, and will terminate on June 30, 2020.

The Contractor and the City understand and agree that certain work described in Section 3.0 below may have commenced prior to the execution of this Agreement and its approval by the Board of Police Commissioners and review by the Mayor of the City of Los Angeles. Provided that the Board of Police Commissioners and the Mayor approve this Agreement, the parties acknowledge their respective obligations as set forth in this Agreement. The Contractor understands the City's statutory requirement mandating that the Contractor must have an approved contract with the City in order to be compensated for services performed.

3.0 SERVICES TO BE PROVIDED

The Contractor will provide the services delineated herein.

3.1 Property To Be Sold

- a. Periodically, the Owner will provide notice to the Contractor of personal property that the Owner desires to be sold by the Contractor by auction on the Internet. Items of property designated by the Owner for auction and not rejected by the Contractor are hereinafter collectively referred to as "Property." An item of property will not become Property subject to this Agreement until the Owner delivers to the Contractor a written notice that describes the item of personal property in sufficient detail to identify it. Property may include, but not be limited to the following: miscellaneous found property, unclaimed property, property formerly used as evidence, and seized property.
- b. The Contractor will, at its own expense and in a timely manner, retrieve from the Owner the items of personal property to be considered for sale by the Contractor pursuant to said notice from the Owner.
- c. Notwithstanding anything herein to the contrary, the Contractor may at any time notify the Owner that it rejects an item of personal property, in which case the item will cease to be Property subject to this Agreement as of the date of the notice. In the event the Contractor issues such notice of rejection of property, the Contractor will, at its own expense, return the rejected property to the Owner's designated warehouse within five (5) business days of issuance of the notice of rejection of property.

3.2 Title

- a. Title to the Property will remain with the Owner until the item of Property is purchased at auction, at which time the Owner will be deemed to have transferred title to the purchaser of the item of Property. The Owner appoints the Contractor as its attorney-in-fact to sign any and all documents necessary to assign to the purchasers of the Property all of the Owner's right, title and interest in and to Property sold.
- b. All cash receipts, accounts receivable, contract rights, notes, general intangibles, and other rights to payment of every kind, arising out of the sales of Property (hereinafter collectively referred to as the "Proceeds") belong to the Owner, subject to the Contractor's right to

Contractor's Net Proceeds and funds attributable to Credit Card Costs and other transaction costs.

- c. The Owner's Property will, at all times before sale, be subject to the direction and control of the Owner.

3.3 Method of Selling Property

- a. The Contractor will, on the Owner's behalf, list the Property for sale by auction to the public on the worldwide web of the Internet on one or more domain names selected by the Contractor, subject to approval by LAPD.
- b. Items that have no sale value or do not sell after repeated listings will be disposed of by Contractor, at Contractor's expense. The Contractor will be responsible for all aspects of disposal of such items by either scrap sale or certified destruction at an authorized landfill. Contractor will provide the City with its share of scrap sales. Contractor must keep written records in order to ensure an audit trail of the disposition of each unsold item. Contractor must make these written records available to the City in order to ensure the proper disposition of all Property subject to this Agreement.
- c. The Contractor may determine all aspects, terms and conditions of auctions of Property, subject to the ultimate control of the Owner. The Contractor will be responsible for all phases of submitting the Property for auction, including, but not limited to:
 - determining when Property will be auctioned;
 - setting the opening and reserve prices of Property, if any; determining the selling price;
 - setting the length of time an item of Property will be auctioned; creating text and graphics to describe and depict Property submitted for auction;
 - collecting all purchaser information (such as purchaser's name, billing address, shipping address, and credit card information); approving purchasers' credit card purchase transactions;
 - shipping and handling of all items to purchaser;
 - and collecting auction proceeds for completed sales from purchasers.
- d. The Contractor will use its best efforts in auctioning and selling the Property on the Internet.
- e. The Contractor will sell all Property "as is" without any warranty liability to the Owner, including but not limited to, any warranties of title.

necessary to convey custodial possession of the item of Property to the Contractor.

3.6 Joint Obligations

The Owner, the Contractor, and their employees and agents will not:

- a. manipulate the price of any item of Property submitted for auction, either by using a shell (a secondary account or third party) or by bidding themselves; or
- b. purchase any item of property.

3.7 Representations and Warranties of Owner

With the knowledge that the Contractor is relying thereon in entering into this Agreement, the Owner hereby represents, warrants and covenants as follows:

- a. The Owner is not and will not be required to give any notice to or obtain any consent from any person in connection with the consummation or performance of any of its obligations hereunder.
- b. The Owner has taken all required actions under applicable law that are conditions precedent to the Owner's right to transfer title to the Property to purchasers.

3.8 Access To City Facilities

The City will provide the Contractor access to City facilities and personnel during normal business hours, Monday through Friday, 8:00 a.m. to 4:00 p.m. The City generally recognizes all Federal holidays.

In instances where the Contractor requires access to City facilities and personnel during off-hours, the Contractor will provide the City with forty-eight (48) hours notice prior to each requested access. Each such request will be subject to approval by the City.

3.9 Independent Contractor

The Contractor's services are being performed as an independent Contractor and not as an agent or employee of the City, therefore, the Contractor is not entitled to any vacation, sick leave, workers' compensation, pension or any other City benefits.

3.10 Retention of Records

The Contractor will maintain complete and accurate records with respect to all costs incurred for Internet auctioning services, including records supporting the cost of all activities. These records must be retained for a period of not less than three (3) years following final payment to the City hereunder or the expiration date of this contract, whichever occurs last. Said records will be subject to examination and audit by authorized City personnel or by the City's representative at any time during the term of this contract or within the three (3) years following the final payment hereunder or the termination date of this Agreement, whichever occurs last. The Contractor will provide any reports requested by the City regarding performance of the Agreement.

4.0 PAYMENT TERMS

4.1 Costs of Credit Card Purchases

Credit Card Costs and other transaction costs related to purchases by credit card will not exceed the actual costs charged to the Contractor by the credit card company for each item sold.

4.2 Allocation of Sales Proceeds

- a. The price for an item of Property paid by the buyer will be called the "Sales Price." The Sales Price will include the Winning Bid Price of the item purchased and all costs, shipping and handling charges, taxes, and insurance costs associated with the transaction.
- b. The Owner will be credited as follows for each item of Property sold by auction:
 1. Winning Bid Price less than \$1,000 – Fifty percent (50%) of the Winning Bid Price, less the Owner's pro rata share of fees and charges specifically attributable to credit card purchases ("Credit Card Costs").
 2. Winning Bid Price equal to or more than \$1,000 – Seventy-five percent (75%) of the Winning Bid Price, less the Owner's pro rata share of fees and charges specifically attributable to credit card purchases ("Credit Card Costs").
- c. Credit Card Costs will be borne by the Owner and the Contractor in proportion to the percentage of the revenue credited to the parties for each underlying transaction.

- d. Amounts received by the Contractor and the Owner will be called "Net Proceeds."
- e. Should quarterly retail diesel prices, as published by the U.S. Energy Information Administration, rise above \$2.50 per gal, a fuel surcharge will be deducted at the rate of \$12.40 increments per \$0.50 per gal rise in cost.

4.3 Payment Terms and Reports

a. Payment Due

No later than the 15th of the month, the Contractor will pay to the Owner the amount of the Owner's Net Proceeds payable for the proceeding month.

b. Monthly Payments and Reports

With each monthly payment, the Contractor will make a detailed report of sales activity for the preceding month available to the Owner on the internet, showing the Contractor's calculation of the amount of the Owner's Total Net Proceeds for the month. Said detailed report must include the following information:

1. The property sold by the Contractor during the prior month.
2. The property, if any, consigned for sale to the Contractor during the month.
3. The total amount of proceeds collected by the Contractor resulting from sales of property during the month.
4. The property, if any, inventoried by the Contractor at the end of the month.
5. Owner's and Contractor's shares of Credit Card Costs and other transaction costs.
6. The City's Net Proceeds and the Contractor's Net Proceeds during the prior month.
7. Cumulative year-to-date totals for the following: total sales proceeds collected by the Contractor; the Owner's and Contractor's shares of Credit Card Costs and other transaction costs; the City's Net Proceeds; and the Contractor's Net Proceeds.

8. All required City reference numbers and identifying information to permit reconciliation, including the Manifest Date, Page and Line number, the City Auction reference number, Case Identification, and any other information required.

c. **General Requirements for Invoices**

Invoices must be sent to:
Los Angeles Police Department
Commanding Officer
Property Division
180 North Los Angeles Street
Los Angeles, California 90012

5.0 TERMINATION

- 5.1 The City may terminate this Agreement, or any part thereof, upon giving the Contractor at least thirty (30) days written notice prior to the effective date of such termination. Notice of Termination must specify the extent to which work under this Agreement is terminated and the date upon which termination becomes effective.
- 5.2 Notwithstanding termination of this Agreement, the Owner must continue to deliver Property to be sold before the termination and the Contractor must continue to remit amounts due to the Owner under this Agreement in connection with any sales made before the effective date of the termination.
- 5.3 Upon termination of this Agreement for any reason, each party must immediately return to the other all Property that it has received from the other party in connection with the performance of its obligations hereunder, except to the extent such property is needed to fulfill its obligations hereunder. In such event, the retained property must be returned immediately upon the party's fulfillment of its obligations under this Agreement.
- 5.4 Upon the termination of this Agreement, all obligations of the parties will cease, except the obligations that by their nature should reasonably continue beyond the termination. Obligations that must continue include the following:
 - a. the obligation of the Contractor to pay the Owner's Net Proceeds for sales made before the termination and;

- b. the obligation of the parties to return property and Confidential Information.

6.0 CONFIDENTIALITY OF INFORMATION

Information, documents, records, software programs, and data furnished to the Contractor by the City and other documents to which the Contractor has access during the term of this Agreement are confidential information (herein after referred to as "Confidential Information"). The Contractor may not disclose Confidential Information in any manner without the prior written consent of the City.

Any information about purchasers of Property, and any documents, reports, analysis, studies, data, or other information generated as a result of this Agreement are to be considered confidential. Such Confidential Information will not be made available to any individual, agency, or organization except as provided for in this Agreement or as provided by law.

The Contractor will ensure that information regarding the source of the Property being offered for sale is maintained confidential. The Contractor will further undertake measures to ensure that potential buyers will not be able to ascertain from the Contractor any information about the origin of any item of Property being offered for sale.

7.0 AMENDMENTS

Any change in the terms of this Agreement must be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the parties thereto.

8.0 STANDARD PROVISIONS

The Contractor must comply with the applicable requirements of the *Standard Provisions for City Contracts (Rev. 03/09)*, attached hereto as Exhibit 1 and incorporated herein by reference.

9.0 IRAN CONTRACTING ACT OF 2010

In accordance with California Public Contract Code Sections 2200-2208, all bidders submitting proposals for, entering into, or renewing contracts with the City of Los Angeles for goods and services estimated at \$1,000,000 or more is required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit" (Attachment A).

10.0 FIRST SOURCE HIRING ORDINANCE

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Agreement is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 et seq. of the Los Angeles Administrative Code, as amended from time to time.

1. Contractor shall, prior to the execution of the Agreement, provide to the Department of Public Works, Bureau of Contract Administration as the Designated Administrative Agency ("DAA") a list of anticipated employment opportunities that Contractor estimates they will need to fill in order to perform the services under the Agreement.
2. Contractor further pledges that it will, during the term of the Agreement, a) at least seven business days prior to making an announcement of a specific employment opportunity under this Work Order, provide notifications of that employment opportunity to the Economic and Workforce Development Department ("EWDD"), which will refer individuals for interview; b) interview qualified individuals referred by EWDD; and c) prior to filling any employment opportunity, the Contractor shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the Contractor interviewed and the reasons why referred individuals were not hired.
3. Any Subcontract entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.
4. Contractor shall comply with all rules, regulations and policies promulgated by the DAA, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the designated administrative agency has determined that the Contractor intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 et seq., and must be documented in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 et seq. This measure does not limit the City's authority to act under this article.

Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this contract and otherwise pursue legal remedies that may be available if the designated administrative agency determines that the subject Contractor has violated provisions of the FSHO.

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

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

"Notice Regarding City of Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are a subcontractor on City of Los Angeles contract # _____. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to contractor within 10 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."

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

12.0 ENTIRE AGREEMENT

This Agreement contains the full and complete Agreement between the parties. No verbal agreement or conversation with any officer or employee of either party will affect or modify any of the terms and conditions of this Agreement.

This Agreement is executed in three (3) originals, each of which is deemed to be an original.

[Signature page follows.]

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

THE CITY OF LOS ANGELES

PROPERTYROOM.COM, INC.

By: _____
CHARLIE BECK
Chief of Police

By:  _____
ANDREW J. NASH
President and CEO

Date: _____

Date: _____

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: _____
LAUREL L. LIGHTNER
Assistant City Attorney

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____
Deputy City Clerk

Date: _____

City Business License Number 0002884561-0001-9

Internal Revenue Service Taxpayer Identification Number 86-0962102

Agreement Number _____

EXHIBIT 1

STANDARD PROVISIONS FOR CITY CONTRACTS (Rev. 03/09)

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. CONSTRUCTION OF PROVISIONS AND TITLES HEREIN

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

PSC-2. NUMBER OF ORIGINALS

The number of original texts of this Contract shall be equal to the number of the parties hereto, one text being retained by each party. At the **CITY'S** option, one or more additional original texts of this Contract may also be retained by the City.

PSC-3 APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Contract.

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

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

PSC-4. TIME OF EFFECTIVENESS

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

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

PSC-5. INTEGRATED CONTRACT

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in paragraph PSC-6 hereof.

PSC-6. AMENDMENT

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-4.

PSC-7. EXCUSABLE DELAYS

In the event that performance on the part of any party hereto is delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder include, but are not limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; earthquakes; epidemics; quarantine restrictions; strikes; freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

PSC-8. BREACH

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights

and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

PSC-9. WAIVER

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

PSC-10. TERMINATION

A. TERMINATION FOR CONVENIENCE

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

B. TERMINATION FOR BREACH OF CONTRACT

1. Except for excusable delays as provided in PSC-7, if CONTRACTOR fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, the CITY may give CONTRACTOR written notice of such default. If CONTRACTOR does not cure such default or provide a plan to cure such default which is acceptable to the CITY within the time permitted by the CITY, then the CITY may terminate this Contract due to CONTRACTOR'S breach of this Contract.
2. If a federal or state proceeding for relief of debtors is undertaken by or against CONTRACTOR, or if CONTRACTOR makes an assignment for the benefit of creditors, then the CITY may immediately terminate this Contract.
3. If CONTRACTOR engages in any dishonest conduct related to the performance or administration of this Contract or violates the CITY'S lobbying policies, then the CITY may immediately terminate this Contract.

4. In the event the **CITY** terminates this Contract as provided in this section, the **CITY** may procure, upon such terms and in such manner as the **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to the **CITY** for all of its costs and damages, including, but not limited, any excess costs for such services.
5. All finished or unfinished documents and materials produced or procured under this Contract, including all intellectual property rights thereto, shall become **CITY** property upon date of such termination. **CONTRACTOR** agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.
6. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-10(A) Termination for Convenience.
7. The rights and remedies of the **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

PSC-11. INDEPENDENT CONTRACTOR

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

PSC-12. CONTRACTOR'S PERSONNEL

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

CONTRACTOR shall not use subcontractors to assist in performance of the Contract without the prior written approval of the **CITY**. If the **CITY** permits the use of subcontractors, **CONTRACTORS** shall remain responsible for performing all aspects of

this Contract. The **CITY** has the right to approve **CONTRACTOR'S** subcontractors, and the **CITY** reserves the right to request replacement of subcontractors. The **CITY** does not have any obligation to pay **CONTRACTOR'S** subcontractors, and nothing herein creates any privity between the **CITY** and the subcontractors.

PSC-13. PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

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

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

PSC-14. PERMITS

CONTRACTOR and its directors, officers, partners, agents, employees, and subcontractors, to the extent allowed hereunder, shall obtain and maintain all licenses, permits, certifications and other documents necessary for **CONTRACTOR'S** performance hereunder and shall pay any fees required therefor. **CONTRACTOR** certifies to immediately notify the **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

PSC-15. CLAIMS FOR LABOR AND MATERIALS

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

PSC-16. CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

If applicable, **CONTRACTOR** represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code. For the term covered by this Contract, **CONTRACTOR** shall maintain, or obtain as necessary, all such Certificates required of it under the Business Tax Ordinance, and shall not allow any such Certificate to be revoked or suspended.

PSC-17. RETENTION OF RECORDS, AUDIT AND REPORTS

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form, in accordance with

requirements prescribed by the **CITY**. These records shall be retained for a period of no less than three years following final payment made by the **CITY** hereunder or the expiration date of this Contract, whichever occurs last. Said records shall be subject to examination and audit by authorized **CITY** personnel or by the **CITY'S** representative at any time during the term of this Contract or within the three years following final payment made by the **CITY** hereunder or the expiration date of this Contract, whichever occurs last. **CONTRACTOR** shall provide any reports requested by the **CITY** regarding performance of this Contract. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

PSC-18. FALSE CLAIMS ACT

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the **CITY** under the False Claims Act (Cal. Gov. Code §§ 12650 *et seq.*), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim.

PSC-19. BONDS

All bonds which may be required hereunder shall conform to **CITY** requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

PSC-20. INDEMNIFICATION

Except for the active negligence or willful misconduct of the **CITY**, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, **CONTRACTOR** undertakes and agrees to defend, indemnify and hold harmless the **CITY** and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including **CONTRACTOR'S** employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by **CONTRACTOR** or its subcontractors of any tier. Rights and remedies available to the **CITY** under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the **CITY**. The provisions of PSC-20 shall survive expiration or termination of this Contract.

PSC-21. INTELLECTUAL PROPERTY INDEMNIFICATION

CONTRACTOR, at its own expense, undertakes and agrees to defend, indemnify, and hold harmless the **CITY**, and any of its Boards, Officers, Agents, Employees, Assigns,

and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information right (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by **CONTRACTOR**, or its subcontractors of any tier, in performing the work under this Contract; or (2) as a result of the **CITY'S** actual or intended use of any Work Product furnished by **CONTRACTOR**, or its subcontractors of any tier, under the Agreement. Rights and remedies available to the **CITY** under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the **CITY**. The provisions of PSC-21 shall survive expiration of termination of this Contract.

PSC-22. INTELLECTUAL PROPERTY WARRANTY

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

PSC-23. OWNERSHIP AND LICENSE

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

For all Work Products delivered to the **CITY** that are not originated or prepared by **CONTRACTOR** or its subcontractors of any tier under this Contract, **CONTRACTOR** hereby grants a non-exclusive perpetual license to use such Work Products for any **CITY** purposes.

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

Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract to contractually bind or otherwise oblige its subcontractors performing work under this Contract such that the **CITY'S** ownership and license rights of all Work Products are preserved and protected as intended herein. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

PSC-24. INSURANCE

During the term of this Contract and without limiting **CONTRACTOR'S** indemnification of the **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by **CONTRACTOR**, but not less than the amounts and types listed on the Required Insurance and Minimum Limits sheet (Form General 146 in Exhibit 1 hereto), covering its operations hereunder. Such insurance shall conform to **CITY** requirements established by Charter, ordinance or policy, shall comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto) and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

PSC-25. DISCOUNT TERMS

CONTRACTOR agrees to offer the **CITY** any discount terms that are offered to its best customers for the goods and services to be provided hereunder and apply such discount to payments made under this Contract which meet the discount terms.

PSC-26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR

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

PSC-27. NON-DISCRIMINATION

Unless otherwise exempt, this Contract is subject to the non-discrimination provisions in Sections 10.8 through 10.8.2 of the Los Angeles Administrative Code, as amended from time to time. The **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the **CITY**. In performing this Contract, **CONTRACTOR** shall not

discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

PSC-28. EQUAL EMPLOYMENT PRACTICES

Unless otherwise exempt, this Contract is subject to the equal employment practices provisions in Section 10.8.3 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of this Contract, **CONTRACTOR** agrees and represents that it will provide equal employment practices and **CONTRACTOR** and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age disability, marital status or medical condition.
 - 1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. **CONTRACTOR** agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- C. As part of the **CITY'S** supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, **CONTRACTOR** shall certify in the specified format that he or she has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of

- K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
 - 1. Hiring practices;
 - 2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 - 3. Training and promotional opportunities;
 - 4. Reasonable accommodations for persons with disabilities.
- L. Any subcontract entered into by **CONTRACTOR** to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of the **CONTRACTOR** Contract with the **CITY**.

PSC-29. AFFIRMATIVE ACTION PROGRAM

Unless otherwise exempt, this Contract is subject to the affirmative action program provisions in Section 10.8.4 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of a **CITY** contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
 - 1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. **CONTRACTOR** shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to

their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

- C. As part of the CITY'S supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, **CONTRACTOR** shall certify on an electronic or hard copy form to be supplied, that **CONTRACTOR** has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age disability, marital status or medical condition.
- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provision of **CITY** contracts, and on their or either of their request to provide evidence that it has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Affirmative Action Program provisions of **CITY** contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has breached the Affirmative Action Program provisions of a **CITY** contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that **CONTRACTOR** has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a **CITY** contract, there may be deducted from the amount payable to **CONTRACTOR** by the **CITY** under the contract, a penalty of ten dollars

(\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a **CITY** contract.

- H. Notwithstanding any other provisions of a **CITY** contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- I. Intentionally blank.
- J. Nothing contained in **CITY** contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. **CONTRACTOR** shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the **CITY**. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, **CONTRACTOR** may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, **CONTRACTOR** must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.
 - 1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
 - 2. **CONTRACTOR** may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for Approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the **CITY** with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and **CONTRACTOR**.

- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation;
 4. Upgrading training and opportunities;
 5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the **CITY'S** Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the **CITY** and may be used at the discretion of the **CITY** in its Contract Compliance Affirmative Action Program.
- P. Intentionally blank.

- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontract awarded for work to be performed under the contract with the CITY and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the CITY.

PSC-30. CHILD SUPPORT ASSIGNMENT ORDERS

This Contract is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to the Child Support Assignment Orders Ordinance, **CONTRACTOR** will fully comply with all applicable State and Federal employment reporting requirements for **CONTRACTOR'S** employees. **CONTRACTOR** shall also certify (1) that the Principal Owner(s) of **CONTRACTOR** are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (2) that **CONTRACTOR** will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with Section 5230, *et seq.* of the California Family Code; and (3) that **CONTRACTOR** will maintain such compliance throughout the term of this Contract.

Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, the failure of **CONTRACTOR** to comply with all applicable report requirements or to implement lawfully served Wage and Earnings Assignment Orders or Notices of Assignment, or the failure of any Principal Owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract, subjecting this Contract to termination if such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the CITY.

Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to obtain compliance of its subcontractors shall constitute a default by **CONTRACTOR** under this Contract, subjecting this Contract to termination where such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the CITY.

CONTRACTOR certifies that, to the best of its knowledge, it is fully complying with the Earnings Assignment Orders of all employees, and it providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in Section 7110(b) of the California Public Contract Code.

PSC-31. LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

- A. Unless otherwise exempt, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 et seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time. These Ordinances require the following:
1. **CONTRACTOR** assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of compensated and uncompensated days off and health benefits, as defined in the LWO.
 2. **CONTRACTOR** further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. **CONTRACTOR** shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. **CONTRACTOR** shall deliver the executed pledges from each such subcontractor to the **CITY** within ninety (90) days of the execution of the subcontract. **CONTRACTOR'S** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of **CONTRACTOR** with respect to such pledges and fully discharge the obligation of **CONTRACTOR** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
 3. **CONTRACTOR**, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the **CITY** with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. **CONTRACTOR** shall post the Notice of Prohibition Against Retaliation provided by the **CITY**.
 4. Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-31 and shall incorporate the provisions of the LWO and the SCWRO.

5. **CONTRACTOR** shall comply with all rules, regulations and policies promulgated by the **CITY'S** Designated Administrative Agency which may be amended from time to time.
- B. Under the provisions of Sections 10.36.3(c) and 10.37.6(c) of the Los Angeles Administrative Code, the **CITY** shall have the authority, under pursue legal remedies that may be available if the **CITY** determines that the subject **CONTRACTOR** has violated provisions of either the LWO or the SCWRO, or both.
- C. Where under the LWO Section 10.37.6(d), the **CITY'S** Designated Administrative Agency has determined (a) that **CONTRACTOR** is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the **CITY** in such circumstances may impound monies otherwise due **CONTRACTOR** in accordance with the following procedures. Impoundment shall mean that from monies due **CONTRACTOR**, **CITY** may deduct the amount determined to be due and owing by **CONTRACTOR** to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.5(d)(3) and disposed of under procedures described therein through final and binding arbitration. Whether **CONTRACTOR** is to continue work following an impoundment shall remain in the sole discretion of the **CITY**. **CONTRACTOR** may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.
- D. **CONTRACTOR** shall inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit (EIC). **CONTRACTOR** shall also make available to employees the forms informing them about the EIC and forms required to secure advance EIC payments from **CONTRACTOR**.

PSC-32. AMERICANS WITH DISABILITIES ACT

CONTRACTOR hereby certifies that it will comply with the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*, and its implementing regulations. **CONTRACTOR** will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. **CONTRACTOR** will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by **CONTRACTOR**, relating to the Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

PSC-33. CONTRACTOR RESPONSIBILITY ORDINANCE

Unless otherwise exempt, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time, which requires **CONTRACTOR** to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect **CONTRACTOR'S** fitness and ability to continue performing this Contract.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this Contract, **CONTRACTOR** pledges under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this contract, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. **CONTRACTOR** further agrees to: (1) notify the **CITY** within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that **CONTRACTOR** is not in compliance with all applicable federal, state and local laws in performance of this Contract; (2) notify the **CITY** within thirty calendar days of all findings by a government agency or court of competent jurisdiction that **CONTRACTOR** has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, submit a Pledge of Compliance to the **CITY**; and (4) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the **CITY** within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

PSC-34. MINORITY, WOMEN, AND OTHER BUSINESS ENTERPRISE OUTREACH PROGRAM

CONTRACTOR agrees and obligates itself to utilize the services of Minority, Women and Other Business Enterprise firms on a level so designated in its proposal, if any. **CONTRACTOR** certifies that it has complied with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, if applicable. **CONTRACTOR** shall not change any of these designated subcontractors, nor shall **CONTRACTOR** reduce their level of effort, without prior written approval of the **CITY**, provided that such approval shall not be unreasonably withheld.

PSC-35. EQUAL BENEFITS ORDINANCE

Unless otherwise exempt, this Contract is subject to the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of the Contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** will comply with the EBO.
- B. The failure of **CONTRACTOR** to comply with the EBO will be deemed to be a material breach of this Contract by the **CITY**.
- C. If **CONTRACTOR** fails to comply with the EBO the **CITY** may cancel, terminate or suspend this Contract, in whole or in part, and all monies due or to become due under this Contract may be retained by the **CITY**. The **CITY** may also pursue any and all other remedies at law or in equity for any breach.
- D. Failure to comply with the EBO may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.
- E. If the **CITY'S** Designated Administrative Agency determines that a **CONTRACTOR** has set up or used its contracting entity for the purpose of evading the intent of the EBO, the **CITY** may terminate the Contract. Violation of this provision may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.

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

“During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles’ Equal Benefits Ordinance may be obtained from the Department of Public Works, Office of Contract Compliance at (213) 847-1922.”

PSC-36. SLAVERY DISCLOSURE ORDINANCE

Unless otherwise exempt, this Contract is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as amended from time to time. **CONTRACTOR** certifies that it has complied with the applicable provisions of the Slavery Disclosure Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Contract.

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

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

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

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

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

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

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

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

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

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

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

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

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

9. Commencement of Work. For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-4, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

Exhibit 1 (Continued) Required Insurance and Minimum Limits

Name: PropertyRoom.com, Inc. Date: March 2016

Agreement/Reference: Internet Auctioning Services for Unclaimed Personal Property

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

| | Limits |
|---|-----------------------|
| <input checked="" type="checkbox"/> Workers' Compensation – Workers' Compensation (WC) and Employer's Liability (EL) | WC <u>Statutory</u> |
| <input type="checkbox"/> Waiver of Subrogation in favor of City | EL <u>\$1,000,000</u> |
| <input type="checkbox"/> Longshore & Harbor Workers | |
| <input type="checkbox"/> Jones Act | |

| | |
|---|--|
| <input checked="" type="checkbox"/> General Liability | <u>\$1,000,000</u> |
| <input checked="" type="checkbox"/> Products/Completed Operations | <input type="checkbox"/> Sexual Misconduct _____ |
| <input type="checkbox"/> Fire Legal Liability _____ | |
| <input type="checkbox"/> _____ | |

Automobile Liability (for any and all vehicles used for this contract, other than commuting to/from work) \$1,000,000

Professional Liability (Errors and Omissions) _____

Property Insurance (to cover replacement cost of building – as determined by insurance company) \$2,000,000

- | | |
|--|---|
| <input type="checkbox"/> All Risk Coverage | <input type="checkbox"/> Boiler and Machinery |
| <input type="checkbox"/> Flood _____ | <input type="checkbox"/> Builder's Risk |
| <input type="checkbox"/> Earthquake _____ | <input type="checkbox"/> _____ |

Pollution Liability _____

Surety Bond – Performance and Payment (Labor and Materials) Bonds 100 % of Contract Price

Crime Insurance _____

Other: _____

CITY OF LOS ANGELES
INSTRUCTIONS AND INFORMATION
ON COMPLYING WITH CITY INSURANCE REQUIREMENTS

(Share this information with your insurance agent or broker.)

1. **Agreement/Reference** All evidence of insurance must identify the nature of your business with the CITY. Clearly show any assigned number of a bid, contract, lease, permit, etc. or give the project name and the job site or street address to ensure that your submission will be properly credited. Provide the **types of coverage and minimum dollar amounts** specified on the Required Insurance and Minimum Limits sheet (Form Gen. 146) included in your CITY documents.

2. **When to submit** Normally, no work may begin until a CITY insurance certificate approval number ("CA number") has been obtained, so insurance documents should be submitted as early as practicable. For **As-needed Contracts**, insurance need not be submitted until a specific job has been awarded. **Design Professionals** coverage for new construction work may be submitted simultaneously with final plans and drawings, but before construction commences.

3. **Acceptable Evidence and Approval** Electronic submission is the preferred method of submitting your documents. **Track4LA™** is the CITY's online insurance compliance system and is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used primarily by insurance brokers and agents as they submit client insurance certificates directly to the City. It uses the standard insurance industry form known as the **ACORD 25 Certificate of Liability Insurance** in electronic format. **Track4LA™** advantages include standardized, universally accepted forms, paperless approval transactions (24 hours, 7 days per week), and security checks and balances. The easiest and quickest way to obtain approval of your insurance is to have your insurance broker or agent access **Track4LA™** at <http://track4la.lacity.org> and follow the instructions to register and submit the appropriate proof of insurance on your behalf.

Insurance industry certificates other than the ACORD 25 may be accepted. **All** Certificates must provide a thirty (30) days' cancellation notice provision (ten (10) days for non-payment of premium) **AND** an Additional Insured Endorsement naming the CITY an additional insured completed by your insurance company or its designee. If the policy includes an automatic or blanket additional insured endorsement, the Certificate must state the CITY is an automatic or blanket additional insured. An endorsement naming the CITY an Additional Named Insured and Loss Payee as Its Interests May Appear is required on property policies. All evidence of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter.

Acceptable Alternatives to Acord Certificates and other Insurance Certificates:

- A copy of the full insurance policy which contains a thirty (30) days' cancellation notice provision (ten (10) days for non-payment of premium) and additional insured and/or loss-payee status, when appropriate, for the CITY.
- **Binders and Cover Notes** are also acceptable as interim evidence for up to 90 days from date of approval.

Additional Insured Endorsements **DO NOT** apply to the following:

- Indication of compliance with statute, such as Workers' Compensation Law.
- Professional Liability insurance.

Completed **Insurance Industry Certificates other than ACORD 25 Certificates** can be sent electronically (CAO.insurance.bonds@lacity.org) or faxed to the Office of the City Administrative Officer, Risk Management (213) 978-7616. **Please note that submissions other than through**

Track4LA™ will delay the insurance approval process as documents will have to be manually processed.

Verification of approved insurance and bonds may be obtained by checking **Track4LA™**, the CITY's online insurance compliance system, at <http://track4la.lacity.org>.

4. **Renewal** When an existing policy is renewed, have your insurance broker or agent submit a new Acord 25 Certificate through **Track4LA™** at <http://track4la.lacity.org> or submit an Insurance Industry Certificate or a renewal endorsement as outlined in Section 3 above. If your policy number changes you must also submit a new Additional Insured Endorsement with an Insurance Industry Certificate.

5. **Alternative Programs/Self-Insurance** Risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs are subject to separate approval after the CITY has reviewed the relevant audited financial statements. To initiate a review of your program, you should complete the Applicant's Declaration of Self Insurance form (<http://cao.lacity.org/risk/InsuranceForms.htm>) to the Office of the City Administrative Officer, Risk Management for consideration.

6. **General Liability** insurance covering your operations (and products, where applicable) is required whenever the CITY is at risk of third-party claims which may arise out of your work or your presence or special event on City premises. **Sexual Misconduct** coverage is a required coverage when the work performed involves minors. **Fire Legal Liability** is required for persons occupying a portion of CITY premises. (Information on two CITY insurance programs, the SPARTA program, an optional source of low-cost insurance which meets the most minimum requirements, and the Special Events Liability Insurance Program, which provides liability coverage for short-term special events on CITY premises or streets, is available at (www.2sparta.com), or by calling (800) 420-0555.)

7. **Automobile Liability** insurance is required only when vehicles are used in performing the work of your Contract or when they are driven off-road on CITY premises; it is not required for simple commuting unless CITY is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

8. **Errors and Omissions** coverage will be specified on a project-by-project basis if you are working as a licensed or other professional. The length of the claims discovery period required will vary with the circumstances of the individual job.

9. **Workers' Compensation and Employer's Liability** insurance are not required for single-person contractors. However, under state law these coverages (or a copy of the state's Consent To Self Insure) must be provided if you have any employees at any time during the period of this contract. Contractors with no employees must complete a Request for Waiver of Workers' Compensation Insurance Requirement (<http://cao.lacity.org/risk/InsuranceForms.htm>). A **Waiver of Subrogation** on the coverage is required only for jobs where your employees are working on CITY premises under hazardous conditions, e.g., uneven terrain, scaffolding, caustic chemicals, toxic materials, power tools, etc. The Waiver of Subrogation waives the insurer's right to recover (from the CITY) any workers' compensation paid to an injured employee of the contractor.

10. **Property Insurance** is required for persons having exclusive use of premises or equipment owned or controlled by the CITY. **Builder's Risk/Course of Construction** is required during construction projects and should include building materials in transit and stored at the project site.

11. **Surety** coverage may be required to guarantee performance of work and payment to vendors and suppliers. A **Crime Policy** may be required to handle CITY funds or securities, and under certain other conditions. **Specialty coverages** may be needed for certain operations. For assistance in obtaining the CITY required bid, performance and payment surety bonds, please see the City of Los Angeles Bond Assistance Program website address at <http://cao.lacity.org/risk/BondAssistanceProgram.pdf> or call (213) 258-3000 for more information.

ATTACHMENT A

IRAN CONTRACTING ACT OF 2010 COMPLIANCE AFFIDAVIT

IRAN CONTRACTING ACT OF 2010 COMPLIANCE AFFIDAVIT

(California Public Contract Code Sections 2200-2208)

The California Legislature adopted the Iran Contracting Act of 2010 to respond to policies of Iran in a uniform fashion (PCC § 2201(q)). The Iran Contracting Act prohibits bidders engaged in investment activities in Iran from bidding on, submitting proposals for, or entering into or renewing contracts with public entities for goods and services of one million dollars (\$1,000,000) or more (PCC § 2203(a)). A bidder who "engages in investment activities in Iran" is defined as either:

1. A bidder providing goods or services of twenty million dollars (\$20,000,000) or more in the energy sector of Iran, including provision of oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or
2. A bidder that is a financial institution (as that term is defined in 50 U.S.C. § 1701) that extends twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list created by the California Department of General Services (DGS) pursuant to PCC § 2203(b) as a person engaging in the investment activities in Iran.

The bidder shall certify that at the time of submitting a bid for new contract or renewal of an existing contract, the bidder is **not** identified on the DGS list of ineligible businesses or persons and that the bidder is **not** engaged in investment activities in Iran in violation of the Iran Contracting Act of 2010.

California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts (PCC § 2205).

To comply with the Iran Contracting Act of 2010, the bidder shall provide its vendor or financial institution name, and City Business Tax Registration Certificate (BTRC) if available, in completing **ONE** of the options shown below.

OPTION #1: CERTIFICATION

I, the official named below, certify that I am duly authorized to execute this certification on behalf of the bidder or financial institution identified below, and that the bidder or financial institution identified below is **not** on the current DGS list of persons engaged in investment activities in Iran and is **not** a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person or vendor, for 45 days or more, if that other person or vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current DSG list of persons engaged in investment activities in Iran.

| | | |
|--|----------------------------------|-----------------------------|
| <i>Vendor Name/Financial Institution (printed)</i> PropertyRoom.com, Inc. | | <i>BTRC (or n/a)</i> n/a |
| <i>By (Authorized Signature)</i> | | |
| <i>Print Name and Title of Person Signing</i> Andrew J. Nash, President & CEO | | |
| <i>Date Executed</i> | <i>City Approval (Signature)</i> | <i>(Print Name)</i> |

OPTION #2: EXEMPTION

Pursuant to PCC § 2203(c) and (d), a public entity may permit a bidder or financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enter into, or renew, a contract for goods and services. If the bidder or financial institution identified below has obtained an exemption from the certification requirement under the Iran Contracting Act of 2010, the bidder or financial institution shall complete and sign below and attach documentation demonstrating the exemption approval.

| | | |
|--|----------------------------------|----------------------|
| <i>Vendor Name/Financial Institution (printed)</i> | | <i>BTRC (or n/a)</i> |
| <i>By (Authorized Signature)</i> | | |
| <i>Print Name and Title of Person Signing</i> | | |
| <i>Date Executed</i> | <i>City Approval (Signature)</i> | <i>(Print Name)</i> |

ATTACHMENT B

PROHIBITED CONTRIBUTORS (BIDDERS) CEC FORM 55



City Ethics Commission
 200 N Spring Street
 City Hall — 24th Floor
 Los Angeles, CA 90012
 Mail Stop 129
 (213) 978-1980

Prohibited Contributors (Bidders) CEC Form 55

This form must be completed in its entirety and submitted to the awarding authority with your bid or proposal for the contract noted below. A bid or proposal that does not include a completed form will be deemed nonresponsive. Please write legibly.

Original filing Amended filing (original signed on _____; last amendment signed on _____)

Bid/Contract/BAVN Number (or other identifying information if no number):
 76941

Date Bid Submitted:
 7/16/2015

Description of Contract:

Internet Auctioning Services for Unclaimed Personal Property for the LAPD

Awarding Authority (Department):

Los Angeles Police Department

BIDDER

Name: PropertyRoom.com, Inc.

Address: 4650 Wedgewood Blvd., Suite 102, Frederick, MD, 21703

Email (optional): contractadmin@propertyroom.com Phone: 240.751.9123

State Contractor ID: Not applicable

State ID must be disclosed for identification purposes, even if not performing work on this contract under that license. If the bidder does not have a state contractor ID, indicate "not applicable".

PRINCIPALS

Please identify the names and titles of all principals (attach additional sheets if necessary). Principals include a bidder's board chair, president, chief executive officer, chief operating officer, and individuals who serve in the functional equivalent of one or more of those positions. Principals also include individuals who hold an ownership interest in the bidder of at least 20 percent and employees of the bidder who are authorized by the bid or proposal to represent the bidder before the City.

Name: Andrew J. Nash Title: President & CEO

Address: 4650 Wedgewood Blvd., Suite 102, Frederick, MD, 21703

Name: Kevin Felichko Title: Secretary & CTO

Address: 4650 Wedgewood Blvd., Suite 102, Frederick, MD, 21703

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

_____ additional sheets are attached.

Bidder is an individual and no other principals exist.



City Ethics Commission
 200 N Spring Street
 City Hall — 24th Floor
 Los Angeles, CA 90012
 Mall Stop 129
 (213) 978-1960

Prohibited Contributors (Bidders)

CEC Form 55

SUBCONTRACTORS

Please identify all subcontractors whose subcontracts are worth \$100,000 or more (attach additional sheets if necessary). If the subcontractor has a state contractor license, the ID must be disclosed for identification purposes, even if the subcontractor is not performing work on this contract under that license.

Subcontractor: _____
 Address: _____
 State Contractor ID (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____
 Address: _____
 State Contractor ID (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____
 Address: _____
 State Contractor ID (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____
 Address: _____
 State Contractor ID (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____
 Address: _____
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Subcontractor: _____
 Address: _____
 State Contractor ID (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____
 Address: _____
 State Contractor ID (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____
 Address: _____
 State Contractor ID (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____
 Address: _____
 State Contractor ID (for identification purposes; if none, indicate "not applicable"): _____

_____ additional sheets are attached.

Bidder has no subcontractors on this bid or proposal whose subcontracts are worth \$100,000 or more.



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Prohibited Contributors (Bidders) CEC Form 55

PRINCIPALS OF SUBCONTRACTORS

Please identify the names and titles of all principals for each subcontractor identified on page 2 (attach additional sheets if necessary). Principals include a subcontractor's board chair, president, chief executive officer, chief operating officer, and individuals who serve in the functional equivalent of one or more of those positions. Principals also include individuals who hold an ownership interest in the subcontractor of at least 20 percent and employees of the subcontractor who are authorized by the bid or proposal to represent the subcontractor before the City.

Name: _____ Title: _____

Address: _____

Subcontractor: _____

Of the subcontractors identified on page 2, the following are individuals and no other principals exist (attach additional sheets if necessary):

Subcontractor: _____

Subcontractor: _____

_____ additional sheets are attached.

Bidder has no subcontractors on this bid or proposal whose subcontracts are worth \$100,000 or more.

CERTIFICATION

I certify that I understand, will comply with, and have notified my principals and subcontractors of the requirements and restrictions in Los Angeles City Charter section 470(c)(12) and any related ordinances. I understand that I must amend this form within ten business days if the information above changes. I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that the information provided above is true and complete.

Date: July 10, 2015

Signature: _____

Name: Andrew J. Nash

Title: President & CEO

Under Los Angeles City Charter § 470(c)(12), this form must be submitted to the awarding authority with your bid or proposal. A bid or proposal that does not include a completed Form 55 will be deemed nonresponsive.