

# APPROVED

DEC 12 2018

BOARD REPORT

BOARD OF RECREATION  
AND PARK COMMISSIONERS

NO. 18-247

DATE: December 12, 2018

C.D. 11

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: PENMAR GOLF – APPROVE AWARD AND AUTHORIZE EXECUTION OF AGREEMENT FOR THE REDEVELOPMENT, OPERATION AND MAINTENANCE OF THE FOOD AND BEVERAGE CONCESSION AT PENMAR GOLF COMPLEX-- CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 1(1) [INTERIOR AND EXTERIOR ALTERATIONS OF EXISTING FACILITIES INVOLVING NEGLIGIBLE OR NO EXPANSION OF USE] AND CLASS 1(14) [ISSUANCE OF LICENSE TO USE AN EXISTING STRUCTURE] OF CITY OF LOS ANGELES CEQA GUIDELINES

A.P. Diaz \_\_\_\_\_  
R. Barajas \_\_\_\_\_  
H. Fujita \_\_\_\_\_

V. Israel \_\_\_\_\_  
S. Pifa-Cortez \_\_\_\_\_  
\*N. Williams NDW

*Nael D Williams*  
\_\_\_\_\_  
General Manager

Approved   X  

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Approve the award of an agreement for the redevelopment, operation and maintenance of a food and beverage concession for the Penmar Golf Café to 1233 Penmar, LLC, for a term of ten years with one five-year extension option exercisable at the General Manager's sole discretion and in accordance with the details set forth in this Report;
2. Approve the proposed Agreement between the City of Los Angeles and 1233 Penmar, LLC substantially in the form attached to the Report as Attachment A (Agreement) for the redevelopment, operation and maintenance of the Penmar Golf Café, subject to the approval of the Mayor, the City Council, and the City Attorney as to form;
3. Direct the Board of Recreation and Park Commissioners (Board) Secretary to transmit the Agreement to the Mayor per Executive Directive No. 3, and to the City Attorney for approval as to form;
4. Find, in accordance with Charter Section 1022, that it is necessary, feasible, and economical to secure these services by contract as the Department of Recreation and Parks (RAP) lacks sufficient and necessary personnel to undertake these specialized professional services;
5. Find, pursuant to Charter Section 371(e)(10), and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable, impractical or otherwise excused by the common law and the Charter because, unlike

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the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by RAP for the operation and maintenance of the Penmar Golf Café Concession;

6. Find that after advertisement and release of a Request for Proposal (RFP) for the redevelopment, operation, and maintenance of Penmar Golf Café, proposals were not received, and RAP thereafter entered into negotiations directly with interested restaurant operators who participated in the RFP's pre-proposal conference to engage in a contract;
7. Authorize the General Manager or Designee to execute the proposed Agreement substantially in the form attached to this Report (Attachment A) upon receipt of all necessary approvals and to make any necessary technical changes consistent with the Board's intent in approving this Report and proposed Agreement; and,
8. Find that the proposed project is categorically exempt from the California Environmental Quality Act (CEQA), and direct RAP staff to file a Notice of Exemption; and,
9. Authorize the RAP Chief Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of Seventy-Five Dollars (\$75.00) for the purpose of filing a Notice of Exemption.

### SUMMARY

The Penmar Golf Café (Concession) is part of the Penmar 9-Hole Executive Golf Course at 1233 Rose Avenue, Venice, CA 90291, and is located only one and a half miles from Venice Beach. The Concession includes a small dining room, cook line, limited storage, and an outdoor covered patio with beautiful views of the golf course.

The Concession is currently operated under the terms of a Concession Agreement between the City of Los Angeles and Campus Services, Inc. which began on April 1, 2000 for a three year term. Campus Services continues to operate the Concession under the original Agreement on a month-to-month basis.

In 2017, the Concession generated annual gross receipts of One Hundred Sixty-Three Thousand, Five Hundred Dollars (\$163,500) which produced revenue share to RAP of eight percent (8%) for food, non-alcoholic beverage, and beer; six percent (6%) for golf merchandise; and six percent (6%) for hand cart rentals totaling Twelve Thousand, Six Hundred Forty-Three Dollars (\$12,643). This averaged a shared revenue to the City of \$1,054 per month in 2017. Golf merchandise and hand cart rentals are no longer provided through a concession operator. RAP Golf Division now offers these services.

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### RFP PROCESS

On October 17, 2017, RAP released a Request for Proposal (RFP) for the redevelopment, operation, and maintenance of eight golf course food and beverage concessions throughout the City. The eight locations were bundled into six packages and the Penmar location was a stand-alone package. Advertisement was conducted on websites at Food-Management.com (FM) and Nation's Restaurant News (NRN); E-mail to recipients of FM, NRN, and Restaurant Hospitality; on Los Angeles Business Journal, on RAP's website, on the Los Angeles Business Assistance Virtual Network (LABAVN), and by correspondence to interested parties on a list maintained by RAP.

RAP did not receive any proposals in connection with the RFP for Penmar. As such, RAP staff sent a letter to all individuals and entities that participated in the RFP's pre-proposal conference in an effort to solicit potential interest from qualified companies for the opportunity.

### DISCUSSION

From RAP's outreach subsequent to the RFP, RAP received three written proposals for the redevelopment, operation and maintenance of the Penmar Golf Café. RAP staff reviewed the proposals and interviewed the proposers to determine the most optimal arrangement for the concession and for RAP. Two of the three proposals were competitive but RAP staff determined the proposal from Oscar Hermosillo and Mark Chesler with 1233 Penmar, LLC dba The Penmar (The Penmar) to be in the best interest of RAP.

Mr. Hermosillo owns and operates Venice Beach Wines and Clutch restaurants, both located in Venice. Additionally, he owns and operates Cerveteca in Culver City. Mr. Chesler is an investor with an Economics college degree and an MBA from UCLA Anderson School of Management. His background includes turnaround consultation, investment banking and private equity.

Their proposal and subsequent negotiations with RAP staff established they can provide key provisions as required in the original food and beverage RFP:

- Food and beverage service at a designated golf course 365 days a year
- A vibrant, relaxed dining experience for golf course patrons and the general public
- High quality food served with minimum wait times at affordable prices
- Five star customer service
- A fair and respectful employment environment
- Improvements and equipment required to operate the concessions

Capital investment to the aged café facility from The Penmar will include an extensive remodel of the kitchen, serving area, and indoor/outdoor seating areas; cosmetic upgrades to the public restrooms; and information/technology (IT) upgrades with an audio system, HD TVs, public Wi-Fi service and a modern Point of Sale (POS) system. The Penmar will invest the following minimum amounts to the Concession as part of the initial capital investment:

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• Kitchen	\$75,000
• Indoor	\$50,000
• Outdoor	\$50,000
• Bathrooms	\$40,000
• IT	\$25,000
• Reserve (20%)	\$60,000
-----	
Total:	\$300,000

The Penmar, in its discretion, may invest more than the above stated minimum amounts as part of the initial capital investment. Work on the improvements associated with the initial capital investment shall be complete within one year from contract execution. Once The Penmar realizes profits from its operation of the Concession in an aggregate amount equal to its initial capital investment, it will invest an additional \$100,000 in additional capital improvements during years three thru nine. Future improvements will be mutually agreed upon between RAP and The Penmar.

The Penmar's Business Plan will focus on golfers; locals from Venice, Mar Vista, Santa Monica; and visitors to Los Angeles with food that is fresh, locally sourced and affordable, served in an enhanced modern atmosphere conducive to Penmar Golf and the surrounding areas of Venice. The goal is to provide an upgraded restaurant experience including a weekly brunch and rotating food events such as specialty food, wine nights, sushi night, BBQs, and crab boils. Top service will be given to the golfers, golf clubs, tournaments and events. The Penmar plans to create partnerships in order to offer catering and hosting services for meet and greets and parties. They will also offer discounts and specials.

Staffing at The Penmar will include a salaried manager and multiple shift supervisors to enhance flexibility with cashiers and cooks. The menus (Attachment B) include delicious and healthy options. "morning/all day" choices will range from a simple bagel/cream cheese to a citrus breakfast salad, breakfast sandwich, breakfast burrito, and a big breakfast made your way with choices for eggs, bacon or sausage, side order choice, pancakes, and/or other items. Lunch choices include sandwiches, burgers, "tortilla things," and "dogs." Examples are grilled chicken breast sandwich, black bean & poblano veggie sandwich, turkey/ham sandwiches, BLTs, grilled cheese with ham, L.A. sporty dog, grilled fish tacos, steak asada tacos, and veggie tacos. The salad choices include Cesar, Cobb, House, and Wedge. They will offer dinner plates of grilled steak or marinated chicken and fish of the day. "Shared" dishes of ceviche, fried calamari, meat-topped nachos, fries, chip and salsas are ideal for the selection of beers and wines that will be served as are the cheese and charcuterie boxes meant to be shared consisting of artisanal meats and cheeses.

Compensation to the City will be the greater of a Minimum Monthly Guarantee (MMG) of \$2,000 or monthly percentage rent of:

- Years 1-4: 3.5% of gross sales on all food/non-alcoholic beverages
- Years 5-10: 4.25% of gross sales on all food/non-alcoholic beverages
- Years 1-10: 10% on alcoholic beverages, including Happy Hour sales

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Years 1-10: 4.25% on alcoholic beverages sold through The Penmar's club discount program, not including Happy Hour.

### TRANSITION PLAN

The Penmar pledges to work with RAP to minimize disruption during the facility upgrade. A food truck or temporary kiosk will be used to provide basic food and beverage service when the café kitchen is under renovation. Bathroom upgrades will be sequenced to ensure one is always working and available. This agreement will be subject to the City's Worker Retention Ordinance and RAP staff will work with The Penmar to ensure full compliance.

The proposed improvements are expected to take up to six months to complete.

### CONCLUSION

RAP issued an RFP for the redevelopment, operation and maintenance of Penmar Golf Café. After not receiving any proposals for Penmar Golf Café in response to the RFP, RAP contacted those entities that participated in the RFP's pre-proposal meeting and began direct negotiations with interested parties. The Penmar team is well-qualified for the operation and has presented a strong proposal for the Concession. Therefore, RAP staff recommends approval to award the proposed concession agreement to The Penmar for the redevelopment, operation, and maintenance of the Penmar Golf Café.

### ENVIRONMENTAL IMPACT STATEMENT

The proposed concession agreement and the associated capital improvements consists of the issuance of a license to use and alter an existing structure involving negligible expansion of use. Therefore, Staff recommends that the Board of Recreation and Parks Commissioners determine that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1(1,14) of the City CEQA Guidelines and pursuant to Article 19, Section 15301 of California CEQA Guidelines. A Notice of Exemption will be filed with Los Angeles County Clerk upon approval of this report by the Board.

### FISCAL IMPACT STATEMENT

The Penmar's proposed compensation guarantees annual revenue to RAP of at least Twenty-Four Thousand Dollars (\$24,000) during the first ten-year term.

This Report was prepared by Stanley Woo, Management Analyst II, Finance Branch, Concessions Unit.

### LIST OF ATTACHMENTS

- A) Proposed Agreement and Exhibits for the Operation and Maintenance of the Penmar Golf Café Concession between the City of Los Angeles and 1233 Penmar, LLC.
- B) The Penmar food menus

AGREEMENT  
FOR THE REDEVELOPMENT, OPERATION AND MAINTENANCE OF  
PENMAR GOLF COURSE  
FOOD AND BEVERAGE CONCESSION

BETWEEN

THE CITY OF LOS ANGELES  
DEPARTMENT OF RECREATION AND PARKS

AND

1233 PENMAR, LLC

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## **AGREEMENT FOR REDEVELOPMENT, OPERATION AND MAINTENANCE OF A FOOD & BEVERAGE CONCESSION**

THIS Agreement (hereinafter "AGREEMENT" or "CONTRACT") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 201\_, by and between the CITY OF LOS ANGELES, a municipal corporation acting by and through its Department of Recreation and Parks (hereinafter referred to as "CITY"), and 1233 Penmar, LLC (hereinafter referred to as "CONCESSIONAIRE").

**WHEREAS**, the Department of Recreation and Parks (hereinafter referred to as "RAP") seeks to serve the public by providing food and beverage services including the sale of alcoholic beverages at Penmar Golf Course Cafe (hereinafter "CONCESSION"); and

**WHEREAS**, the CITY finds, in accordance with Charter Section 1022, that it is necessary, feasible and economical to secure these services by contract as it lacks available personnel in its employ with sufficient expertise to undertake these specialized services; and

**WHEREAS**, the CITY finds, pursuant to Charter Section 371(e)(10), and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable, impractical or otherwise excused by the common law and the Charter because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by RAP for the redevelopment, operation and maintenance of this CONCESSION; and

**WHEREAS**, RAP found it is necessary to utilize a standard request for proposal process and to evaluate proposals received based upon the criteria included in a Request for Proposal (RFP); and

**WHEREAS**, RAP advertised for proposals for the redevelopment, operation and maintenance of the CONCESSION, to include providing food, beverage and related services to the public; and

**WHEREAS**, RAP did not receive proposals for the CONCESSION through its RFP process; and

**WHEREAS**, subsequent to the RFP process, RAP staff solicited proposals from interested parties and entered into negotiations directly with prospective restaurant operators; and

**WHEREAS**, RAP has vetted and selects 1233 Penmar, LLC (hereinafter CONCESSIONAIRE) to provide redevelopment, operation and maintenance services at the CONCESSION in accordance with the terms and conditions of this AGREEMENT; and

**WHEREAS**, CONCESSIONAIRE desires to enter into this AGREEMENT to provide services of the type and character required therein by CITY to meet the needs of the public at Penmar Golf Course Cafe.

**NOW THEREFORE**, in consideration of the terms, covenants and conditions hereinafter to be kept and performed by the respective parties, it is agreed as follows:

### **SECTION 1. DEFINITIONS**

For the purpose of this AGREEMENT, the following words and phrases are defined and shall be construed as hereinafter set for:

AGREEMENT: This Concession Agreement consisting of thirty (30) pages and fourteen (14) exhibits (A-N) attached hereto

BOARD: Board of Recreation and Park Commissioners

CITY: City of Los Angeles, acting by and through its Department of Recreation and Parks.

CONCESSION: Penmar Golf Course Food and Beverage Concession

CONCESSIONAIRE: 1233 Penmar, LLC

FACILITY: Penmar Golf Course

GENERAL MANAGER: General Manager of RAP, or that person's authorized representative, acting on behalf of the CITY. All actions of the General Manager are subject to review by the BOARD.

LAAC: Los Angeles Administrative Code

LAMC: Los Angeles Municipal Code

PREMISES: The geographical area, as defined in Section 3 of this AGREEMENT, in which the Concession may be operated.

RAP: Department of Recreation and Parks

STANDARD PROVISIONS: Standard Provisions for City Contracts (Rev. 10/17 V.3), attached hereto as "Exhibit A" and incorporated herein.

## **SECTION 2. PERMISSION GRANTED**

For and in consideration of the payment of the fees and charges as hereinafter provided, and subject to all of the terms, covenants, and conditions of this AGREEMENT, RAP hereby grants to CONCESSIONAIRE, the exclusive right and obligation within the CONCESSION to sell food and beverages (including alcoholic beverages) and offer related services as approved by the GENERAL MANAGER. Value-priced meals; pre-prepared and packaged items; and beverages for quick take-away service will also be available. Designated space authorized for use and activities by the CONCESSIONAIRE is identified in Exhibit B, and shall not be used for any other purpose without the prior written consent of GENERAL MANAGER.

The CONCESSION rights herein granted shall be carried on at the FACILITY solely within the limits and confines of said areas designated as PREMISES (Section 3) in this AGREEMENT. CONCESSIONAIRE, by accepting the AGREEMENT, agrees for itself, and its successors and assigns, that it will not make use of the PREMISES in any manner which might interfere with the recreational uses of the FACILITY.

While CONCESSIONAIRE is granted the exclusive right to sell food and beverages to the general public at the CONCESSION PREMISES, this exclusive right does not prohibit private parties from preparing or bringing their own food and drinks for personal consumption to the golf course. Nor does it prohibit RAP from hiring outside caterers for RAP-hosted tournaments and junior events at the golf course, after first providing CONCESSIONAIRE the opportunity to bid on providing such catering services.

In the event of a conflict between CONCESSIONAIRE and any other concessionaire or any lessee at the FACILITY regarding the services to be offered or products to be sold by respective concessionaires or lessees, RAP shall meet and confer with all necessary parties to determine the services to be offered or products to be sold by each, and CONCESSIONAIRE hereunder agrees thereafter to be bound by said determination.

RAP reserves the right to further develop or improve the PREMISES as it sees fit, without interference or hindrance, however RAP shall consider the desire and views of CONCESSIONAIRE.

### **SECTION 3. PREMISES**

The PREMISES (Exhibit B) subject to this AGREEMENT are located at: 1233 Rose Avenue, Venice, CA 90291. The PREMISES shall include the cafe and all, if any, portions of the golf course that the GENERAL MANAGER, by express written consent, approves for offering food and beverage service, and mobile solutions. Location of PREMISES are set forth in Exhibit B, attached hereto and incorporated herein. Any discrepancy in the definition or boundaries of PREMISES shall be resolved solely by RAP. CITY shall deliver PREMISES to CONCESSIONAIRE in "as is" condition. RAP may provide additional space for added amenities (i.e. BBQ or storage) for use by CONCESSIONAIRE, subject to necessary permits and licenses to be obtained by CONCESSIONAIRE.

CONCESSIONAIRE shall not use or allow the PREMISES to be used, in whole or in part, during the term of the AGREEMENT, for any use in violation of any present or future laws, ordinances, rules, and regulations at any time applicable thereto of any public or governmental authority or agencies, departments or officers thereof, including CITY, relating to sanitation or the public health, safety or welfare or operations at and use of the PREMISES.

### **SECTION 4. TERM OF AGREEMENT**

The term of the AGREEMENT shall be ten years effective on [INSERT DATE] (the "COMMENCEMENT DATE"). The CITY will have one five-year extension option exercisable at the sole discretion of RAP's General Manager. Neither CITY, nor any BOARD member, officer, or employee thereof shall be liable in any manner to CONCESSIONAIRE because of any action taken to revoke this AGREEMENT or to decline to exercise an option to extend the term of this AGREEMENT.

### **SECTION 5. OPERATING RESPONSIBILITIES**

CONCESSIONAIRE shall, at all times during the term of the AGREEMENT, comply with the following conditions:

A. **Cleanliness**

CONCESSIONAIRE shall, at its own expense, keep the PREMISES and the surrounding

area [at least fifteen (15) feet] clean and sanitary at all times. No offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable, or unlawful fire hazard, nor any material detrimental to the public health, shall be permitted to remain thereon, and CONCESSIONAIRE shall prevent any such matter or material from being or accumulating upon said PREMISES.

CONCESSIONAIRE, at its own expense, shall see that all garbage or refuse is collected as often as necessary and in no case less than once a day and disposed of in the main dumpster. CONCESSIONAIRE shall furnish all equipment and materials necessary therefore, including trash receptacles of a size, type, and number approved by RAP. If no trash storage area is made available, CONCESSIONAIRE shall provide at its own expense and with RAP's prior written approval, an enclosed area concealing the trash storage from public view. RAP will incur the cost of all garbage pick-up from the main dumpster during the term of this AGREEMENT.

CONCESSIONAIRE shall be responsible for the abatement of any graffiti at the PREMISES.

**B. Conduct**

CONCESSIONAIRE and its representatives, agents, servants, and employees shall at all times conduct its business in a quiet and orderly manner to the satisfaction of RAP.

**C. Disorderly Persons**

CONCESSIONAIRE shall use its best efforts to permit no intoxicated person or persons, profane or indecent language, or boisterous or loud conduct in or about the PREMISES and will call upon peace officers to assist in maintaining peaceful conditions. CONCESSIONAIRE shall not knowingly allow the use or possession of illegal drugs, narcotics, or controlled substances on the PREMISES.

**D. Non-Discrimination/Equal Employment Opportunity Practices/Affirmative Action**

1. CONCESSIONAIRE, in its CONCESSION operations at the FACILITY, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, color, national origin, religion, ancestry, sex, age, physical disability, or sexual orientation shall be excluded from participation, denied the benefits of or be otherwise subjected to unjust discrimination in access to or in the use of the facilities covered by the AGREEMENT; (2) that in the construction of any improvements on, over or under the PREMISES authorized to be utilized herein and the furnishing of services thereon, no person on the grounds of race, color, national origin, religion, ancestry, sex, age, physical disability, or sexual orientation shall be excluded from participation in, denied the benefits of or otherwise be subjected to unjust discrimination.
2. CONCESSIONAIRE agrees that in the event of breach of any of the above nondiscrimination covenants, with proper notification as per Section 20, CITY shall have the right to terminate the AGREEMENT and to reenter and repossess said land and the facilities thereon and hold the same as if said AGREEMENT had never been executed.
3. In addition, CONCESSIONAIRE, during the term of the AGREEMENT, agrees not to unjustly discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, color, religion,

national origin, ancestry, sex, age, physical disability, or sexual orientation. All subcontracts entered into by CONCESSIONAIRE shall be approved in advance by CITY and shall contain a like provision.

**E. Personnel**

**1. Freedom from Tuberculosis**

For employees preparing food, and others as required by statute (reference Section 5163 of the California Public Resources Code) or directive of RAP, CONCESSIONAIRE shall provide RAP with certificates on applicable employees indicating freedom from communicable tuberculosis.

**2. Qualified Personnel**

CONCESSIONAIRE will, in the operation of the CONCESSION, employ or permit the employment of only such personnel as will assure a high standard of service to the public and cooperation with RAP. All such personnel, while on or about the PREMISES, shall be neat in appearance and courteous at all times and shall be appropriately attired, with badges or other suitable means of identification. No person employed by CONCESSIONAIRE, while on or about the PREMISES, shall be under the influence of illegal drugs, narcotics, other controlled substances or alcohol, or use inappropriate language, or engage in otherwise inappropriate conduct for a work environment. In the event an employee is not satisfactory, RAP may direct CONCESSIONAIRE to remove that person from the PREMISES.

**3. Concession Manager**

CONCESSIONAIRE shall appoint, subject to written approval by RAP, a Concession Manager of CONCESSIONAIRE'S operations at the FACILITY.

Such person must be a qualified and experienced manager or supervisor of operations, vested with full power and authority to accept service of all notices provided for herein and regarding operation of the CONCESSION, including the quality and prices of goods and services, and the appearance, conduct, and demeanor of CONCESSIONAIRE'S agents, servants, and employees. The Concession Manager shall promote, increase and develop the CONCESSION. The Concession Manager shall be available during regular business hours and, at all times during that person's absence, a responsible subordinate shall be in charge and available.

The Concession Manager shall devote the greater part of his or her working time and attention to the operation of the CONCESSION and shall promote, increase and develop the CONCESSION. During the days and hours established for the operation of the CONCESSION, the Concession Manager's personal attention shall not be directed toward the operation of any other business activity.

If, for reasons of ill health, incapacitation, or death, the Concession Manager becomes incapable of performing each and all terms and provisions of the AGREEMENT, CONCESSIONAIRE must immediately assign a new Concession Manager, subject to RAP approval. If a new manager is not assigned within seven (7) business days, RAP may, in its sole discretion, suspend the AGREEMENT and all terms and conditions contained therein.

4. **Approval of Employees, Volunteers and Subcontractors**

RAP shall have the right to approve or disapprove all employees, volunteers and subcontractors (including all employees and volunteers for any subcontractor) of CONCESSIONAIRE. Failure of CONCESSIONAIRE to comply with any RAP written request for removal of any persons operating under the authority of this AGREEMENT on PREMISES shall be a material breach of this AGREEMENT. CONCESSIONAIRE shall submit, at the request of RAP, a list of all persons employed by, or volunteering or subcontracting for, CONCESSIONAIRE at PREMISES to RAP prior to commencing operations pursuant to this AGREEMENT. CONCESSIONAIRE shall not hire as an employee or volunteer, or subcontract with, any person whom RAP would be prohibited from hiring as an employee or volunteer pursuant to California Public Resources Code Section 5164 to perform work at PREMISES. CONCESSIONAIRE must have each employee, volunteer or subcontractor (including all employees or volunteers of any subcontractor) who is located on site, fingerprinted and each shall be required to fill out a form requesting the information required by Section 5164. RAP reserves the right to conduct a Department of Justice criminal background check on any such person prior to approving their employment, volunteer service or subcontract. Failure to comply with this hiring standard shall be a material breach of this AGREEMENT and CONCESSIONAIRE shall immediately remove any employee, volunteer or subcontractor from the PREMISES at RAP's instruction.

**F. Menu and Pricing**

1. RAP agrees that CONCESSIONAIRE'S menu items, including its price for same, shall be within CONCESSIONAIRE'S discretion subject, however, to disapproval by RAP if the selection of items offered is inadequate, of inferior quality, or if any of said prices are excessively high or low in the sole opinion of RAP. Such determination shall not be unreasonable and shall take into account the business considerations presented by CONCESSIONAIRE. RAP shall have the ability to review and discuss menu options, food and beverage quality and pricing; and discuss any potential concerns with CONCESSIONAIRE. Notwithstanding the previous sentences, prices shall be comparable to prices charged in similar establishments in the City. CONCESSIONAIRE shall, upon execution of AGREEMENT, provide RAP with a list of prices for all menu items. This list shall be updated and resubmitted to RAP annually.
2. All menu items and service, offered for sale and/or sold by CONCESSIONAIRE in said PREMISES must be related to the ordinary business of the CONCESSION.
3. CONCESSIONAIRE shall offer for sale to the public a full range of freshly prepared food items, pre-prepared and packaged items and beverages as described in CONCESSIONAIRE's Proposal (Exhibit C to this Agreement).
4. CONCESSIONAIRE shall offer for sale to the public a variety of healthy choice options for food and beverages. This includes the availability of fresh fruits and fresh vegetables, bottled water, 100% juice, beverages that contain at least 50% fruit juice with no added sweeteners, and providing healthy snacks as defined by the California Education Code (Part 27, Chapter 9, Article 2.5, Section 49431(a), Subsections 2 and 3). CONCESSIONAIRE expressly agrees to comply with all CITY and RAP food programs.

5. CONCESSIONAIRE shall not use artificial trans-fat (e.g., industrially created partial hydrogenation plant oils) in the preparation of food products. All prepared food items are to be free of artificial trans-fat. CONCESSIONAIRE shall attempt to use only artificial trans-fat free prepackaged food items.
6. CONCESSIONAIRE shall offer a value-priced express menu for golfers, which includes at least two meal choices for breakfast and lunch with priority for speed of service.
7. CONCESSIONAIRE shall offer pre-set bulk menus with prices for golf tournaments.
8. CONCESSIONAIRE will implement the proposed plan based on the Good Food Purchasing Program from the Los Angeles Food Policy Council as approved by RAP and shall comply with the terms of the Good Food Purchasing Program (Exhibit D). All food/beverage subcontractors selected by CONCESSIONAIRE shall be subject to the approval of GENERAL MANAGER.
9. All menu items sold or kept for sale by CONCESSIONAIRE shall be of high-quality and acceptable to all industry standards and conform to all federal, state, and municipal laws, ordinances, and regulations in every respect. No imitation, adulterated, misbranded, or impure articles shall be sold or kept for sale by CONCESSIONAIRE and all edible merchandise kept on hand shall be stored and with due regard for sanitation.

In addition, no substitutes, fillers, dilutants, nor reduction in size of standard manufactured or processed food products will be permitted. All menu items kept for sale by CONCESSIONAIRE shall be subject to the approval or rejection of GENERAL MANAGER, and CONCESSIONAIRE shall remove from the PREMISES any article, which may be rejected and shall not offer it for sale without the consent of GENERAL MANAGER. GENERAL MANAGER may order the improvement of the quality of any merchandise kept or offered for sale.

10. CONCESSIONAIRE shall minimize the paper items (straw wrappers, serving cartons, etc.) distributed with take-out CONCESSIONION products. CONCESSIONAIRE shall be prohibited from selling merchandise in non-recyclable bottles, and shall not dispense take-out food or beverage items in glass or Expanded Polystyrene (EPS) / Styrofoam containers. CONCESSIONAIRE shall not sell or give away or otherwise dispose of any commodity which in the opinion of GENERAL MANAGER will cause undue litter or negatively impact the environment. CONCESSIONAIRE expressly agrees to comply with all RAP and CITY recycling programs for food and beverage consumed on PREMISES.
11. CONCESSIONAIRE shall not sell lottery tickets or similar type merchandise.

**G. Diversion of Business**

CONCESSIONAIRE shall not divert, cause, allow, or permit to be diverted any business from the PREMISES and shall take all reasonable measures, in every proper manner, to develop, maintain, and increase the business conducted by it under this AGREEMENT.

H. **Equipment, Furnishings, and Expendables**

All equipment, furnishings, and expendables required for said CONCESSION shall be purchased and installed by CONCESSIONAIRE at its sole expense and shall remain its personal property, except for equipment detailed in Section 6.

As a courtesy, CITY shall at no cost to CONCESSIONAIRE, provide certain equipment (which shall remain the property of CITY) as specified in the City-Owned Equipment List (Exhibit E). The CITY reserves the right to remove or salvage any and all items of City-Owned Equipment. CITY shall not be responsible for the replacement or repair of said items. No equipment provided by CITY shall be removed or replaced by CONCESSIONAIRE without the prior written consent of RAP.

Upon termination of the AGREEMENT, CONCESSIONAIRE shall have the right to remove its own personal property, but not improvements or RAP property, from the PREMISES and shall be allowed a period of five (5) calendar days to complete such removal. If not removed within that period, said personal property shall become the property of RAP.

Rental clubs and equipment for rental carts will be removed by RAP within fifteen (days) of the COMMENCEMENT DATE. CONCESSIONAIRE will have no responsibility to service, nor obligation to provide space for, such equipment on the PREMISES.

The score computer used by the golf clubs must remain at the PREMISES and be accessible. CONCESSIONAIRE is not responsible to fix or maintain the score computer.

I. **Maintenance of Equipment**

CONCESSIONAIRE shall, at all times and at its expense, keep and maintain all equipment, whether owned and/or installed by CONCESSIONAIRE or RAP, such as, but not limited to, heat exchangers, fans, controls and electric panels, installed by RAP, together with all of the fixtures, plate and mirror glass, appliances, countertops and kitchen cabinetry, indoor and outdoor furniture and personal property therein, in good repair and in a clean, sanitary, and orderly condition and appearance. All maintenance, repairs and replacement of all equipment at the PREMISES shall be performed at the sole expense of CONCESSIONAIRE. CONCESSIONAIRE may elect to not use RAP-owned equipment, with prior written consent of RAP.

RAP will be responsible for utility lines and repairs, including telephone, exterior to the PREMISES.

J. **Claims for Labor and Materials**

The CONCESSIONAIRE shall promptly pay when due all amounts payable for labor and materials furnished in the performance of the AGREEMENT so as to prevent any lien or other claim under any provision of law from arising against RAP property (including reports, documents, and other tangible matter produced by CONCESSIONAIRE hereunder), against CONCESSIONAIRE's rights hereunder, or against RAP, and shall pay all amounts due under the California Unemployment Insurance Code with respect to such labor.

K. **Signs and Advertisements**

CONCESSIONAIRE shall not erect, construct, or place any signs, banners, ads, or displays of any kind whatsoever upon any portion of RAP property without the prior written approval from RAP, who may require the removal or refurbishment of any sign previously approved.

Certain signs and advertisements may also require the prior written approval of other appropriate agencies.

CONCESSIONAIRE shall place at least one public notice that CONCESSIONAIRE operates the CONCESSION. The address and phone number of CONCESSIONAIRE will be shown along with the notation that all complaints should be referred directly to CONCESSIONAIRE.

At FACILITY, CONCESSIONAIRE shall provide the following credit, or as proportions of signage allow, similar credit as approved by RAP in writing:

“In Collaboration with the City of Los Angeles Department of Recreation and Parks.”

Upon expiration or termination of this AGREEMENT, CONCESSIONAIRE shall, at its own expense, remove or paint out, as RAP may direct, any and all of its signs and displays on the PREMISES and in connection therewith, shall restore said PREMISES and improvements thereto to the same condition as prior to the placement of any such signs or displays.

RAP may, at its discretion, install umbrellas or canopy shade structures bearing the City's or RAP logo. Said umbrellas or canopy shade structures shall be provided by RAP at no cost to CONCESSIONAIRE. RAP-issued umbrellas and/or canopy shade structures shall remain City property and shall be returned to RAP upon the expiration or earlier termination of this AGREEMENT. RAP will make commercially reasonable efforts to ensure such implementation does not distract from the aesthetic of the CONCESSION.

**L. Utilities**

CONCESSIONAIRE will pay directly for gas, electrical, telephone and internet/Wi-Fi services, which will be in the name of CONCESSIONAIRE. Charges may include, but are not limited to, deposits, installation costs, meter deposits, and service charges, and shall be paid by CONCESSIONAIRE regardless of whether such utility services are furnished by CITY or by other utility service providers. CONCESSIONAIRE must install electrical sub-meters if necessary.

CONCESSIONAIRE hereby expressly waives all claims for compensation, or for any diminution or abatement of the rental payment provided for herein, for any and all loss or damage sustained by reason of any defect, deficiency, or impairment of the water, heating, or air conditioning systems, electrical apparatus, or wires furnished to the PREMISES which may occur from time to time and from any cause or from any loss resulting from water, earthquake, wind, civil commotion, or riot; and CONCESSIONAIRE hereby expressly releases and discharges CITY and its officers, employees, and agents from any and all demands, claims, actions, and causes of action arising from any of the aforesaid causes.

In all instances where damage to any utility service line is caused by CONCESSIONAIRE, its employees, contractors, sub-contractors, suppliers, agents, or invitees, CONCESSIONAIRE shall be responsible for the cost of repairs and any and all damages occasioned thereby.

RAP shall be responsible for water, sewer and trash utility charges associated with the FACILITY, including for the PREMISES.

Water and electricity shall be utilized by CONCESSIONAIRE in the most efficient manner possible, and CONCESSIONAIRE expressly agrees to comply with all CITY water conservation programs. At the discretion of the General Manager, RAP may require CONCESSIONAIRE to establish recyclables collection and/or implement additional waste

diversion strategies within the CONCESSION PREMISES.

CONCESSIONAIRE shall reimburse RAP if any utility charges associated with the CONCESSION are paid by RAP.

**M. Vending Machines**

CONCESSIONAIRE shall not install, or allow to be installed, any vending machines, electronic games, or other coin-operated machines without prior written approval of RAP. RAP shall have the right to order the immediate removal of any unauthorized machines.

**N. Safety**

CONCESSIONAIRE shall correct safety deficiencies, and violations of safety practices, immediately after the condition becomes known or RAP notifies CONCESSIONAIRE of said condition. CONCESSIONAIRE shall cooperate fully with RAP in the investigation of accidents occurring on the PREMISES. In the event of injury to a patron or customer, CONCESSIONAIRE shall reasonably ensure that the injured person receives prompt and qualified medical attention, and as soon as possible thereafter, CONCESSIONAIRE shall submit a CITY Form General No. 87 "Non-Employee Accident or Illness Report" (Exhibit F) - (see SECTION 20, "NOTICES," for mailing address). If CONCESSIONAIRE fails to correct hazardous conditions specified by RAP in a written notice, which have led, or in the opinion of RAP could lead, to injury, RAP may, in addition to all other remedies which may be available to RAP, repair, replace, rebuild, redecorate, or paint any such PREMISES to correct the specified hazardous conditions, with the cost thereof, plus fifteen percent (15%) for administrative overhead, to be paid by CONCESSIONAIRE to RAP on demand.

**O. Environmental Sensitivity**

CONCESSIONAIRE must operate the CONCESSION in an environmentally sensitive manner and all operations must comply with RAP policies regarding protection of the environment. CONCESSIONAIRE shall not use or allow the use on the PREMISES of environmentally unsafe products.

**P. Fund Raising Activities**

CONCESSIONAIRE is expected to cooperate with RAP personnel on all matters relative to fund-raising and/or special events at the discretion of RAP.

**Q. Community Outreach**

CONCESSIONAIRE shall coordinate and cooperate with RAP to develop strategies to outreach to all members of the community, particularly those living in low-to-moderate income areas, fixed-income households, youth, the disabled, etc., to provide its services to these members of the community who may not otherwise have the opportunity to partake in the services provided by CONCESSIONAIRE.

**R. Amplified Sound**

No amplified sound or live music is permitted by CONCESSIONAIRE, without prior approval from RAP. RAP and CONCESSIONAIRE shall use good faith, reasonable efforts to agree on an appropriate potential live music program in the future.

**S. Security**

CONCESSIONAIRE shall be responsible for security of the interior PREMISES. CONCESSIONAIRE may install equipment, approved by RAP, which will assist in protecting

the PREMISES from theft, burglary, or vandalism. Any such equipment must be purchased, installed, and maintained by CONCESSIONAIRE.

Each night, CONCESSIONAIRE shall be responsible for securing the facility gate when continuing food and beverage operations after Golf staff leaves.

**T. Quiet Enjoyment**

RAP agrees that CONCESSIONAIRE, upon payment of the fees and charges specified herein, and all other charges and payments to be paid by CONCESSIONAIRE under the terms of this AGREEMENT, and upon observing and keeping the required terms, conditions and covenants of this AGREEMENT, shall lawfully and quietly hold, use and enjoy the PREMISES during the term of this AGREEMENT. In the case of disputes, during the life of the AGREEMENT, over any conditions which may impede upon CONCESSIONAIRE's quiet enjoyment of the PREMISES, RAP shall have final determination of any solution to such dispute; RAP's final determination shall be binding upon all parties in such dispute.

**U. Receipts**

1. CONCESSIONAIRE shall offer receipts to customers for every transaction.
2. CONCESSIONAIRE shall at all times place a sign within twelve (12) inches of any cash register, in clear view to the public, and in minimum one-inch lettering, which states: "If a receipt is not provided for this transaction, please contact the Department of Recreation and Parks - Concessions Unit (213) 202-3280."

**V. Mobile Food Cart**

CONCESSIONAIRE may provide a mobile cart for food and beverage service throughout the FACILITY. The CONCESSIONAIRE shall be responsible for the provision and maintenance of the Mobile Food Cart, including the cost for all operations and approvals, permitting and licensing. The GENERAL MANAGER will use its reasonable efforts to accommodate storage of the Mobile Food Cart with the other vehicles that service the FACILITY.

**SECTION 6. CAPITAL INVESTMENTS**

CONCESSIONAIRE shall upgrade the PREMISES and shared restroom facilities and has provided RAP the following schedule detailing the approximate spending breakdown by categories for its initial capital investment at the PREMISES (actual spending breakdown by category may differ subject to RAP approval) (the "Redevelopment Project"):

Kitchen	\$75,000
Indoor	\$50,000
Outdoor	\$50,000
Bathrooms	\$40,000
Information Technology	\$25,000
Reserve (20%)	\$60,000
-----	
Total:	\$300,000

CONCESSIONAIRE shall invest a minimum of Three Hundred Thousand Dollars (\$300,000) for the Redevelopment Project within one year from the COMMENCEMENT DATE, which shall include new equipment as set forth in Exhibit G attached hereto, or the CONCESSIONAIRE will promptly pay the

unspent difference to RAP ("Initial Investment"). Any additional amounts invested by CONCESSIONAIRE in excess of Three Hundred Thousand Dollars (\$300,000) for the Redevelopment Project within one year from the COMMENCEMENT DATE shall also be considered a part of the Initial Investment amount. The Redevelopment Project shall include an extensive remodel of the PREMISES' kitchen, serving area, indoor/outdoor seating areas, cosmetic upgrades to the public restrooms, information/technology upgrades with an audio system, HD TVs, public Wi-Fi service, and a modern Point of Sale system. CONCESSIONAIRE shall complete the Redevelopment Project within six (6) months from commencing the Redevelopment Project.

In the event CONCESSIONAIRE has realized or accounted for profits in its operation of the CONCESSION in an aggregate amount of the Initial Investment (as may be set forth in CONCESSIONAIRE'S Annual Statement of Gross Receipts and Expenses as provided for in Section 17.D. of this Agreement), CONCESSIONAIRE shall spend an additional One Hundred Thousand Dollars (\$100,000) on the CONCESSION on improvement projects approved by RAP, new furniture, fixtures, and equipment (FF&E), and not for routine maintenance and repairs (the "Refresh Project"). This amount shall be spent during years three through nine of the Agreement and completed by the end of year ten or the CONCESSIONAIRE will promptly pay the unspent difference to RAP.

Paid invoices by CONCESSIONAIRE for the Redevelopment Project and the Refresh Projects totaling \$300,000 and \$100,000, respectively, shall be submitted to RAP at completion of the projects for verification. RAP shall review if the projects are completed as proposed and determine if satisfied with the quality of work. The \$300,000 and \$100,000 project investments are a minimum and the CONCESSIONAIRE shall pay any unspent differences to RAP. All new PREMISES construction and improvements, and FF&E, or substitutions permitted by RAP, become the property of RAP and CONCESSIONAIRE shall ensure that title to all such new construction and improvements shall be vested in RAP.

RAP shall hold CONCESSIONAIRE responsible for guaranteeing the completion of all improvements, according to approved plans, regardless of cost. CONCESSIONAIRE shall bear all costs for all necessary permits, insurance, and taxes required for compliance of such improvements. Any breach of this condition for CONCESSION improvements shall be a material breach of this AGREEMENT. RAP reserves the right to recover damages from CONCESSIONAIRE if the improvements are not completed, not completed as stipulated, or not completed to the satisfaction of RAP. Such damages may include, but are not limited to, recovering up to the entire cost of the improvements from CONCESSIONAIRE's performance deposit. The performance deposit must be recompensed as stipulated in Section 14, "Performance Deposit," herein. Failure to complete the required improvements within the time frame specified above, or as prescribed by RAP, shall subject CONCESSIONAIRE to a penalty of One Hundred Dollars (\$100.00) per day for each calendar day over the appropriate time limit.

RAP reserves the right to further develop or improve the FACILITY and the PREMISES as it sees fit, and without interference or hindrance by CONCESSIONAIRE. Such development or improvement may require the suspension or termination of the AGREEMENT. RAP shall not be liable for loss of business which results from the construction of any development or improvements to the FACILITY or the PREMISES. In the event the City terminates this Agreement for its convenience prior to the expiration of the Agreement's term and provided CONCESSIONAIRE is not in breach of any provision of this Agreement at the time of such termination, CITY shall reimburse CONCESSIONAIRE for the non-amortized portion of the Initial Investment, such Initial Investment having an amortization schedule of ten years from starting from the COMMENCEMENT DATE.

Improvements by CONCESSIONAIRE to the PREMISES are subject to:

**1. Compliance with Applicable Rules and Regulations**

All structural or other improvements, equipment and interior design and decor constructed or installed by CONCESSIONAIRE, including the plans and specifications therefore, shall in all respects conform to and comply with the applicable statutes (including the California Environmental Quality Act), ordinances, building codes, rules and regulations of CITY and such other authorities that may have jurisdiction over the facility areas or CONCESSIONAIRE'S operations therein. The written approval by RAP of any improvements as provided above shall not constitute a representation or warranty as to such conformity or compliance, but responsibility therefore shall at all times remain with CONCESSIONAIRE.

**2. Procurement of Permits and Approvals**

CONCESSIONAIRE shall, at its sole expense, and prior to construction of any improvements, procure all building, fire, safety, aesthetic, environmental, and other permits and approvals necessary for the construction of the structural and other improvements, installation of equipment, and interior design and decor. Copies of all said permits and approvals shall thereafter be submitted to RAP. No permission to begin said improvements shall be granted by RAP prior to CONCESSIONAIRE's obtaining of said permits and approvals.

**3. Subcontractors**

CONCESSIONAIRE shall require by any contract that it awards in connection with structural or other improvements, the installation of any and all equipment, and the interior designing and decor, that the contractor doing, performing or furnishing the same shall comply with all applicable statutes, ordinances, codes, rules and regulations, and submit to RAP evidence of required insurance coverage.

**SECTION 7. HOURS / DAYS OF OPERATION**

The CONCESSIONAIRE must operate the CONCESSION 365 days a year. CONCESSIONAIRE shall coordinate hours of operation with RAP to coincide with golf operations.

Minimum hours of operations are at least thirty minutes before the first tee-time until thirty minutes after sunset and no later than 10:30pm. RAP may agree to extend the hours of operation upon request of the CONCESSIONAIRE at RAPs discretion.

Any deviation from the hours specified shall be subject to prior written approval of GENERAL MANAGER.

CONCESSIONAIRE must post the hours of operation in a location visible to the public, and must be open for business during the hours posted. Hours of operation may not be changed without prior written approval of RAP. Any deviation from such days and hours shall be subject to the prior written approval of RAP.

**SECTION 8. MONTHLY RENTAL PAYMENT**

**A. Rental Payment Calculation**

As part of the consideration for RAP's granting the CONCESSION rights herein above set forth, CONCESSIONAIRE shall pay to RAP a monthly rental payment as detailed below:

The greater of:

- A Minimum Monthly Guarantee (MMG) of Two Thousand Dollars (\$2,000), or
- A variable rent calculated based on a percentage of monthly gross receipts ("Percentage Rent") as detailed below:
  - Years 1 – 4: Three and one-half percent (3.5%) of gross receipts on all sales of food and non-alcoholic beverages;
  - Years 5 – 10: Four and one-quarter percent (4.25%) of gross receipts on all sales of food and non-alcoholic beverages;
  - Years 1 – 10: Ten percent (10%) of gross receipts on all sales of alcoholic beverages, including alcoholic beverages sold during happy hour, and not sold through CONCESSIONAIRE'S club discount programs; and
  - Years 1 – 10: Four and one-quarter percent (4.25%) of gross receipts on all sales of alcoholic beverages sold through CONCESSIONAIRE'S club discount programs.

Refer to SECTION 8.D for the definition of "Gross Receipts."

During closure of the CONCESSION for the Redevelopment Project and Refresh Project approved by RAP, temporary food and drink service shall be provided outside the PREMISES construction work area with daily hours as mutually agreed by RAP and the CONCESSIONAIRE. The MMG will be waived during these periods, not to exceed six months, and payment to RAP during these periods shall be the percentage of gross receipts per category as stated in this Section 8.A.

**C. Payment Due**

Said payment shall be due and payable (postmarked) by the fifteenth day of each calendar month based on the gross receipts received in each previous month. The payment and Monthly Revenue Report (Exhibit H) shall be addressed to:

CITY OF LOS ANGELES  
DEPARTMENT OF RECREATION AND PARKS  
ATTENTION: Concessions Division  
P. O. Box 86328  
Los Angeles, CA 90086

**D. Gross Receipts Defined**

The term "gross receipts" is defined as the total amount charged for the sale of any goods or services (whether or not such services are performed as a part of or in connection with the

sale of goods) provided in connection with this CONCESSION, but not including any of the following:

1. Cash discounts allowed or taken on sales;
2. Any sales tax, use tax, or excise tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser and paid by CONCESSIONAIRE;
3. Receipts from the sale of waste or scrap materials resulting from the CONCESSION operation;
4. Receipts from the sale of or the trade-in value of any furniture, fixtures, or equipment used in connection with the CONCESSION, and owned by CONCESSIONAIRE;
5. The value of any merchandise, supplies, or equipment exchanged or transferred from or to other business locations of CONCESSIONAIRE where such exchanges or transfers are not made for the purpose of avoiding a sale by CONCESSIONAIRE which would otherwise be made from or at the CONCESSION;
6. Refunds from, or the value of, merchandise, supplies, or equipment returned to shippers, suppliers, or manufacturers;
7. Receipts from the sale at cost of uniforms, clothing, or supplies to CONCESSIONAIRE'S employees where such uniforms, clothing, or supplies are required to be worn or used by said employees;
8. Receipts from any sale where the subject of such sale, or some part thereof, is thereafter returned by the purchaser to and accepted by CONCESSIONAIRE, to the extent of any refund actually granted or adjustment actually made, either in the form of cash or credit;
9. Fair market trade-in allowance, in the event merchandise is taken in trade;
10. The amount of any cash or quantity discounts received from sellers, suppliers, or manufacturers;
11. Discounts or surcharges applied to receipts for services or merchandise, with the concurrence of both CONCESSIONAIRE and RAP, including discounts to employees, if concurred by RAP.

CONCESSIONAIRE shall not reduce or increase the amount of gross receipts, as herein defined, as a result of any of the following:

12. Any error in cash handling by CONCESSIONAIRE or CONCESSIONAIRE'S employees or agents;
13. Any losses resulting from bad checks received from consumers or purchasers; or from dishonored credit, charge, or debit card payments; or any other dishonored payment to CONCESSIONAIRE by customer or purchaser;

14. Any arrangement for a rebate, kickback, or hidden credit given or allowed to customer.

**E. Monthly Revenue Reports**

CONCESSIONAIRE shall transmit with each payment a Monthly Revenue Report (Exhibit H) for the month for which a payment is submitted.

**F. Late Payment Fee**

Failure of CONCESSIONAIRE to timely pay any the monthly rental payment or any other fees, charges, or payments required herein is a breach of the AGREEMENT for which RAP may terminate same or take such other legal action as it deems necessary.

Without waiving any rights available at law, in equity or under the AGREEMENT, in the event of late or delinquent payments by CONCESSIONAIRE, the latter recognizes that RAP will incur certain expenses as a result thereof, the amount of which is difficult to ascertain. Therefore, in addition to monies owing, CONCESSIONAIRE agrees to pay RAP a late fee set forth below to compensate RAP for all expenses and/or damages and loss resulting from said late or delinquent payments.

The charges for late or delinquent payments shall be One Hundred Fifty Dollars (\$150.00) for each month late plus interest calculated at the rate of eighteen percent (18%) per annum, assessed monthly, on the balance of the unpaid amount. Payments shall be considered past due if postmarked after the fifteenth (15th) day of the month in which payment is due.

The acceptance of late payments by RAP shall not be deemed as a waiver of any other breach by CONCESSIONAIRE of any term or condition of this AGREEMENT other than the failure of CONCESSIONAIRE to timely make the particular payment so accepted.

**G. Compliance with Identity Theft Laws and Payment Card Data Security Standards:**

CONCESSIONAIRE agrees to comply with all Identity Theft Laws including without limitation, Laws related to: 1) Payment Devices; 2) Credit and Debit Card Fraud; and 3) the Fair and Accurate Credit Transactions Act (FACTA), including its requirement relating to the content of Transaction Receipts provided to Customers. CONCESSIONAIRE also agrees to comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards (PCI DSS). During the performance of any service to replace, install, program or update Payment Devices equipped to conduct Credit or Debit Card transactions, including PCI DSS services, CONCESSIONAIRE agrees to verify proper truncation of receipts in compliance with FACTA. CONCESSIONAIRE understands that failure to ensure proper truncation will result in the imposition of liability and defense costs that may arise out of consequent litigation.

**SECTION 9. ADDITIONAL FEES AND CHARGES**

A. If RAP pays any sum or incurs any obligations or expense, for which CONCESSIONAIRE has agreed to pay or reimburse RAP, or if RAP is required or elects to pay any sum or to incur any obligations or expense by reason of the failure, neglect, or refusal of CONCESSIONAIRE to perform or fulfill any one or more of the conditions, covenants, or agreements contained in the AGREEMENT, or as a result of an act or omission of CONCESSIONAIRE contrary to said conditions, covenants, and agreements, CONCESSIONAIRE agrees to pay RAP the sum so paid or the expense so incurred, including all interest, costs, (including RAP'S fifteen percent (15%) administrative overhead

cost), damages, and penalties. This amount shall be added to the rental payment thereafter due hereunder, and each and every part of the same shall be and become additional rental payment, recoverable by RAP in the same manner and with like remedies as if it were originally a part of the basic rental payment set forth in Section 8 hereof.

- B. For all purposes under this Section, and in any suit, action, or proceeding of any kind between the parties hereto, any receipt showing the payment of any sum by RAP for any work done or material furnished shall be prima facie evidence against CONCESSIONAIRE that the amount of such payment was necessary and reasonable. Should RAP elect to use its own personnel in making any repairs, replacements, and/or alterations, and to charge CONCESSIONAIRE with the cost of same, receipts and timesheets will be used to establish the charges, which shall be presumed to be reasonable in absence of contrary proof submitted by CONCESSIONAIRE.
- C. Use of the PREMISES for purposes not expressly permitted herein, whether approved in writing by RAP or not, may result in additional charges; however, any such use without the prior written approval of RAP shall also constitute a material breach of AGREEMENT and is prohibited.

## **SECTION 10. INSURANCE**

CONCESSIONAIRE shall follow insurance guidelines in the STANDARD PROVISIONS (Exhibit A); provide and maintain the Required Insurance and Minimum Limits (Exhibit I); and follow the Instructions and Information on Complying with City Insurance Requirements (Exhibit I).

## **SECTION 11. MAINTENANCE OF PREMISES**

During all periods that the PREMISES are used or are under the control of CONCESSIONAIRE for the uses, purposes, and occupancy aforesaid, CONCESSIONAIRE shall be responsible for all necessary janitorial duties and damage/maintenance repairs, to the satisfaction of RAP. The cause of said maintenance, cleaning and repairs may result from normal wear and tear, as well as vandalism.

### **A. Interior of PREMISES**

#### **1. Areas to be maintained by CONCESSIONAIRE:**

CONCESSIONAIRE shall, at its own expense, keep and maintain all the interior walls and surfaces of PREMISES and all improvements, fixtures, and utility systems which may now or hereafter exist thereon, whether installed by RAP or CONCESSIONAIRE. Improvements shall include all buildings and appurtenances recessed into or attached by any method to the ground or to another object which is recessed or attached to the ground or to other CITY-owned facilities (such as buildings, fences, posts, signs, electrical hook-ups, plumbing, tracks, tanks, etc.).

CONCESSIONAIRE shall provide all maintenance, repair, and service required on all interior areas, surfaces, and equipment used in the PREMISES and keep such equipment in good repair and in a clean and orderly condition and appearance. CONCESSIONAIRE shall also be responsible for electrical, mechanical, and plumbing maintenance in the interior of the PREMISES, such as lighting fixtures, sinks, and faucets; however, CITY shall be responsible for maintenance of utility lines and drains within the walls and floors of the concession PREMISES. Insofar as sanitation and appearance of the PREMISES is concerned, RAP may direct CONCESSIONAIRE to

perform necessary repairs and maintenance to the interior of the structure or to the equipment, whether the equipment is CONCESSIONAIRE or RAP property.

CONCESSIONAIRE shall be responsible for cleaning and restocking the two shared restrooms, located across the breezeway from the PREMISES, every day after 1:00 p.m. until closing. RAP will provide consumable items for the restrooms including paper goods, air fresheners, urinal maintenance kits and liquid hand soap. CITY shall be responsible for cleaning and stocking the restroom from morning until 1:00 p.m. daily.

2. Duties:

CONCESSIONAIRE'S maintenance duties shall include all sweeping, washing, servicing, repairing, replacing, cleaning, and interior painting that may be required to properly maintain the PREMISES in a safe, clean, operable, and attractive condition. CONCESSIONAIRE shall provide for such repairs, replacements, rebuilding, and restoration as may be required by or given prior written approval by RAP to comply with the requirements hereof. Those duties shall also include electrical, mechanical, and plumbing maintenance in the interior of the PREMISES, such as light fixtures and faucets.

RAP shall be responsible for the maintenance and repair outside of the PREMISES, including the shared restrooms and related fixtures such as lighting, toilets and faucets.

**B. Exterior of PREMISES and Common Passageways**

RAP shall maintain the exterior of all buildings and will endeavor to perform all exterior repairs occasioned by normal wear and tear, and the elements, unless otherwise provided for in the AGREEMENT. Common passageways leading to other CONCESSION facilities or offices maintained by RAP which also lead to the PREMISES shall not be considered under the control of CONCESSIONAIRE for purposes of this Section. In addition, RAP shall be responsible for maintenance of the lawn area within the perimeter of the PREMISES, including mowing and watering, and shall maintain all existing landscaping, trees, and bushes on the PREMISES. CITY shall also maintain the existing water, drain and sewer systems, provided, however, that CONCESSIONAIRE shall make every effort not to clog such systems with debris from all operations.

**C. Correction of Conditions Leading to Damage**

If CONCESSIONAIRE fails, after written notice, to correct such conditions which have led or, in the opinion of RAP, could lead to significant damage to CITY property, RAP may at its option, and in addition to all other remedies which may be available to it, repair, replace, rebuild, redecorate or paint any such PREMISES included in said notice, with the cost thereof, plus fifteen percent (15%) for administrative overhead, to be paid by CONCESSIONAIRE to RAP on demand. If, for any reason, payment of such fees becomes delinquent, RAP may, in its sole discretion, suspend the AGREEMENT and all terms and conditions contained therein.

**D. Property Damage and Theft Reporting**

CONCESSIONAIRE shall complete and submit to RAP a "Special Occurrence and Loss Report," (Exhibit J) in the event that the PREMISES and/or CITY-owned property is damaged or destroyed, in whole or in part, from any cause whatsoever, and in the event of theft, burglary, or other crime committed on the PREMISES. Blank forms for this purpose shall be provided by RAP.

## **E. Damage or Destruction to PREMISES**

### **1. Partial Damage**

If all or a portion of the PREMISES are partially damaged by fire, explosion, flooding inundation, floods, the elements, public enemy, or other casualty, but not rendered uninhabitable, the same will be repaired with due diligence by RAP at its own cost and expense, subject to the limitations as hereinafter provided; if said damage is caused by the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, CONCESSIONAIRE shall be responsible for reimbursing RAP for the cost and expense incurred in making such repairs.

### **2. Extensive Damage**

If the damages as described above in "Partial Damage" are so extensive as to render the PREMISES or a portion thereof uninhabitable, but are capable of being repaired within a reasonable time not to exceed sixty (60) days, the same shall be repaired with due diligence by RAP at its own cost and expense and a negotiated portion of the fees and charges payable hereunder shall abate from the time of such damage until such time as the PREMISES are fully restored and certified by RAP as again ready for use; provided, however, that if such damage is caused by the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, said fees and charges will not abate and CONCESSIONAIRE shall be responsible for the cost and expenses incurred in making such repairs.

### **3. Complete Destruction**

In the event all or a substantial portion of the PREMISES are completely destroyed by fire, explosion, the elements, public enemy, or other casualty, or are so damaged that they are uninhabitable and cannot be replaced except after more than sixty (60) days, RAP shall be under no obligation to repair, replace or reconstruct said PREMISES, and an appropriate portion of the fees and charges payable hereunder shall abate as of the time of such damage or destruction and shall henceforth cease until such time as the said PREMISES are fully restored. If within four (4) months after the time of such damage or destruction said PREMISES have not been repaired or reconstructed, CONCESSIONAIRE may terminate this AGREEMENT in its entirety as of the date of such damage or destruction. Notwithstanding the foregoing, if said PREMISES, or a substantial portion thereof, are completely destroyed as a result of the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, said fees and charges shall not abate and RAP may, in its discretion, require CONCESSIONAIRE to repair and reconstruct the same within twelve (12) months of such destruction and CONCESSIONAIRE shall be responsible for reimbursing RAP for the cost and expenses incurred in making such repairs. CONCESSIONAIRE shall continue paying RAP rent as determined above during the rebuilding of the facility.

### **4. Limits of RAP'S Obligation Defined**

In the application of the foregoing provisions, RAP may, but shall not be obligated to, repair or reconstruct the PREMISES. If RAP chooses to do so, CITY'S obligation shall also be limited to repair or reconstruction of the PREMISES to the same extent and of equal quality as obtained by CONCESSIONAIRE at the commencement of its operations hereunder. Redecoration and replacement of furniture, equipment and supplies shall be the responsibility of CONCESSIONAIRE and any such

re-decoration and re-furnishing/re-equipping shall be equivalent in quality to that originally installed.

**F. Pest Control**

Unless otherwise specified in the AGREEMENT, CONCESSIONAIRE shall be responsible for pest control in and around the PREMISES, including but not limited to, abatement of insects (including roaches, bees, etc.), spiders, rodents, vermin, and other nuisance pests, if the pests are found in or on structures or areas used and maintained by CONCESSIONAIRE, such as any of the following portions of the PREMISES:

Any portion of a building or enclosed structure with walls, roof, and doors, such as the restaurant, storage facilities, banquet facilities, halfway houses, offices and storage containers owned and/or used by CONCESSIONAIRE.

In the course of conducting pest control, CONCESSIONAIRE shall adhere to RAP's Integrated Pest Management (IPM) Program which emphasizes commitment to utilize the safest and least toxic means available to control harmful and unwanted pests. Use of all second generation anticoagulant rodenticides are prohibited. They are not allowed anywhere on park property, whether in or outside buildings. All anticoagulant rodenticides are known to be detrimental to wildlife but second generation rodenticides are especially detrimental to the natural order of ecosystems. Natural predators, such as hawks, owls, coyotes and bobcats feed on rodents, thus helping control rodent populations.

Efforts should be made to use mechanical or electronic traps rather than poisons. If bait boxes are used, California law mandates bait boxes be securely anchored and labeled with the agent used.

CONCESSIONAIRE shall submit a scope of work for any proposed pest management services subcontracted and shall not subcontract without prior RAP approval. Requests for approval shall be sent to [Marty.Friedman@lacity.org](mailto:Marty.Friedman@lacity.org) with a copy to [Rachel.Ramos@lacity.org](mailto:Rachel.Ramos@lacity.org).

RAP shall be responsible for pest control if pests are found in or on structures or areas maintained by RAP, such as:

1. Open, unfenced areas such as those locations permitted for mobile food if applicable.
2. Shared spaces, starter offices, pro shops, restrooms, and other facilities occupied in part by CONCESSIONAIRE but maintained by RAP.
3. Other areas, structures, or facilities adjacent to the PREMISES, but not used by or under the control of CONCESSIONAIRE; or areas, structures, or facilities shared by CONCESSIONAIRE and RAP.

Pest control for pests which may cause permanent structural damage to RAP property (for example, termite infestation) shall be the responsibility of RAP. CONCESSIONAIRE shall take all reasonable measures to reduce the proliferation of pests, including maintaining the PREMISES clean and orderly in accordance with this Section, and keeping wood components painted. RAP may direct CONCESSIONAIRE to take additional measures to abate pests which are an immediate threat to public health or safety.

## **SECTION 12. PROHIBITED ACTS**

CONCESSIONAIRE shall not:

1. Use the PREMISES to conduct any other business operations of CONCESSIONAIRE not related to the CONCESSION.
2. Do or allow to be done anything which may interfere with the effectiveness or accessibility of utility, heating, ventilating, or air conditioning systems or portions thereof on the PREMISES or elsewhere on the FACILITY, nor do or permit to be done anything which may interfere with free access and passage in the PREMISES or the public areas adjacent thereto, or in the streets or sidewalks adjoining the PREMISES, or hinder police, fire fighting or other emergency personnel in the discharge of their duties;
3. Interfere with the public's enjoyment and use of the FACILITY or use of the PREMISES for any purpose which is not essential to the CONCESSION operations;
4. Rent, sell, lease or offer any space for storing of any articles whatsoever within or on the PREMISES other than specified herein, without the prior written approval of RAP;
5. Overload any floor in the PREMISES;
6. Place any additional lock of any kind upon any window or interior or exterior door in the PREMISES, or make any change in any existing door or window lock or the mechanism thereof, unless a key therefore is maintained on the PREMISES, nor refuse, upon the expiration or sooner termination of the AGREEMENT, to surrender to RAP any and all keys to the interior or exterior doors on the PREMISES, whether said keys were furnished to or otherwise procured by CONCESSIONAIRE, and in the event of the loss of any keys furnished by RAP, CONCESSIONAIRE shall pay RAP, on demand, the cost for replacement thereof;
7. Do or permit to be done any act or thing upon the PREMISES which will invalidate, suspend or increase the rate of any insurance policy required under the AGREEMENT, or carried by RAP, covering the PREMISES, or the buildings in which the same are located or which, in the opinion of RAP, may constitute a hazardous condition that will increase the risks normally attendant upon the operations contemplated under the AGREEMENT, provided, however, that nothing contained herein shall preclude CONCESSIONAIRE from bringing, keeping or using on or about the PREMISES such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its business, or from carrying on said business in all respects as is customary;
8. Use, create, store or allow any hazardous materials as defined in Title 26, Division 19.1, Section 19-2510 of the California Code of Regulations, or those which meet the criteria of the above Code, as well as any other substance which poses a hazard to health and environment, provided, however, that nothing contained herein shall preclude CONCESSIONAIRE from bringing, keeping or using on or about the PREMISES such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its business, or from carrying on said business in all respects as is customary except that all hazardous materials must be stored and used in compliance with all City, State and Federal rules, regulations, ordinances and laws;

9. Allow any sale by auction upon the PREMISES;
10. Permit undue loitering on or about the PREMISES;
11. Use the PREMISES in any manner that will constitute waste;
12. Use or allow the PREMISES to be used for, in the opinion of RAP, any improper, immoral, or unlawful purposes.

### **SECTION 13. RATIFICATION**

At the request of RAP, and because of the need therefore, CONCESSIONAIRE may have begun performance of the responsibilities herein required prior to the execution hereof. By its execution hereof, RAP hereby accepts such service subject to all the terms, covenants, and condition of this AGREEMENT, and ratifies its AGREEMENT with CONCESSIONAIRE for such services.

### **SECTION 14. PERFORMANCE DEPOSIT**

On the COMMENCEMENT DATE, CONCESSIONAIRE shall provide RAP a sum equal to Six Thousand Dollars (\$6,000) to guarantee payment of fees and as a damage deposit to be used in accordance with the default provisions of this AGREEMENT.

#### **Form of Deposit**

CONCESSIONAIRE'S Deposit shall be in the following form:

A cashier's check drawn on any bank that is a member of the Los Angeles Clearing House Association, which cashier's check is payable to the order of the City of Los Angeles.

#### **A. Agreement of Deposit and Indemnity**

CONCESSIONAIRE unconditionally agrees that in the event of any default, RAP shall have full power and authority to use the deposit in whole or in part to indemnify RAP. All deposits of checks must be immediately so deposited by RAP.

#### **B. Maintenance of Deposit**

Said Deposit shall be held by RAP during the entire term of the AGREEMENT.

#### **C. Return of Deposit to CONCESSIONAIRE**

Said Deposit shall be returned to CONCESSIONAIRE and any rights assigned to the Deposit shall be surrendered by RAP in writing, after the expiration or earlier termination of the AGREEMENT and any exit audits performed in conjunction with the AGREEMENT. RAP reserves the right to deduct from the Performance Deposit, any amounts up to and including the full amount of the Deposit as stated herein, owed to RAP by CONCESSIONAIRE as shown by any exit audits performed by RAP, or as compensation to RAP for failure to adhere to or execute the terms and conditions of the AGREEMENT.

### **SECTION 15. TAXES, PERMITS, AND LICENSES**

- A. CONCESSIONAIRE shall obtain and maintain at its sole expense any and all approvals, permits, or licenses that may be required in connection with the operation of the

CONCESSION including, but not limited to, tax permits, business licenses, health permits, animal regulation, building permits, police and fire permits, etc.

- B. CONCESSIONAIRE shall pay all taxes of whatever character that may be levied or charged upon the rights of CONCESSIONAIRE to use the PREMISES, or upon CONCESSIONAIRE'S improvements, fixtures, equipment, or other property thereon or upon CONCESSIONAIRE'S operations hereunder. In addition, by executing the AGREEMENT and accepting the benefits thereof, a property interest may be created known as "Possessory Interest" and such property interest will be subject to property taxation. CONCESSIONAIRE, as the party to whom the Possessory Interest is vested, may be subject to the payment of the property taxes levied by the State and County upon such interest.
- C. Pursuant to Section 21.3.3 of Article 1.3 of the LAMC Commercial Tenants Occupancy Tax, CONCESSIONAIRE must pay to the City of Los Angeles for the privilege of occupancy, a tax at the rate of One Dollar and Forty-Eight Cents (\$1.48) per calendar quarter or fractional part thereof for the first One Thousand Dollars (\$1,000.00) or less of charges (rent and utilities) attributable to said calendar quarter, plus One Dollar and Forty-Eight Cents (\$1.48) per calendar quarter for each additional One Thousand Dollars (\$1,000.00) of charges or fractional part thereof in excess of One Thousand Dollars (\$1,000.00). Said tax shall be paid quarterly to RAP, on or before the fifteenth (15<sup>th</sup>) of April, July, October, January of each calendar year, for the preceding three (3) months. Should the rate of the Occupancy Tax rise at any time during the term of the AGREEMENT, CONCESSIONAIRE shall be responsible to pay the updated, higher rate.

#### **SECTION 16. ASSIGNMENT, SUBLEASE, BANKRUPTCY**

CONCESSIONAIRE shall not permanently under-let or sub-let the subject PREMISES or any part thereof or allow the same to be used or occupied by any other person or for other use than that herein specified, nor assign the AGREEMENT nor transfer, assign or in any manner convey any of the rights or privileges herein granted without the prior written consent of RAP. Neither the AGREEMENT nor the rights herein granted shall be assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceeding in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings. Any attempted assignment, mortgaging, hypothecation, or encumbering of the CONCESSION rights or other violation of the provisions of this Section shall be void and shall confer no right, title or interest in or to the AGREEMENT or right of use of the whole or any portion of the PREMISES upon any such purported assignee, mortgagee, encumbrancer, pledgee or other lien holder, successor or purchaser. For purposes of this Section 16, a change in the majority ownership of CONCESSIONAIRE shall constitute a transfer or assignment of this AGREEMENT for which prior written consent of RAP is required.

#### **SECTION 17. BUSINESS RECORDS**

CONCESSIONAIRE shall maintain during the term of the AGREEMENT and for three years thereafter, all of its books, ledgers, journals, and accounts wherein are kept all entries reflecting the gross receipts received or billed by it from the business transacted pursuant to the AGREEMENT. Such books, ledgers, journals, accounts, and records shall be available for inspection and examination by RAP, or a duly authorized representative, during ordinary business hours at any time during the term of this agreement and for at least three years thereafter.

A. **Employee Fidelity Bonds**

At RAP's discretion, adequate employee fidelity bonds may be required to be maintained by CONCESSIONAIRE covering all its employees who handle money.

B. **Cash and Record Handling Requirements**

If requested by RAP, CONCESSIONAIRE shall prepare a description of its cash handling and sales recording systems and equipment to be used for operation of the CONCESSION which shall be submitted to RAP for approval.

CONCESSIONAIRE shall be required to maintain a method of accounting of the CONCESSION which shall correctly and accurately reflect the gross receipts and disbursements received or made by CONCESSIONAIRE from the operation of the CONCESSION. The method of accounting, including bank accounts, established for the CONCESSION shall be separate from the accounting systems used for any other businesses operated by CONCESSIONAIRE or for recording CONCESSIONAIRE'S personal financial affairs. Such method shall include the keeping of the following documents:

1. Regular books of accounting such as general ledgers.
2. Journals including supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.
3. State and Federal income tax returns and sales tax returns and checks and other documents proving payment of sums shown.
4. Cash register tapes shall be retained so that day to day sales can be identified. A cash register must be used in public view which prints a dated double tape, indicating each sale and the daily total.
5. Any other accounting records that RAP, in its sole discretion, deems necessary for proper reporting of receipts.

C. **Method of Recording Gross Receipts**

CONCESSIONAIRE must install a computerized point-of-sale (POS) system, including hardware and software, to record transactions and receipts. Such POS system must be capable of accepting credit and debit card payments; providing paper receipts to patrons; have a price display which is and shall remain at all times visible to the public; and have controls in place to make it equivalent to a non-resettable cash register. CONCESSIONAIRE shall not purchase or install the POS system, including hardware and software, before obtaining RAP's written approval of the specific hardware and software to be purchased. The POS system must be compatible with RAP's golf management and reservation system, be able to produce end of day reports including gross receipts by sales categories, and RAP shall be able to obtain the reports daily through remote communication of the systems.

D. **Annual Statement of Gross Receipts and Expenses**

CONCESSIONAIRE shall transmit a Statement of Gross Receipts and Expenses (Profit and Loss Statement) for the CONCESSION operations as specified in the AGREEMENT, in a form acceptable to RAP, on or before April 30th, of each calendar year during the term of the AGREEMENT. Such Statement must be prepared by a Certified Public Accountant (CPA)

and shall not include statements of omission or non-disclosure. An extension may be granted in writing, prior to the April 30th due date, by RAP, provided sufficient verification of the need for the extension is provided, as accepted by RAP's General Manager or his designee. The charge for late or delinquent Statements shall be One Hundred Dollars (\$100.00) per month or part thereof late.

In addition, RAP may from time to time conduct an audit and re-audit of the books and businesses conducted by CONCESSIONAIRE and observe the operation of the business so that accuracy of the above records can be confirmed. If the report of gross sales made by CONCESSIONAIRE to RAP shall be found to be less than the amount of gross sales disclosed by such audit and observation, CONCESSIONAIRE shall pay RAP within thirty (30) days after billing any additional rentals disclosed by such audit. If discrepancy exceeds two percent and no reasonable explanation is given for such discrepancy, CONCESSIONAIRE shall also pay the cost of the audit.

## **SECTION 18. REGULATIONS, INSPECTION, AND DIRECTIVES**

### **A. Constitutional and Other Limits on CONCESSIONAIRE'S Rights to Exclusivity**

Notwithstanding exclusivity granted to CONCESSIONAIRE by the terms of this Agreement, the City in its discretion may require CONCESSIONAIRE, without any reduction in rent or other valuable consideration to CONCESSIONAIRE, to accommodate the rights of persons to access and engage in expressive activities, as guaranteed by the First Amendment to the United States Constitution, the California Constitution, and other laws, as these laws are interpreted by the CITY. Expressive activities include, but are not limited to, protesting, picketing, proselytizing, soliciting, begging, and vending of certain expressive, message-bearing items.

### **B. Conformance with Laws**

CONCESSIONAIRE shall conform to:

1. Any and all applicable rules, regulations, orders, and restrictions which are now in force or which may be hereafter adopted by RAP with respect to the operation of the CONCESSION;
2. Any and all orders, directions or conditions issued, given, or imposed by RAP with respect to the use of the roadways, driveways, curbs, sidewalks, parking areas, or public areas adjacent to the PREMISES;
3. Any and all applicable laws, ordinances, statutes, rules, regulations or orders, including the LAMC, LAAC, the Charter of the City of Los Angeles, and of any governmental authority, federal, state or municipal, lawfully exercising authority over CONCESSIONAIRE'S operations; and,
4. Any and all applicable local, state and federal laws and regulations relative to the design and installation of facilities to accommodate disabled persons.

### **C. Permissions**

Any permission required by the AGREEMENT shall be secured in writing by CONCESSIONAIRE from CITY or RAP and any errors or omissions therefrom shall not relieve CONCESSIONAIRE of its obligations to faithfully perform the conditions therein.

CONCESSIONAIRE shall immediately comply with any written request or order submitted to it by CITY or RAP.

**D. Right of Inspection and Access to Concession**

CITY, RAP, their authorized representatives, agents and employees shall have the right to enter the PREMISES at any and all reasonable times for the purpose of inspection, evaluation, and observation of CONCESSIONAIRE'S operation. Park Rangers are specifically designated as CITY agents and are empowered by CITY to conduct inspections of the PREMISES, evaluate CONCESSIONAIRE and inform RAP fully as to CONCESSIONAIRE's conduct. During these inspections, they all shall have the right to photograph, film, or otherwise record conditions and events taking place upon the PREMISES. The inspections may be made by persons identified to CONCESSIONAIRE as CITY Employees, or may be made by independent contractors engaged by CITY. Inspections may be made for the purposes set forth below, and for any other lawful purpose for which the CITY or another governmental entity with jurisdiction is authorized to perform inspections of the PREMISES:

1. To determine if the terms and conditions of the AGREEMENT are being complied with.
2. To observe transactions between CONCESSIONAIRE and patrons in order to evaluate the quality of services provided or quality and quantities of items sold or dispensed.
3. To ensure quality control and verify the validity of mandatory operating permits

**E. Control of PREMISES**

RAP shall have absolute and full access to the PREMISES and all its appurtenances during the term of the AGREEMENT and may make such changes and alterations therein, and in the grounds surrounding same, as may be determined by RAP. Such determination shall not be unreasonable and shall take into account the business considerations presented by CONCESSIONAIRE.

**F. 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 LAAC, as amended from time to time.

1. CONCESSIONAIRE shall, prior to the execution of the contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that CONCESSIONAIRE estimates it will need to fill in order to perform the services under the AGREEMENT. The Department of Public Works, Bureau of Contract Administration is the DAA.
2. CONCESSIONAIRE 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, 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, CONCESSIONAIRE 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 CONCESSIONAIRE interviewed and the reasons why referred individuals were not hired.
- 3. Any subcontract entered into by CONCESSIONAIRE relating to this AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.
  - 4. CONCESSIONAIRE shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the LAAC the DAA has determined that CONCESSIONAIRE 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 LAAC Section 10.39 et seq., and must be documented in each of CONCESSIONAIRE's subsequent Contractor Responsibility Questionnaires submitted under LAAC 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 LAAC, the Awarding Authority shall, under appropriate circumstances, terminate this AGREEMENT and otherwise pursue legal remedies that may be available if the DAA determines that the subject CONCESSIONAIRE has violated provisions of the FSHO.

**H. CEC Form 50**

Certain contractors agree to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if those contractors qualify as a lobbying entity under Los Angeles Municipal Code 48.02. CEC Form 50 attached as Exhibit N. Responses submitted without a completed CEC Form 50, by proposers that qualify as a lobbying entity under Los Angeles Municipal Code 48.02 shall be deemed nonresponsive.

**Bidder Contributions – City Charter Sections 470(c) (12)**

Persons who submit a response to this solicitation (bidders) are subject to Charter section 470(c) (12) and related ordinances. As a result, bidders may not make campaign contributions to and or engage in fundraising for certain elected City officials or candidates for elected City office from the time they submit the response until either the contract is approved or, for successful bidders, 12 months after the contract is signed. The bidder's principals and subcontractors performing One Hundred Thousand Dollars (\$100,000.00) or more in work on the contract, as well as the principals of those subcontractors, are also subject to the same limitations on campaign contributions and fundraising.

**I. CEC Form 55**

CEC Form 55 requires bidders to identify their principals, their subcontractors performing One Hundred Thousand Dollars (\$100,000.00) or more in work on the contract, and the principals of those subcontractors. Bidders must also notify their principals and subcontractors in writing of the restrictions and include the notice in contracts with subcontractors. Responses submitted without a completed CEC Form 55 shall be deemed nonresponsive. Bidders who fail to comply with City law may be subject to penalties,

termination of contract, and debarment. Additional information regarding restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or [ethics.lacity.org](http://ethics.lacity.org).

## **SECTION 19. SURRENDER OF POSSESSION**

CONCESSIONAIRE agrees to yield and deliver possession of the PREMISES to RAP on the date of the expiration or earlier termination of the AGREEMENT promptly, peaceably, quietly, and in as good order and condition as the same now are or may be hereafter improved by CONCESSIONAIRE or RAP, normal use and wear and tear thereof excepted.

No agreement of surrender or to accept a surrender shall be valid unless and until the same is in writing and signed by the duly authorized representatives of RAP and CONCESSIONAIRE. Neither the doing nor omission of any act or thing by any of the officers, agents or employees of RAP shall be deemed an acceptance of a surrender of the PREMISES utilized by CONCESSIONAIRE under the AGREEMENT.

Upon termination of this AGREEMENT other than by forfeiture, CONCESSIONAIRE shall quit and surrender possession of the PREMISES to RAP and shall, without cost to RAP, remove any and all works, structures, or other improvements owned by CONCESSIONAIRE and restore the PREMISES to the same or as good condition, ordinary wear and tear excepted, as it was at the time of the first occupancy, thereof by CONCESSIONAIRE under this or any prior agreement or lease. CONCESSIONAIRE will have three days to effect removal and restoration. CONCESSIONAIRE may at its option accept all or a portion of the works, structures, or other improvements on behalf of RAP in lieu of all or a portion of the removal or restoration required herein.

## **SECTION 20. NOTICES**

- A. To RAP:  
Unless otherwise stated in the AGREEMENT, written notices to RAP hereunder shall be addressed to:

Department of Recreation and Parks  
Attention: Concession Unit  
P.O. Box 86328  
Los Angeles, CA 90086

All such notices may either be delivered personally or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid for delivery by registered or certified mail. Service in such manner by registered or certified mail shall be effective upon receipt. Written notices may also be emailed to RAP Concessions Analyst.

RAP shall provide CONCESSIONAIRE with written notice of any address change within thirty (30) days of the occurrence of said change.

- B. To CONCESSIONAIRE:  
The execution of any notice to CONCESSIONAIRE by RAP shall be as effective for CONCESSIONAIRE as if it were executed by BOARD, or by Resolution or Order of said BOARD.

All such notices may either be delivered personally to CONCESSIONAIRE or to any officer or responsible employee of CONCESSIONAIRE or may be deposited in the United States

mail, properly addressed as aforesaid with postage fully prepaid for delivery by registered or certified mail, or transmitted via email by RAP. Service in such manner by registered or certified mail shall be effective upon receipt.

Written notices to CONCESSIONAIRE shall be addressed to CONCESSIONAIRE as follows:

1233 Penmar, LLC  
Oscar Hermosillo and Mark Chesler  
7152 Task Avenue  
Playa Del Rey, CA 90293

[oscar.vbw@gmail.com](mailto:oscar.vbw@gmail.com)  
[mchesler@gmail.com](mailto:mchesler@gmail.com)

CONCESSIONAIRE shall provide CITY with written notice of any address change within thirty (30) days of the occurrence of said address change.

## **SECTION 21. INCORPORATION OF DOCUMENTS**

This AGREEMENT and incorporated documents represent the entire integrated agreement of the parties and supersedes all prior written or oral representations, discussions, and agreements. The following Exhibits are to be attached to and made part of this AGREEMENT by reference:

- A. Standard Provisions for CITY Contracts (Rev. 10/17 V.3)
- B. Concession PREMISES Map
- C. Proposal submitted by 1233 Penmar, LLC to RAP in September 2018
- D. Good Food Purchasing Program (Rev. 9/17)
- E. CITY-Owned Equipment List
- F. Form General No. 87 "Non-Employee Accident or Illness Report"
- G. New Equipment to be Purchased by CONCESSIONAIRE
- H. Monthly Revenue Report
- I. Required Insurance and Minimum Limits; Instructions and Information on Complying with CITY Insurance Requirements
- J. Special Occurrence and Loss Report
- K. Intentional Omitted
- L. Intentional Omitted
- M. Intentional Omitted
- N. CEC Form 50, Bidder Certification

In the event of any inconsistency between any of the provisions of this AGREEMENT and/or exhibits attached hereto, the inconsistency shall be resolved by giving precedence in the following order: 1) This AGREEMENT exclusive of attachments, 2) Exhibit A, 3) Exhibit B, 4) Exhibit C, 5) Exhibit D, 6) Exhibit E, 7) Exhibit F, 8) Exhibit G, 9) Exhibit H, 10) Exhibit I, 11) Exhibit J, 12) Exhibit K, 13) Exhibit L, 14) Exhibit M, and 15) Exhibit N.

*(Signature Page to Follow)*

**IN WITNESS WHEREOF, THE CITY OF LOS ANGELES** has caused this **AGREEMENT** to be executed on its behalf by its duly authorized General Manager of the Department of Recreation and Parks and **CONCESSIONAIRE** has executed the same as of the day and year herein below written.

**THE CITY OF LOS ANGELES**, a municipal corporation, acting by and through the Department of Recreation and Parks

BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
MICHAEL A. SHULL  
General Manager

**1233 Penmar, LLC**

BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:  
MICHAEL N. FEUER, City Attorney

BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
Deputy City Attorney

Business Tax Registration Certificate Number: \_\_\_\_\_

Internal Revenue Service Taxpayer Identification Number: \_\_\_\_\_

AGREEMENT Number: \_\_\_\_\_

## STANDARD PROVISIONS FOR CITY CONTRACTS

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## STANDARD PROVISIONS FOR CITY CONTRACTS

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

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

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

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

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

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

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

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

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

**PSC-4. Integrated Contract**

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

**PSC-5. Amendment**

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

**PSC-6. Excusable Delays**

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

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

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

**PSC-7. Waiver**

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

**PSC-8. Suspension**

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

**PSC-9. Termination**

A. Termination for Convenience

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

B. Termination for Breach of Contract

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

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

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

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

**PSC-10. Independent Contractor**

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

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

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

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

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

**PSC-12. Assignment and Delegation**

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

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

**PSC-13. Permits**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PSC-20. Intellectual Property Warranty**

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

**PSC-21. Ownership and License**

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

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

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

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

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

**PSC-22. Data Protection**

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

**PSC-23. Insurance**

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

**PSC-24. Best Terms**

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

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

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

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

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

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

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

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

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

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

**PSC-28. Living Wage Ordinance**

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

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

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

**PSC-30. Access and Accommodations**

**CONTRACTOR** represents and certifies that:

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

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

**PSC-31. Contractor Responsibility Ordinance**

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

**PSC-32. Business Inclusion Program**

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

**PSC-33. Slavery Disclosure Ordinance**

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

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

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

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

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

**PSC-36. Iran Contracting Act**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PSC-42.** Possessory Interests Tax

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

**PSC-43. Confidentiality**

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

**EXHIBIT 1**

**INSURANCE CONTRACTUAL REQUIREMENTS**

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

**CONTRACTUAL REQUIREMENTS**

CONTRACTOR AGREES THAT:

- 1. Additional Insured/Loss Payee.** The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.
- 2. Notice of Cancellation.** All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.
- 3. Primary Coverage.** CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.
- 4. Modification of Coverage.** The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.
- 5. Failure to Procure Insurance.** All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

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

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

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

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

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

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

## Required Insurance and Minimum Limits

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

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

Agreement/Reference: \_\_\_\_\_

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

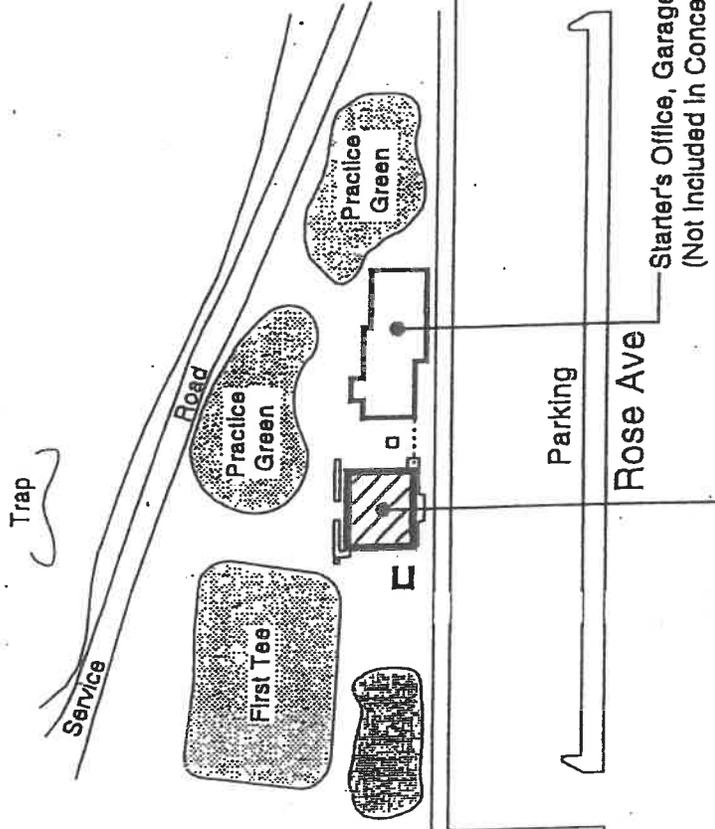
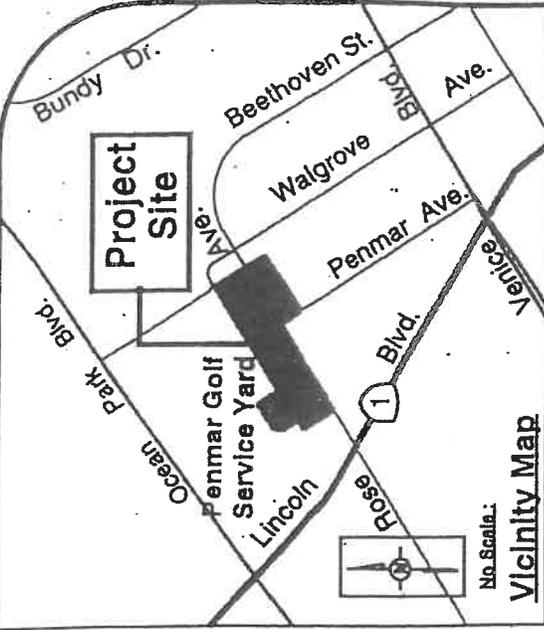
	Limits
<p>___ <b>Workers' Compensation (WC) and Employer's Liability (EL)</b></p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <p><input type="checkbox"/> Waiver of Subrogation in favor of City</p> <p><input type="checkbox"/> Longshore &amp; Harbor Workers</p> <p><input type="checkbox"/> Jones Act</p> </div> <div style="width: 45%; text-align: right;"> <p>WC _____</p> <p>Statutory _____</p> <p>EL _____</p> </div> </div>	
<p>___ <b>General Liability</b></p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <p><input type="checkbox"/> Products/Completed Operations</p> <p><input type="checkbox"/> Fire Legal Liability</p> <p><input type="checkbox"/> _____</p> </div> <div style="width: 45%; text-align: right;"> <p><input type="checkbox"/> Sexual Misconduct _____</p> </div> </div>	
<p>___ <b>Automobile Liability</b> (for any and all vehicles used for this contract, other than commuting to/from work)</p>	_____
<p>___ <b>Professional Liability</b> (Errors and Omissions)</p> <p style="margin-left: 20px;">Discovery Period _____</p>	_____
<p>___ <b>Property Insurance</b> (to cover replacement cost of building - as determined by insurance company)</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <p><input type="checkbox"/> All Risk Coverage</p> <p><input type="checkbox"/> Flood _____</p> <p><input type="checkbox"/> Earthquake _____</p> </div> <div style="width: 45%; text-align: right;"> <p><input type="checkbox"/> Boiler and Machinery</p> <p><input type="checkbox"/> Builder's Risk</p> <p><input type="checkbox"/> _____</p> </div> </div>	_____
<p>___ <b>Pollution Liability</b></p> <p><input type="checkbox"/> _____</p>	_____
<p>___ <b>Surety Bonds - Performance and Payment (Labor and Materials) Bonds</b></p>	_____
<p>___ <b>Crime Insurance</b></p>	_____

**Other:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

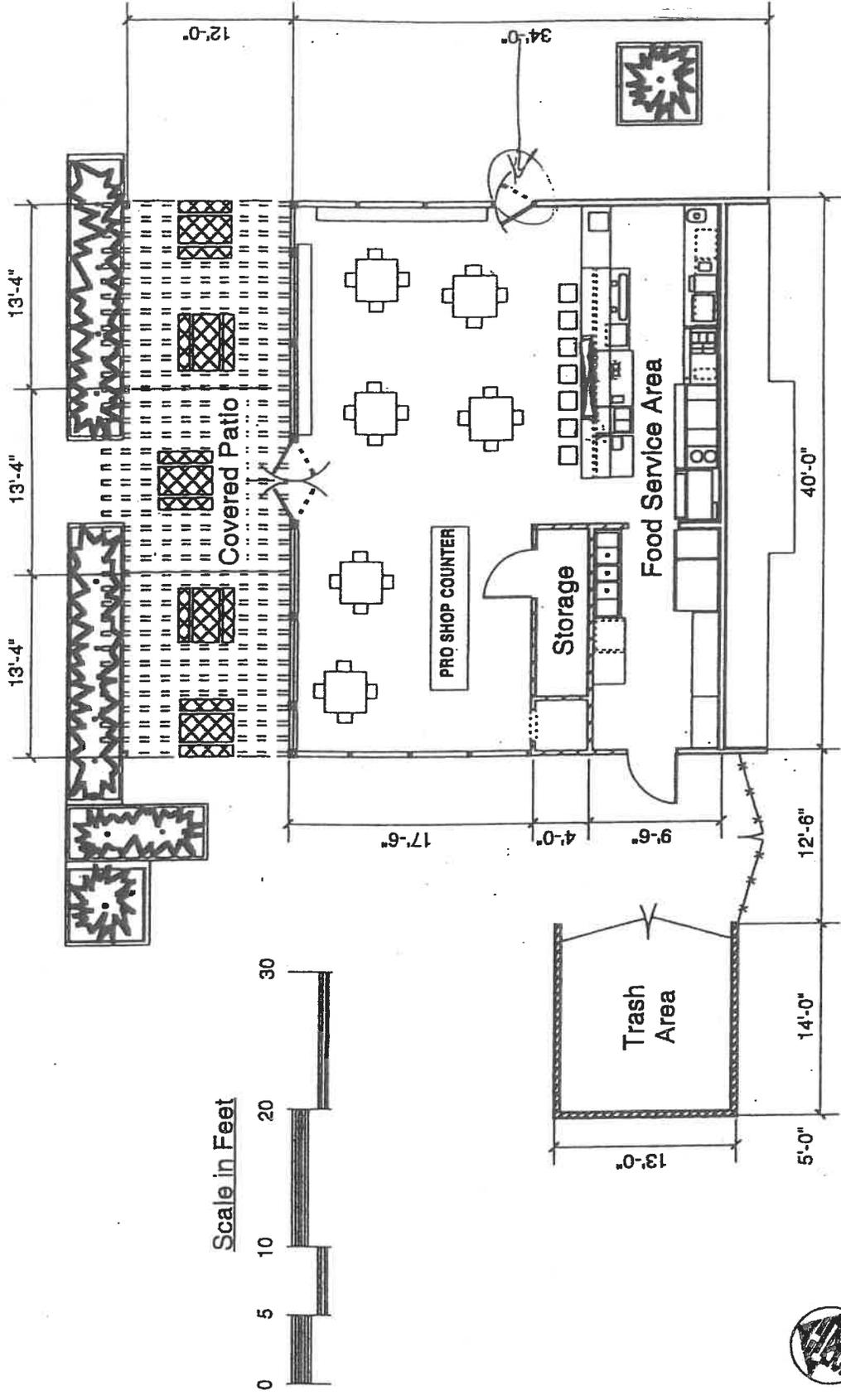


**COFFEE SHOP**  
(See Page 2 of 2)



No Scale

**PENMAR GOLF FOOD SERVICE CONCESSION**  
 1221 Rose Ave., Venice, CA 90291  
 SITE PLAN / VICINITY MAP



**PENMAR GOLF FOOD SERVICE CONCESSION**  
 1221 Rose Avenue, Venice, CA 90291  
**FLOOR PLAN**

# The PENMAR – Sample Menu

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## MORNING / ALL DAY

- Organic Greek Yogurt, House Granola, Seasonal Fruit, Chia Seed, Organic Honey  
**Yogurt Parfait \$9**
- Lox, Cream Cheese, Red Onion, Capers, Tomato, Lemon wedge \$13*
- Bagel Cream Cheese or Butter And Jam \$5**
- Citrus Breakfast Salad \$11**  
 Butter Lettuce, Romaine Hearts, Sugar Snap Peas, Avocado,  
 Citrus Segments, Pistachios, Pickled Onion  
*Cali Citrus Dressing*  
*Add Smoked Salmon \$4 - Add Poached Egg \$2*
- Avocado Toast \$12**  
 Green Chickpea Hummus, Fennel, Radish, Microgreens, on Multi Grain Toast
- Breakfast Sandwich \$11**  
 Fried Egg on Sourdough, Lettuce, Tomato, Sweet Onion, Bacon, Avocado, House Aioli
- Breakfast Burrito \$11**  
 Eggs, Tater Tots, Beans, Jack N Cheddar Cheese  
 Choice of Bacon, Chorizo, Sausage or Grilled Veggies
- Penmar Tee Time Big Breakfast \$12**  
 Two Eggs Any Style,  
 Choice of: Bacon or Sausage  
 Choice of: Tater Tots, House Salad or Fruit, Toast (several to choose)  
*Add 2 Pancakes \$3*
- Scrambles**  
 Two Eggs, Jack N' Cheddar Cheese, Grilled Veggies,  
 Choice of Tater Tots, Salad or Fruit  
 Choice of Toast
- Choose one: More Mixed Veggie \$12, Grilled Chicken Breast \$14, Lox, Capers, Goat Cheese, Onion \$16 Chorizo or Bacon or Sausage \$13*
- Assorted daily grab and go pastries, fresh seasonal green and fruit juices**

## SANDWICH/ BURGERS/TORTILLA THINGS/DOGS

- Grass Fed Beef Burger \$14**  
 Brioche, Iceberg, Tomato, Pickles, House Sauce, Onions, Tillamook Cheddar or American  
 Fries or House Salad  
*Add Bacon or Avocado \$2*
- Organic Grilled Chicken Breast Sandwich \$14**  
 Grilled Telera Roll, Chimichurri Pesto, Iceberg, Tomato, Avocado  
 Fries or House Salad  
*Add Bacon or Avocado \$2*
- Hot Organic Black Bean Patty and Poblano Veggie Sandwich \$14**  
 Fresh Multi Grain, House Aioli, Cucumber, Avocado  
 Fries or House Salad  
*Add Bacon or Avocado \$2*
- Cold Sandwich Turkey or Ham \$11 or Club w both and bacon \$13**  
 Fresh Multi Grain or Sourdough or Telera Roll, Iceberg Lettuce, Mustard, Mayo, Sliced Onion, Swiss  
 Chips or House Salad  
*Add Avocado \$2*
- Bacon Lettuce Tomato \$11**  
 Fresh Sourdough, Applewood Smoked Bacon, Ice Berg, Tomato, Mayo  
 Chips or House Salad
- Grilled Cheese \$9 w Ham \$11**  
 Provolone, Cheddar, American gooey inside a Fresh Sourdough Texas Toast  
**L.A. Sparty Dog \$9**  
 (just like after the games)  
 Bacon-wrapped, Grilled Onions and Peppers, Mustard, Mayo, Ketchup, Pickled Jalapenos
- 2 Fire Grilled Organic Chicken Breast Tacos \$13**  
 Guacamole, Pico de Gallo, House Salsa, Tortilla Chips  
**2 Fire Grilled Fish of Day Tacos \$MP**  
 Achiote, Slaw, Crema, Aji Amarillo Sauce, House Salsa, Tortilla Chips
- 2 Fire Grilled Flank Steak "Asada" Tacos \$14**  
 Guacamole, Cilantro, Onion, House Salsa, Tortilla Chips  
**Veggie Tacos \$13**  
 Seasonal Veggies, House Beans, Peppers, Onions, Cotija Cheese
- Quesadilla \$14**  
 Flour Tortilla, Guacamole, House Salsa, Tortilla Chips  
*add Asada OR Chicken \$4*

# The PENMAR – Sample Menu

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## SALADS

Add Grilled Shrimp \$7 Chicken Breast \$5, Lox \$4 Fire Grilled Fish of Day \$MP

**Baby Arugula \$11**

Shaved Parmesan, Balsamic Vinaigrette

**Cesar \$12**

Romaine Hearts, Cherry Tomatoes, Toasted Pepitas, Shaved Parmesan

**Cobb \$13**

Romaine, Mixed Greens, Crispy Bacon, Blue Cheese Crumbles, Avocado, Baby Tomatoes, Carrots, Boiled Eggs, Ranch Dressing

**House \$10**

Romaine, Grilled Corn, Cucumber, Carrots, House Dressing

**Wedge \$10**

Ice Berg, Bacon, Heirloom Tomato Blue Cheese Dressing

## BIG PLATES - DINNER

All served with Seasonal Grilled Veggies and Cheesy Mashed Potatoes

**Fire Grilled Flat Iron Asada Steak/Chimichurri \$TBD**

Citrus Marinated Chicken Breast \$TBD

Fish of The Day Chef Preparation \$TBD

## SHARED

**Fish of Day Ceviche \$MP**

Fried Calamari \$14

Gluten Free Rice Flour Coated, Shishito Peppers, Aji Amarillo Dipping sauce

**Nachos \$14**

Sub Fries \$2

Beans, Cheese, Pico de Gallo, Avro Crema

Add Asada OR Chicken Breast \$4

**Pennar Fries \$7**

Idaho Potato Fries, Truffle Oil, Scallion, Garlic, Dry Aged Cheese \$11

**Chips and Salsa \$4**

Add Guacamole \$5

## CHEESE AND CHARCUTERIE BOXES

Here or on the GREEN! Series 4 \$TBD  
**Penmar Boxes Consist of Chef's Selection of:**

2 Artisanal Cheeses

2 Artisanal Meats

Chef's choice of Accompaniments

Fresh Baguette

(Or Order Separately)



## CHEESE \$7

Qudrello di Bufala (IT/Water Buffalo) creamy / sweet / pungent / perfectly ripe  
 Fourme d' Ambert (Auvergne, FR/Cow) mild creamy blue / delicate / fruity mushroom overtones  
 Hoch Ybrig, Kussnacht (CH/Raw Cow) hard / alpine cheese / caramel / butterscotch  
 Brechirousse d'Argental, Rhone-Alpes (FR/Sheep) soft / mild / buttery / grassy / sweet & light  
 Cabra Romero, Murcia (SP/Goat) rosemary pressed / rubbed in lard

## CHARCUTERIE \$9

Prosciutto, La Quercia (IA/Pork) organic / sweet / earthy / deep / acorn and walnuts  
 Coppa, La Quercia (IA/Pork) organic salt cured pork shoulder / paprika  
 Bressola, Bernina (IT/Beef) lean / dry cured  
 Speck, Recla (IT/Pork) cold smoked aged pork shoulder / hints of juniper / allspice  
 Jamon Serrano, Ferrim (SP/Pork) salt & air-cured pork

## SWEET THINGS TBD

[Locally sourced popsicles (paletas) several to choose from, grab-n-go, great packaging  
 One baked good that goes with a locally sourced ice cream  
 Rotating locally sourced chocolaterie specialty  
 And a brownie or bread pudding]

# The PENMAR – Sample Menu

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## DRAUGHT BEERS

**Dos XX (Mexico), Bud Light and one more typical lager \$6**  
 Weihenstephaner Vitus (Germany) \$10  
 El Segundo Citra Pale Ale (Local) \$8

## CANS (FOR THE GREEN)

Firestone 805 Blonde - 12oz \$6.5  
 Bavik Belgian Pilsner - 12oz \$6  
 Tecate - 16oz \$6  
 Modelo Especial - 12oz \$5  
 PBR Tallboy - 16 oz \$6  
 Bud Light or Coors Banquet - 12oz \$5  
 Embark Craft Hard Apple Cider - 12oz \$8  
 (Gluten Free)

## BOTTLES

Corona Extra - 12oz \$6  
 Corona Light - 12oz \$6  
 Stella Artois - 12oz \$6

## NON ALCOHOLIC BEVERAGES

House Made Agua Fresca - Ask Server (1 Free Refill) \$4.5  
 Whole Young Coconut \$7  
 Mexican Coke \$3.5  
 Diet Coke \$2.5  
 Mexican Sprite \$3.5  
 Bundaberg Ginger Beer \$5  
 Mighty Leaf Iced or Hot Tea, your choice \$2.50  
 Sparkling Water - 12oz \$4.50  
 Slake Drip Coffee \$3  
 Espresso \$3  
 Cappuccino \$5  
 Latte \$5  
 Americano \$4

## SPARKLING WINE

**NV Colletti Prime Vide Prosecco-Glera (Travisio, Italy) \$12/48**  
 Stone Fruit, Saffron, Acacia Flowers

**NV Andre Delorme Rose, Pinot Noir (Burgundy, France) 12/48**  
 Wild Red Berries Crushed Rose Petals, Delicate Mousse, dry finish

## ROSÉ

**16' Chateau St. Pierre-Cinssault Blend (Provence, France) \$14/52**  
 Apricots, Melon, Red Berries, Exotic Spice

## WHITE WINE

**16' Pierre Riffault - Sauv Blanc (Sancerre, France) \$15/60**  
 Citrus, Fresh Cut Grass, Bright Acidity and Minerality

**14' Dom. Dupre - Chardonnay (Burgundy, France) \$14/56**  
 Ripe Apple, Pear, Vanilla, Bright Acidity

**16' Ananto-100% Organic Macabeo (Spain)**  
 Apricot, Citrus, Honey Suckle, Mineral Driven, Fresh Acidity

**16' Arca Nova- Loureiro Blend- Vinho Verde (Portugal) \$10/40**  
 Crisp, Dry, Slight Effervescence, Green Apple, Citrus,

**15' Salomon-Gruener Veltliner (Austria) \$13/52**  
 Grapefruit, White Pepper, Lemon Zest, Dry Finish

## RED WINE

**16'Alma de Cattleya - Pinot Noir (Sonoma, CA) \$16/64**  
 Raspberries, Cherries, Vanilla, Supple Tannins

**15' Union Sacré - Cabernet Sauvignon (Santa Barbara, CA) \$15/60**  
 Red Plum, Brown Spices, Rich Tannins

**15' Fiction Zinfandel Blend (Paso Robles, Ca) \$13/52**  
 Deep Ruby Red, Dried Blackberry, Fruit, Herbs & Minerals

**15' Dom. de Chant-Merlot/Cabernet (France) \$13/52**  
 Ripe Cherries, Blackberry, Baking Spice, Medium Tannin, Organic

**13' Elquite-Malbec Blend (Chile) \$13/52**  
 Juicy Dark Fruits, Currants, Earthy, Full Bodied

# The PENMAR – Golfer Special Menu

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## The PENMAR Golfer Menu Specials

### Breakfast

#### **Breakfast Sandwich \$8**

Fried Egg on Sourdough, Lettuce, Tomato, Sweet Onion, Bacon, Avocado, House Aioli

#### **Yogurt Parfait \$7**

Organic Greek Yogurt, House Granola, Seasonal Fruit, Chia Seed, Organic Honey

#### **Slake Drip Coffee \$2**

### Lunch

#### **Cold Sandwich \$TBD**

Fresh, daily assortment  
Wrapped and ready to go

#### **Select Hot Sandwiches \$2 Discount to Menu Price TBD**

#### **Cesar Salad \$10**

(Packaged to stay or go)

Romaine Hearts, Cherry Tomatoes, Toasted Pepitas, Shaved Parmesan

#### **Cobb Salad \$11**

(Packaged to stay or go)

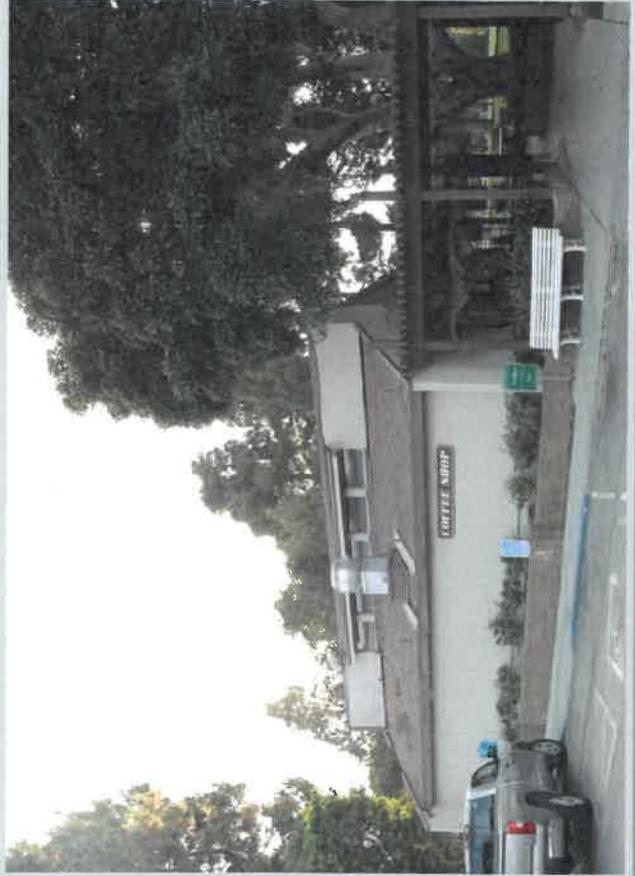
Romaine, Mixed Greens, Crispy Bacon, Blue Cheese Crumbles,  
Avocado, Baby Tomatoes, Carrots, Boiled Eggs, Ranch Dressing

*Golfer Specials valid for active Senior members of  
Penmar Golf Club and Penmar Womens Golf Club  
on golf day only – tee time receipt required*

# The PENMAR

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## PRESENTATION PROPOSAL TO RAP



September 2018

# Overview

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- We are pleased to present our vision to RAP for a brand new restaurant at Penmar Golf Course in Venice Beach, CA: “The PENMAR”
- The PENMAR will be a place for
  - Golfers,
  - Venice, Mar Vista and Santa Monica “Locals”, and
  - LA Visitors alike
- With food that is
  - Fresh, locally sourced and affordable,
  - Appropriate for golfers during the course hours,
  - Neighborhood always, and
  - Upgraded experience as day turns to night
- Provided by a team that is
  - Committed to the project, golfers, food and beverage product and the neighborhood,
  - Proven and known local operators, and
  - Backed investors local to the adjacent zip codes

We hope RAP will appreciate that our vision for The PENMAR is beautifully unique

# Introductions - Who we are

3

**Oscar Hermosillo**



- The Operator
- Los Angeles born and raised
- BS Sociology and Political Science from UCSB
- Background in social services in LA
- One of the most prolific restaurateurs in Venice Beach
- Terrible golfer

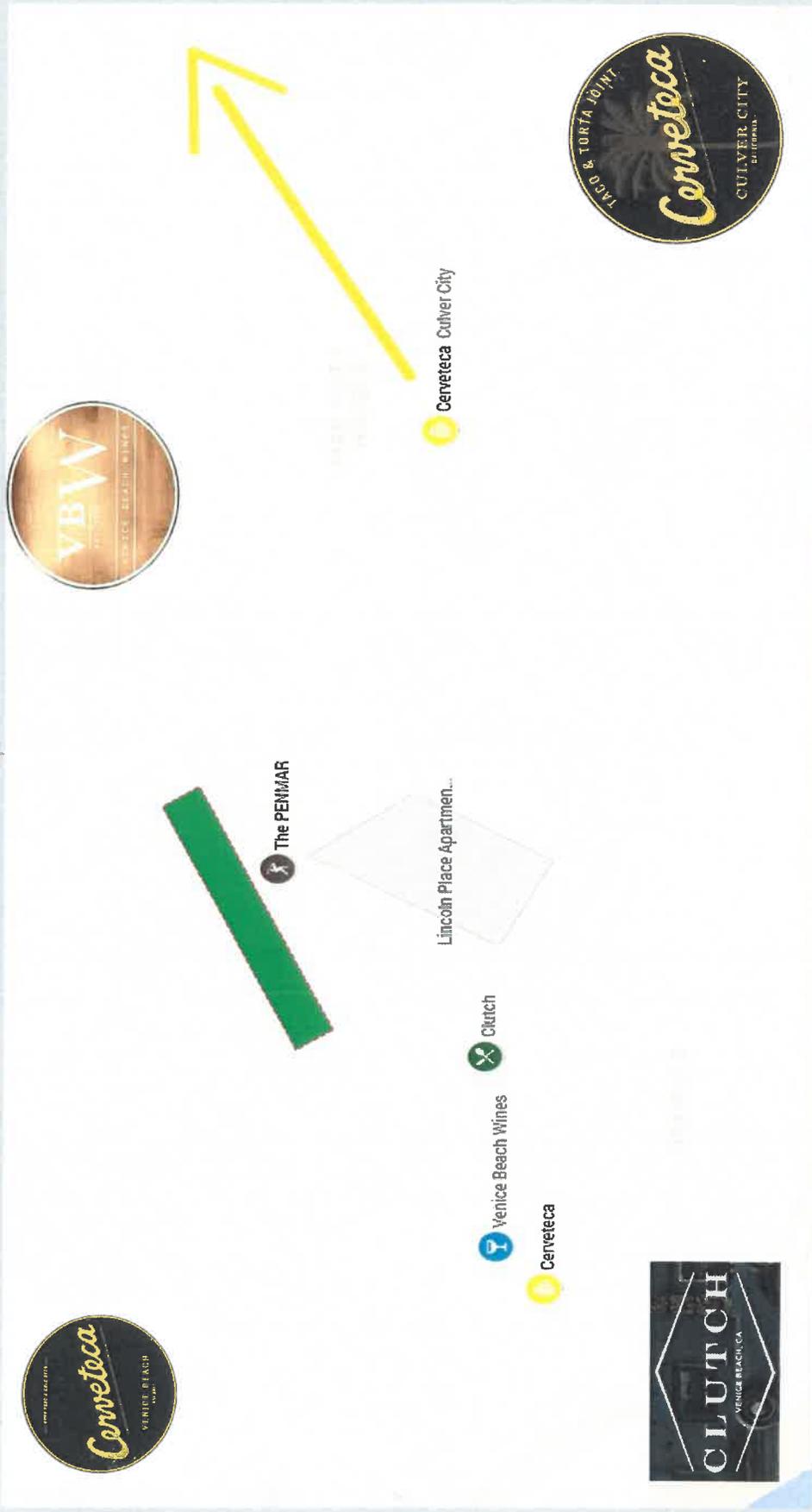
**Mark Chesler**



- The Investor
- Walking distance neighbor for 25 years
- BA Economics from Pomona College, MBA from The Anderson School at UCLA
- Background as turnaround consultant, investment banker and private equity investor
- Top 10 patron of Oscar's restaurants
- Terrible golfer, but trying!

# Oscar's Current Restaurant Footprint

4



Oscar is THE proven Venice Beach restaurant operator – and The PENMAR is a perfect fit!

# Oscar's Restaurant Philosophy

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- “Authentically LA” comfort food, made with quality ingredients for a memorable restaurant experience at a reasonable price



**LINCOLN  
&  
ROSE**  
VENICE, CA

**Oscar Hermosillo: The Man Who Changed Rose Ave Brings More Local Flavor To Venice And Beyond**

*July 24, 2014*

Restaurateur and longtime Venice resident Oscar Hermosillo hasn't spent the last 25 years in a professional kitchen. He didn't attend culinary school or train as an apprentice under an esteemed chef. He hasn't appeared on "Top Chef" or "MasterChef" or "Iron Chef," and you won't find a Who's Who of culinary dignitaries working the lines of his kitchens.

Of course, you'd never know this when dining at one of his restaurants or talking to him about his métier. Hermosillo who owns Venice Beach Wines and Oscar's Cerveteca, two consistently top-rated restaurants on Rose Avenue, recently purchased Benny's Tacos on Lincoln Blvd., and is in the process of opening two more eateries around town. "I come up with concepts. Mom and I work on the recipes and we bring in and consult local cooks," he says.

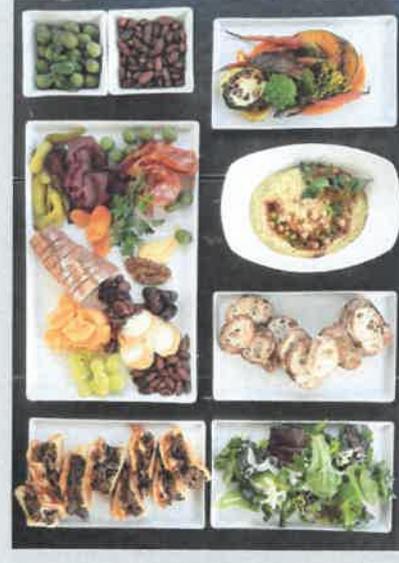
Many credit him with pioneering the transformation of Rose Avenue. His restaurants are usually chock-full with diners, yet Hermosillo, a former social worker, hasn't spent a dime on marketing or publicity. He hasn't needed to. The experience he's cultivated has done the work for him...

# Venice Beach Wines (VBW)



6

- **History**
  - Established in 2006 around Co-founders Oscar and Norma Alvarado's passion for quality food, wine to create enriching experiences for Venice neighbors and guests
  - Tastings, education, event planning and catering underscore a commitment to provide an inviting, helpful and approachable wine and food experience for all levels
  - Its all about the wine and food experience for neighbors
  - **Wine:** In 2016, partnered with Bart Miali, of the former El Vino wine shop, to offer a uniquely curated and extensive wine collection. The wine (and hand picked beer) may be enjoyed at VBW or purchased "to-go" retail
  - **Food:** The kitchen offers small plates of farm-to-table cheeses, charcuterie, panini's, and daily specials



# Cerveteca



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- **History**

- In 2011, Oscar created Cerveteca in partnership with his mother Consuela whose unique, “authentically LA” culinary flavors created a cult following
- After successfully operating though 7 years, real estate trends forced Cerveteca to close its Venice location
- Cerveteca Culver City remains open and thriving and was named “best breakfast burrito” by Carson Daily’s ”Burrito Competition”
- Loyalty to Cerveteca throughout LA is flattering and we hope to draw that to The PENMAR
- Cerveteca defined and became the epicenter of the transformation of Rose Ave
  - Accessible, quality and unique food
  - Craft beers and wine raised the bar for locally catering establishments



Our neighborhood craves a descendent with proper Cerveteca DNA!



# Clutch Roadhouse



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## • History

- Opened in 2014, Clutch is a roadhouse restaurant & bar located on CA Highway 1 (aka Lincoln Blvd), around the corner from The PENMAR
  - Pays homage to California motor culture and references Oscar's love of bikes and cars and the travels and food they inspire
  - Cali-Mex BBQ, Craft Beer, Fine Wine with a motorcycles, & classic car vibe
  - Food is rooted in culinary and roadhouse experiences along the route from California through Baja Mexico, where grill masters fire up some of the best BBQ on earth, complemented by a fresh wine and local beer offering
  - Clutch is also the only street side patio on Lincoln between Santa Monica and Marina Del Rey
- “It’s too bad you don’t see more tri-tip at local joints, for it is truly one of our region’s signature dishes. The tri-tip, which consists of thick cuts of beef, is indigenous to L.A. Clutch does it the best, smoking it over almond wood and dressing it with slaw and spicy sauce on a fresh baguette”*

- Insider Hook, 2017



Clutch will provide is an adopted home of locals and road travelers (aka commuters!) alike

# The PENMAR – Our Interest

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- Designed in 1962 by David Kent, Penmar is the closest municipal golf course to the Pacific Ocean
- Boasting one of the largest green patches on the West Side with mature trees, lush landscaping, open grass expanses, hilltop vistas and...incredible sunsets

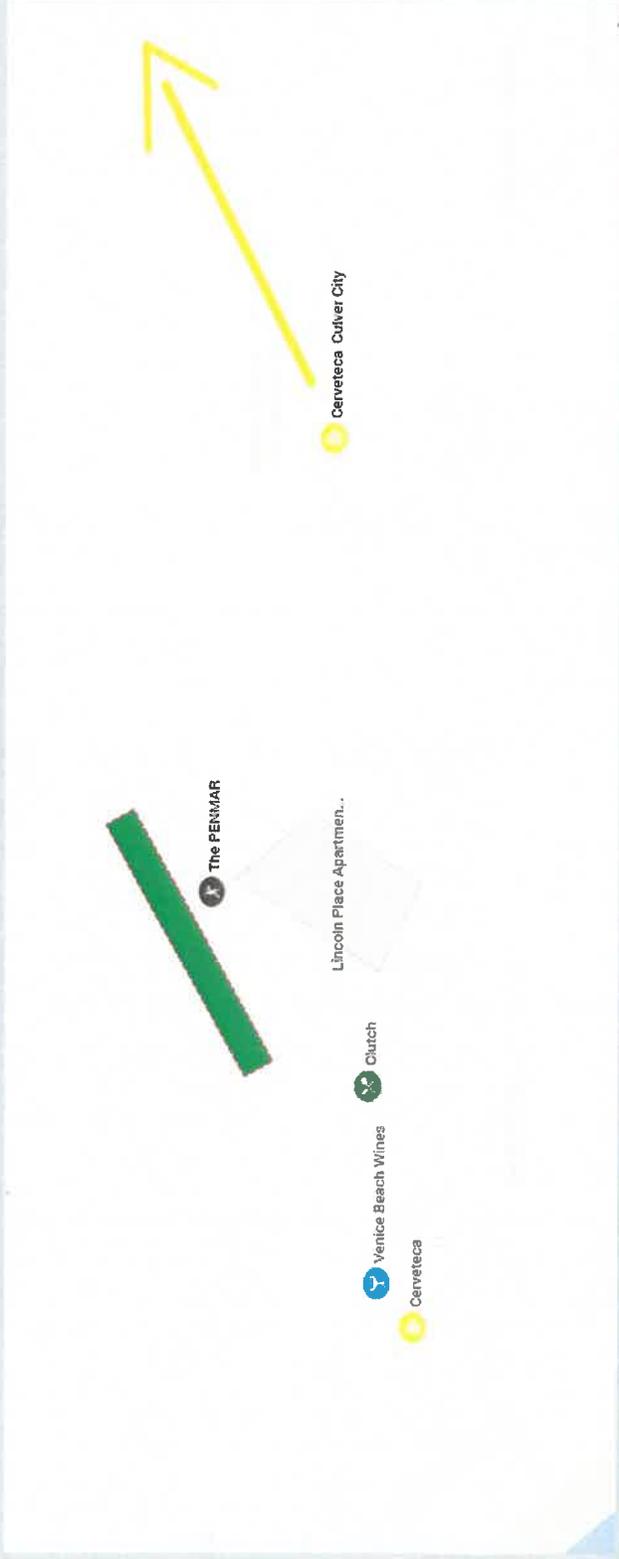


So much beautiful greenspace...Penmar - There is no comparable property in West LA!

# The PENMAR – Our Interest

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- Immediate area is surrounded by affluent customers with high disposable incomes
  - The median house value in Santa Monica, Mar Vista and Venice is >\$1.5 million
- Immediate area has seen tremendous renaissance/upswing
  - Intersection of upcoming Silicon Beach, trendy Venice Beach and charming Mar Vista
  - Surrounded by hot spots such as Abbott Kinney and Rose Ave; and the developing Lincoln Blvd
  - AIMCO invested over \$200 million to completely overhaul and expand the nearby Lincoln Place Apartments, a previously nearly abandoned 38 acre site merely 1 block away



Penmar is at the epicenter of perhaps the most exciting area in West LA!

# The PENMAR – Our Concept

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- Penmar is unique among the LA municipal courses in its proximity to the ocean and 9-hole, value offering
- The facility is also unique in that it is situated in the middle of a dynamic, locally oriented neighborhood rich in history
- Golfers are from all over LA (plus a few locals)...
- However locals almost never venture to the facility to eat and drink
- We believe our vision for The PENMAR will change this dynamic for the betterment of our community
- Our concept of The PENMAR has been an evolution
  - We determined either Venice nor the Penmar course is appropriate for a traditional “country club” feel
  - Penmar is small and Venice is edgy
  - So The PENMAR will take the more appropriate form of a: “Edgy Venice Country Club”
- **The PENMAR will cater to golfers** and neighbors alike – with a special nod to the history of its unique locale
  - For the Golfers: Food and beverage offerings appropriate for pre-golf, portable takeaways for the course and post-round story telling
  - For Neighbors: The PENMAR will fill a geographic gap in current restaurant coverage and be welcomed and loved as a new concept by “Team Oscar”

In addition to focusing offering a modern food and beverage offering for golfers, THE Penmar will be integrated into the community like never before

# The PENNMAR – Sample Menu

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## MORNING / ALL DAY

- Yogurt Parfait \$9**  
Organic Greek Yogurt, House Granola, Seasonal Fruit, Chia Seed, Organic Honey
- Bagel Cream Cheese or Butter And Jam \$5**  
*Lox, Cream Cheese, Red Onion, Capers, Tomato, Lemon wedge \$13*
- Citrus Breakfast Salad \$11**  
Butter Lettuce, Romaine Hearts, Sugar Snap Peas, Avocado,  
Citrus Segments, Pistachios, Pickled Onion  
Call Citrus Dressing  
*Add Smoked Salmon \$4 - Add Poached Egg \$2*
- Avocado Toast \$12**  
Green Chickpea Hummus, Fennel, Radish, Microgreens, on Multi Grain Toast
- Breakfast Sandwich \$11**  
Fried Egg on Sourdough, Lettuce, Tomato, Sweet Onion, Bacon, Avocado, House Aioli
- Breakfast Burrito \$11**  
Eggs, Tater Tots, Beans, Jack N Cheddar Cheese  
Choice of Bacon, Chorizo, Sausage or Grilled Veggies
- Penmar Tee Time Big Breakfast \$12**  
Two Eggs Any Style,  
Choice of: Bacon or Sausage  
Choice of: Tater Tots, House Salad or Fruit, Toast (several to choose)  
*Add 2 Pancakes \$3*
- Scrambles**  
Two Eggs, Jack N' Cheddar Cheese, Grilled Veggies,  
Choice of Tater Tots, Salad or Fruit  
Choice of Toast
- Choose one: More Mixed Veggie \$12, Grilled Chicken Breast \$14, Lox, Capers, Goat Cheese, Onion \$16 Chorizo or Bacon or Sausage \$13*

**Assorted daily grab and go pastries, fresh seasonal green and fruit juices**

## SANDWICH/ BURGERS/TORTILLA THINGS/DOGS

- Grass Fed Beef Burger \$14**  
Brioche, Iceberg, Tomato, Pickles, House Sauce, Onions, Tillamook Cheddar or American  
Fries or House Salad  
*Add Bacon or Avocado \$2*
- Organic Grilled Chicken Breast Sandwich \$14**  
Grilled Telera Roll, Chimichurri Pesto, Iceberg, Tomato, Avocado  
Fries or House Salad  
*Add Bacon or Avocado \$2*
- Hot Organic Black Bean Patty and Poblano Veggie Sandwich \$14**  
Fresh Multi Grain, House Aioli, Cucumber, Avocado  
Fries or House Salad  
*Add Bacon or Avocado \$2*
- Cold Sandwich Turkey or Ham \$11 or Club w both and bacon \$13**  
Fresh Multi Grain or Sourdough or Telera Roll, Iceberg Lettuce, Mustard, Mayo, Sliced Onion, Swiss  
Chips or House Salad  
*Add Avocado \$2*
- Bacon Lettuce Tomato \$11**  
Fresh Sourdough, Applewood Smoked Bacon, Ice Berg, Tomato, Mayo  
Chips or House Salad
- Grilled Cheese \$9 w Ham \$11**  
Provolone, Cheddar, American gooey inside a Fresh Sourdough Texas Toast
- L.A. Sporty Dog \$9**  
(just like after the games!)  
Bacon-wrapped, Grilled Onions and Peppers; Mustard, Mayo, Ketchup, Pickled Jalapenos
- 2 Fire Grilled Organic Chicken Breast Tacos \$13**  
Guacamole, Pico de Gallo, House Salsa, Tortilla Chips  
*2 Fire Grilled Fish of Day Tacos \$MP*  
Ahiote, Slaw, Crema, Aji Amarillo Sauce, House Salsa, Tortilla Chips
- 2 Fire Grilled Flank Steak "Asada" Tacos \$14**  
Guacamole, Cilantro, Onion, House Salsa, Tortilla Chips  
Veggie Tacos \$13  
Seasonal Veggies, House Beans, Peppers, Onions, Cotija Cheese
- Quesadilla \$14**  
Flour Tortilla, Guacamole, House Salsa, Tortilla Chips  
*add Asada OR Chicken \$4*

# The PENMAR – Sample Menu

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## SALADS

Add Grilled Shrimp \$7 Chicken Breast \$5, Lox \$4 Fire Grilled Fish of Day \$MP

**Baby Arugula** \$11  
Shaved Parmesan, Balsamic Vinaigrette

**Cesar** \$12  
Romaine Hearts, Cherry Tomatoes, Toasted Peppias, Shaved Parmesan

**Cobb** \$13  
Romaine, Mixed Greens, Crispy Bacon, Blue Cheese Crumbles, Avocado, Baby Tomatoes, Carrots, Boiled Eggs, Ranch Dressing

**House** \$10  
Romaine, Grilled Corn, Cucumber, Carrots, House Dressing

**Wedge** \$10  
Ice Berg, Bacon, Heirloom Tomato Blue Cheese Dressing

## BIG PLATES - DINNER

All served with Seasonal Grilled Veggies and Cheesy Mashed Potatoes

**Fire Grilled Flat Iron Asada Steak/Chimichurri** \$TBD

**Citrus Marinated Chicken Breast** \$TBD

**Fish of The Day Chef Preparation** \$TBD

## SHARED

**Fish of Day Ceviche** \$MP

**Fried Calamari** \$14  
Gluten Free Rice Flour Coated, Shishito Peppers, Aji Amarillo Dipping sauce

**Nachos** \$14  
Sub Fries \$2  
Beans, Cheese, Pico de Gallo, Avo Crema  
Add Asada OR Chicken Breast \$4

**Penmar Fries** \$7  
Idaho Potato Fries, Truffle Oil, Scallion, Garlic, Dry Aged Cheese \$11  
**Chips and Salsa** \$4  
Add Guacamole \$5

## CHEESE AND CHARCUTERIE BOXES

Here or on the GREEN! Serves 4 \$TBD  
Penmar Boxes consist of Chef's Selection of:

2 Artisanal Meats  
2 Artisanal Meats  
Chef's choice of Accompaniments  
Fresh Baguette  
(Or Order Separately)



## CHEESE \$7

**Quadrello di Bufala** (IT/Water Buffalo) creamy / sweet / pungent / perfectly ripe  
**Fourme d' Ambert** (Auvergne, FR/Cow) mild creamy blue / delicate / fruity mushroom overtones  
**Hoch Ybrig, Kussnacht** (CH/Raw Cow) hard / alpine cheese / caramel / butterscotch  
**Brebirousse d'Argental, Rhone-Alpes** (FR/Sheep) soft / mild / buttery / grassy / sweet & light  
Cabra Romero, Murcia (SP/Goat) rosemary pressed / rubbed in lard

## CHARCUTERIE \$9

**Prosciutto, La Quercia** (IA/Pork) organic / sweet / earthy / deep / acorn and walnuts  
**Coppa, La Quercia** (IA/Pork) organic salt cured pork shoulder / paprika  
**Bressola, Bernina** (IT/Beef) lean / dry cured  
**Speck, Reda** (IT/Pork) cold smoked aged pork shoulder / hints of juniper / allspice  
**Jamon Serrano, Fermin** (SP/Pork) salt & air-cured pork

## SWEET THINGS TBD

[Locally sourced popscicles (paleias) several to choose from, grab-n-go, great packaging  
One baked good that goes with a locally sourced ice cream  
Rotating locally sourced chocolatier speciality  
And a brownie or bread pudding]

# The PENMAR – Sample Menu

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## DRAUGHT BEERS

**Dos XX (Mexico), Bud Light and one more typical lager \$6**  
**Weihenstephaner Vitus (Germany) \$10**  
**El Segurundo Citra Pale Ale (Local) \$8**

## CANS (FOR THE GREEN)

**Firestone 805 Blonde - 12oz \$6.5**  
**Bavik Belgian Pilsner - 12oz \$6**  
**Tecate - 16oz \$6**  
**Modelo Especial - 12oz \$5**  
**PBR Tallboy - 16 oz \$6**  
**Bud Light or Coors Banquet - 12oz \$5**  
**Embark Craft Hard Apple Cider - 12oz \$8**  
*(Gluten Free)*

## BOTTLES

**Corona Extra - 12oz \$6**  
**Corona Light - 12oz \$6**  
**Stella Artois - 12oz \$6**

## NON ALCOHOLIC BEVERAGES

**House Made Agua Fresca - Ask Server (1 Free Refill) \$4.5**  
**Whole Young Coconut \$7**  
**Mexican Coke \$3.5**  
**Diet Coke \$2.5**  
**Mexican Sprite \$3.5**  
**Bundaberg Ginger Beer \$5**  
**Mighty Leaf Iced or Hot Tea, your choice \$2.50**  
**Sparkling Water - 12oz \$4.50**  
**Slake Drip Coffee \$3**  
**Espresso \$3**  
**Cappuccino \$5**  
**Latte \$5**  
**Americano \$4**

## SPARKLING WINE

**NV Colletti Prime Vite Prosecco-Glera (Travisio, Italy) \$12/48**  
 Stone Fruit, Saffron, Acacia Flowers

**NV Andre Delorme Rose, Pinot Noir (Burgundy, France) 12/48**  
 Wild Red Berries Crushed Rose Petals, Delicate Mousse, dry finish

## ROSÉ

**16' Chateau St. Pierre-Cinsault Blend (Provence, France) \$14/52**  
 Apricots, Melon, Red Berries, Exotic Spice

## WHITE WINE

**16' Pierre Riffault - Sauv Blanc (Sancerre, France) \$15/60**  
 Citrus, Fresh Cut Grass, Bright Acidity and Minerality

**14' Dom. Dupre- Chardonnay (Burgundy, France) \$14/56**  
 Ripe Apple, Pear, Vanilla, Bright Acidity

**16' Ananto-100% Organic Macabeo (Spain)**  
 Apricot, Citrus, Honey Suckle, Mineral Driven, Fresh Acidity

**16' Arca Nova- Loureiro Blend- Vinho Verde (Portugal) \$10/40**  
 Crisp, Dry, Slight Effervescence, Green Apple, Citrus,

**15' Salomon-Gruner Veltliner (Austria) \$13/52**  
 Grapefruit, White Pepper, Lemon Zest, Dry Finish

## RED WINE

**16' Alma de Cattleya - Pinot Noir (Sonoma, CA) \$16/64**  
 Raspberries, Cherries, Vanilla, Supple Tannins

**15' Union Sacré - Cabernet Sauvignon (Santa Barbara, CA) \$15/60**  
 Red Plum, Brown Spices, Rich Tannins

**15' Fiction Zinfandel Blend (Paso Robles, Ca) \$13/52**  
 Deep Ruby Red, Dried Blackberry, Fruit, Herbs & Minerals

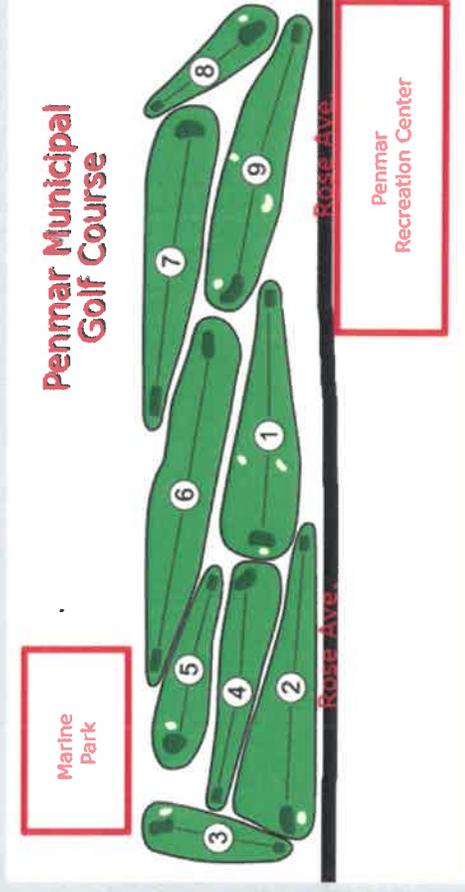
**15' Dom. de Chant-Merlot/Cabernet (France) \$13/52**  
 Ripe Cherries, Blackberry, Baking Spice, Medium Tannin, Organic

**13' Elquie-Malbec Blend (Chile) \$13/52**  
 Juicy Dark Fruits, Currants, Earthy, Full Bodied

# The PENMAR – Capitalizing on the Venue

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- In addition to a vastly upgraded menu and restaurant experience, we think The PENNAR will be a venue for a range of concepts of interest to the golfers and/or community
  - Weekly Brunch - Alfresco brunch options are oddly extremely limited in the area
  - Local Artists – Venice is famously home to many artists whose work can be incorporated into the decor
  - Live Music – Venice is also well known to many local musicians (some quite famous) who can play (we envision acoustic events)
  - Rotating Food Events - Special food and/or wine nights such as sushi night, BBQ, crab boils, etc.



# The PENMAR – Staffing Plan

- Open 30 minutes before first tee time until ~10:30pm
- Counter service concept to reduce staffing needs and accommodate existing limited space
- Salaried manager + multiple shift supervisors to enhance flexibility
- Attempt to retain and retrain existing staff (some have been there 30+ years)

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
<b>Managers</b>							
General Manager		1:30pm-close		5:30am-3pm	5:30am-3pm	2pm-close	5:30am-3pm
Shift Super 1		5:30am-1:30pm	12:30pm-6:30pm				
Shift Super 2			6pm-close		2pm-9pm	5:30am-1:30pm	2pm-9pm
Shift Super 3	5:30am-3pm		5am-1pm	3pm-close	5pm-close		5pm-close
<b>Cashiers</b>							
Cashier 1	5am-1pm			5am-1pm	5am-1pm	5am-1pm	5am-1pm
Cashier 2	12pm-5pm	12pm-5pm	12pm-5pm			12pm-5pm	12pm-5pm
Cashier 3		4pm-close	4pm-close		4pm-close	4pm-close	
Cashier 4	4pm-close			4pm-close			4pm-close
Cashier 5		5am-1pm	5am-1pm	12pm-5pm	12pm-5pm		
<b>Cooks</b>							
Cook 1	5:30am-1:30pm	5:30am-1:30pm		9am-4pm	8am-3pm	8am-3pm	
Cook 2	5am-1pm	5am-1pm	5am-1pm	5am-1pm			5am-1pm
Cook 3	10am-4pm		9am-5pm	4pm-close	5:30am-1:30pm	5:30am-1:30pm	
Cook 4		10am-4pm	3pm-close			2pm-9pm	3pm-close
Cook 5	5pm-close		5pm-close	5pm-close	6pm-close	8pm-close	
Cook 6			5:30am-1:30pm	5:30am-1:30pm	5:30am-1:30pm	5:30am-1:30pm	5:30am-1:30pm
Cook 7		5pm-close			4pm-9pm	3pm-9pm	3pm-9pm
Cook 8	4pm-close	4pm-close			9am-5pm	9am-5pm	9am-3pm

# The PENMAR: Committed to the Golfing Community

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- We value the vested “stake” in Penmar held by the repeat golfers, existing golf clubs and their established tournaments & events



**PENMAR GOLF CLUB**



**Penmar Womens  
Golf Club**

- These clubs have literally hundreds of active members who have become part of the Penmar Golf community and whose presence helps the whole Penmar ecosystem thrive
- We will partner with these existing stakeholders to maximize their utility of course and special access to The PENMAR
- Specifically, we will:
  - Work with the clubs to offer catering and hosting services for their various tournaments, meet & greets and parties
  - We will also offer a discount deals for active club members with a current day tee time; example offer we are considering include:
    - ✦ 20% off for Senior members on golf day for all individual food and beverage
    - ✦ Food and beverage specials (example: Beer and Burger for ~\$10)
- As always, we are committed to a non-discrimination policy

The PENMAR is for Community – and golfers here are part of that community!

# The PENMAR – Investment Plan

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- We plan an extensive remodel of the kitchen, serving area, indoor and outdoor seating area
- Complete cosmetic upgrade of both Men and Women's bathrooms (we are assuming already in ADA compliance)
- IT upgrade to include updated audio system, HD TVs, public WiFi and modern POS system
- Considering other value add upgrades, including potential rooftop solar (sponsored by local vendor)
- 100% of investment capital to be sourced from locals (Mar Vista + Venice zip codes)

- Estimated capital budget:

Item	\$
Kitchen	\$75,000
Indoor	50,000
Outdoor	50,000
Bathrooms	40,000
IT	25,000
Reserve (20%)	60,000
Total	\$300,000

- We also plan to maintain an initial working capital balance of ~\$25,000

We would propose to RAP a more detailed budget plan in next phase

# The PENMAR – Transition Plan

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- We will work with RAP to minimize the disruption during the facility upgrade
  - Depending on timing of RAP award, the transition may occur during the slower winter months (less daylight hours, less golfers)
  - Construction during golf off hours will limit noise and disruption during play
  - Utilization of a food truck or temporary kiosk to provide basic food and beverage items when kitchen is down (We already provide flexible/alternatively food systems at our other restaurants as needed)
  - Bathroom upgrades will be in sequence to ensure at least one is always available
- Staff training will occur concurrent with buildout
  - Existing employees will be retrained to the extent possible
  - Utilization of trained staff from Oscar's restaurants will ensure day one readiness

# The PENMAR – Proposed Lease

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## Existing Lease with Campus Services

- Required investment – none
- Difficult to see if any capital has been invested in the facility in last decade+
- Monthly lease - ~\$1,000
- Escalator – none
- Percentage rent - none
- 5 year upgrade - none
- Term – currently month to month

## Proposed Lease with The PENMAR

- Required investment - \$300,000
- Minimum monthly lease – \$2,000 (commencing upon opening)
- Escalator – none
- Percentage rent – The greater of minimum monthly lease or 3.5% of revenues (as long as there is profit). Percentage rent to increase to 4.25% after The PENMAR investors have been repaid and the 5 year upgrade reserve (see below) has been funded
- 5 year upgrade – \$100,000\*
- Term – 10 years

\*Upgrade assumes 5 year cash flow sufficient to recoup initial investment.

# The PENMAR – Golfer Special Menu

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## The PENMAR Golfer Menu Specials

### Breakfast

#### **Breakfast Sandwich \$8**

Fried Egg on Sourdough, Lettuce, Tomato, Sweet Onion, Bacon, Avocado, House Aioli

#### **Yogurt Parfait \$7**

Organic Greek Yogurt, House Granola, Seasonal Fruit, Chia Seed, Organic Honey

#### **Slake Drip Coffee \$2**

### Lunch

#### **Cold Sandwich \$TBD**

Fresh, daily assortment  
Wrapped and ready to go

#### **Select Hot Sandwiches \$2 Discount to Menu Price TBD**

#### **Cesar Salad \$10**

(Packaged to stay or go)

Romaine Hearts, Cherry Tomatoes, Toasted Pepitas, Shaved Parmesan

#### **Cobb Salad \$11**

(Packaged to stay or go)

Romaine, Mixed Greens, Crispy Bacon, Blue Cheese Crumbles,  
Avocado, Baby Tomatoes, Carrots, Boiled Eggs, Ranch Dressing

*Golfer Specials valid for active Senior members of  
Penmar Golf Club and Penmar Womens Golf Club  
on golf day only – tee time receipt required*



# GOOD FOOD PURCHASING PROGRAM

Purchasing Standards for  
Food Service Institutions





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**“GOVERNMENTS HAVE FEW SOURCES OF LEVERAGE OVER INCREASINGLY GLOBALIZED FOOD SYSTEMS, BUT PUBLIC PROCUREMENT IS ONE OF THEM.**

When sourcing food for schools, hospitals, and public administrations, governments have a rare opportunity to to support more nutritious diets and more sustainable food systems in one fell swoop."

---

**OLIVIER DE SCHUTTER**

Former U.N. Special Rapporteur on the Right to Food (2014)

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# WHY PROCUREMENT?

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Every year, institutions across the United States - from school districts to city governments - spend billions of dollars on food purchases.

By exercising their buying power and building Good Food purchasing practices into their work, food service institutions can influence supply chains and lead the movement for a values-based food system - a food system that is healthy, ecologically sound, economically viable, socially responsible, and humane.

While many institutions recognize that their food purchases can have a major impact on improving the food system and have the will to buy better food, often they have no idea where their food is coming from or how it was produced. And this is information that matters.

Creating a values-based food system begins with increasing transparency along the entire supply chain to better understand relationships between vendors, distributors and their suppliers.

The Good Food Purchasing Program provides institutions with the framework and tools to help facilitate values-based purchasing and build a more equitable and sustainable food system.



## Public institutions, in particular, play a critical role in increasing access to Good Food.

Public institutions often provide food to communities with the least access to Good Food. Through their reach to some of the most vulnerable populations, public programs help ensure that all residents have access to healthy, high quality food. These agencies purchase food to provide meals to people in public hospitals, child-care centers, schools, senior programs, jails, and juvenile facilities. They provide a buffer against hunger and also serve as a primary source of nutrition for many residents, including children and seniors. By engaging in Good Food purchasing practices, public institutions that serve large numbers of low-income people can guarantee that Good Food is a right and not a privilege.

Public institutions spend taxpayer dollars to purchase food and as policymakers, they have the responsibility to ensure that public food contracts reflect a community's values. They have an opportunity to use the public contracting process to create greater accountability along their supply chains, by asking for companies with whom they work for strong commitments to transparency and the institution's values.

**Public institutions are community leaders - when they take a stand for their values, others follow.**



# GOOD FOOD PURCHASING PROGRAM® OVERVIEW

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The Center for Good Food Purchasing's Good Food Purchasing Program provides a metric-based, flexible framework that encourages large institutions to direct their buying power toward five core values:

- 1 local economies,
- 2 environmental sustainability,
- 3 valued workforce,
- 4 animal welfare, and
- 5 nutrition

Through the Program, the Center works with institutions to establish supply chain transparency from farm to fork, evaluate how current purchasing practices align with the Good Food Purchasing Standards, set goals, measure progress, and celebrate successes in using institutional purchasing power to improve the food system.

## PARTICIPATION COMMITMENTS

Good Food Purchasing Program participants commit to the following core components:

- 1 Meet at least the baseline standard in each of the five value categories, as outlined in the Good Food Purchasing Standards;
- 2 Incorporate the Good Food Purchasing Standards and reporting requirements into new RFPs and contracts;
- 3 Establish supply chain transparency to the farm of origin that enables the commitment to be verified and tracked over time;
- 4 Commit to annual verification of food purchases by the Center to monitor compliance, measure progress, and celebrate success.

The Center issues a Good Food Provider verification seal to participating institutions that meet baseline requirements across the five value categories.

## GOOD FOOD VALUES

Improving equity, affordability, accessibility, and consumption of high quality, culturally relevant Good Food in all communities is central to advancing Good Food purchasing practices.

## LOCAL ECONOMIES

Support diverse, family and cooperatively owned, small and mid-sized agricultural and food processing operations within the local area or region.

## ENVIRONMENTAL SUSTAINABILITY

Source from producers that employ sustainable production systems to reduce or eliminate synthetic pesticides and fertilizers; avoid the use of hormones, routine antibiotics and genetic engineering; conserve and regenerate soil and water; protect and enhance wildlife habitats and biodiversity; and reduce on-farm energy and water consumption, food waste and greenhouse gas emissions. Reduce menu items that have high carbon and water footprints, using strategies such as plant-forward menus that feature smaller portions of animal proteins in a supporting role.

## VALUED WORKFORCE

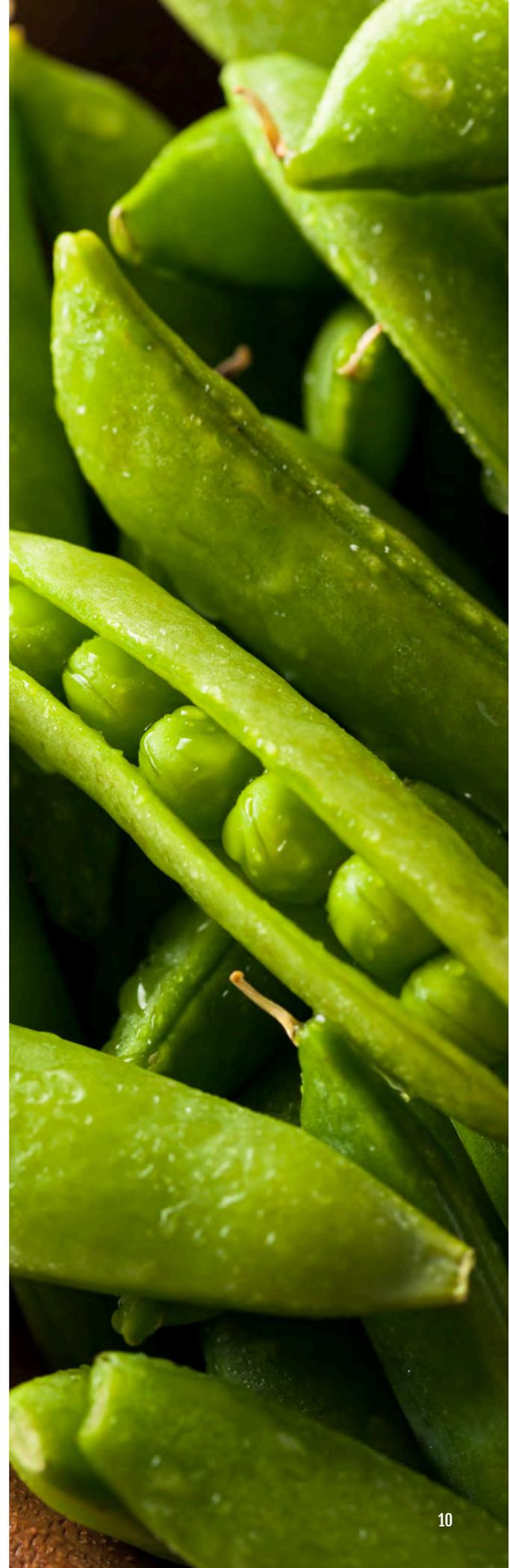
Source from producers and vendors that provide safe and healthy working conditions and fair compensation for all food chain workers and producers from production to consumption.

## ANIMAL WELFARE

Source from producers that provide healthy and humane conditions for farm animals.

## NUTRITION

Promote health and well-being by offering generous portions of vegetables, fruit, whole grains, and minimally processed foods, while reducing salt, added sugars, saturated fats, and red meat consumption and eliminating artificial additives.





## GOOD FOOD PURCHASING PROGRAM® PARTICIPATION: PHASES & KEY STEPS

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The Center for Good Food Purchasing provides planning, implementation and evaluation support for institutions involved with the Good Food Purchasing Program. The Center works with institutions at every step of a two-phase, multi-step process, which includes:

- 1** measuring an institution's baseline;
- 2** identifying goals and developing an action plan;
- 3** improving impact and tracking progress;
- 4** institutionalizing Good Food Purchasing goals; and
- 5** celebrating success.

The following overview outlines the primary activities over two phases of an institution's Good Food Purchasing Program participation.

**“ WE DIDN'T HAVE TO INVENT  
THE PROCESS FROM SCRATCH.  
WE COULD HAVE ASSISTANCE  
FROM A TRIED-AND-TRUE**

process, and at the same time, develop our own goals and processes that would reflect our values in our community.”

---

**EDWIN MARTY**

Food Policy Manager, City of Austin Office of Sustainability

# PHASE 1

---

Phase One begins with examining current food purchasing practices through a baseline assessment to understand existing alignment with the Good Food Purchasing Program Standards in the five value categories. The baseline assessment is conducted by the Center for Good Food Purchasing.

## STEP 1: BASELINE ASSESSMENT

### **Conduct Good Food Purchasing Program Overview Briefing:**

- Introductory meeting with institution and the Center.

### **Notify Vendors & Begin Data Collection:**

- Institution informs vendors of commitment to the Good Food Purchasing Program, discusses data collection needs, and determines a feasible timeline for data collection.

### **Collect & Submit Data:**

- Vendors submit data to institution. Institution shares data with the Center for review.

### **Conduct Baseline Assessment:**

- The Center analyzes purchasing data and provides a detailed evaluation of institution's current alignment with each value category.

## STEP 2: GOAL SETTING

### **Discuss Baseline Assessment:**

- Institution and the Center discuss the results of the baseline assessment and identify short and long-term purchasing goals.

### **Develop Action Plan:**

- Institution, with technical support from the Center and any additional local partners, develops a multi-year Good Food Purchasing action plan roadmap.

# PHASE 2

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Phase Two involves commitment to improving Good Food Purchasing practices over time, which is documented through annual verification and celebration of achievements. The Center issues a Good Food Provider verification seal to an institution once it meets at least a baseline standard in each of the five value categories.

## STEP 3: IMPROVE IMPACT & MEASURE PROGRESS

### **Make Purchasing Shifts to Meet Action Plan Milestones**

- Institution uses action plan to make purchasing shifts, which help meet or exceed the baseline in the five value categories, in partnership with vendors and local partners.

### **Collect Updated Purchasing Data from Vendors:**

- Institution collects purchasing data from vendors annually.

### **Track Progress & Award Star Rating:**

- The Center analyzes data and provides a detailed report with a star rating to institution on its overall performance, progress within each value category, and trends.

## ANNUAL REPORTING REQUIREMENTS

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- 1) Submit Food Service Operations Overview form (i.e. total annual dollar amount of food and beverage purchases by product category and average number of daily meals served).
- 2) Submit Baseline Nutrition Self-Assessment.
- 3) Review an inventory of suppliers with serious, repeat and/or willful health and safety and/or wage and hour labor violations over the last three years, generated by the Center. Institution works with the Center to prioritize suppliers with the most serious violations to engage for additional information on what steps have been taken to remedy the past violations and to prevent future violations.
- 4) Submit itemized records of each fruit, vegetable, meat/poultry, dairy and grain products purchased by the Participant during desired time period to include:
  - i. Product name;
  - ii. Unit type purchased (e.g. cases, bunches, packs);
  - iii. Number of units purchased;
  - iv. Volume per unit (e.g. ounces, lbs);
  - v. The name and location of each supplier along the supply chain, to include all distributors, wholesalers, processors, manufacturers, shippers, AND farm(s) of origin; and
  - vi. Amount spent by institution for each product, to include:
    - i. Price per unit;
    - ii. For each individual farm or ranch from which product is sourced, total dollar value spent on each individual product from that farm or ranch.

## STEP 4: INSTITUTIONALIZE GOOD FOOD PURCHASING GOALS

### **Adopt Formal Policy and Incorporate Good Food Purchasing Program Language into RFPs and Contracts**

- Institution adopts formal policy and incorporates Good Food Purchasing Program language into new bids and contracts. (See Appendix A for template policy language).

## STEP 5: CELEBRATE SUCCESS

### **Issue Verification Seal and Branded Materials** (When Applicable)

- The Center issues a Good Food Provider verification seal to the institution once it meets at least a baseline standard in each of the five value categories.

### **Publicly Recognize Leadership**

- Institution, local partners, and the Center share annual public progress report and publicly celebrate progress.



## GOOD FOOD PURCHASING STANDARDS AND SCORING SYSTEM OVERVIEW

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The Good Food Purchasing Standards are a central component of the Good Food Purchasing Program. The Standards provide institutions with a roadmap for working towards a more sustainable and equitable food system. An institution is expected to meet a baseline in each value category by sourcing a certain percentage of food from producers that reflect each of the five values. The Standards set a basic minimum in each value category, but encourage institutions to earn higher levels of achievement through a flexible, points-based scoring system. Key aspects of the scoring system include:

## BASELINE STANDARD

Each of the five value categories has a baseline standard. To become a Good Food Provider, an institution must meet at least the baseline in each of the five values.

## CERTIFICATION-BASED

Standards are primarily based off of third-party certifications that have been identified as meaningful and ranked by national experts in each category.

## FLEXIBLE, TIERED POINT SYSTEM

Performance is measured using a points-based formula in which points are accumulated based on level of achievement. There are three levels in each category, with higher levels worth more points. Points are awarded for each category individually, allowing institutions to accommodate their priorities and constraints by participating at the baseline in some categories and earning additional points by going above and beyond in other categories.

## AGGREGATION OF POINTS AND STAR RATING

Points earned in each category are added together to determine the overall number of points. A star rating is awarded based on the total number of points earned. The minimum score needed to earn One Star and the Good Food Provider seal is five (one point in each category). As points accumulate, higher star ratings are awarded according to the chart below. A participant that earns five or more points only receives the Good Food Provider seal if they meet the baseline standard in each category.

## INCREASED COMMITMENT OVER TIME

To maintain the star rating, an institution increases the amount of Good Food purchased each year.

## GOOD FOOD PURCHASING AWARD LEVELS

STAR RATING	POINTS
★	5-9
★★	10-14
★★★	15-19
★★★★	20-24
★★★★★	25+

# SAMPLE SCORESHEET

**Example:** Institution A serves nutritious meals to low-income children. They use their purchasing power to support local businesses and well-paying jobs, so they have prioritized Local Economies, Valued Workforce, and Nutrition. They are satisfied meeting the baseline standard in Environmental Sustainability and Animal Welfare.

## LOCAL ECONOMIES

6 points

We create opportunities for businesses in our community to thrive. We purchase over 50% of our food from producers within 250 miles, including very small farmers and businesses owned by women and entrepreneurs of color.

## ENVIRONMENTAL SUSTAINABILITY

1 point

We purchase over 15% of food from producers with high environmental stewardship standards, including organic practices and chicken produced without routine antibiotics. We have also adopted a less meat, better meat strategy to decrease our carbon and water footprint.

## VALUED WORKFORCE

6 points

We purchase over 10% of our food from suppliers who pay their workers living wages and respect health and safety regulations. Many of the workers in our supply chain are represented by a union contract. This is a high bar by industry standards and something we work actively with our suppliers to improve even further.

## ANIMAL WELFARE

1 point

Our menus feature plant-forward dishes, which has led to a 15% reduction in the total volume of animal products purchased. At the same time, we purchase higher welfare meat products.

## NUTRITION

3 points

We purchase whole, seasonal fruits and vegetables, prioritize plant based menu items and minimize added sugars and sodium. We feature our most nutritious menu items in high-visibility areas to make healthy choices easy.

**TOTAL:**

**17 POINTS**

**STAR RATING: ★★★★★**



**“THE GOOD FOOD PURCHASING PROGRAM PROVIDES US WITH A TOOL TO EVALUATE AND TALK IN CONCRETE TERMS ABOUT THE WORK WE'RE DOING TO IMPROVE OUR FOOD PROCUREMENT.**

It demonstrates in dollar terms the magnitude of the improvements we have made. It also provides a framework for setting goals around issues we haven't been able to work on yet, like increasing our purchases from suppliers with fair and humane labor practices.”

---

**JENNIFER LE BARRE**

Nutrition Services Director, Oakland Unified School District



# LOCAL ECONOMIES

---

Support diverse, family and cooperatively owned, small and mid-sized agricultural and food processing operations within the local area or region.

# LOCAL ECONOMIES

## PURCHASING GOALS

### STRATEGIES

- INCREASE SPEND ON LOCAL FOOD

SOURCING TARGETS, BY YEAR

### TARGET: YEAR 1

### TARGET: YEAR 5

### POINTS AWARDED

#### LEVEL 1 BASELINE

#### **Option 1: Increase Local Food Spend**

15% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year, will come from Level 1 local food sources (see page 22 for qualifying sources).

OR

5% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year, will come from Level 3 local food sources.

#### **Option 2: Submit Plan for Baseline Achievement Within 1 Year**

If vendor and/or suppliers do not have current capacity to meet local food purchasing goals, the vendor may submit a plan to achieve full compliance at least at the baseline level by end of year one.

To be recognized as a Good Food Provider, an institution at least meets the baseline standard in the Local Economies Category.

#### **Increase Local Food Spend:**

25% of the total dollars spent annually on food products will come from Level 1 local food sources by fifth year of participation (see page 22 for qualifying sources).

# 1

#### LEVEL 2

#### **Increase Local Food Spend:**

15% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year, will come from Level 2 local food sources (see page 22 for qualifying sources).

OR

10% of the total dollars spent annually on food products with a goal of increasing at least 2% per year, will come from Level 3 local food sources.

#### **Increase Local Food Spend:**

25% of the total dollars spent annually on food products will come from Level 2 local food sources by fifth year of participation (see page 22 for qualifying sources).

# 2

#### LEVEL 3

#### **Increase Local Food Spend**

15% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year, will come from Level 3 local food sources (see page 22 for qualifying sources).

#### **Increase Local Food Spend:**

25% of the total dollars spent annually on food products will come from Level 3 local food sources by fifth year of participation (see page 22 for qualifying sources).

# 3

# LOCAL ECONOMIES

## EXTRA POINTS

### EXTRA POINTS

In addition to base points earned in each category, extra points may be earned in each category for institutional policies or purchasing practices that go above and beyond the standards in each value category. An institution may earn a maximum of five bonus points in the Local Economies Extra Points section.

- 1** At least 1% of food is purchased from small scale and family or cooperatively-owned farms (per the USDA definition of farm size in the most recent USDA Census of Agriculture) and located within 250 miles.
- 1** At least 5% of food is grown/raised AND processed in the same county as institution.
- 1** At least 1% of food is purchased directly from farmer-owned businesses.
- 1** At least 1% of food is purchased from Socially Disadvantaged, Beginning, Limited Resource, Veteran, Women, Minority, or Disabled Farmers/Ranchers.
- 1** An institution purchases product from suppliers outside 250 mile range, but from small-scale operations and certified by Fairtrade International (FLO) or Small Producer Symbol (SPP).

### 1-3

DEPENDENT ON  
RIGOR OF PROGRAM

Institution develops and implements long-term plan to encourage and invest in value-chain innovation among its suppliers.

Examples of qualifying initiatives:

- Help develop new distribution infrastructure to facilitate working with very small growers, processors or other food businesses.
- Guarantee a certain volume of purchases to small growers prior to each planting cycle.
- Work with suppliers to include alternate ingredients in processed food items that support the Good Food value categories.
- Finance suppliers' certification processes to help them participate in Level 3 certification initiatives.<sup>1</sup>

### 1-3

DEPENDENT ON  
RIGOR OF PROGRAM

Institution actively supports or sponsors initiatives that directly promote quality employment or business ownership opportunities for low-income entrepreneurs of color or disadvantaged communities.

Examples of qualifying initiatives:

- Establish a contract, MOU or other formal partnership to purchase food from a community-serving business/organization with a stated mission that includes providing jobs to people with barriers to employment such as those transitioning from homelessness, incarceration, substance abuse or foster care.
- For new facilities development, create a Community Benefits Agreement that considers the workforce, community development and environmental impact of the development.
- Establish a formal hiring policy, which prioritizes hiring local residents with barriers to employment.
- Establish a contract, MOU or other formal partnership to purchase food from a worker-owned cooperative that has a stated mission to serve or is majority-owned by disadvantaged populations.
- Support workforce development in the food industry for disadvantaged or vulnerable populations through scholarships for employees who participate in career pathway training programs or hire new employees directly from a workforce training program.

<sup>1</sup> Food or monetary donations for charitable causes do not count.

# LOCAL ECONOMIES

## QUALIFYING CRITERIA

The geographic radius of local is defined by region, with agreement by the Center, depending on regional variation in food production patterns. Otherwise, local is defined as:

### LEVEL 1

#### Size

- Produce: Very large scale operations (as per the USDA definition of farm size in the most recent USDA Census of Agriculture)<sup>3</sup> (>\$5 million)
- Meat, Poultry, Eggs, Dairy, Seafood & Grocery Items: Very large scale operations (>\$50 million)<sup>4</sup>

AND

#### Ownership

- Family farm<sup>5</sup> or cooperatively owned (or owner-operated boats for seafood)

AND

#### Geographic Radius

- Within 250 miles<sup>6</sup>

### LEVEL 2

#### Size

- Produce: Large scale operations (Between \$1 million and \$5 million)
- Meat, Poultry, Eggs, Dairy, Seafood & Grocery Items: Large scale operations (Between \$20 million and \$50 million)

AND

#### Ownership

- Family farm or cooperatively owned (or owner-operated boats for seafood)

AND

#### Geographic Radius

- Within 250 miles<sup>7</sup>

### LEVEL 3<sup>2</sup>

#### Size

- Produce: Large scale operations (Between \$1 million and \$5 million)
- Meat, Poultry, Eggs, Dairy, Seafood & Grocery Items: Large scale operations (Between \$20 million and \$50 million)

AND

#### Ownership

- Family farm or cooperatively owned (or owner-operated boats for seafood)

AND

#### Geographic Radius

- Within 250 miles<sup>8</sup>

<sup>2</sup> For single and multi-ingredient products, with at least 50% of ingredients sourced from a family or cooperatively-owned medium scale operation within 250 miles, greater credit is given for full supply chain participation at Level 3. Points are weighted as follows:

- 100% credit if source farm meets Level 3 criteria.
- 66% credit if processor or shipper AND distributor, but NOT source farm, meet Level 3 criteria.
- 33% credit if processor or shipper OR distributor, but NOT source farm, meet Level 3 criteria.

<sup>3</sup> United States Department of Agriculture (January 2015). "2012 Census of Agriculture: Farm Typology." [https://www.agcensus.usda.gov/Publications/2012/Online\\_Resources/Typology/typology13.pdf](https://www.agcensus.usda.gov/Publications/2012/Online_Resources/Typology/typology13.pdf).

<sup>4</sup> Size ranges for meat, poultry, eggs, dairy, seafood, and grocery items are based off of internal analysis of suppliers and align with Real Food Challenge's definitions.

<sup>5</sup> As defined by the USDA, a majority of the business is owned by the operator and individuals related to the operator. <https://www.ers.usda.gov/topics/farm-economy/farm-household-well-being/glossary.aspx#familyfarm>.

<sup>6</sup> Note: this radius is 500 miles for meat.

<sup>7</sup> Note: this radius is 500 miles for meat.

<sup>8</sup> Note: this radius is 500 miles for meat.



# ENVIRONMENTAL SUSTAINABILITY

---

Source from producers that employ sustainable production systems to reduce or eliminate synthetic pesticides and fertilizers; avoid the use of hormones, routine antibiotics and genetic engineering; conserve and regenerate soil and water; protect and enhance wildlife habitats and biodiversity; and reduce on-farm energy and water consumption, food waste and greenhouse gas emissions. Reduce menu items that have high carbon and water footprints, using strategies such as plant forward menus, which feature smaller portions of animal proteins in a supporting role.

# ENVIRONMENTAL SUSTAINABILITY

## PURCHASING GOALS

### STRATEGIES

- INCREASE ENVIRONMENTALLY SUSTAINABLE FOOD SPEND **OR**
- REDUCE CARBON AND WATER FOOTPRINT

SOURCING TARGETS, BY YEAR

### TARGET: YEAR 1

### TARGET: YEAR 5

POINTS AWARDED

### LEVEL 1 BASELINE

#### Option 1: Increase Environmentally Sustainable Food Spend

15% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year, will come from Level 1 environmentally sustainable sources (see page 29 for qualifying criteria).

OR

5% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year, will come from Level 3 environmentally sustainable sources (see page 29 for qualifying criteria).

#### Option 2: Reduce Carbon and Water Footprint

a) Reduce carbon footprint<sup>9</sup> and water footprint<sup>10</sup> of meat, poultry, and cheese purchases by at least 4% per meal served from baseline year, with an 8% reduction goal within two years, and a 20% reduction goal within five years;<sup>11, 12</sup>

AND

b) Perform a food waste audit that identifies specific types and quantities of food in waste stream (see Food Loss and Waste Protocol for guidance) and implement at least two source reduction strategies<sup>13</sup> that address most wasted food items identified in audit. (See Appendix B for a menu of options).<sup>14</sup>

#### Option 3: Submit Plan for Baseline Achievement Within 1 Year:

If vendor and/or suppliers do not have current capacity to meet environmentally sustainable food purchasing goals, the vendor may submit a plan to achieve full compliance at least at the baseline level by end of year one.

### ADDITIONAL LEVEL 1 REQUIREMENTS CONTINUED ON PAGE 25

To be recognized as a Good Food Provider, an institution at least meets the baseline standard in the Environmental Sustainability Category.

#### Option 1: Increase Environmentally Sustainable Food Spend

25% of the total dollars spent annually on food products will come from Level 1 environmentally sustainable sources by fifth year of participation in the Good Food Purchasing Program (see page 29 for qualifying criteria).

#### Option 2: Reduce Carbon and Water Footprint

a) Reduce carbon and water footprint of meat, poultry, and cheese purchases by at least 20% per meal served from baseline year;

AND

b) Perform a food waste audit that identifies specific types and quantities of food in waste stream (see Food Loss and Waste Protocol for guidance) and implement at least three source reduction strategies that address most wasted food items identified in audit. (See Appendix B for a menu of options).

**1**

<sup>9</sup> See next page for conversion factors for carbon footprint.

<sup>10</sup> See next page for conversion factors for water footprint.

<sup>11</sup> The baseline year is the year in which institution initiates its meat reduction efforts.

<sup>12</sup> Special calculations of water/carbon for "better meat" will be considered in cases where a credible analysis has been conducted to evaluate the carbon emissions associated with the production of that particular meat source.

<sup>13</sup> Qualifying food resource recovery strategies will be determined based on adherence to EPA's Food Recovery Hierarchy. See Appendix B for menu of options.

<sup>14</sup> An institution may choose to conduct waste audit at a select number of sample sites.

# ENVIRONMENTAL SUSTAINABILITY

## PURCHASING GOALS, CONT.

### STRATEGIES

- INCREASE ENVIRONMENTALLY SUSTAINABLE FOOD SPEND **OR**
- REDUCE CARBON AND WATER FOOTPRINT

#### SOURCING TARGETS, BY YEAR

### TARGET: YEAR 1

### TARGET: YEAR 5

### LEVEL 1 BASELINE

#### ADDITIONAL LEVEL 1 REQUIREMENTS

No seafood purchased should be listed as “Avoid” in the Monterey Bay Aquarium’s most recent Seafood Watch Guide.

No seafood purchased should be listed as “Avoid” in the Monterey Bay Aquarium’s most recent Seafood Watch Guide.

At least 25% of animal products<sup>15</sup> are produced without the routine use of medically important antimicrobial drugs for disease prevention purposes.<sup>16,17</sup>

At least 50% of animal products are produced without the routine use of medically important antimicrobial drugs for disease prevention purposes.<sup>18</sup>

**To be recognized as a Good Food Provider, an institution at least meets the baseline standard in the Environmental Sustainability Category.**

#### CONVERSION FACTORS FOR CARBON FOOTPRINT:

Food Product	lb CO2/lb edible
Beef	26.5
Cheese	9.8
Pork	6.9
Poultry	5.1
Fish	3.8
Other Dairy + Eggs	3.3

**Source:** Heller, M. C. and Keoleian, G. A. (2015), Greenhouse Gas Emission Estimates of U.S. Dietary Choices and Food Loss. *Journal of Industrial Ecology*, 19: 391–401.

#### CONVERSION FACTORS FOR WATER FOOTPRINT:

Food Product	Blue + Green gallons/lb edible
Beef	1,590
Pork	475
Cheese	382
Poultry	230
Other Dairy + Eggs	139
Fish	Pending

**Source:** Mekonnen, M.M. and Hoekstra, A.Y. (2012) A global assessment of the water footprint of farm animal products, *Ecosystems*, 15(3): 401–415.

<sup>15</sup> Animal product refers to any products derived from an animal, including meat, poultry, eggs and dairy.

<sup>16</sup> In qualifying products, medically important antimicrobial drugs (i.e. those in the same class of antibiotics used in human medicine) may be used for non-routine disease control and treatment purposes only. Antimicrobial use must be third party verified (e.g., Certified Responsible Antibiotic Use (CRAU) chicken, Antimicrobial Stewardship Standards for Pork and Chicken [once 3rd party verified]). Disease control is defined here as the use of antibiotics on an animal that is not sick but where it can be shown that a particular disease or infection is present on the premises at the barn, house, pen, or other level at which the animal is kept. The Center for Good Food Purchasing may consider approval of additional narrowly defined, noncustomary uses upon request.

<sup>17</sup> Addressing antibiotic usage through third party verified certification processes, such as Certified Responsible Antibiotic Use (CRAU) is a separate requirement included in the Environmental Sustainability category. Certification labels that only address responsible antibiotic use are not included as qualifying certifications for environmentally sustainable sources because these labels do not necessarily lead to improved environmental outcomes.

<sup>18</sup> See footnote 16 for definition.

# ENVIRONMENTAL SUSTAINABILITY

## PURCHASING GOALS, CONT.

### STRATEGIES

- INCREASE ENVIRONMENTALLY SUSTAINABLE FOOD SPEND **OR**
- REDUCE CARBON AND WATER FOOTPRINT

SOURCING TARGETS, BY YEAR

### TARGET: YEAR 1

### TARGET: YEAR 5

POINTS AWARDED

### LEVEL 2

#### Option 1: Increase Environmentally Sustainable Food Spend

15% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year, will come from Level 2 environmentally sustainable sources (see page 29 for qualifying criteria).

OR

10% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year, will come from Level 3 environmentally sustainable sources (see page 29 for qualifying sources).

#### Option 2: Reduce Carbon and Water Footprint

a) Reduce carbon and water footprint of meat, poultry, and cheese purchases by 5% per meal served from baseline year, with a 10% reduction goal within two years, a 15% reduction in three years and 25% reduction within five years;<sup>19</sup>

AND

b) Perform a food waste audit that identifies specific types and quantities of food in waste stream (see Food Loss and Waste Protocol for guidance), and implement at least three source reduction strategies<sup>20</sup> that address most wasted food items identified in audit and donate all recoverable food once per month.<sup>21</sup>

### LEVEL 2 ADDITIONAL REQUIREMENTS

At least 25% of seafood purchased should be listed as “Best Choice” and no seafood purchased listed as “Avoid” in the Monterey Bay Aquarium’s most recent Seafood Watch Guide.

At least 30% of animal products are produced without the use of antimicrobial drugs for disease prevention purposes.<sup>22, 23</sup>

#### Option 1: Increase Environmentally Sustainable Food Spend

25% of the total dollars spent annually on food products will come from Level 1 environmentally sustainable sources by fifth year of participation (see page 29 for qualifying criteria).

2

#### Option 2: Reduce Carbon and Water Footprint

a) Reduce carbon and water footprint of meat, poultry, and cheese purchases by at least 20% per meal served from baseline year;

AND

b) Perform a food waste audit that identifies specific types and quantities of food in waste stream (see Food Loss and Waste Protocol for guidance) and implement at least three source reduction strategies that address most wasted food items identified in audit. (See Appendix B for a menu of options).

At least 50% of seafood purchased should be listed as “Best Choice” and no seafood purchased listed as “Avoid” in the Monterey Bay Aquarium’s most recent Seafood Watch Guide.

At least 60% of animal products are produced without the use of antimicrobial drugs for disease prevention purposes.<sup>24</sup>

<sup>19</sup> The baseline year is the year in which institution initiates its meat reduction efforts.

<sup>20</sup> Qualifying food resource recovery strategies will be determined based adherence to EPA’s Food Recovery Hierarchy. See Appendix B for menu of options.

<sup>21</sup> An institution may choose to conduct waste audit at a select number of sample sites.

<sup>22</sup> In qualifying products, antimicrobial drugs (both medically important and otherwise) may be used for disease control and treatment purposes only. Antimicrobial use must be third party verified (e.g., Certified Responsible Antibiotic Use (CRAU) chicken, Antimicrobial Stewardship Standards for Pork and Chicken [once 3rd party verified]). Disease control is defined here as the use of antibiotics on an animal that is not sick but where it can be shown that a particular disease or infection is present on the premises at the barn, house, pen, or other level at which the animal is kept. The Center for Good Food Purchasing may consider approval of additional narrowly defined, noncustomary uses upon request.

<sup>23</sup> Addressing antibiotic usage through third party verified certification processes, such as Certified Responsible Antibiotic Use (CRAU) is a separate requirement included in the Environmental Sustainability category. Certification labels that only address responsible antibiotic use are not included as qualifying certifications for environmentally sustainable sources because these labels do not necessarily lead to improved environmental outcomes.

<sup>24</sup> Refer to footnote 22 for definition.

# ENVIRONMENTAL SUSTAINABILITY

## PURCHASING GOALS, CONT.

### STRATEGIES

- INCREASE ENVIRONMENTALLY SUSTAINABLE FOOD SPEND **OR**
- REDUCE CARBON AND WATER FOOTPRINT

SOURCING TARGETS, BY YEAR

### TARGET: YEAR 1

### TARGET: YEAR 5

POINTS AWARDED

### LEVEL 3

15% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year, will come from Level 3 environmentally sustainable sources (see page 29 for qualifying criteria);

25% of the total dollars spent annually on food products will come from Level 3 environmentally sustainable sources by fifth year of participation;

**3**

AND

AND

Reduce carbon and water footprint of meat, poultry, and cheese purchases by 6% per meal served from baseline year, with a 12% reduction goal within two years and 30% reduction within five years;<sup>25</sup>

Reduce carbon and water footprint of meat, poultry, and cheese purchases, per meal served by 30% from baseline year;

AND

AND

Perform a food waste audit that identifies specific types and quantities of food in waste stream (see Food Loss and Waste Protocol for guidance), and implement at least three source reduction strategies<sup>26</sup> that address most wasted food items identified in audit, donate recoverable food twice per month, and implement one food recycling strategy (e.g. anaerobic digestion or composting).<sup>27</sup>

Perform a food waste audit that identifies specific types and quantities of food in waste stream (see Food Loss and Waste Protocol for guidance), and implement at least four source reduction strategies that address most wasted food items identified in audit, donate recoverable food once per week, and implement two food recycling strategies.

### LEVEL 3 ADDITIONAL REQUIREMENTS

At least 50% of seafood purchased should be listed as “Best Choice” and no seafood purchased listed as “Avoid” in the Monterey Bay Aquarium’s most recent Seafood Watch Guide.

All seafood purchased should be listed as “Best Choice” in the Monterey Bay Aquarium’s most recent Seafood Watch Guide.

At least 50% of animal products are produced without the use of antimicrobial drugs for disease prevention purposes.<sup>28, 29</sup>

All animal products are produced without the use of antimicrobial drugs for disease prevention purposes.<sup>30</sup>

<sup>25</sup> The baseline year is the year in which institution initiates its meat reduction efforts.

<sup>26</sup> Qualifying food resource recovery strategies will be determined based on adherence to EPA’s [Food Recovery Hierarchy](#). See Appendix B for menu of options.

<sup>27</sup> An institution may choose to conduct waste audit at a select number of sample sites.

<sup>28</sup> Refer to footnote 22.

<sup>29</sup> Addressing antibiotic usage through third party verified certification processes, such as Certified Responsible Antibiotic Use (CRAU) is a separate requirement included in the Environmental Sustainability category. Certification labels that only address responsible antibiotic use are not included as qualifying certifications for environmentally sustainable sources because these labels do not necessarily lead to improved environmental outcomes.

<sup>30</sup> Refer to footnote 22.

# ENVIRONMENTAL SUSTAINABILITY

## EXTRA POINTS

### EXTRA POINTS

In addition to base points earned in each category, extra points may be earned in each category for institutional policies or purchasing practices that go above and beyond the standards in each value category.

- 1** Institution participates in “Meatless Mondays” campaign or any equivalent meatless day program.
- 1** 100% of disposable flatware, dishes, cups, napkins and other service items are compostable.
- 1** No bottled water is sold or served, and plain or filtered tap water in reusable jugs, bottles or dispensers is available.

# ENVIRONMENTAL SUSTAINABILITY

## QUALIFYING CRITERIA

### LEVEL 1

### LEVEL 2

### LEVEL 3

#### FRUITS & VEGETABLES

- Distributor provides grower signed affidavit verifying that produce has been grown without the use of pesticides listed as prohibited for fresh produce by Whole Foods' Responsibly Grown program and all neonicotinoids and affidavit is accompanied by a site visit from institution or community partner; or

Gold certified under ANSI/LEO-4000 the American National Standard for Sustainable Agriculture by Leonardo Academy.

- Protected Harvest certified; or
- Food Alliance certified; or
- Rain Forest Alliance certified; or
- Enrolled in Whole Foods Responsibly Grown program; or
- Platinum certified under ANSI/LEO-4000 the American National Standard for Sustainable Agriculture by Leonardo Academy; or
- USDA Transitional Organic Standard; or
- Sustainably Grown certified; or
- Salmon Safe; or
- LEAF (Linking Environment and Farming)

- USDA Organic; or
- Demeter Certified Biodynamic; or
- Produce grown in a farm or garden at the institution using organic practices

#### MILK & DAIRY

- AGA Grassfed

- Animal Welfare Approved; or
- Food Alliance Certified

- USDA Organic

#### POULTRY

- Animal Welfare Approved; or
- Food Alliance Certified

- USDA Organic

#### EGGS

- Certified Humane Raised and Handled

- Animal Welfare Approved; or
- Food Alliance Certified

- USDA Organic

#### MEAT

- AGA Grassfed

- Animal Welfare Approved; or
- Food Alliance Certified; or
- Grasslands Alliance Standard

- USDA Organic

#### FISH (WILD)

- No seafood purchased listed as "Avoid" in the Monterey Bay Aquarium's Seafood Watch Guide

- Fish listed as "Best" choice in Monterey Bay Aquarium's Seafood Watch Guide

- Marine Stewardship Council certified, paired with the MSC Chain of Custody Certification

#### FISH (FARM-RAISED)

- No seafood purchased listed as "Avoid" in the Monterey Bay Aquarium's Seafood Watch Guide

- Fish listed as "Best" choice in Monterey Bay Aquarium's Seafood Watch Guide<sup>31</sup>

#### GRAINS

- Pesticide-free

- Food Alliance Certified

- USDA Organic; or
- Demeter Certified Biodynamic

#### THIRD-PARTY CERTIFICATIONS





# VALUED WORKFORCE

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Provide safe and healthy working conditions and fair compensation for all food chain workers and producers from production to consumption.

# VALUED WORKFORCE

## PURCHASING GOALS

### STRATEGIES

- INCREASE SPEND ON FAIR FOOD
- SUPPORT LABOR LAW COMPLIANCE ALONG THE SUPPLY CHAIN

SOURCING TARGETS, BY YEAR

### TARGET: YEAR 1

### TARGET: YEAR 5

POINTS AWARDED

### LEVEL 1 BASELINE

**Submit Labor Law Compliance Documentation and Take Requested Follow Up Steps with Suppliers**

See page 32 for additional details.

AND

**Increase Fair Food Spend**

5% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year will come from Level 1 fair sources (see page 34 for qualifying sources).

If vendor and/or suppliers do not have current capacity to meet fair food purchasing goals, the vendor may submit a plan to achieve full compliance at least at the baseline level by end of Year 1.

**Submit Labor Law Compliance Documentation and Take Requested Follow Up Steps with Suppliers**

See page 32 for additional details.

AND

**Increase Fair Food Spend**

15% of the total dollars spent annually on food products will come from Level 1 fair sources by fifth year of participation (see page 34 for qualifying sources).

**1**

To be recognized as a Good Food Provider, an institution at least meets the baseline standard in the Valued Workforce Category.

### LEVEL 2

**Submit Labor Law Compliance Documentation and Take Requested Follow Up Steps with Suppliers**

See page 32 for additional details.

AND

**Increase Fair Food Spend**

5% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year will come from Level 2 fair sources (see page 34 for qualifying sources).

**Submit Labor Law Compliance Documentation and Take Requested Follow Up Steps with Suppliers**

See page 32 for additional details.

AND

**Increase Fair Food Spend**

15% of the total dollars spent annually on food products will come from Level 2 fair sources by fifth year of participation (see page 34 for qualifying sources).

**2**

### LEVEL 3

**Submit Labor Law Compliance Documentation and Take Requested Follow Up Steps with Suppliers**

See page 32 for additional details.

AND

**Increase Fair Food Spend**

5% of the total dollars spent annually on food products, with a goal of increasing at least 2% per year will come from Level 3 fair sources (see page 34 for qualifying sources).

**Submit Labor Law Compliance Documentation and Take Requested Follow Up Steps with Suppliers**

See page 32 for additional details.

AND

**Increase Fair Food Spend**

15% of the total dollars spent annually on food products will come from Level 3 fair sources by fifth year of participation (see page 34 for qualifying sources).

**3**

# VALUED WORKFORCE

## PURCHASING GOALS, CONT.

### STRATEGIES

- INCREASE SPEND ON FAIR FOOD
- SUPPORT LABOR LAW COMPLIANCE ALONG THE SUPPLY CHAIN

SOURCING TARGETS, BY YEAR

**TARGET: YEAR 1**

**TARGET: YEAR 5**

**POINTS AWARDED**

### DETAIL ON LABOR LAW REQUIREMENTS AT ALL LEVELS

#### **Submit Labor Law Compliance Documentation and Take Requested Follow Up Steps with Suppliers**

Vendor signs in writing that vendor and all suppliers respect the freedom of association of farmers, ranchers, and fisherfolk and that vendor and all suppliers<sup>32</sup> comply with domestic labor law (including state and local) in countries where they produce goods and services, as well as the core standards of the International Labour Organization (ILO):

- (1) Freedom of association and the right to collective bargaining.
- (2) Elimination of all forms of forced or compulsory labor.
- (3) Abolition of child labor.
- (4) Elimination of discrimination with respect to employment or occupation.

AND

If vendor and/or suppliers are found to have health & safety and/or wage & hour violations within the past three years, purchaser requests information from that supplier about steps taken to mitigate past violations and prevent future violations, such as worker education and training. The institution may reserve the right to cancel the contract with a vendor with serious, willful, repeated, and/or pervasive labor violations and/or require its vendor to cancel its contract with the supplier with serious, willful, repeated, and/or pervasive violations over the next year after the letter is sent.

#### **Submit Labor Law Compliance Documentation and Take Requested Follow Up Steps with Suppliers**

Vendor signs in writing that vendor and all suppliers respect the freedom of association of farmers, ranchers, and fisherfolk and comply with domestic labor law (including state and local) in countries where they produce goods and services, as well as the core ILO standards.

AND

If vendor and/or suppliers are found to have health & safety and/or wage & hour violations within the past three years, purchaser requests information from that supplier about steps taken to mitigate past violations and prevent future violations, such as worker education and training. The institution may reserve the right to cancel the contract with a vendor with serious, willful, repeated, and/or pervasive labor violations and/or require its vendor to cancel its contract with the supplier with serious, willful, repeated, and/or pervasive violations over the next year after the letter is sent.

<sup>32</sup> Vendor refers to the distributor with whom the institution or its food service management company has a direct contract. Supplier refers to all companies in the vendor's supply chain from whom product is sourced to be provided to the institution. A single product may have more than one supplier, including grower, shipper, processor, and/or wholesaler.

# VALUED WORKFORCE

## EXTRA POINTS

### EXTRA POINTS

In addition to base points earned in each category, extra points may be earned in each category for institutional policies or purchasing practices that go above and beyond the standards in each value category.

- 2** Institution establishes an anonymous reporting system for workers to report violations with a protection for workers from retaliation.
- 1** Institution has adopted a “living wage” policy to ensure direct employees are paid non-poverty wages.
- 1** Institution’s food service contractor meets Level 3 Valued Workforce criteria.
- 2** An institution or vendor has a Labor Peace policy or agreement

# VALUED WORKFORCE

## QUALIFYING CRITERIA

### LEVEL 1

#### Vendor and Suppliers

Have a social responsibility policy, which includes:

- (1) union or non-poverty wages;
- (2) respect for freedom of association and collective bargaining;
- (3) safe and healthy working conditions;
- (4) proactive policy on preventing sexual harassment and assault,
- (5) prohibition of child labor, as defined by the International Labour Organization (ILO)<sup>35</sup> and at least one additional employment benefit such as:
- (6) employer-paid health insurance
- (7) paid sick days;
- (8) profit-sharing with all employees;

OR

#### Vendor and Suppliers

Post information about their participation in the Good Food Purchasing Program in workplaces and in the primary languages spoken by the employees;

OR

Partner with local trade union and/or independent, representative worker organizations to conduct periodic mandatory, accessible, in-depth worker education training at the worksite and on the clock about their rights and ensure they know what their company has committed as a vendor of a Good Food Purchasing Program participant;

OR

- Are certified by Fair for Life; or
- Are certified by Fairtrade America (Fairtrade International FLO); or
- Are certified by Fairtrade USA

### LEVEL 2

#### Vendor and Supplier

- Are Food Justice-Certified by the Agricultural Justice Project; or
- Are certified by the Equitable Food Initiative

### LEVEL 3<sup>33,34</sup>

#### Vendor and Supplier

- Have a union contract with their employees<sup>36</sup>; or
- Are a worker cooperative<sup>37</sup>

### THIRD-PARTY CERTIFICATIONS



Food items from suppliers that meet any of the following criteria will be disqualified from being counted for points in all value categories:

- **Use of slave or forced labor;**
- **Pattern of serious, willful, repeated, and/or pervasive labor violations over the last three years;**
- **Use of child labor<sup>38</sup>**

<sup>33</sup> Greater credit is given for full supply chain participation at Level 3. An institution receives 3 points for every 5% increment of product sourced from Level 3 farms, and 3 points for every 15% increment of product sourced from Level 3 processors or distributors (percentages determined related to availability of Level 3 product in sectors of the supply chain). Points are weighted as follows:

- 100% credit if source farm, AND processor or shipper, AND distributor meet Level 3 criteria.
- 66% credit if two of three companies meet Level 3 criteria.
- 33% credit if one of three companies meets Level 3 criteria.

<sup>34</sup> Criteria used to identify voluntary third party certification programs at Level 3 include: adherence to all ILO Fundamental Principles and Rights at Work; a fair wage that at a minimum reaches the prevailing industry wage and charts progress toward a living wage; safe and healthy workplaces for workers; inclusion of independent worker organizations at all stages of standard-setting, monitoring and enforcement, and remediation; a confidential complaint reporting and resolution mechanism with a strictly enforced no-retaliation policy; mandatory worker rights training on the clock, implemented with independent worker organization; regular announced and unannounced audits by well-trained auditors that include secure interviews with a broad swath of workers, and findings that are made available to workers; and a focus on enforcement, with binding legal agreements that ensure real consequence for non-compliance and clear, time-bound plans to remedy violations. If the Center determines that a supplier is not compliant with the standards established by the third-party certification program, the supplier will not receive credit for their participation in the certification program.

<sup>35</sup> <http://ilo.org/ipec/facts/lang-en/index.htm>.

<sup>36</sup> Unions cannot be controlled or backed by government or the employer

<sup>37</sup> As defined by United States Federation of Worker Cooperatives: Worker cooperatives are business entities that are owned and controlled by their members, the people who work in them. All cooperatives operate in accordance with the [Cooperative Principles and Values](#). The two central characteristics of worker cooperatives are: (1) worker-members invest in and own the business together, and it distributes surplus to them and (2) decision-making is democratic, adhering to the general principle of one member-one vote.

<sup>38</sup> Federal and/or state law defines child labor for the supplier's industry and location. When federal and state rules are different, the rules that provide the most protection apply. For international products, child labor is defined by the [ILO standard](#).



# ANIMAL WELFARE

---

Source from producers that provide healthy and humane conditions for farm animals.

# ANIMAL WELFARE

## PURCHASING GOALS

### STRATEGIES

- INCREASE HIGH ANIMAL WELFARE FOOD SPEND **OR**
- REDUCE TOTAL VOLUME OF ANIMAL PRODUCTS PURCHASED

SOURCING TARGETS, BY YEAR

### TARGET: YEAR 1

### TARGET: YEAR 5

POINTS AWARDED

### LEVEL 1 BASELINE

#### Option 1: Increase High Animal Welfare Food Spend

15% of the total dollars spent annually on egg, dairy, and meat products will come from products that meet Level 1 animal welfare requirements (see page 39 for qualifying criteria).

OR

5% of the total dollars spent annually on egg, dairy, and meat products will come from products that meet Level 3 animal welfare requirements (see page 39 for qualifying criteria).

#### Option 2: Reduce Total Volume of Animal Products Purchased

Replace 15% of the total volume of animal products purchased with plant-based protein.

#### Option 1: Increase High Animal Welfare Food Spend

25% of the total dollars spent annually on egg, dairy, and meat products will come from products that meet at least Level 1 requirements (see page 39 for qualifying criteria).

#### Option 2: Reduce Total Volume of Animal Products Purchased

Replace 25% of the total volume of animal products purchased with plant-based protein.

**1**

To be recognized as a Good Food Provider, an institution at least meets the baseline standard in the Animal Welfare Category.

### LEVEL 2

#### Option 1: Increase High Animal Welfare Food Spend

15% of the total dollars spent annually on egg, dairy, and meat products will come from products that meet at least Level 2 requirements (see page 39 for qualifying criteria).

OR

10% of the total dollars spent annually on egg, dairy, and meat products will come from products that meet Level 3 animal welfare requirements (see page 39 for qualifying criteria).

#### Option 2: Reduce Total Volume of Animal Products Purchased

Replace 25% of the total volume of animal products purchased with plant-based protein.

#### Option 1: Increase High Animal Welfare Food Spend

35% of the total dollars spent annually on egg, dairy, and meat products will come from products that meet at least Level 2 requirements (see page 39 for qualifying criteria).

#### Option 2: Reduce Total Volume of Animal Products Purchased

Replace 35% of the total volume of animal products purchased with plant-based protein.

**2**

# ANIMAL WELFARE

## PURCHASING GOALS, CONT.

### STRATEGIES

- INCREASE HIGH ANIMAL WELFARE FOOD SPEND **OR**
- REDUCE TOTAL VOLUME OF ANIMAL PRODUCTS PURCHASED

SOURCING TARGETS, BY YEAR

### TARGET: YEAR 1

### TARGET: YEAR 5

POINTS AWARDED

### LEVEL 3

#### Option 1: Increase High Animal Welfare Food Spend

15% of the total dollars spent annually on egg, dairy, and meat products will come from products that meet at least Level 3 requirements (see page 39 for qualifying criteria).

#### Option 2: Reduce Total Volume of Animal Products Purchased

Replace 35% of the total *volume* of animal products purchased with plant-based protein.

#### Option 1: Increase High Animal Welfare Food Spend

45% of the total dollars spent annually on egg, dairy, and meat products will come from products that meet at least Level 3 requirements (see page 39 for qualifying criteria).

#### Option 2: Reduce Total Volume of Animal Products Purchased

Replace 40% of the total *volume* of animal products purchased with plant-based protein.

**3**

# ANIMAL WELFARE

## EXTRA POINTS

### EXTRA POINTS

In addition to base points earned in each category, extra points may be earned in each category for institutional policies or purchasing practices that go above and beyond the standards in each value category.

- 2** Institution encourages plant-based diets by offering only vegan options.
- 1** Institution encourages plant-based diets by offering only vegetarian options.
- 1** 50% or more annual average of total cost of milk, egg and meat product purchases come from higher-welfare sources (Level 1 or above).

# ANIMAL WELFARE

## QUALIFYING CRITERIA

### LEVEL 1

### LEVEL 2

### LEVEL 3

	LEVEL 1	LEVEL 2	LEVEL 3
DAIRY	<ul style="list-style-type: none"> <li>▪ Certified Humane; or</li> <li>▪ USDA Organic<sup>39</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ PCO 100% Grassfed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Animal Welfare Approved</li> </ul>
EGGS <sup>40</sup>	<ul style="list-style-type: none"> <li>▪ Certified Humane Cage Free; or</li> <li>▪ GAP Step 1, 2; or</li> <li>▪ USDA Organic<sup>41</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ American Humane Certified Pasture Raised<sup>42</sup>; or</li> <li>▪ Certified Humane Free Range; or</li> <li>▪ GAP Step 3</li> </ul>	<ul style="list-style-type: none"> <li>▪ Animal Welfare Approved; or</li> <li>▪ Certified Humane Pasture Raised; or</li> <li>▪ GAP Step 4, 5, 5+</li> </ul>
POULTRY	<ul style="list-style-type: none"> <li>▪ Certified Humane; or</li> <li>▪ GAP<sup>43</sup> Step 2, 3; or</li> <li>▪ USDA Organic<sup>44</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Certified Humane Free Range<sup>45</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Animal Welfare Approved; or</li> <li>▪ GAP Step 4, 5, 5+</li> </ul>
BEEF	<ul style="list-style-type: none"> <li>▪ Approved American Grassfed Association Producer; or</li> <li>▪ Certified Humane; or</li> <li>▪ GAP Step 1,2; or</li> <li>▪ USDA Organic<sup>46</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ PCO 100% Grassfed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Animal Welfare Approved; or</li> <li>▪ Certified Grassfed by A Greener World; or</li> <li>▪ GAP Step 4, 5, 5+</li> </ul>
PORK	<ul style="list-style-type: none"> <li>▪ Certified Humane; or</li> <li>▪ GAP Step 1, 2; or</li> <li>▪ USDA Organic<sup>47</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Gap Step 3</li> </ul>	<ul style="list-style-type: none"> <li>▪ Animal Welfare Approved; or</li> <li>▪ GAP Step 4, 5, 5+</li> </ul>
FISH <sup>48</sup>			

### THIRD-PARTY CERTIFICATIONS



<sup>39</sup> USDA Certified Organic will qualify for Level 2 if proposed animal welfare requirements are adopted.

<sup>40</sup> AHA cage-free standards were excluded because AHA's points-based system allows egg facilities to pass an audit (at 85%) without meeting a number of basic welfare standards.

<sup>41</sup> USDA Certified Organic will qualify for Level 2 if proposed animal welfare requirements are adopted.

<sup>42</sup> Because American Humane Certified does not have a set of "Core Criteria" that all certified producers must meet, full audit results must be submitted to the Center to verify that the farm meets all Core Criteria for a product to meet Level 2.

<sup>43</sup> GAP Step 1 may be added to Level 1 upon the adoption of requirements for enrichments and for slower-growing chicken strains at Step 1.

<sup>44</sup> USDA Certified Organic will qualify for Level 2 if proposed animal welfare requirements are adopted.

<sup>45</sup> Certified Humane Free Range, despite being pasture-based, is in Level 2 because unlike those in Level 3, it does not require slower-growth genetics.

<sup>46</sup> USDA Certified Organic will qualify for Level 2 if proposed animal welfare requirements are adopted.

<sup>47</sup> USDA Certified Organic will qualify for Level 2 if proposed animal welfare requirements are adopted.

<sup>48</sup> Standards for farm raised fish are in development and will be added to the Good Food Purchasing Standards as soon as possible.



# NUTRITION

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Promote health and well-being by offering generous portions of vegetables, fruit, whole grains, and minimally processed foods, while reducing salt, added sugars, saturated fats, and red meat consumption and eliminating artificial additives.

# NUTRITION

## PURCHASING GOALS

### STRATEGIES

### HIGH PRIORITY

- IMPLEMENT HEALTHFUL PRACTICES IN PROCUREMENT, FOOD PREPARATION, AND FOOD SERVICE ENVIRONMENT

### POINTS AWARDED

## 2 CHECKS

Items with High Priority designation are worth two checks per item met

### HEALTHY PROCUREMENT

- Increase the amount of whole or minimally processed foods purchased by 5% from baseline year, with a 25% increase goal within 5 years.<sup>49</sup>
- If meat is offered, reduce purchase of red and processed meat by 5% from baseline year, with a 25% reduction goal within 5 years.<sup>50, 51</sup>
- Fruits, vegetables, and whole grains account for at least 50% of total food purchases by volume.<sup>52</sup>
- All individual food items contain  $\leq$  480 mg sodium per serving.<sup>53</sup> Purchase “low sodium” ( $\leq$  140 mg sodium per serving) whenever possible.
- Added sugars (including natural and artificial sweeteners) in purchased food items should be no more than 10% of Daily Value per serving (DV is 50g). Or, commit to implementing an added sugar reduction plan in overall food and beverage purchases.

### HEALTHY FOOD SERVICE ENVIRONMENT

- Healthy beverages account for 100% of beverage options offered, and diet drinks containing artificial sweeteners are eliminated. If healthy beverages account for at least 50% of beverage options offered, one check will be earned.<sup>54</sup>
- Offer free drinking water at all meals, preferably cold tap water in at least a 4 oz. cup.
- Offer plant-based main dishes at each meal service.<sup>55</sup>

### HEALTH EQUITY

- Institution actively supports or sponsors initiatives that directly expand access to healthy food for low-income residents or communities of color.<sup>56</sup> Examples of qualifying initiatives:
  - Support at least one neighborhood-based community food project that expands access to healthy food for low-income residents such as a procurement agreement with a corner store that carries healthy food in a low-income census tract, or a low-cost Community Supported Agriculture program dedicated to serving low-income families, or a farmer’s market located in a low-income census tract that accepts EBT.

<sup>49</sup> See Appendix C for definitions for whole/minimally processed, processed, and ultraprocessed (Source: San Diego County Department of Public Health Eat Well Standards).

<sup>50</sup> Processed meats include any meat preserved by curing, salting, smoking, or have other chemical preservation additives. If processed meats are offered, recommend using only products with no more than 480mg of sodium per 2 oz.

<sup>51</sup> One strategy to reduce red and processed meat purchases is to limit portion sizes based on current US Dietary Guidelines. Average per-meal amount for meat, poultry and eggs for a 2000 calorie diet is 1.9 oz. (The range for a 1000-2200 calorie diet is .7-2 oz. per meal). See the [USDA Food Patterns: Healthy U.S.-Style Eating Pattern](#) for more information.

<sup>52</sup> Grain-based foods are considered whole grain when the first ingredient listed on the ingredient list is a whole grain. Whole grain ingredients include brown rice, buckwheat, bulgur, millet, oatmeal, quinoa, rolled oats, whole-grain barley, whole-grain corn, whole-grain sorghum, whole-grain triticale, whole oats, whole rye, whole wheat, and wild rice. With the exception of the following foods:

<sup>53</sup> **Sodium Standards for Purchased Food:**

- Canned and frozen seafood:  $\leq$  290 mg sodium per serving;
- Canned and frozen poultry:  $\leq$  290 mg sodium per serving;
- Sliced sandwich bread:  $\leq$  180 mg sodium per serving;
- Baked goods (e.g. dinner rolls, muffins, bagels, tortillas):  $\leq$  290 mg sodium per serving;
- Cereal:  $\leq$  215 mg sodium per serving;
- Canned or frozen vegetables:  $\leq$  290 mg sodium per serving;
- Recommend “reduced” sodium (per FDA definition) sauce and other condiments;
- Recommend purchasing cheese:  $\leq$  215 mg sodium per serving.

<sup>54</sup> Health Care Without Harm “Healthy Beverage Defined: Water (filtered tap, unsweetened, seltzer or infused); 100 percent fruit juice (optimal 4 oz. serving); 100% vegetable juice (optimal sodium less than 140 mg); Milk (unflavored); Non-dairy milk alternatives (plain, unsweetened); Teas and Coffee (unsweetened with only naturally occurring caffeine).

<sup>55</sup> To the best possible ability, beverages should be dispensed by tap or fountain AND reusable beverage containers should be encouraged. Recommend plant-based main dishes to include fruits, vegetables, beans and/or legumes.

<sup>56</sup> Food or monetary donations for charitable causes do not count.

# NUTRITION

## PURCHASING GOALS

- IMPLEMENT HEALTHFUL PRACTICES IN PROCUREMENT, FOOD PREPARATION, AND FOOD SERVICE ENVIRONMENT

POINTS AWARDED

1

### CHECK

Items with Priority designation are worth one check per item met

#### HEALTHY PROCUREMENT

- All juice purchased is 100% fruit juice with no added sweeteners and vegetable juice is Low Sodium as per FDA definitions. All 100% fruit and vegetable juice single serving containers are <12 ounces for adults and children aged 7-18, and <6 oz. for children aged 1-6.<sup>57</sup>
- If dairy products are offered, purchase Fat-Free, Low-Fat or reduced fat dairy products, with no added sweeteners (including natural and artificial sweeteners).<sup>58</sup>
- All pre-packaged food has zero grams trans fat per serving and does not list partially hydrogenated oils on the ingredients list (as labeled).
- At least 50% of grain products purchased are whole grain rich.<sup>59</sup>
- Offer at least one salad dressing option that is a low-sodium, low-calorie, low-fat creamy salad dressing.<sup>60</sup> Offer olive oil and vinegar (e.g., balsamic, red wine) at each meal service.

#### HEALTHY FOOD PREPARATION

- Eliminate the use of hydrogenated and partially hydrogenated oils for cooking and baking. Eliminate the use of deep frying and eliminate use of frozen or prepared items that are deep fried upon purchase.
- Prioritize the preparation of all vegetables and protein, including fish, poultry, meat, or meat alternatives in a way that utilizes vegetable-based oils or reduces added fat (broiling, grilling, baking, poaching, roasting, or steaming).

#### HEALTHY FOOD SERVICE ENVIRONMENT

- If applicable, combination meals that serve an entrée, side option, and beverage offer water as a beverage alternative<sup>61</sup> AND offer fresh fruit or a non-fried vegetable prepared without fat or oil as a side option.
- Adopt one or more product placement strategies such as:
  - Prominently feature fruit and/or non-fried vegetables in high-visibility locations.
  - Display healthy beverages in eye level sections of beverage cases (if applicable).
  - Remove candy bars, cookies, chips and beverages with added sugars (such as soda, sports and energy drinks) from checkout register areas/point-of-purchase (if applicable).
- Healthy food and beverage items are priced competitively with non-healthy alternatives.
- Adopt one or more marketing/promotion/signage strategies, such as:
  - Highlight fruit with no-added sweeteners and non-fried vegetable offerings with signage.

<sup>57</sup> Low Sodium is 140 mg or less per RACC.

<sup>58</sup> Fat-Free is 0.5g or less per RACC; Low-Fat is 3 g or less per RACC and per 50g if RACC is small (<30g); Reduced fat is 25% less fat per RACC when compared to the original food; Low Sodium is 140 mg or less per RACC and per 50g if RACC is small (<30g).

<sup>59</sup> Grain-based foods are considered whole grain when the first ingredient listed on the ingredient list is a whole grain. Whole grain ingredients include brown rice, buckwheat, bulgur, millet, oatmeal, quinoa, rolled oats, whole-grain barley, whole-grain corn, whole-grain sorghum, whole-grain triticale, whole oats, whole rye, whole wheat, and wild rice; 3 grams or more of fiber/serving.

<sup>60</sup> Low-Fat is 3 g or less per RACC and per 50g if RACC is small (<30g); Low Sodium is 140 mg or less per RACC and per 50g if RACC is small (<30g); Low Calorie is 40 calories or less per RACC and per 50g if RACC is small (<30g).

<sup>61</sup> A cup/glass of chilled tap water is prioritized and water in recyclable bottle is a secondary substitute to be avoided if possible for environmental considerations.

STRATEGIES

PRIORITY

# NUTRITION

## EXTRA POINTS & SCORING TARGETS

### EXTRA POINTS

In addition to base points earned in each category, extra points may be earned in each category for institutional policies or purchasing practices that go above and beyond the standards in each value category. An institution may earn a maximum of five bonus points in the Nutrition Extra Points section.

- 1** **MENU LABELING**  
Menu lists the nutritional information for each item using the federal menu labeling requirements under the Patient Protection and Affordable Care Act of 2010 as a guide.
- 1** **PORTION CONTROL**  
Adopt one or more portion control strategies, if applicable. (e.g. Utilize 10" or smaller plates for all meals; make available reduced-size portions of at least 25% of menu items offered; offer reduced-size portions at a lower price than regular sized portions, eliminate trays from lines).<sup>62</sup>
- 1** **CULTURALLY APPROPRIATE MENUS**  
Offer menu items that are culturally appropriate for institution's demographic composition. Institution should submit menus with ingredient lists for culturally appropriate items.
- 1** **NUTRITION & FOOD SYSTEMS EDUCATION**  
For K-12 institutions: Institution implements nutrition education programming. Examples of qualifying initiatives include:
  - Interactive/educational garden program
  - District-wide required nutrition curriculum
  - Farm/processing site visits to regional producers
- 1** **WORKSITE WELLNESS**  
Develop and implement a worksite wellness program for employees and/or patrons that includes nutrition education.
- 1** **HEALTHY VENDING**  
Adopt a healthy vending machine policy for machines at all locations, using the Federal Food Service Guidelines or a higher standard.<sup>63</sup>

PERCENTAGE OF CHECKLIST ITEMS MET	SCORING TARGET	POINTS AWARDED
51 - 64.9%	LEVEL 1	<b>1</b>
65 - 79.9%	LEVEL 2	<b>2</b>
80 - 100%	LEVEL 3	<b>3</b>
		UP TO <b>6</b> EXTRA POINTS

<sup>62</sup> Reduced-sized portions are at least 1/3 smaller than the full-size item and are offered in addition to the full-size versions.

<sup>63</sup> Food Service Guidelines for Federal Facilities: [https://www.cdc.gov/obesity/downloads/guidelines\\_for\\_federal\\_concessions\\_and\\_vending\\_operations.pdf](https://www.cdc.gov/obesity/downloads/guidelines_for_federal_concessions_and_vending_operations.pdf), pages 13-14.



## APPENDICES

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# APPENDIX A: TEMPLATE POLICY LANGUAGE FOR FORMAL GOOD FOOD PURCHASING PROGRAM ADOPTION

Whereas, [Institution] procures [\$ food spend] annually in food and food supplies. The large-scale volume demands include serving [number of meals per day] meals per day and [number of meals per year] meals annually. Subsequently, the purchasing of good food is a vital component to providing for the nutritional needs of all children in [Institution];

Whereas, [Percentage] of students in [Institution], [X%] of whom are students of color, qualify for federal and state meal benefits through the [National School Lunch and Breakfast Programs, the Child and Adult Care Food Program, the After School Snack and Supper Program, and the Summer Food Service Program];

Whereas, In practicing good food procurement methods, [Institution] can support a regional food system that is ecologically sound, economically viable, and socially responsible. Thoughtful purchasing practices by [Institution] can nationally impact the creation and availability of a local, equitable, and sustainable good food system;

Whereas, [Institution] has [detail of existing Good Food practice or policy. Duplicate this list item as many times as needed];

Whereas, Good food is defined as food that is healthy, affordable, fair, and sustainable. These foods meet the Dietary Guidelines for Americans, provide freedom from chronic ailment, and are delicious and safe. All participants in the food supply chain receive fair compensation, fair treatment, and are free of exploitation. Good food is available to purchase for all income levels. High quality food is equitable and physically and culturally accessible to all. Food is produced, processed, distributed, and recycled locally using the principles of environmental stewardship (in terms of water, soil, and pesticide management); and

Whereas, Implementation of the comprehensive Good Food Purchasing Program will promote the ongoing leadership of [Institution] in being a good food leader in our community and nationwide; now, therefore, be it,

**RESOLVED, That [Institution] will use its purchasing power to encourage the production and consumption of food that is healthy, affordable, fair, and sustainable.** We recognize that the adoption of the Good Food Purchasing Program has the power to reform the food system, create opportunities for smaller farmers and low-income entrepreneurs of color to thrive, provide just compensation and fair treatment for workers, support sustainable farming practices, reward good environmental stewardship, and increase access to fresh and healthy foods. We will leverage our purchasing power to support the following values:

**Local Economies:** support diverse, family and cooperatively owned, small and mid-sized agricultural and food processing operations within the local area or region.

**Environmental Sustainability:** source from producers that employ sustainable production systems to reduce or eliminate synthetic pesticides and fertilizers; avoid the use of hormones, routine antibiotics and genetic engineering; conserve and regenerate soil and water; protect and enhance wildlife habitats and biodiversity; and reduce on-farm energy and water consumption, food waste and greenhouse gas emissions. Reduce menu items that have high carbon and water footprints, using strategies such as plant-forward menus that feature smaller portions of animal proteins in a supporting role.

**Valued Workforce:** Source from producers and vendors that provide safe and healthy working conditions and fair compensation for all food chain workers and producers from production to consumption.

**Animal Welfare:** Source from producers that provide healthy and humane conditions for farm animals.

**Nutrition:** Promote health and well-being by offering generous portions of vegetables, fruit, whole grains, and minimally processed foods, while reducing salt, added sugars, saturated fats, and red meat consumption and eliminating artificial additives.

# APPENDIX A: TEMPLATE POLICY LANGUAGE FOR FORMAL GOOD FOOD PURCHASING PROGRAM ADOPTION, CONT.

## **RESOLVED, that [Institution] commits to taking the following steps in support of Good Food:**

- (1)** Meet identified multi-year benchmarks at the baseline standard or higher for each of the five value categories – local economies, environmental sustainability, valued workforce, animal welfare, and nutrition, as specified in the Good Food Purchasing Standards and annually increase the procurement of Good Food.
- (2)** Establish supply chain accountability and a traceability system with suppliers to verify sourcing commitments.
- (3)** Incorporate the Good Food Purchasing Standards and reporting requirements into all new RFPs and contracts with the opportunity for community input on contract awards.
- (4)** Commit to annual verification of food purchases by the Center for Good Food Purchasing and comply with due diligence reporting requirements to verify compliance, measure progress, and celebrate success at the [enter desired star rating] level.

## **RESOLVED, that [Institution] commits to the following reporting requirements:**

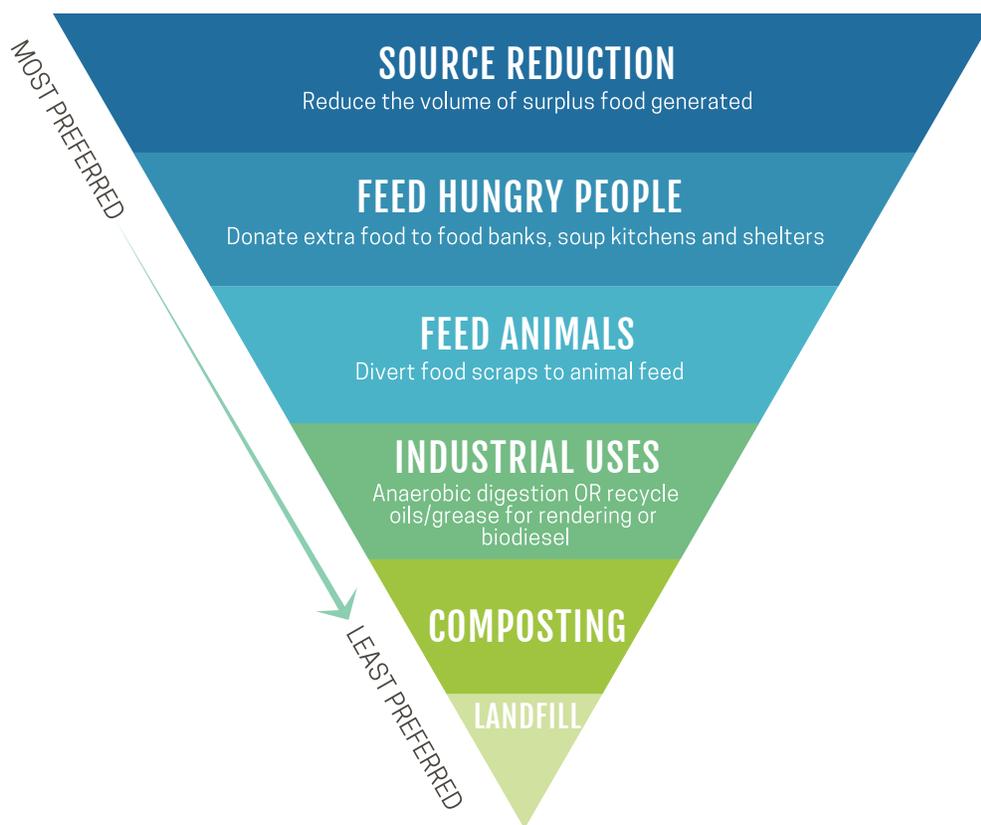
- (1)** Submit Food Service Operations Overview form i.e. total annual dollar amount of food and beverage purchases by product category and average number of daily meals served, within one month of adopting the Good Food Purchasing Program.
- (2)** Submit Baseline Nutrition Assessment.
- (3)** Submit itemized records of each fruit, vegetable, meat/poultry, dairy and grain products purchased by the Participant during desired time period to include:
  1. Product name;
  2. Unit type purchased (e.g. cases, bunches, packs);
  3. Number of units purchased;
  4. Volume per unit (e.g. ounces, lbs);
  5. The name and location of each supplier along the supply chain, to include all distributors, wholesalers, processors, manufacturers, shippers, AND farm(s) of origin; and
  6. Amount spent by institution for each product, to include:
    - a. Price per unit;
    - b. For each individual farm or ranch from which product is sourced, total dollar value spent on each individual product from that farm or ranch.
- (4)** Review an inventory of suppliers with serious, repeat and/or willful health and safety and/or wage and hour labor violations over the last three years, generated by the Center. Institution works with the Center to prioritize suppliers with the most serious violations to engage for additional information on what steps have been taken to remedy the past violations and to prevent future violations.
- (5)** Develop and adopt a multi-year action plan with benchmarks to comply with the Good Food Purchasing Standards within the first year of adopting the Good Food Purchasing Program.
- (6)** Report to the [insert policy body] annually on implementation progress of the Good Food Purchasing Program with the opportunity for community input.

## APPENDIX B: EPA FOOD RECOVERY HIERARCHY: IDENTIFYING AND PRIORITIZING STRATEGIES TO REDUCE WASTED FOOD



The EPA has developed the Food Recovery Hierarchy to help prioritize actions that organizations can take to prevent wasted food. Reduction/diversion points include:

1. Source Reduction – reduce the amount of surplus food generated
2. Recovery: Feed Hungry People – donate extra food to food banks, soup kitchens, shelters
3. Recycling:
  - Feed Animals – divert food scraps to animal feed
  - Industrial Uses – anaerobic digestion (send food to anaerobic digester) OR recycle oils/grease (for rendering or biodiesel)
  - Composting



According to the EPA, “each tier of the Food Recovery Hierarchy focuses on different management strategies for wasted food. The top levels of the hierarchy are the best ways to prevent and divert wasted food because they create the most benefits for the environment, society and the economy.”

Good Food Providers that incorporate waste reduction strategies into their food service operations are encouraged to follow the EPA’s Food Recovery Hierarchy and prioritize strategies at the top levels of the hierarchy.

An important first step for an institution is to perform a waste audit and then develop waste reduction strategies that address the most wasted food items identified in audit.

# APPENDIX B: SUGGESTED FOOD RECOVERY STRATEGIES

The list below provides a menu of options that institutions can take to prevent and divert wasted food. This list is by no means exhaustive. Some strategies may not apply to or be feasible for all institution types. More ideas can be found on the EPA's Food Recovery Hierarchy website.

## SOURCE REDUCTION<sup>64</sup>

- Purchase imperfect produce
- Staff training on food waste reduction
- Daily log of kitchen food waste<sup>65</sup>
- Reduce batch sizes
- Cook-to-order instead of bulk-cooking at end of day
- Set up share tables
- "Offer vs serve"
- Replace buffet with cook-to-order line
- Finish preparation at the line
- Recess before lunch
- Provide another beverage choice (e.g. water)
- Extend lunch periods to 30 minutes
- Slice fruit/vegetables
- Catchy names for fruits/vegetables
- Marinate meats
- Healthy foods within reach
- Train staff on knife skills
- Use maximum amount of food parts (carrot greens and potato skins)
- Reconstitute wilted veggies
- Freeze surplus fruits & veggies
- Use leftovers
- Eliminate garnishes that typically don't get eaten
- Storage techniques for different foods
- See-through storage containers
- Smaller serving containers at end of day
- Trayless dining

## RECOVERY<sup>66</sup> FEED HUNGRY PEOPLE

- Deliver unused food to local pantry
- Supplement Power Pack program with unused food that is collected
- Pop Up Food Pantry
- Partner with sister school & donate surplus food to families in need

## RECYCLING FEED ANIMALS, INDUSTRIAL USES, COMPOSTING

- Provide organic waste to animal farmers as feed
- Send food scraps to anaerobic digester
- Recycle waste vegetable oil to be used as biofuel
- Community or on-site composting of organic waste

<sup>64</sup> This list is not exhaustive and options are not exclusive to the listed institution type. More ideas can be found at <https://www.epa.gov/sustainable-management-food/food-loss-prevention-options-grade-schools-manufacturers-restaurant>

<sup>65</sup> LeanPath is one tool institutions can use to monitor kitchen waste. It may be cost prohibitive for some, but a manual log or less costly tool could also be used to monitor kitchen waste. <http://www.leanpath.com>

<sup>66</sup> From Food Bus: <http://foodbus.org/toolkit/>

# APPENDIX C: LEVELS OF PROCESSING – DEFINITIONS

## PROCESSING CATEGORY

## DEFINITION

## EXAMPLES

### UNPROCESSED AND MINIMALLY PROCESSED FOODS AND BEVERAGES

**Unprocessed and minimally processed foods and beverages** include single-ingredient foods or beverages, which have undergone no or slight alterations after separation from nature, such as cleaning, removal of unwanted or inedible parts, fractioning, grinding, roasting, boiling, freezing, drying, fermentation, or pasteurization. These do not include any added oils, fats, sugar, salt or other substances, but may include vitamins and minerals typically to replace those lost during processing. Simple combinations of two or more unprocessed or minimally processed foods, such as granola made from cereals, mixtures of frozen vegetables, and unsalted, unsweetened, dried fruit and nut mixtures, remain in this group. As a general rule, additives are rarely present in food items in this group.<sup>68, 69, 70, 71, 72</sup>

Examples include, but are not limited to fresh, chilled, frozen, vacuum-packed fruits, vegetables, including those with antioxidants, roots, and tubers; cereal grains and flours made with these grains; cereal products, such as plain oatmeal; fresh or dry pasta or noodles (made from flour with the addition only of water); fresh, frozen and dried beans and other pulses (legumes); dried fruits and 100% unsweetened fruit juices; fresh or dried mushrooms; unsalted nuts and seeds; fresh, dried, chilled, frozen meats, poultry and fish; fresh and pasteurized milk, ultra-pasteurized milk with added stabilizers, fermented milk such as plain yogurt; spices such as pepper, cloves, and cinnamon; herbs such as fresh or dry thyme, mint, and cilantro; eggs; teas, coffee, herb infusions, tap water, bottled spring water.<sup>73</sup>

### MODERATELY PROCESSED FOODS AND BEVERAGES

**Moderately processed foods and beverages** are simple products manufactured by industry typically with few ingredients including unprocessed or minimally processed foods and salt, sugar, oils, fats and other substances commonly used as culinary ingredients.<sup>74, 75, 76, 77</sup> Additives are sometimes added to foods in this group.<sup>78</sup>

Examples include, but are not limited to breads; cheese; sweetened fruits and fruits in syrup with added anti-oxidants; dried salted meats with added preservatives; canned foods preserved in salt or oil; cereal products with tocopherols (Vitamin E), such as instant oatmeal with sugar and cinnamon or whole wheat kernels combined with flaxseed, salt, and barley malt; tofu, tempeh, and certain kinds of bean and vegetable burgers; and multi-ingredient foods and beverages manufactured and packaged by industry that contain no ingredients only used in ultra-processed products.

<sup>67</sup> Courtesy of San Diego County Department of Public Health

<sup>68</sup> Monteiro C.A., Cannon G., Levy R.B. et al. NOVA. The star shines bright. [Food classification. Public health] *World Nutrition*. January-March 2016, 7, 1-3, 28-38.

<sup>69</sup> Food and Agriculture Organization of the United Nations (2015) Guidelines on the collection of information on food processing through food consumption surveys. Rome: FAO.

<sup>70</sup> Monteiro CA, Cannon G, Levy RB, Claro RM, Moubarac J-C. (2015). Ultra-processing and a new classification of foods. In: Neff R (ed) *Introduction to the US food system: Public health, environment, and equity*. Johns Hopkins Center for a Livable Future, San Francisco, CA: Jossey-Bass, 2015.

<sup>71</sup> Poti, J. M., Mendez, M. A., Wen Ng, S., & Popkin, B. M. (2015). Is the degree of food processing and convenience linked with the nutritional quality of foods purchased by US households? *American Journal of Clinical Nutrition*. doi:10.3945/ajcn.114.100925

<sup>72</sup> Classes of additives that may infrequently be added to foods and beverages in this category include nutrient supplements, stabilizers (in fluid milk or yogurt only), and anti-oxidants or antimicrobial agents to preserve original properties or prevent microorganism proliferation.

<sup>73</sup> Monteiro, C.A., Levy, R.B., Claro, R.M., Castro, I.R.R.D., & Cannon, G. (2010). A new classification of foods based on the extent and purpose of their processing. *Cadernos de saude publica*, 26(11), 2039-2049.

<sup>74</sup> Monteiro C.A., Cannon G., Levy R.B. et al. NOVA. The star shines bright. [Food classification. Public health] *World Nutrition*. January-March 2016, 7, 1-3, 28-38.

<sup>75</sup> Food and Agriculture Organization of the United Nations (2015) Guidelines on the collection of information on food processing through food consumption surveys. Rome: FAO.

<sup>76</sup> Monteiro CA, Cannon G, Levy RB, Claro RM, Moubarac J-C. (2015). Ultra-processing and a new classification of foods. In: Neff R (ed) *Introduction to the US food system: Public health, environment, and equity*. Johns Hopkins Center for a Livable Future, San Francisco, CA: Jossey-Bass, 2015.

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<sup>78</sup> Classes of additives sometimes added to foods and beverages in this category include nutrient supplements, curing and pickling agents, leaving agents (in simple breads), enzymes (in cheese), stabilizers (in fluid milk or yogurt only), and anti-oxidants or antimicrobial agents to preserve original properties or prevent microorganism proliferation or stabilizers.

# APPENDIX C: LEVELS OF PROCESSING – DEFINITIONS

PROCESSING CATEGORY	DEFINITION	EXAMPLES
<b>ULTRA-PROCESSED FOOD AND BEVERAGE PRODUCTS</b>	<b>Ultra-processed food and beverage products</b> are industrial formulations typically with many ingredients including salt, sugar, oils and fats, but also substances not commonly used in domestic cooking and additives whose purpose is to imitate sensorial qualities of unprocessed or minimally processed foods and culinary preparations of these foods. Minimally processed foods are a small proportion of or are even absent from ultra-processed products. <sup>79, 80, 81, 82</sup>	Examples include, but are not limited to industrially manufactured sports drinks; regular and diet sodas; flavored milks; energy drinks; meal replacement or dietary supplement drinks or foods; cereal products with tocopherols (Vitamin E) and an assortment of additives, such as FD&C Blue No. 1 and 2, caramel color; gelatin; high fructose corn syrup; dextrose or hydrogenated vegetable oil; sweet and/or savory snacks; ice cream; cakes and cake mixes; pastries; candies; chocolate bars; energy bars; granola bars; snack chips and mixes; packaged desserts; grain-based desserts and breads; margarine; condiments; instant sauces and soups; hot dogs; sausages; luncheon meats; chicken patties and nuggets; breaded fish and sticks; frozen and packaged meals; prepacked pizza; fast food; and other foods with ingredients not usually sold to consumers for use in freshly prepared foods.
<b>CULINARY INGREDIENTS</b>	<b>Culinary ingredients</b> are substances obtained from unprocessed or minimally processed foods, or nature, and commonly used to season and cook unprocessed or minimally processed foods in the creation of freshly prepared dishes. Items in this group are rarely consumed alone. Combinations of two or more culinary ingredients, such as oil and vinegar, remain in this group. As a general rule, additives are rarely present in these foods and beverages. <sup>83, 84, 85, 86</sup>	Examples include, but are not limited to butter, lard, and vegetable oils; milk, cream; sugar and molasses obtained from cane or beet; honey extracted from combs and syrup from maple trees; salt and iodized salt; starches; vegetable oils with added antioxidants; and vinegar with added preservatives.
<b>FRESHLY PREPARED FOODS AND BEVERAGES</b>	<b>Freshly prepared foods and beverages</b> are handmade preparations composed of unprocessed or minimally processed foods and culinary ingredients. <sup>87</sup>	Examples include, but are not limited to any scratch prepared foods and beverages made with unprocessed or minimally processed foods and culinary ingredients made at home, a cafeteria, or food service operation such as hummus; salsa; salads; mixed vegetables; stir fry; mashed potatoes; soups; casseroles; cooked meats, poultry, or fish; pies, cakes, and cookies; and coffee, tea and lemonade.

<sup>79</sup> Monteiro C.A., Cannon G., Levy R.B. et al. NOVA. The star shines bright. [Food classification. Public health] *World Nutrition*. January-March 2016, 7, 1-3, 28-38.

<sup>80</sup> Food and Agriculture Organization of the United Nations (2015) Guidelines on the collection of information on food processing through food consumption surveys. Rome: FAO.

<sup>81</sup> Monteiro CA, Cannon G, Levy RB, Claro RM, Moubarac J-C. (2015). Ultra-processing and a new classification of foods. In: Neff R (ed) *Introduction to the US food system: Public health, environment, and equity*. Johns Hopkins Center for a Livable Future, San Francisco, CA: Jossey-Bass, 2015.

<sup>82</sup> Ultra-processed products may include an assortment of additives or ingredients not typically found in unprocessed/minimally processed and moderately processed foods or culinary ingredients. Examples of substances only found in ultra-processed products include some directly extracted from foods, such as casein, lactose, whey, and gluten, and some derived from further processing of food constituents, such as hydrogenated or interesterified oils, hydrolyzed proteins, soy protein isolate, maltodextrin, invert sugar and high fructose corn syrup.

<sup>83</sup> Monteiro C.A., Cannon G., Levy R.B. et al. NOVA. The star shines bright. [Food classification. Public health] *World Nutrition*. January-March 2016, 7, 1-3, 28-38.

<sup>84</sup> Food and Agriculture Organization of the United Nations (2015) Guidelines on the collection of information on food processing through food consumption surveys. Rome: FAO.

<sup>85</sup> Monteiro CA, Cannon G, Levy RB, Claro RM, Moubarac J-C. (2015). Ultra-processing and a new classification of foods. In: Neff R (ed) *Introduction to the US food system: Public health, environment, and equity*. Johns Hopkins Center for a Livable Future, San Francisco, CA: Jossey-Bass, 2015.

<sup>86</sup> Classes of additives that may infrequently be added to foods and beverages in this category include nutrient supplements, curing and pickling agents, stabilizers (in fluid milk or yogurt only), and anti-oxidants or antimicrobial agents to preserve original properties or prevent microorganism proliferation.

<sup>87</sup> Nutrient Profile Model. (2016). Pan American Health Organization.



EXHIBIT E

As of 5/1/17  
 Penmar Golf Café  
 City-Owned Equipment

**KITCHEN/PREP AREAS**

No.	Item	Manufacturer/Model	Description
1	Grill with 3 burners	Star	
2	Freezer, 2 door	Hobart S/N: 535101	61002
3	Refrigerator, 1 door	Hobart S/N: 535100	61001
4	3-sink table, s/s		610010, 9'L X 1'10"W
5	Grill Hood with shelf	Everfrost	610007, 6'L X 1.5' W
6	Table with storage and drawers, s/s		Under grill and fryer. 24'L X 2'8"W
7	Table/sandwich bar with cold storage under		
8	Table with 3 storage doors under		

**OUTSIDE PATIO**

No.	Item	Manufacturer/Model	Description
1	(4) Outdoor square table w/ seats attached		
1	(1) Outdoor table ADA compatible		

Form Gen. 87 (R. 4/09)

City of Los Angeles

Orig. City Attorney m/s 140  
 Dup. Risk Manager m/s 625-24  
 Trip. Dept. Area Office or Division Head

**NON-EMPLOYEE ACCIDENT OR ILLNESS REPORT**

Department Reporting Recreation and Parks
--

**INSTRUCTIONS:** All accidents, illnesses, or injuries, no matter how minor, involving non-employees while on City property, must be reported by the City employee or department in proximity. Be complete as possible. The information provided may be needed by the City Attorney in preparing the case if legal action is necessary. Use typewriter or print carefully.

**PART I – PERSONAL DATA**

1. NAME (OF PERSON INJURED) (LAST) (FIRST) (MIDDLE)	2a. HOME ADDRESS (STREET) (CITY) (ZIP)	3a. PHONE NUMBER
	2b. BUSINESS ADDRESS (STREET) (CITY) (ZIP)	3b. PHONE NUMBER
4. SEX <input type="checkbox"/> M <input type="checkbox"/> F	5. DATE OF BIRTH	6. IF MINOR, NAME OF PARENT OR GUARDIAN
		7. PHONE NUMBER

**PART II – ACCIDENT/INJURY**

8. DATE	9. TIME	10. LOCATION OF PUBLIC PROPERTY INVOLVED	11. WAS FIRST AID GIVEN? <input type="checkbox"/> YES <input type="checkbox"/> NO
12. FIRST AID GIVEN BY (NAME)		(ADDRESS)	(PHONE NUMBER)
13. PHYSICIAN/HOSPITAL INJURED TAKEN TO		(ADDRESS)	(PHONE NUMBER)
14. NATURE OF INJURIES (BE SPECIFIC)			
15. DESCRIBE ACCIDENT (IN DETAIL)			
16. NAME AND POSITION OF PERSON IMMEDIATELY IN CHARGE OF FACILITY		17. WHERE WAS RESPONSIBLE PERSON AT TIME OF ACCIDENT?	

**PART III – WITNESSES**

18. NAME (LAST) (FIRST) (MIDDLE)	19. ADDRESS (STREET) (CITY) (ZIP)	20. PHONE NUMBER	CITY EMPLOYEE <input type="checkbox"/> YES <input type="checkbox"/> NO
a.			<input type="checkbox"/> YES <input type="checkbox"/> NO
b.			<input type="checkbox"/> YES <input type="checkbox"/> NO
c.			<input type="checkbox"/> YES <input type="checkbox"/> NO
d.			<input type="checkbox"/> YES <input type="checkbox"/> NO

**PART IV – STATEMENT OF INJURED PARTY OR WITNESS**

21.
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**PART V – EMPLOYEE FILING REPORT**

22. NAME AND POSITION	23. SIGNATURE	24. DATE
-----------------------	---------------	----------

**The PENMAR**  
**Preliminary Equipment list**

- Expanded hood space by approximately 4' to accommodate new [Grill or fryer]
- Commercial panini press
- Commercial deli slicer
- New three sink system for bar ware
- Dishwasher
- Likely augment existing refrigeration for food and beverage
- Display refrigeration
- Kegerator and tap dispenser system
- New doors and windows
- Wireless internet/network system
- Wireless POS system
- Security system
- Audio system
- Multiple TVs
- Library ladder (for access storage on ledge over bar)

**CITY OF LOS ANGELES  
DEPARTMENT OF RECREATION AND PARKS  
Finance Division / Concessions Unit  
P.O. Box 86610  
Los Angeles, CA 90086**

**MONTHLY REVENUE REPORT  
PENMAR GOLF CAFE CAFÉ**

PERIOD COVERED: From: \_\_\_\_\_ To: \_\_\_\_\_  
Month/Day/Year Month/Day/Year

MINIMUM MONTHLY GUARANTEE (MMG) (A) \_\_\_\_\_

Or - if greater than MMG the amounts below based on percentages: OR

<u>GROSS RECEIPTS</u> <u>(Years 1-4 only)*</u>	GROSS SALES	- SALES TAX	= NET SALES	X PERCENTAGE	
FOOD & NON-ALCOHOLIC BEVERAGES				3.5%	\$ -
ALCOHOL (Incl. those sold during happy hour.)				10.0%	\$ -
ALCOHOL (Sold through club discount program.)				4.25%	\$ -
NET SALES X PERCENTAGES TOTAL					(B) \$ -

MONTHLY RENTAL SUBTOTAL The higher of A or B: \$ -

**ADDITIONAL FEES**

UTILITIES:	Utility meters are currently separated. Concessionaire shall cover electricity and gas utility services under terms of the Concession Agreement.	n/a
LATE RENT FEE: \$150	Payments are due by the first day of each calendar month for the month due. Payments shall be considered past due if postmarked after the 15th day of the month in which payment is due.	\$ -
OCCUPANCY TAX:	Paid Quarterly (April / July / October / January) for preceding three months at \$1.48 per \$1,000 or fraction thereof of charges paid to RAP.	\$ -
<b>ADDITIONAL FEES SUBTOTAL:</b>		<b>\$ -</b>

ADJUSTMENTS\*: Explain:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\$ -

\*NOTE: All amortizations (allowance for rent reduction for any expenditure) must have prior approval in writing by the Department of Recreation and Parks. Copies of approval letters, invoices, and proof of payment must be submitted with the Remittance Advice for any and all months amortization is realized.

TOTAL AMOUNT DUE: \$ -

I hereby certify that this is a true and correct record of the period stated above:

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

\* After Year 4, a revised Remittance Advice Form shall be issued to reflect updated shared revenue percentages.

# Required Insurance and Minimum Limits

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

Date: 09/12/2017

Agreement/Reference: Golf Food and Beverage Concession

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

Limits

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

	WC	<u>Statutory</u>
<input checked="" 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		

**General Liability** with \$2,000,000 aggregate; City of Los Angeles must be named as an Additional Insured \$1,000,000

<input checked="" type="checkbox"/> Products/Completed Operations	<input type="checkbox"/> Sexual Misconduct _____
<input checked="" type="checkbox"/> Fire Legal Liability <u>\$1,000,000</u>	
<input checked="" type="checkbox"/> Broad Form Liquor Liability; and _____	
<u>with Rental Interruption of 180 days</u>	

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

\_\_\_\_ **Professional Liability** (Errors and Omissions) \_\_\_\_\_

Discovery Period 12 Months After Completion of Work or Date of Termination

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

<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 Bonds - Performance and Payment (Labor and Materials) Bonds** 100% of the 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 best method of submitting your documents. **Track4LA<sup>®</sup>** 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 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 – the CITY is a licensed redistributor of ACORD forms. Track4LA<sup>®</sup> 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<sup>®</sup>** 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 that have been approved by the State of California may be accepted, however ***submissions other than through Track4LA<sup>®</sup> will significantly delay the insurance approval process as documents will have to be manually processed.*** 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. Completed **Insurance Industry Certificates other than ACORD 25 Certificates** are sent electronically to [CAO.insurance.bonds@lacity.org](mailto:CAO.insurance.bonds@lacity.org).

Additional Insured Endorsements DO NOT apply to the following:

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

Verification of approved insurance and bonds may be obtained by checking **Track4LA<sup>®</sup>**, 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 or edit the existing Acord 25 Certificate through **Track4LA<sup>®</sup>** at <http://track4la.lacity.org>.

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](http://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.

**SPECIAL OCCURRENCE AND LOSS REPORT**

REPORT NUMBER

SEE INSTRUCTIONS ON PAGE 2											
1. NAME OF FACILITY					DATE OF OCCURRENCE		TIME:		A.M.	P.M.	
									<input type="checkbox"/>	<input type="checkbox"/>	
2. SUBJECT OF REPORT											
3. EXACT LOCATION OF OCCURRENCE											
4. DESCRIBE WHAT HAPPENED. ESTIMATE PROPERTY DAMAGE, IF ANY											
5.								ESTIMATE OF DAMAGES			
6. LIST STOLEN ITEMS, IF ANY, (EXCEPT CASH)											
QUANTITY	TYPE OF ITEM OR EQUIPMENT, DESCRIBE				DEPT. NO	SERIAL NO.	APPROX. VALUE				
7.								TOTAL			
								\$0.00			
8. IF MONEY WAS TAKEN INDICATE AMOUNT AND WHERE KEPT AT TIME OF THEFT. CALL CHIEF FINANCIAL OFFICER AT (213) 202-4380								AMOUNT			
LOCATION											
9. TOTAL LOSSES (TOTAL OF LINES 5, 7 AND 8)								TOTAL			
								\$0.00			
10. WHO DISCOVERED LOSS?				TITLE	DATE	TIME:	A.M.	P.M.			
NAME							<input type="checkbox"/>	<input type="checkbox"/>			
11. HOW WAS ENTRANCE GAINED?											
12. WHO SECURED BLDG. PRIOR TO OCCURENCE?				TITLE	DATE	TIME:	A.M.	P.M.			
NAME							<input type="checkbox"/>	<input type="checkbox"/>			
13. WAS POLICE REPORT MADE? <input type="checkbox"/> YES <input type="checkbox"/> NO											
D.R. NUMBER											
14. HAS A WORK ORDER BEEN INITIATED FOR REPAIRS? <input type="checkbox"/> YES <input type="checkbox"/> NO											
WORK ORDER											
15. PERSONS INVOLVED: <input type="checkbox"/> WITNESS <input type="checkbox"/> VICTIM <input type="checkbox"/> SUSPECT											
NAME	ADDRESS				AGE	SEX	PHONE NUMBER	INDICATE			
								<input type="checkbox"/> W	<input type="checkbox"/> V	<input type="checkbox"/> S	
								<input type="checkbox"/> W	<input type="checkbox"/> V	<input type="checkbox"/> S	
								<input type="checkbox"/> W	<input type="checkbox"/> V	<input type="checkbox"/> S	
								<input type="checkbox"/> W	<input type="checkbox"/> V	<input type="checkbox"/> S	
16. IF VEHICLE INVOLVED:				LICENSE NO.	OWNERS NAME, ADDRESS AND INSURANCE CO.						
YEAR	MAKE										
17. GIVE ANY REMEDIAL MEASURES / CORRECTIVE ACTIONS THAT WERE TAKEN, IF ANY.											
18. REPORT SUBMITTED BY:				NAME	TITLE	DATE					

**PRINT**

COMMENTS

**INSTRUCTIONS:** This report must be made out in reporting any damage to, theft or loss of, private or public property or any other reportable incident occurring at any department facility and report to any member of the staff. This report to be filled out and distributed within 24 hours of incident. This form is NOT to be used for injury, accident or illness to City Employees or Non-City employees. Use general forms numbers 5020 or 87 for these purposes.

If cash is taken call Chief Financial Officer at (213) 202-4380 as soon as possible.

**FILL OUT FORM AS COMPLETE AS POSSIBLE USING THE**

1. Name of recreation center, park etc. date and time (if known) incident occurred.
2. Subject of report may be vandalism, theft, fire, defacing public property, indecent exposure, etc.
3. Exact location of incident at facility i.e. gym, boys restroom, merry-go-round, ball diamond, etc.
4. Describe incident, give details. Use other side of form if necessary.
5. Estimate property damage, if any, incurred as a result of the described incident.
6. List stolen or lost items. Give identifying numbers and approximate replacement cost.
7. Total cost of stolen or lost items.
8. If cash taken, state amount and location. i.e. \$10.00 from coke machine, \$50.00 from safe, etc.
9. Total losses. Add up the amounts from 5,7, and 8
10. Name and title of person discovering the loss. Give date and time discovered.
11. Describe how bldg. was entered, i.e. unauthorized key, kitchen window, forced open office door, etc.
12. Name and title of person locking up premises before incident occurred. Give date and time secured.
13. When reporting incident to police, request that reporting officer call his station and obtain a D.R. number. Enter this number on line no. 13
14. If repairs are needed, initiate job order through channels and record Work Order number on line no. 14.
15. Obtain requested information on any persons involved. Be as complete as possible.
16. Give requested information on any city or non-city-owned vehicle involved in the purpose of this report.
17. Give any recommendations for corrective actions that should be taken to avoid further incidents.
18. Name and title of person making this report. Date report made out.

**PRINT**

**Goto Page 1**



City Ethics Commission  
 230 N Spring Street  
 City Hall — 24th Floor  
 Los Angeles, CA 90012  
 Web Site: 428  
 (213) 974-1900

## Bidder Certification CEC Form 50

*This form must be submitted to the awarding authority with your bid or proposal for the contract noted below. Please write legibly.*

Original filing     Amended filing (original signed on \_\_\_\_\_; last amendment signed on \_\_\_\_\_)

Bid/Contract/BAVN Number:	Awarding Authority (Department):
---------------------------	----------------------------------

Name of Bidder:	Phone:
-----------------	--------

Address:
----------

Email:
--------

### CERTIFICATION

I certify the following on my own behalf or on behalf of the entity named above, which I am authorized to represent:

- A. I am a person or entity that is applying for a contract with the City of Los Angeles.
- B. The contract for which I am applying is an agreement for one of the following:
1. The performance of work or service to the City or the public;
  2. The provision of goods, equipment, materials, or supplies;
  3. Receipt of a grant of City financial assistance for economic development or job growth, as further described in Los Angeles Administrative Code § 10.40.1(h); or
  4. A public lease or license of City property where both of the following apply, as further described in Los Angeles Administrative Code § 10.37.1(f):
    - a. I provide services on the City property through employees, sublessees, sublicensees, contractors, or subcontractors, and those services:
      - i. Are provided on premises that are visited frequently by substantial numbers of the public; or
      - ii. Could be provided by City employees if the awarding authority had the resources; or
      - iii. Further the proprietary interests of the City, as determined in writing by the awarding authority.
    - b. I am not eligible for exemption from the City's living wage ordinance, as eligibility is described in Los Angeles Administrative Code § 10.37.1(f)(b).
- C. The value and duration of the contract for which I am applying is one of the following:
1. For goods or services contracts—a value of more than \$25,000 and a term of at least three months;
  2. For financial assistance contracts—a value of at least \$100,000 and a term of any duration; or
  3. For construction contracts, public leases, or licenses—any value and duration.
- D. I acknowledge and agree to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if I qualify as a lobbying entity under Los Angeles Municipal Code § 48.02.

I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that the information in this form is true and complete.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**Los Angeles Administrative Code § 10.40.1**

- (h) "City Financial Assistance Recipient" means any person who receives from the City discrete financial assistance in the amount of One Hundred Thousand Dollars (\$100,000.00) or more for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation.

Categories of such assistance shall include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

**Los Angeles Administrative Code § 10.37.1**

- (l) "Public lease or license".

- (a) Except as provided in (l)(b), "Public lease or license" means a lease or license of City property on which services are rendered by employees of the public lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies:
- (1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or
  - (2) Any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources; or
  - (3) The DAA has determined in writing that coverage would further the proprietary interests of the City.
- (b) A public lessee or licensee will be exempt from the requirements of this article subject to the following limitations:
- (1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars (\$350,000), from business conducted on City property;
  - (2) The lessee or licensee employs no more than seven (7) people total in the company on and off City property;
  - (3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the awarding authority as required by regulation;
  - (4) Whether annual gross revenues are less than three hundred fifty thousand dollars (\$350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;
  - (5) The annual gross revenue threshold shall be adjusted annually at the same rate and at the same time as the living wage is adjusted under section 10.37.2 (a);
  - (6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;
  - (7) Public leases and licenses shall be deemed to include public subleases and sublicensees;
  - (8) If a public lease or license has a term of more than two (2) years, the exemption granted pursuant to this section shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application or such period established by regulation.