

APPROVED

FEB 17 2022

BOARD REPORT

**BOARD OF RECREATION
AND PARK COMMISSIONERS**

NO. 22-030

DATE February 17, 2022

C.D. ALL

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: AWARD OF CONTRACT FOR RECREATION MANAGEMENT AND RESERVATION SYSTEM SOFTWARE SUPPORT, MAINTENANCE, EQUIPMENT, AND TRAINING

AP Díaz	_____	M. Rudnick	_____
H. Fujita	_____	C. Santo Domingo	_____
J. Kim	_____	*N. Williams	<u>NDW</u>



General Manager

Approved X Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

1. Approve the award of a contract (Contract) in accordance with the details set forth in the Summary of this Report and in substantially the form attached as Attachment #1 to this Report, between the City of Los Angeles, Department of Recreation and Parks (RAP) and RecTrac, LLC d/b/a Vermont Systems (VS) for the recreation management and reservation system software (Software) support, maintenance, equipment, and training for a contract term of three-years, not-to-exceed total amount of three hundred fifty thousand dollars (\$350,000.00), subject to the review and approval of the City Attorney as to form;

2. Find as the contract awarding authority, in accordance with Charter Section 371(e)(2), that the professional, scientific, expert, technical or other special services to be provided by VSI are of a temporary and occasional character for which competitive bidding is not practicable or advantageous due to such services being related to the proprietary nature of the licensed Software;

3. Find as the contract awarding authority, in accordance with Charter Section 371(e)(10), that the services to be provided by VSI, are for the performance of professional, scientific, expert or technical services and the use of competitive bidding would be undesirable, impractical or impossible or is otherwise excused by common law due to such services being related to the proprietary nature of the licensed Software;

4. Find as the contract awarding authority, in accordance with Los Angeles Administrative Code Section 10.15, that the City does not require competitive bids for contracts for the performance of professional, scientific, expert, technical or other special services where not practicable with or advantageous to the City's interests;

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5. Find as the contract awarding authority, that the support, maintenance, equipment and training related to the recreation management and reservation system Software currently used by RAP must be provided by VS because said Software is a proprietary product of VS; and
6. Find in accordance with Charter Section 1022 Determinations Policy, that the Personnel Contract Review Report indicated VS's software is proprietary, so City employees are not authorized to perform any duties relative to support and maintenance of the customized Software;
7. Authorize staff, upon the Board of Recreation and Park Commissioners' (Board) approval, to purchase the support, maintenance, equipment, and training services related to the Software in accordance with the terms and conditions of the proposed Contract prior to the execution of the Contract;
8. Direct the Board Secretary to transmit forthwith the proposed Contract to the Mayor for approval and to the City Attorney for review and approval as to form; and,
9. Authorize the Board President and Secretary to execute the proposed Contract upon receipt of the necessary approvals.

SUMMARY:

RAP has a continuous need to maintain and support the recreation management and reservation system software (Software) currently used by RAP to handle and process all activities and transactions, including recreational activity registrations, facility reservations, rental hall and tennis court scheduling, memberships, and point-of-sale purchases at various facilities and recreation centers throughout the City of Los Angeles.

On September 2, 2015 the Board approved a contract (Board Report 15-194) between the RAP and VS for the purchase and acquisition of the Software licenses, equipment and services through the use of the Palatine Park District, State of Illinois, agreement for said services for a term of one year with two (2) one-year renewal options, not to exceed six hundred fifty thousand dollars (\$650,000.00).

The Software, consisting of Recreation Tracking Software (RecTrac) and its other applications, WebTrac for Internet registrations and PayTrac for credit card and debit card payment processing, allows RAP to customize and process program registrations, oversee facility and pool reservations, view and access daily and monthly rental hall, room, tennis and other court schedules, and increase memberships. This system Software is able to generate accounting reports, perform a variety of functions for marketing purposes and process various types of payments at any facility operated by RAP.

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RecTrac is currently being used by all Recreation and Senior Centers as well as all Aquatics facilities for registration and reports. Additionally, the Rental Halls run by Park Services have been integrated into RecTrac so they are now able to manage their reservations electronically as well as on paper. All of these sites have the ability to quickly email patrons directly from RecTrac, and also run reports comparing facility usage and enrollment trends. Additionally, the patron component (WebTrac) is more user friendly than the previous system. In addition to registering for activities or making a facility reservation, the patrons may track payments which may be qualified for child care tax credits, pay off balances for upcoming activities/registrations and research other activities online.

On or about February 22, 2019, RAP entered into a three year contract with VS to provide support, maintenance, equipment and training on an as-needed basis for the Software (Report #18-208). This contract expires on February 22, 2022. RAP staff is satisfied with the Software and recommends its continued use. As such, staff is recommending that the Board authorize RAP to enter into a new three-year contract to continue support, maintenance, equipment purchases, and training for the Software. Since this Software is proprietary to VS, only VS can provide the needed support, maintenance and training of the software and ensure that purchased equipment is compatible with its software. The proposed Contract differs from the previous contract in that the costs of certain optional software licenses, equipment, and services have increased nominally.

Because of the need to continue to use VS's support services for the Software, RAP staff requests that the Board authorize staff to begin the process to purchase and acquire needed support services and equipment in accordance with the terms and conditions of the proposed Contract prior to the execution of the Contract.

According to the Personnel Department and pursuant to Charter Section 1022 Determinations Policy, the Personnel Contract Review Report indicated VS's software is proprietary so maintenance, second level technical support and system upgrades must be handled by VS and that City employees do not have the expertise to perform any duties relative to support and maintenance of the customized software.

FISCAL IMPACT STATEMENT:

The proposed Contract will allow RAP to continue using the VS Software with updates and support which has helped RAP improve processing and tracking recreation activities, programs, membership accounts, rental facilities and sports leagues throughout the various RAP facilities in the City of Los Angeles. Funding for this system will be from Department 89, Fund 302, Account 89712H - System Developments.

This Report was prepared by Alex Yee, Director of Systems, Finance Branch.

ATTACHMENT:

- 1) Proposed Contract

**CONTRACT BETWEEN
THE CITY OF LOS ANGELES
AND
RECTRAC, LLC d/b/a VERMONT SYSTEMS
FOR SUPPORT, MAINTENANCE, EQUIPMENT,
AND TRAINING**

This Contract ("Contract" or "Agreement") is entered into this ____ day of _____, 20____, by and between the City of Los Angeles, (hereinafter referred to as "CITY") a municipal corporation, acting by and through its Board of Recreation and Park Commissioners (hereinafter referred to as "BOARD"), and RecTrac, LLC d/b/a Vermont Systems, a Delaware corporation (hereinafter referred to as "VS" or "CONTRACTOR"). CITY and CONTRACTOR shall be referred to hereinafter collectively as the "Parties".

WHEREAS, CITY and CONTRACTOR previously entered into that certain Contract No. 3537 ("Original Agreement") to provide application system software licenses, equipment, and services on an as-needed basis to handle all activity and facility reservations, scheduling, memberships, point of sale purchases at various recreation centers and facilities throughout the City of Los Angeles, as previously approved by the Board (Report No. 15-194); and

WHEREAS, subsequently, CITY and CONTRACTOR entered into that certain Contract No. 3696 to provide support, maintenance, equipment and training for the application system software licensed under the Original Agreement (Report No. 18-208); and

WHEREAS, the CITY's Department of Recreation and Parks ("RAP" or "DEPARTMENT") continues to need annual software maintenance and support services, software training and installation services, and associated equipment as-needed from CONTRACTOR, which constitute expert, technical and special services that can solely be provided by CONTRACTOR as such services and equipment are related to the software licenses, services and equipment which was purchased by the CITY under the Original Agreement and which is a proprietary product of CONTRACTOR; and

WHEREAS, the Board finds, pursuant to Charter Section 371(e)(2), that the professional, scientific, expert, technical or other special services to be performed by CONTRACTOR, are of a temporary and occasional character for which competitive bidding is not practicable or advantageous due to such services being related to the proprietary nature of the licensed software; and

WHEREAS, the Board finds pursuant to Charter Section 371(e)(10), that the services to be provided by CONTRACTOR, are for the performance of professional, scientific, expert or technical services and the use of competitive bidding would be undesirable, impractical or impossible or is otherwise excused by common law due to such services being related to the proprietary nature of the licensed software; and

WHEREAS, Los Angeles Administrative Code Section 10.15 does not require competitive bids for contracts for the performance of professional, scientific, expert, technical, or other special services where not practicable with or advantageous to the CITY's interests; and,

WHEREAS, the RAP desires to secure the technical, expert and professional services of CONTRACTOR on an occasional and as-needed basis in order to enhance the recreational experience of the public; and

WHEREAS, pursuant to Charter Section 1022 Determination Policy, a Charter Section 1022 Determination is not required when Contractor requires use of its staff or specially trained and certified persons to install, maintain or service equipment or other product in order to maintain warranties, patent rights or due to other rational basis; or the labor component cannot reasonably be separated from the other contract elements; and

WHEREAS, CONTRACTOR is experienced in providing the services of the type required, is willing to perform such service, and can provide such services to RAP; and

WHEREAS, it is in RAP's best interest to secure these services from CONTRACTOR and only CONTRACTOR can provide such services as the services are related to CONTRATOR's proprietary products; and

WHEREAS, RAP has a continuing need for maintenance of its recreation management and reservation system software on an occasional and as-needed basis;

NOW THEREFORE, the CITY and CONTRACTOR hereby agrees as follows:

SECTION 1 - PARTIES TO THE CONTRACT, REPRESENTATIVES AND NOTIFICATION

1.1 Parties

The parties to this Contract are:

CITY - The City of Los Angeles, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS on behalf of the Department of Recreation and Parks, has its principal office at 221 North Figueroa Avenue, Suite 300 Los Angeles, California 90012.

CONTRACTOR – RecTrac, LLC d/b/a Vermont Systems, (VS) a Delaware corporation having its principal office at 12 Market Place, Essex Junction, Vermont 05452.

1.2 Representatives

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

CITY's representative will be:

Michael A. Shull, General Manager
City of Los Angeles, Department of Recreation and Parks
221 North Figueroa Avenue Suite 350
Los Angeles, CA 90012

With copies to:

Noel Williams, Chief Financial Officer
City of Los Angeles, Department of Recreation and Parks
Finance Division
221 North Figueroa Avenue Suite 200
Los Angeles, CA 90012
E-mail: Noel.Williams@lacity.org

Telephone Number: (213) 202-4380
Fax Number: (213) 202-3215

and

Alex Yee, Director of Systems
City of Los Angeles, Department of Recreation and Parks
Finance Division
221 North Figueroa Avenue Suite 450
Los Angeles, CA 90012
Email: Alex.Yee@lacity.org

Telephone Number: (213) 202-3290
Fax Number: (213) 202-4310

CONTRACTOR's representative will be:

Scott Strong
RecTrac LLC d/b/a Vermont Systems
12 Market Place
Essex Junction, Vermont 05452

Telephone Number: (877) 883-8757
Fax Number: N/A

1.3 Notices

Formal notices, demands and communications to be given hereunder by either party will be made in writing and may be effected by personal delivery or certified mail, return receipt requested, and will be deemed communicated as of the date of receipt.

If the person designated to receive the notices, demands or communications or if the address of such person is changed, written notice of such change shall be given, in accordance with this Section, within five (5) working days of the change.

CONTRACTOR shall address all questions and correspondence to:

Alex Yee, Director of Systems
City of Los Angeles, Department of Recreation and Parks
Finance Division
221 North Figueroa Avenue Suite 450

Los Angeles, CA 90012

Email: Alex.Yee@lacity.org

Telephone Number: (213) 202-3290

Fax Number: (213) 202-4310

SECTION 2 - DEFINITIONS

- 2.1 Application Software - "Application Software" is defined as the computer readable instructions for the VS licensed programs listed in Schedule A, Application Software, attached hereto and incorporated into this Contract by this reference.
- 2.2 As-Needed POS Equipment - "POS Equipment" is defined as the Equipment listed on Schedule B, attached hereto and incorporated into this Contract by this reference.

SECTION 3 - TERMS OF CONTRACT

The term of this Contract shall be for a period of three years from date of execution for application system software maintenance and support, equipment, and training, for a total compensation of not-to-exceed Three Hundred Fifty Thousand Dollars (\$350,000.00), subject however to earlier termination by CITY as provided in Appendix A – Standard Provisions for City Contracts (Rev. 10/21) [v.4].

Neither CITY, nor any BOARD member, officer, or employee thereof shall be liable in any manner to CONTRACTOR because of any action taken to revoke or renew the CONTRACT.

The CITY has the right to cancel the Contract for cause at any time.

SECTION 4 - SCOPE OF SERVICES

4.1 Services to Be Provided by CONTRACTOR

4.1.1 Software License

VS hereby acknowledges and agrees that, as part of the Original Agreement, it has granted the CITY and the CITY has accepted a perpetual, non-transferable, and non-exclusive right to use the Application Software and Related Materials set forth in the attached Schedule A. The Application Software includes Related Materials, such as online User Reference Manuals, Sample Reports, Installation Planning Guides, Installation Instructions, On-Line Help, and Sample Training Database with Tutorials.

VS uses the Progress OpenEdge V11 Development software to develop its' applications and deploys using the OpenEdge Workgroup or Enterprise RDBMS (embedded database) with RDBMS support for 4GL, SQL, ODBC, JDBC, and Enterprise Cluster Manager Integration, and OpenEdge Application Server, Basic and Enterprise Editions with Replication. Therefore, Progress software with RDBMS is required to operate the application software by platform type. The CITY uses a standard HTML and Java Script browser interface

The license granted under the Original Agreement authorizes the CITY to install the Application Software on the designated computer platform using one copy of the programs to support live processing, training, and disaster recovery databases without incurring additional license charges. Further, the CITY can make copies of the Application Software for safe keeping purposes.

At any time, the CITY may add software and user licenses under the terms of this Agreement by paying the additional license and maintenance fees and by executing an

amendment to this Agreement. The total number of authorized user workstations permitted to use the Application Software is limited to the number listed in Schedule A.

4.1.2 Annual Software Maintenance and Support Services

VS shall provide RAP with Software Maintenance and Software Support services for the Application Software and Related Materials as part of this Contract ("Support Services"). The extent of such Support Services being provided to the RAP are specifically listed in Schedule A and includes, without limitation, the following:

- Worldwide telephone (800 US & Canada) and web support for VS and Progress software five (5) days/week, Monday – Friday, 8am-8pm ET, and availability of chargeable Extended Hours support for weekends and Holidays.
- Maintenance and repair of application software malfunctions with an acknowledgment response.
- One major application software upgrade every two years, along with multiple periodic updates. Major upgrades usually require a database conversion, while other periodic updates are program only. Enhancements are based primarily on user requests, but they also include an extensive number of VS initiated improvements, all of which are added at the discretion of VS. The status of all VS software releases is available on VS's website at www.vermontsystems.com. Further, VS notifies all Customers regarding the status and availability of all software releases in its' quarterly newsletter. DEPARTMENTS must contact VS to schedule major software upgrades, which are downloaded from VS's FTP site by DEPARTMENTS that host on premise.
- One biennial database conversion by VS via FTP or WebEx during standard VS business hours. VS FTP/WebEx database conversion services are only chargeable, if started and/or completed during non-standard VS business hours (before 8am and after 5pm ET, Monday through Friday and on weekends and holidays). All non-production database conversions are billable at standard VS support rates.
- Federal and State regulatory requirement changes.
- User ID and Password login access to DEPARTMENT Support and Downloads sections on VS web site.
- Phone support to explain how to configure database, how system works, and how to prepare for implementation of certain functions, such as those listed under Extended Dedicated Support, such as 1) Switching from Cash to Accrual Accounting; 2) Reinstall WebTrac software on server; 3) Customize Splash Page; 4) Create Web Bypass Links; 5) WebTrac Style Sheets changes; and, 6) Database Support to analyze and correct extensive out-of-balance condition..
- Updates to financial and other interfaces due to VS application software modifications and not due application software modifications by other vendors.

The Support Services includes ongoing software repairs and enhancements to the Application Software subsequent to the initial installation. VS uses the Evergreen method for program updates. Minor "Builds" that do not require any downtime are released every 3-4 weeks. Two or three times per year, VS "Updates" the database schema, which does require the database to be down briefly. In most cases the down time is limited to one hour or less. Both Builds and Updates are completed using automated scripts to minimize user interaction.

The Support Services shall be billed to the CITY in the form of a Software Maintenance and Support fee on an annual basis in the amount specified in Schedule A.

The Support Services shall be for a period of three (3) years, unless RAP notifies VS in writing prior to the end of the fiscal year that the RAP is terminating the Support Services. VS reserves the right to increase the annual Support Services fee up to 3% annually. RAP can contact VS in advance to obtain a firm quote for the next fiscal year.

CITY is licensed to use the VS Application Software indefinitely, even if it terminates the Support Services. CITY is the sole owner of the CITY's data used in the Application Software and related equipment. If CITY terminates use of the VS Software Application at any time, VS agrees to provide a copy of the database to RAP in readable format.

4.1.3 Software Training and Installation Services

VS shall provide Application Software training at any RAP site, at VS (12 Market Place, Essex Junction, Vermont), and remotely based on a quoted daily or hourly rate, as described in the Schedule C.

Any training services and estimated charges for RAP, including the number of training days, and travel, lodging, meals, and other expenses, are itemized in Schedule C. All training dates must be mutually agreed upon by VS and RAP.

If VS is providing Installation Services, such as hardware and network operating system installation and setup services, they will be listed in Schedule C, as well.

RAP is responsible for reimbursing VS for all reasonable expenses, such as travel, lodging, meals, and other expenses necessary to complete the training and installation services, as requested by RAP, in accordance with the City of Los Angeles Travel Policy, attached as Appendix B.

4.1.4 Application Software Warranties.

VS warrants that it has the right to license the Application Software, and that there are no pending liens, claims, or encumbrances against such software.

VS warrants that the Application Software, and all updates thereto, shall conform to its published specifications in the Related Materials, including, but not limited to, the Capabilities Summary, On-Line Help, Reports Manual, User Reference Manual, and Training Tutorials. VS warrants that the software is merchantable, in that it will properly install and operate according to the specifications herein.

VS warrants to CITY that it is solvent, not in bankruptcy proceedings or receivership, nor is it engaged in any proceedings, which would have an adverse effect on its ability to perform its obligations under this Agreement.

VS warrants that there has been no violation of copyrights or patent rights in connection with the Application Software, and any updates thereto, in the Original Agreement or this Agreement. VS shall indemnify and save harmless CITY from any suit or proceeding brought against the CITY by reason of any such infringement or any wrongful use. VS will defend or settle any such claim, although the CITY shall be entitled to be independently represented by counsel of its own choice.

4.1.5 Security of Programs

CITY shall be solely responsible for the supervision and control of the CITY hosted Application Software to ensure that it is stored in a secure location for CITY use only and that no unauthorized and unlicensed third party gains access to it.

Under no circumstances shall the CITY be authorized to perform Reverse Engineering of the Application Software object code, in order to illegally generate source code.

4.1.6 As-Needed POS Equipment

CONTRACTOR agrees that the CITY has the option to purchase As-Needed POS Equipment and IntelliTrac Business Intelligence & Analytic Tools software, as shown and for the price set forth on Schedule B, on an as-needed basis.

CONTRACTOR agrees to install the As-Needed POS Equipment at no charge to the CITY and ensure that the As-Needed POS Equipment operates properly with the Application Software. CONTRACTOR represents and warrants that As-Needed POS Equipment shall be fully compatible with the Application Software, properly configured with the correct cables and other features, delivery, installation and configuration assistance, toll free telephone support, and warranty service arrangements, as needed.

CONTRACTOR represents and warrants to the CITY that, upon the CITY's payment in full of all monies due under this Contract for the As-Needed POS Equipment; (i) the CITY shall receive good title to the equipment free and clear of all claims, liens, encumbrances, and all other defects of title; and (ii) CONTRACTOR shall defend and indemnify the CITY, at CONTRACTOR's expense, from and against any action or claim brought against the CITY by any third party based on the third party's claim of any ownership interest in the equipment.

CITY, at its sole option, may purchase and supply comparable As-Needed POS Equipment compatible with the Application Software and CONTRACTOR will assist and work with CITY to ensure that the equipment operates properly with the Application Software.

4.2 Patent and Copyright Indemnification.

CONTRACTOR covenants and represents that the Application Software and all related materials supplied to CITY hereunder do not infringe or otherwise constitute wrongful use of any copyright, patent, registered industrial design, trade mark, trade secret or any other right of any third party. CONTRACTOR shall indemnify, defend and hold harmless CITY in the manner described in Section 5 from any suit or proceeding brought against CITY by reason of any such infringement or any wrongful use. CONTRACTOR shall in no event consent to any injunction, accounting or other equitable remedy which results in any expense to the CITY or its inability to operate the Application Software in accordance with its System Specifications without the CITY's prior consent, such consent not to be unreasonably withheld.

If use of the Application Software by the CITY is enjoined by any such action, CONTRACTOR shall, at its sole cost and expense and with the agreement of the party pursuing such action either:

- a) obtain the right for the CITY to continue using the Application Software; or
- b) replace or modify the Application Software in question so that there is no longer any infringement, provided that the Application Software in question functions

and performs in substantial compliance with its System Specifications, as determined in the CITY's reasonable discretion, and provided further that any and all training, hardware and other costs occasioned by such replacements or modifications are borne by CONTRACTOR.

The obligations under this paragraph shall survive termination of the Application Software license or this Contract or both.

4.3 Warranty of Compatibility with As-Needed POS Equipment.

CONTRACTOR understands that CITY intends to use the Application Software in conjunction with the As-Needed POS Equipment defined herein; accordingly, CONTRACTOR represents and warrants that the Application Software shall be fully compatible with the As-Needed POS Equipment. If RAP upgrades to operating systems that are no longer compatible with the As-Needed POS Equipment defined herein, it recognizes that this problem is beyond CONTRACTOR's control. However, CONTRACTOR will cooperate with RAP to resolve any incompatibility issues that might occur.

4.4 Pre-programmed Termination Warranty.

CONTRACTOR represents and warrants that the Application Software and any future version, release or update to the Application Software (or any portion thereof) does not contain any timer, clock, counter or other limiting design or routine which causes such Application Software or data (or any portion thereof) to become erased, inoperable or otherwise incapable of being used in the full manner for which it is designed and licensed pursuant to this Contract after being used or copied a certain number of times, or after the lapse of a certain period of time, or after the occurrence or lapse of any similar triggering factor or event.

If there is a timer, clock, counter or other limiting design or routine in the Application Software or any future version, release or upgrade to the Application Software (or any portion thereof), as defined in this section, CONTRACTOR shall immediately remove said timer, clock, counter or other limiting design or routine from the Application Software (or any portion thereof) and immediately correct, at no cost to DEPARTMENT, any data or any software that was affected by said timer, clock, counter or other limiting design or routine.

4.5 PCI Compliance Warranty.

CONTRACTOR warrants that RAP's Hosting Solution and the Application Software and all future updates, revisions, releases, and new versions of the Application Software shall be fully compliant with all and the most up-to-date Payment Card Industry (PCI) required processing and standards. CONTRACTOR shall provide RAP with the required certifications, reports, and test results that verify the PCI compliance of the RAP Hosting Solution and the Application Software. Any hardware, network, or operations costs associated with PCI compliance will be the responsibility of CONTRACTOR if hosting related and CITY if RAP related.

4.6 ADA Compliance.

CONTRACTOR warrants that the Application Software and all future updates, revisions, releases, and new versions of the Application Software shall be in full compliance with all Americans with Disabilities Act (ADA) guidelines and requirements, including section 508 standards. If, at any time during the term of this Contract, CONTRACTOR is made aware that the Application Software does not conform to the then current ADA guidelines and requirements, CONTRACTOR shall immediately correct such non-conformances at no additional charge to the CITY. There may be certain features such as Touch POS that simply do NOT have an ADA workaround and thus would not be considered ADA compliant. In situations such as these, CONTRACTOR will notify RAP and CITY will have the option of removing the feature if practically possible. If technical capabilities advance and allow a non-compliant feature to become compliant, CONTRACTOR will make these changes at no cost to the CITY.

4.7 Termination of Contract.

Upon termination of the Contract, for any reason except default by CONTRACTOR, each party shall return to the other party all papers, materials and properties of the other party held for purposes of executing the Contract. CONTRACTOR may terminate this Contract only if RAP is in default of the Contract as defined in Section 4.11. CITY may terminate this Contract at any time upon one month's prior written notice to CONTRACTOR or as defined in Section 4.12. If CITY terminates this Contract for any reason other than CONTRACTOR's default of the Contract, CONTRACTOR may discontinue any unpaid license granted to RAP under this Contract.

4.8 Source Code Escrow

The Source Code for all VS Application Software, along with a list of licensed customers, is held in escrow by VS's Escrow Agent, Kolvoord, Overton, & Wilson, Attorneys, at 6 Joshua Way, Suite B, Essex Junction, Vermont 05452, Attn: Jason Ruwet 802-878-3346, jfr@essexvtlaw.com. The source code held in escrow is updated after each software release. If VS defaults in providing software maintenance support due to company failure, or bankruptcy, or discontinuance of said service by VS, it will notify RAP and the Escrow Agent that it is in default. The Escrow Agent will then make the source code available to RAP within thirty days of written notice for RAP support use only.

4.9 License.

CONTRACTOR hereby grants CITY a perpetual, non-transferable, non-exclusive license under the terms of this Contract for the use of any updates or upgrades to the Application Software. At CITY's sole option, all terms and conditions of this Contract shall apply to any additional CONTRACTOR software modules licensed to the CITY. Nothing herein shall be construed to terminate the Licenses herein granted in the event any contract for maintenance services between the parties expires or is otherwise terminated.

4.10 Performance of Work.

CONTRACTOR agrees to perform faithfully, industriously, and to the best of CONTRACTOR's ability, experience, and talents, in accordance with generally accepted standards of professional skill and care among recognized industry experts engaged in

similar services, all of the duties described by the express and implicit terms of this Contract, to the reasonable satisfaction of the DEPARTMENT. CONTRACTOR shall perform all of its duties hereunder according to the DEPARTMENT's requirements and procedures. The DEPARTMENT shall be the sole judge of whether CONTRACTOR's duties are performed satisfactorily.

4.11 Default by DEPARTMENT.

The nonpayment or nonperformance of any material obligation under this Contract by DEPARTMENT shall not be deemed a default unless DEPARTMENT fails to cure the default within forty-five (45) business days after written notice to DEPARTMENT of such nonpayment or nonperformance, or, if the default cannot be cured within forty-five (45) days, the DEPARTMENT commences to cure the default within the forty-five (45) day period and completes the cure of the default within a reasonable time (the "Cure Period"). If DEPARTMENT fails to cure such default within the Cure Period, or, prior to complete payment under the terms of this Contract, ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of or becomes subject to any proceeding under the Federal Bankruptcy Act, then CONTRACTOR may discontinue any and all unpaid licenses for the Application Software or terminate this Contract. Any nonpayment or nonperformance by the DEPARTMENT which is the result of a dispute between the parties to this Contract shall not be considered a default by the DEPARTMENT.

4.12 Default by CONTRACTOR.

The nonperformance of any obligation of CONTRACTOR shall not be deemed a default unless CONTRACTOR fails to cure the default within forty-five (45) days after written notice to CONTRACTOR of such nonperformance; provided, however, CONTRACTOR's time to cure a default under Sections 4.4, 4.5, and 4.6 shall be the time set forth in that section and not forty-five (45) days. If CONTRACTOR fails to cure such default, ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of or becomes subject to any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or the protection of the rights of creditors, then DEPARTMENT at its sole option may do any one or more of the following: (i) terminate this Contract; (ii) suspend any payments due under the Contract; (iii) pursue any remedy available to it at law or in equity in addition to any specific rights or remedies set forth in this Contract; (iv) immediately obtain the Source Code from CONTRACTOR's escrow agent, as defined in Section 4.8; (v) continue to use the Application Software, Source Code and Documentation for as long as DEPARTMENT deems necessary for the sole purpose of operating DEPARTMENT's business needs. Each of the aforesaid rights and remedies are cumulative and the DEPARTMENT's election of one shall not be deemed to be exclusive of the election of any other of the rights and remedies herein described.

4.13 Limitation of Liability.

Except for the warranties specified in Sections 4.2, 4.3, 4.4, 4.5, and 4.6, CONTRACTOR grants no warranties, expressed or implied, including, but not limited to any implied warranties of fitness for a particular purpose. Notwithstanding anything to the contrary in this Agreement, it is expressly agreed that neither VS nor the CITY shall be liable to the other

Party for special, incidental, indirect, or consequential damages, or for any loss or claim by either Party.

4.14 Confidentiality of Department Information.

CONTRACTOR acknowledges that all material and information supplied by CITY which has or will come into the possession or knowledge of CONTRACTOR in connection with CONTRACTOR's performance is to be considered CITY's confidential and proprietary information, disclosure of which information to or use by third parties will be damaging or which disclosure may be prohibited by law. CONTRACTOR agrees to hold such material and information in strictest confidence, not to make use of it other than for performance as defined in this Contract, to release it only to CONTRACTOR employees needing to know such information, and not to release or disclose it to any other party or otherwise violate applicable law with respect to any disclosure of information. The CITY's damages arising from CONTRACTOR's violation of this provision are difficult to ascertain and for which there is not a sufficient remedy at law.

4.15 Personal Information Protection

For DEPARTMENT On-Premise Hosted Software & Database: the DEPARTMENT will be responsible for the SSL (Secure Socket Layer) to protect confidentiality of patron data flow between the server and the user workstations. To protect data at rest, VS offers the chargeable Progress TDE (Transparent Data Encryption) software option to encrypt user-selected sensitive data fields to secure them from unauthorized access.

4.16 Delivery Costs.

CONTRACTOR shall be responsible for the cost of media and delivery of the Application Software and Documentation to DEPARTMENT's facility.

4.17 Risk of Loss.

The risk of loss or destruction for the Application Software, Documentation, and As-Needed POS Equipment regardless of the cause, shall be the responsibility of CONTRACTOR until the Application Software, Documentation, and As-Needed POS Equipment have been delivered to the DEPARTMENT's premises, installed by CONTRACTOR personnel, and accepted by DEPARTMENT personnel or downloaded to the DEPARTMENT's servers. If any Application Software, Documentation, or As-Needed POS Equipment is lost or damaged during shipment or delivery, CONTRACTOR shall replace it at no additional charge to DEPARTMENT. Upon signed receipt of delivery, DEPARTMENT has 30 days to report any damages to CONTRACTOR and CONTRACTOR will correct the problem immediately. Upon signed receipt of delivery, the DEPARTMENT becomes responsible for safe storage of As-Needed POS Equipment and ensuring that hardware is available for CONTRACTOR for installation of hardware during onsite training trips.

4.18 Assignment.

CONTRACTOR shall not assign or transfer this Contract to any other person or entity without the written consent of the DEPARTMENT, which shall not be unreasonably withheld. The DEPARTMENT shall not assign or transfer this Contract to any other person or entity without the written consent of CONTRACTOR, which shall not be unreasonably withheld. Any assignment approved hereunder shall not relieve the assignor of any liability which has

accrued under this Contract unless the assignee executes an Assumption Agreement reasonably satisfactory to the non-assigning party.

4.19 Partial Invalidity.

If any provision hereof shall be held to contravene any applicable law, such provision shall be deemed reformed to the extent of conforming to said law, and in all other respects the terms hereof shall remain in full force and effect. If any provision of this Contract is found to be invalid or unenforceable, the remaining provisions of this Contract will remain in full force and effect, and such invalid or unenforceable provision will be limited and curtailed only to the extent necessary for it to be valid and enforceable.

4.20 Waiver of Breach.

No term of this Contract shall be deemed waived or breach- excused unless the waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.

4.21 Relationship of the Parties.

The relationship between CONTRACTOR and the CITY is that of an independent contractor. CONTRACTOR shall supply all personnel, equipment, materials, and supplies at its own expense, except as specifically set forth herein. CONTRACTOR shall not be deemed to be, nor shall it represent itself as, employees, partners, or joint venturers of the CITY. CONTRACTOR is not entitled to workers' compensation benefits or other employee benefits from the CITY and is obligated to directly pay federal and state income tax on money earned under this Contract.

4.22 Compliance with All Laws.

This Contract, including all schedules attached hereto and/or incorporated by reference herein, shall be governed in accordance with all applicable laws of the United States of America, the State of California, and the City of Los Angeles. This Contract shall be governed by, enforced and interpreted under the law of the State of California and the City of Los Angeles and shall be subject to:

Any and all applicable laws, ordinances, statutes, rules, regulations or orders, including the Los Angeles Municipal Code (LAMC), Los Angeles Administrative Code (LAAC), the Charter of the City of Los Angeles, and of any governmental authority, federal, state or municipal, lawfully exercising authority over the CONTRACTOR's operations.

CONTRACTOR is required to complete and submit Contract Compliance Documents. Included within the scope of the laws, referred to in this paragraph but in no way to operate as a limitation, are all forms of Federal, State, and City laws, regulations policies and ordinances (see below). Any breach by CONTRACTOR of the laws, regulations, policies and ordinances shall constitute a breach of this Contract.

a) **Los Angeles Business Tax Registration Certificate:**

CONTRACTOR, during the term of this Contract, must hold a current Los Angeles Business Tax Registration Certificate (BTRC) as required by the Los Angeles City's Business Tax Ordinance (Article 1, Chapter 2, Section 21.00 et seq., of the LAMC) and shall not allow any such certificate be revoked or suspended. Contractors are required to

complete and submit the BTRC application residing at the Office of Finance's web site at <http://finance.lacity.org/>.

b) Affirmative Action Plan:

Los Angeles Administrative Code (LAAC), Division 10, Chapter 1, Section 10.8 establishes a Nondiscrimination / Affirmative Action Program requirement for all vendors doing business with the City of Los Angeles. Bidders/Proposers are advised that any contract awarded pursuant to this procurement process shall be subject to the applicable provisions of LAAC Section 10.8.2., Nondiscrimination Clause.

Questions pertaining to this requirement should be directed to the Office of Contract Compliance at (213) 847-1922. Bidders/Proposers seeking additional information regarding the requirements of the City's Non-Discrimination Clause, Equal Employment Practices and Affirmative Action Program may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

i). Non-construction services to or for the City for which the consideration is \$1,000 or more shall comply with the provisions of Los Angeles Administrative Code Sections 10.8.3., Equal Employment Practices Provisions. All Bidders/Proposers shall complete and upload the Non-Discrimination/Equal Employment Practices Certification (two [2] pages) available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org at the time it registers on BAVN but no later than the time when an individual Bid/Proposal is submitted. However, Bidders/Proposers with Certifications previously uploaded to BAVN and verified by the Office of Contract Compliance (OCC) do not need to re-submit.

ii). Non-construction services to or for the City for which the consideration is \$100,000 or more shall comply with the provisions of Los Angeles Administrative Code Sections 10.8.4., Affirmative Action Program Provisions. All Bidders/Proposers shall complete and upload the City of Los Angeles Affirmative Action Plan (four [4] pages) available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org at the time it registers on BAVN but no later than the time when an individual Bid/Proposal is submitted.

iii). Bidders/Proposers opting to submit their own Affirmative Action Plan may do so by uploading their Affirmative Action Plan onto the City's BAVN. Bidders/Proposers with current OCC approval for their Affirmative Action Plan do not need to re-submit unless the approval is 30 days or less from expiration.

Furthermore, subject subcontractors shall be required to submit the Non-Discrimination/Equal Employment Practices Certification and Affirmative Action Plan to the successful Bidder/Proposer prior to commencing work on the contract. The subcontractors' Non-Discrimination/Equal Employment Practices Certification(s) and Affirmative Action Plan(s) shall be retained by the successful Bidder/Proposer and shall be made available to the Office of Contract Compliance upon request.

c) Americans with Disabilities Act:

CONTRACTOR shall comply with the Americans with Disabilities Act 42 U.S.C. Section 12101 et seq., and with the provisions of the Certification Regarding Compliance with the

Americans with Disabilities Act, see Exhibit A which is attached to the Contract and incorporated herein by this reference.

d) Child Support Ordinance:

This Contract is subject to Section 10.10, Article 1, Chapter 1, Division 10 of the LAAC, Child Support Assignment Orders Ordinance. CONTRACTOR is required to complete a Certificate of Compliance with Child Support Obligations, see Exhibit B which is attached to the Contract and incorporated herein by this reference. Pursuant to this ordinance, CONTRACTOR shall (1) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) certify that the principal owner(s) of CONTRACTOR are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 et seq.; and (4) maintain such compliance throughout the term of this Contract.

e) Living Wage Ordinance/Service Contract Worker Retention Ordinance:

The CONTRACTOR must comply with City Ordinance 172336 (Living Wage Ordinance) unless exempted in accordance with said ordinance. The Living Wage Ordinance requires in part that nothing less than a prescribed minimum level of compensation (a "living wage") be paid to employees of service contractors of the CITY and its financial assistance recipients and to employees of such recipients. Under Section 10.37.2 of the Ordinance, CONTRACTOR shall pay service employees who spend any of their time in CITY contracts a wage of no less than the hourly rates set under the authority of the Living Wage Ordinance (LWO). Such rates shall be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees' Retirement System. CONTRACTOR is required to complete Living Wage Ordinance Forms LW-5, LW-6, and LW-18, see Exhibits C1, C2, & C3 which are attached to the Contract and incorporated herein by this reference.

CONTRACTOR must also comply with the Service Contract Worker Retention Ordinance (SCWRO), adopted through Ordinance 171004. This Ordinance requires CONTRACTOR to retain all employees from the previous contractor for a period of 90 days, and must continue to retain those satisfactory performing employees. Additional information may be found at <http://bcs.lacity.org>.

f) Contractor Responsibility Ordinance:

This Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq., of Article 14, Chapter 1 of Division 10 of the LAAC, unless exempt pursuant to the provisions of the Ordinance. CONTRACTOR shall refer to "Contractor Responsibility Ordinance", for further information regarding the requirements of the ordinance. CONTRACTOR shall complete and return the Responsibility Questionnaire and Pledge of Compliance with Contractor Responsibility Ordinance, see Exhibits D1 & D2, attached hereto and incorporated herein by this reference.

g) Los Angeles Residence Information:

All bidders/proposers must complete the Los Angeles Residence Information form in order to be considered for a contract award, see Exhibit E, attached hereto and incorporated herein by this reference.

h) Municipal Lobbying Ordinance - Bidder Certification CEC Form 50:

The City's Municipal Lobbying Ordinance (Ord. No. 169916) requires certain individuals and entities to register with the City's Ethics Commission and requires public disclosure of certain lobbying activities, including money received and spent. Additionally, for all construction contracts, public leases, or licenses of any value and duration, goods or service contracts with a value greater than Twenty Five Thousand Dollars (\$25,000) and a term of at least three (3) months, each CONTRACTOR must submit a certification, on forms CEC Form 50, see Exhibit F, attached hereto and incorporated herein by this reference, prescribed by the City's Ethics Commission, that the CONTRACTOR acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance, if the CONTRACTOR qualifies as a lobbying entity. A copy of the ordinance can be found at <https://ethics.lacity.org/wp-content/uploads/Laws-Lobbying-MLO.pdf>.

i) Compliance with City Charter Section 470(c)(12) (Measure H) – CEC Form 55:

Charter Section 470(c)(12) and related ordinances state that bidders/proposers 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 a bid/proposal until either the contract is approved or, for awarded bidders/proposers, twelve (12) months after the contract is signed. The bidders/proposers principals and subcontractors performing \$100,000 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. By submitting the Bidder Contributions Form (CEC Form 55), see Exhibit G, attached hereto and incorporated herein by this reference, as prescribed by the City Ethics Commission, the bidder/proposer acknowledges and agrees to comply with the requirements of Charter Section 470(c)(12) and related ordinances. Additional information regarding these restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or ethics.lacity.org.

j) Iran Contracting Act of 2010:

All bidders/proposers submitting bids/proposals for, entering into, or renewing contract with the City of Los Angeles for goods and services are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit", see Exhibit H, attached hereto and incorporated herein by this reference. Failure to fully and accurately complete the affidavit may result in termination of the Contract.

k) Equal Benefits Ordinance:

Section 10.8.2.1 (c) of the LAAC (Equal Benefits Ordinance) requires that every contract with of on behalf of the City of Los Angeles for which the consideration is in excess of the \$5,000 must incorporate the Equal Benefits Provisions.

The selected bidder/proposer shall complete and upload the Equal Benefits Ordinance Affidavit available on the City of Los Angeles' BAVN residing at www.labavn.org at the time it registers on BAVN, prior to award of a City contract valued at \$5,000. Bidders/Proposers do not need to submit supporting documentation with their bids or proposals. However, the City may request supporting documentation to verify that the benefits are provided equally as specified on the Equal Benefits Ordinance Affidavit.

Bidders/Proposers seeking additional information regarding the requirements of the Equal Benefits Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

l) First Source Hiring Ordinance:

Unless otherwise exempt in accordance with the provisions of this Ordinance, this CONTRACT is subject to the applicable provision of the First Source Hiring Ordinance (FSHO), Section 10.44 et. Seq. of the LAAC, as amended from time to time.

The Office of Contract Compliance implemented a new compliance process for the First Source Hiring Ordinance (FSHO) by utilizing the City of Los Angeles' BAVN at www.labavn.org. You will be required to register in order to access the affidavit. The affidavit is to be completed and signed prior to being uploaded to the "Company Documents" section.

The uploaded affidavit will be verified by the Bureau of Contract Administration (BCA) only if your company is the successful Proposer/Bidder selected for contract award. Upon BCA verification, the Awarding Authority shall award the contract.

As required by the affidavit, if your company has any job opportunities, you must submit the FSHO-1 form to the awarding department before the contract is executed.

Both the Equal Benefits Ordinance Affidavit and First Source Hiring Ordinance Affidavit are combined into EBO/FSHO Compliance document. The selected bidder/proposer shall complete and upload this compliance document available on the City of Los Angeles' BAVN residing at www.labavn.org prior to award of a City contract.

m) Disclosure Ordinances:

Unless otherwise exempt, in accordance with the provisions of the Slavery Disclosure Ordinance, any contract awarded will be subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code.

Contractors seeking additional information regarding the requirements of the Slavery Disclosure Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

The Disclosure of Border Wall Contracting Ordinance requires that CONTRACTORS that submit bids or proposals on or after March 17, 2017 disclose all contracts, bids, or proposals to provide goods or services for the design, construction, operation or maintenance of a federally-funded wall, fence, or other barrier along the border between the United States and Mexico.

All Contractors shall complete and upload, the Disclosure Ordinances Affidavit available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org prior to award of a City contract.

Contractors seeking additional information regarding the requirements of the Disclosure of Border Wall Contracting Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

CONTRACTOR certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of the Contract.

Los Angeles City Business Assistance Virtual Network (BAVN) Submittals

The following documents are to be uploaded to the City of Los Angeles Business Assistance Virtual Network (BAVN) at www.labavn.org within ten (10) calendar days after the notice of award of this contract:

- **Equal Benefits Ordinance/First Source Hiring Ordinance**
- **Disclosure Ordinances**

All above documents must be completed, signed, and uploaded in order for the contract to be compliant. Failure to upload all required documents will render the awarded contract non-compliant, meaning no work can be performed under the contract and no payments will be made until all required forms are uploaded to BAVN.

CONTRACTOR also agrees to comply with the Standard Provisions for City Contracts (Rev. 10/21) [v.4] attached hereto and incorporated herein by reference as Appendix A.

4.23 Services To Be Provided By CITY

The DEPARTMENT personnel will work cooperatively with the CONTRACTOR to ensure timely review of all services provided by CONTRACTOR under this Contract.

The DEPARTMENT will promptly act, review, and make decisions as necessary to permit the orderly progress of CONTRACTOR's work under this Contract.

SECTION 5 – INDEMNIFICATION

Except for the active negligence or willful misconduct of CITY, CONTRACTOR undertakes and agrees to defend, indemnify and hold harmless CITY and any and all of CITY's Officers, Agents, and Employees from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including CONTRACTOR's employees and agents, or damages or destruction of any property of either party hereto or of third parties, arising in any manner by reason of, or incident to, the performance of this Contract on the part of CONTRACTOR, its officers, agents, employees, or sub-contractor of any tier.

SECTION 6 – INSURANCE

CONTRACTOR shall obtain and keep in force an insurance policy which covers all operations conducted pursuant to this Contract. Such Insurance policy must also insure the CITY and comply with the Office of the City Administrative Officer's Insurance Requirements, see Exhibit I, Form Gen. 146 (Rev. 6/12) Required Insurance and Minimum Limits and Exhibit J, Form Gen. 133 (Rev. 05/18) Instructions and Information on Complying with City Insurance Requirements. The DEPARTMENT, based upon advice of the City's Risk Managers, may increase or decrease the amounts on insurance coverage required herein by giving thirty (30) days' written notice to CONTRACTOR.

Evidence of insurance through the ACORD Certificate shall be submitted electronically via KwikComply at <https://kwikcomply.org/>. For additional information on City of Los Angeles evidence of insurance submission requirements, please refer to Exhibit J, Instructions and Information on Complying with City Insurance Requirements.

Any breach of this condition for insurance requirements shall be a material breach of this Contract.

SECTION 7 – COMPENSATION AND INVOICING

7.1 Compensation

DEPARTMENT will pay CONTRACTOR for the Support Services, As-Needed POS Equipment, and Training services in accordance with Schedules A, B & C attached to the Contract.

- a) The Application System Software Annual Maintenance Price List as set forth for the Support Services described herein and attached hereto as Schedule A.
- b) The As-Needed POS Equipment Price List as set forth for the purchase and installation of the As-Needed POS Equipment provided by CONTRACTOR as described herein and attached hereto as Schedule B. The DEPARTMENT may increase or decrease the quantity of the As-Needed POS Equipment to be ordered on an as-needed basis.
- c) The DEPARTMENT shall be charged for all Training services as those services provided by CONTRACTOR as described herein and attached hereto as Schedule C. The cost of the training services shall not exceed the CONTRACTOR Training and Expense amount listed on Schedule C without the DEPARTMENT's prior written approval. The DEPARTMENT shall not be required to use and pay for all of the training services defined on Schedule C.

The total amount for this Contract shall not exceed Three Hundred Fifty Thousand Dollars (\$350,000.00) for the term of this Contract. The professional services that the DEPARTMENT is requesting shall be on an occasional and as-needed basis. In entering into this Contract, DEPARTMENT makes no assurance that any minimum amount of services shall be requested.

7.2 Invoicing

CONTRACTOR shall submit invoices to the DEPARTMENT for all work performed. Once work has been completed to the satisfaction of DEPARTMENT, CONTRACTOR may submit and invoice for the agreed amount on CONTRACTOR's original proposal. Invoices must include CONTRACTOR's name, date, address, and contact phone number. Summary of work completed, address/location of work completed, and dollar amount originally proposed and agreed upon by the DEPARTMENT.

Invoices must be submitted to:

Alex Yee, Director of Systems
City of Los Angeles, Department of Recreation and Parks
Finance Division
221 North Figueroa Avenue Suite 450
Los Angeles, CA 90012

The CONTRACTOR's invoice will be reviewed and approved for payment by the DEPARTMENT'S designated Project Manager (Ms. Rosetta McKenzie) or designee. Once signed off by the Project Manager, invoice will be processed by the DEPARTMENT's Accounting Section for payment. DEPARTMENT may take up to 30 days for payment if invoiced properly submitted, unless CONTRACTOR offers a discount for an early processed payment.

SECTION 8 - RATIFICATION

At the request of CITY, and because of the need therefore, CONTRACTOR may have begun performance of the services required hereunder prior to the execution hereof. By its execution hereof, CITY hereby accepts such service subject to all the terms, covenants, and conditions of this CONTRACT, and ratifies its CONTRACT with CONTRACTOR for such services.

SECTION 9 - INCORPORATION OF DOCUMENTS

This Contract, appendices and incorporated documents represent the entire integrated agreement of the parties and supersedes all prior written or oral representations, discussions, and agreements. This Contract may not be changed or modified in any manner except by formal, written amendment fully executed by both CITY and CONTRACTOR. The following documents are incorporated and made a part hereof by reference:

Schedule A	Application System Software Annual Maintenance Price List
Schedule B	As-Needed POS Equipment Price List
Schedule C	Application System Software Support Services – Installation, Implementation, Training & Expenses
Appendix A	Standard Provisions for City Contracts (Rev. 10/21) [v.4]
Appendix B	City of Los Angeles Travel Policy
Exhibit A	Certification Regarding Compliance with the Americans with Disabilities Act
Exhibit B	Certification of Compliance with Child Support Obligations
Exhibit C1	LW-5 – Subcontractor Declaration of Compliance Form
Exhibit C2	LW-6 – Employee Information Form
Exhibit C3	LW-18 – Subcontractor Information Form
Exhibit D1	Responsibility Questionnaire
Exhibit D2	Pledge of Compliance with Contractor Responsibility Ordinance
Exhibit E	Los Angeles Residence Information
Exhibit F	Municipal Lobbying Ordinance - Bidder Certification CEC Form 50

- Exhibit G Compliance with City Charter Section 470(c)(12) (Measure H) – CEC Form 55
- Exhibit H Iran Contracting Act of 2010
- Exhibit I Required Insurance and Minimum Limits
- Exhibit J Instructions and Information on Complying with City Insurance Requirements

The order of precedence in resolving conflicting language, if any, in the documents shall be: (1) This Agreement and (2) Appendix A.

Entire Contract: This Contract and the attached schedules appendices, and exhibits: constitute the entire Contract between CITY and CONTRACTOR. No amendment or modification shall be made to this Contract unless it is in writing and signed by both Parties.

SCHEDULE A

APPLICATION SYSTEM SOFTWARE ANNUAL MAINTENANCE PRICE LIST:

The following is a list of the Application Software:

<u>Application System Software:</u>	<u>Annual Maintenance</u>
Activity Registration (1 each)	\$750
Facility Reservation (1 each)	\$750
Pass Management (1 each)	\$750
Point-of-Sale/Inventory Control/Tickets (1 each)	\$750
League Scheduling (1 each)	\$490
Personal Trainer Scheduling (1 each)	\$490
Court Reservations (1 each)	\$490
Trip Reservations (1 each)	\$490
Systems Administration (1 each)	\$550
RecTrac General Ledger Interface (1 each)	\$300
Activity Registration Custom Brochure Interface (1 each)	\$300
Pass Management Ext. Integration (1 each)	\$180
VS Credit Card External Redirect Interface (1 each)	\$600
Additional Concurrent Users over 2 (298 users @ \$50/each)	\$14,900
<u>Web Internet Software:</u>	
WebTrac Internet Software 66+ RecTrac Users (1 each)	\$1,850
WebTrac Activity Registration (1 each)	\$490
WebTrac Pass Registrations/Renewals (1 each)	\$490
WebTrac Facility Reservation	\$490
WebTrac Court Reservation	\$450
Mobile RecTrac (1 each)	\$690
Mobile WebTrac (1 each)	\$690
WebTrac Base 25 Agents (1 each)	\$500
WebTrac Enterprise 5 Additional Agents (5 each @\$100/ea)	\$500
WebTrac First Style Sheet Service Initial and Major (1 each)	\$0
Standard Splash Page Options (1 each)	\$0
<u>Progress OpenEdge Software:</u>	
RecTrac (1 each)	\$4,118
WebTrac (1 each)	\$1,230
TOTAL – Application System Software License/Annual Maintenance	\$33,288

SCHEDULE B

AS-NEEDED POS EQUIPMENT PRICE LIST as of 01/14/2022*:

<u>Quantity</u>	<u>Description</u>	<u>Price</u>
TBD	Honeywell MK7580G Genesis Imager, 1DPDF417,	\$410/ea
TBD	MK7580 Custom Configuration for VS software	\$0
TBD	Key Fob, Teslin, Preprinted, qty 10,000	\$0.24/ea
TBD	Key Fob, Teslin, Preprinted, qty 15,000	\$0.19/ea
TBD	Ingenico Lane 3000 – PayTrac PIN Pad	\$575.80/ea
TBD	Ingenico Link 2500 – PayTrac PIN Pad	\$456/ea
TBD	Star 16x16 Dumb Cash Drawer	\$195/ea
TBD	Star TSP143UII, 40 col Thermal USB printer with cutter	\$295/ea
TBD	BPA Free thermal receipt paper, 1 ply, 50 rolls/case	\$110/ea
TBD	Elo 2201L iTouch Monitor 22" LCD, Desktop Full HD	\$690/ea
TBD	Elo Touch Screen Extended Warranty 1 year	\$75/ea

OPTIONAL APPLICATION SOFTWARE:

<u>Quantity</u>	<u>Description</u>	<u>Price</u>
1 each	Intelitrac Business Intelligence/Analytic Viewer @\$6,750/ea	\$6,750
4 each	Intelitrac Business Intelligence/Analytic, Addl Viewers @\$350/ea	\$1,400
10 hours	Phone/Webinar Setup or Training @\$175/Hr	\$1,750
TOTAL – OPTIONAL APPLICATION SOFTWARE		\$9,900

Note: Plus Shipping Costs.

*POS Equipment/Hardware Price List is subject to change at any time.

SCHEDULE C

APPLICATION SYSTEM SOFTWARE SUPPORT SERVICES – INSTALLATION, IMPLEMENTATION, TRAINING & EXPENSES:

The following is a list of the Application System Software Support Services & Expenses:

Additional Application System Software Support Services and Expenses (As-Needed)

<u>Quantity</u>	<u>Description</u>	<u>Price</u>
1 day	Onsite time providing services @\$810/day	\$810
1 day	Travel time @\$405/day	\$405
1 day	Lodging, single occupancy standard room est. @\$190/day	\$190
1 day	Meals, Incidentals and Transportation est. @\$138/day	\$138
1 each	Round Trip Coach/Economy airfare est. @\$1,200/each	<u>\$1,200</u>
	Total	\$2,743

Application System Software Support Services at VS Facilities (As-Needed)

10 days	Other Installation Services and Set-up for Hardware and Network Operating System @\$810/day (DEPARTMENT pays travel expenses)	\$8100
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IN WITNESS THEREOF, the parties hereto have executed this Contract to be executed by their duly authorized representatives on the dates indicated:

Executed this _____ day
of _____, 20__

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS

By _____
PRESIDENT

By _____
SECRETARY

Executed this _____ day
of _____, 20__

RECTRAC, LLC d/b/a VERMONT SYSTEMS

By _____
PRESIDENT

By _____
SECRETARY

Approved as to Form:

Date: _____

MICHAEL N. FEUER,
City Attorney

By _____
DEPUTY CITY ATTORNEY

Appendix A

Standard Provisions for City Contracts (Rev. 10/21) [v.4]

ATTACHMENT A

Standard Provisions for City Contracts (Rev. 10/21) [v.4]

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. Construction of Provisions and Titles Herein

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

PSC-2. Applicable Law, Interpretation and Enforcement

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

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

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

PSC-3. Time of Effectiveness

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

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

PSC-4. Integrated Contract

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

PSC-5. Amendment

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

PSC-6. Excusable Delays

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

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

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

PSC-7. Waiver

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

PSC-8. Suspension

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

PSC-9. Termination

A. Termination for Convenience

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

B. Termination for Breach of Contract

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

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

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

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

PSC-10. Independent Contractor

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

PSC-11. Contractor's Personnel

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

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

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

PSC-12. Assignment and Delegation

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

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

PSC-13. Permits

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

PSC-14. Claims for Labor and Materials

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

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

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

PSC-16. Retention of Records, Audit and Reports

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

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

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

PSC-17. Bonds

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

PSC-18. Indemnification

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

PSC-19. Intellectual Property Indemnification

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

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

PSC-20. Intellectual Property Warranty

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

PSC-21. Ownership and License

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

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

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

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

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

PSC-22. Data Protection

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

PSC-23. Insurance

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

PSC-24. Best Terms

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

PSC-25. Warranty and Responsibility of Contractor

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

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

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

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

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

PSC-27. Child Support Assignment Orders

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

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

PSC-28. Living Wage Ordinance

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

PSC-29. Service Contractor Worker Retention Ordinance

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

PSC-30. Access and Accommodations

CONTRACTOR represents and certifies that:

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

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

PSC-31. Contractor Responsibility Ordinance

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

PSC-32. Business Inclusion Program

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

PSC-33. Slavery Disclosure Ordinance

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

PSC-34. First Source Hiring Ordinance

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

PSC-35. Local Business Preference Ordinance

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

PSC-36. Iran Contracting Act

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PSC-42. Possessory Interests Tax

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

PSC-43. Confidentiality

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

PSC-44. COVID-19

Employees of Contractor and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, “Contractor Personnel”), while performing services under this Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, “In-Person Services”) must be fully vaccinated against the novel coronavirus 2019 (“COVID-19”). “Fully vaccinated” means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated. Contractor shall retain such proof for the document retention period set forth in this Agreement. Contractor shall grant medical or religious exemptions (“Exemptions”) to Contractor Personnel as required by law. If Contractor wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Contractor shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Contractor. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Contractor shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

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

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

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

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

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

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

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

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

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

Required Insurance and Minimum Limits

Name: _____

Date: _____

Agreement/Reference: _____

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

Limits

____ **Workers' Compensation (WC) and Employer's Liability (EL)**

WC Statutory

EL _____

Waiver of Subrogation in favor of City

Longshore & Harbor Workers

Jones Act

____ **General Liability** _____

Products/Completed Operations

Sexual Misconduct _____

Fire Legal Liability _____

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

____ **Professional Liability** (Errors and Omissions) _____

Discovery Period _____

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

All Risk Coverage

Boiler and Machinery

Flood _____

Builder's Risk

Earthquake _____

____ **Pollution Liability** _____

____ **Surety Bonds** - Performance and Payment (Labor and Materials) Bonds _____

____ **Crime Insurance** _____

Other: _____

Appendix B

City of Los Angeles Travel Policy

TRAVEL POLICY

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1.8 TRAVEL

1.8.1 Overview

City employees and elected officials may be required to travel on City business in the performance of their duties and responsibilities. Los Angeles Administrative Code (LAAC) Division 4, Chapter 5, Article 4 establishes City policy relative to allowable costs for travel and for non-travel related expenses for all City employees and elected officials. The LAAC defines travel costs as those incurred outside the geographic boundaries of Los Angeles County. The LAAC states that an employee or elected official will only incur expenses that a reasonable and prudent person would incur if traveling on personal business. The LAAC mandates that, before an employee or elected official incurs expenses, due consideration be given to such factors as suitability, convenience, and the nature of the business involved.

The City's Travel Policy discussed in the sections below provides guidelines and procedures to be followed by City employees traveling on City business. The Policy, to the extent possible, takes into consideration the range of travel costs and the unpredictable realities of travel. The Policy also applies to anyone whose travel expenses are paid by the City. Departments should use this Policy when developing their own internal policies and procedures for reimbursing travel expenses. Individual departments may, at their discretion, impose greater restrictions and/or controls beyond what is required by this Policy. Departments should provide the Controller's Office with their travel policies.

Departments should be mindful that documents related to City travel expenditures are public records and may be subject to disclosure under the California Public Records Act.

1.8.2 Purpose of Policy

The purpose of the City's Travel Policy is to:

- Provide guidance to Department Heads, City Travelers (herein referred to as Travelers), Departmental Travel Coordinators, and Authorized Approvers for managing travel expenses;
 - Provide a uniform process to approve and control travel expenses that take into consideration the LAAC, the prudent use of public monies, and the Internal Revenue Service (IRS) rules on taxable income consequences for Travelers as well as reporting obligations on the part of the City;
-

- Provide guidance on reimbursable and non-reimbursable expenses; and,
- Streamline the encumbrance and reimbursement processes.

1.8.3 IRS Taxable Income Reporting Requirements

The City's Travel Policy and reimbursement procedures are designed to conform to the "Accountable Plan" rules of the IRS to avoid the administrative burden of reporting reimbursements as taxable income subject to withholding and payment of employment taxes. Therefore, the reimbursement guidelines for travel expenses are not meant to result in additional taxable income, except for meals reimbursements without overnight lodging, to the Traveler if the rules herein are followed. To comply with the Accountable Plan, the City and Travelers must meet all three of the following IRS rules:

- There is a business connection to the expenditures.
- There must be "adequate" accounting of the expenditures by Travelers within a reasonable period of time. Adequate accounting means that the Traveler must provide the date, time, place, amount, and business purpose of expenses along with documentary evidence such as receipts.
- Excess reimbursements or advances must be returned to the City within a reasonable period of time. Failure to return excess reimbursements or in the case of advances, amounts paid in excess of the substantiated expenses are required to be reported to the IRS as taxable income.

Note that there are other circumstances that would trigger taxable income reporting requirements, which are discussed in Sections 1.8.13 and 1.8.15 of this document.

Although being in travel status in excess of one year is uncommon for City travelers, Departments are advised that taxable income reporting is also required when reimbursements are for expenses incurred at a single location when the job assignment is expected to last in excess of one year, or does in fact exceed one year.

1.8.4 Controller Responsibilities

Charter Section 262 requires the Controller to, among other things, have adequate evidence that (1) the appropriation for the goods or services has been made; (2) the prices charged are reasonable; and, (3) any additional criteria established by ordinance have been satisfied before approving payment of demands drawn upon the City Treasury. In addition, the Charter authorizes the Controller to delegate payment functions to Departments and charges the Controller with the responsibility to regularly review the

accounting practices of Departments. To streamline the payment approval process, departments certified under the Certification and Fiscal Monitoring Program (CFMP) (Certified Departments) is not required to obtain Controller approval. Travel advances and City's travel credit card payments are processed by the Controller's Office.

1.8.5 Controller Compliance Review

The Controller's Office will review Departments' compliance with this Travel Policy. If findings from the reviews are not corrected, the delegated authority to the Department for travel may be rescinded and the Department will then have to obtain the Controller's Office approval of travel encumbrances and payments until the delegated authority is reinstated.

Review of Fire and Police Pensions and City Employees' Retirement System Departments will be in accordance with their Boards' adopted travel policies since under the City Charter, the Boards have control over their respective trust fund assets, including independent contracting authority for administrative expenditures such as travel.

1.8.6 Definition of Travel

The LAAC defines travel costs as those incurred outside the geographic boundaries of Los Angeles County. The Internal Revenue Service (IRS) considers an individual ***traveling*** if:

- The duties require the individual to be away from the general area of the individual's primary residence substantially longer than an ordinary day's work, and,
- The individual needs to sleep or rest to meet the demands of work while away from the primary residence.

"50-mile" Rule

In line with the best practice of other governmental entities, the City follows the "50-mile" rule. Under this rule, travel reimbursements will be made only if the destination is farther than 50 miles both from an individual's primary residence and work location, unless one of the circumstances below applies.

"50-mile" Rule Exceptions

Reimbursement may be allowed for lodging, and meal and incidental expenses when the travel destination does not meet the "50-mile" rule under any one of the circumstances listed below with documentation of the specific circumstance and pre-approval of the travel and estimated expenses by the Department Head. Also see Section 1.8.13 for lodging, and meals and incidental reimbursement amounts. *Use of this rule should be noted as an exception on the General Accounting Encumbrance Travel (GAETL) and Personal Expense Statement (PES) documents.*

- Conference/meeting start (not check-in) time is before 8 a.m. or end time is after 6 p.m.
- Traveler cannot drive to the destination and public transportation is not available to arrive in time for, or leave after conference/meeting.
- Traveler needs to arrive before 8 a.m. to host the event, or setup for the event (e.g., exhibit booth), or leave after 6 p.m. to pack up.

1.8.7 Purpose of Travel and Required Authorizations

The LAAC allows the reimbursement of travel costs when employees and elected officials travel on "official City business". To constitute "official City business", the activities of an employee or elected official must demonstrate:

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

A. Travel Authority

The Financial Management System (FMS) includes "*encumbrance processing for payment creation*" to ensure compliance with the Charter requirement for adequate evidence that appropriation for goods or services has been made prior to payment of demands upon the City Treasury. An encumbering document, the GAETL document, is required for all City travel. A completed travel authority document must be approved by the Department Head (or Authorized Approver) 10 business days prior to the commencement of travel. Also see Section 1.8.8.A on required approvals from the Office the Mayor.

The following are acceptable documentation to support the necessity and importance of the travel:

- Brief description of the purpose of the business meeting/trip; and,
- Brochures, flyers, pamphlets or agenda for professional conferences and/or training programs; or
- Correspondence between City employee/s and individual/s responsible for planning or scheduling business meeting/s (other than professional conferences or training programs).

B. Travel Blanket Authorities

In cases where Departments have recurring and same purpose travel needs, travel blanket authorities may be established. Recurring and same purpose travel is typically for large groups of employees that must travel throughout the year to perform functions or attend activities for the same purpose. For example, Tax and Permit Auditors regularly travel to various locations to perform auditing functions; City Attorneys may often travel to various locations to participate in depositions; and police officers frequently travel for investigation and extradition purposes.

Departments must submit a GAETL document for the total estimated dollar amount needed to cover the recurring and same purpose trips for the entire fiscal year. Departments must include a written justification explaining the recurring and same purpose nature of the requested trips.

C. Travel to Sacramento or Washington D.C.

The LAAC requires all non-elected City officials and all other City employees to notify the Mayor, the Chair of the Committee that oversees the Intergovernmental Relations function, and the Chief Legislative Analyst *prior to traveling on official City business* to Sacramento or to Washington, D.C. Effective March 25, 2013, employees of the City Council or Office of the Mayor are exempt from this requirement.

D. Foreign Travel involving more than one City Commissioner

The LAAC requires advance Council approval for foreign travel (except to Canada or Mexico) involving more than one City commissioner.

E. Mayor's Executive Directive No. 4 Intergovernmental Relations

The Mayor's Executive Directive No. 4 and its accompanying "Procedures Manual for the Development and Representation of the City of Los Angeles' Policy and Legislative Positions" require that "all travel to Sacramento and Washington, D.C. by City employees and non-elected officials for the purposes of advocacy on behalf of the City is subject to the approval of the Mayor. This also includes any travel by any City employee outside of the State of California for the purpose of conducting official City business with any other government entity, commission, agency or department." It is the responsibility of each City employee to adhere to the Mayor's procedures manual. Elected officials and their staff are exempt from this requirement.

F. Travel to Arizona

In May 2010, the Council suspended all City travel to the State of Arizona to conduct City business unless special circumstances can be demonstrated to the Council that the failure to authorize such travel would seriously harm City interests. The travel ban would be lifted upon the repeal of SB 1070 and HB 2162 in the State of Arizona. It is the responsibility of each City employee to obtain prior Council approval for travel on City business to the State of Arizona. The travel ban does not apply to proprietary departments, Fire and Police Pensions, and Los Angeles City Employees' Retirement System unless their respective Boards have adopted the same or a similar policy.

1.8.8 Approval of Travel Documents

A. Office of the Mayor Approval

Travel authority documents (i.e., GAETL) for all Department Heads and Commissioners, including proprietary departments require approval by the Mayor's Office. In addition, Department Heads' and Commissioners' PES that have exceptions to the City's Travel Policy require approval by the Mayor's Office. The Department Heads and Commissioners for Fire and Police Pensions and Los Angeles City Employees' Retirement System are exempt from the requirements since their Boards have sole and exclusive authority over their respective trust fund assets.

B. Department Approval

For the purpose of the City's Travel Policy, "approval by the Department Head" generally refers to the General Manager. Department Heads are responsible for approving their staff's travel authority and PES documents. Department Heads may designate other Authorized Approver(s) for travel. For the following departments with Board of Commissioners, approval authority for their staff's travel documents is the General Manager unless otherwise stated in the Board's adopted policy: Fire and Police Pensions, Los Angeles City Employees' Retirement System, Airports, Harbor, and Water and Power.

Department Heads' and Board members' travel authority documents require Mayor's Office approval. Furthermore, Department Heads and Board members should not approve their own PES documents. If there are no expenditure exceptions to the City's Travel Policy, the Department Head's PES documents can be approved by an Authorized Approver and in the case of a Board adopted policy, in accordance with the policy. If not specified in the Board adopted policy, the Board President's PES documents that do not include exceptions to the City's Travel Policy can be approved by the Board Vice President. Mayor's Office approval is required on Department Heads' and Board members' PES documents with exceptions.

1.8.9 Required Receipts and Documentation

Department Head approvals of GAETL, PES, Travel Expenditure (TEX) documents, and travel advance (if applicable) must be in the Financial Management System (FMS). In addition, all required receipts, exceptions and documentation supporting exceptions, and approvals of exceptions to the Travel Policy must be scanned and posted in the FMS for audit purposes. Departments should also retain original receipts and documents for at least five years. Also see Section 1.8.27 for further guidance on documentation of expenses.

The City's Travel Policy includes exception provisions. The following are required to be noted as "exceptions" on the GAETL and/or PES documents and Traveler must provide justification:

- Travel under "50-mile" Rule Exceptions
- Airfare other than for coach class

-
- Additional costs for extra leg-room coach class
 - Fees for more than one checked bag
 - Airport parking rate more than 25 percent of the applicable airport lot rate
 - Non-conference lodging rate that is more than federal per diem rate for destination
 - Shared lodging for Authorized Travelers
 - Full reimbursement for meals on travel day(s)
 - Full reimbursement for meals when meal is provided by conference
 - Transportation to procure meal (Note: limit is \$5 per day)
 - Rental car other than mid-size or smaller
 - Laundry service when travel is for less than four consecutive nights
 - Reimbursement for fueling City vehicles if unable to obtain a temporary Voyager Card from Department of General Services.

1.8.10 LAAC Reporting Requirements

The LAAC requires a report that summarizes the nature and purpose of the travel or convention and describes the significant information gained and/or benefits accruing to the City. This report is due 30 days from the completion of the travel or convention from the City employee to his or her appointing authority. Elected officials are exempted from this reporting requirement.

1.8.11 Department Travel Coordinator

Department Head shall designate a Department Travel Coordinator (DTC) who will:

- Serve as the primary contact for travel coordination and processing;
- Ensure that Travelers have read and understood the Travel Policy;
- Review GAETL and PES documents and identify exceptions to the Travel Policy, obtain written justification and the supporting documentation for the exceptions, and provide the exceptions and documentation with the GAETL and/or PES to the Department Head for approval;
- Ensure that unallowable and/or unapproved expenses are not on final PES documents;
- Track credits from canceled airline reservations; and,
- Provide on-time response to Controller's Demand Audit Section regarding charges on City's travel credit card.

1.8.12 Transportation to Destination

A. City Authorized Business Travel Service Provider

To the extent possible, all Travelers should utilize the City authorized business travel service provider for all City business-related travel. Currently, the City is using the State of California Department of General Services (State) travel agency contract with TravelStore to maximize savings on air travel. **The State, in conjunction with TravelStore, has established a website dedicated for government travel, www.ca!travelstore.net. Dedicated TravelStore agents can also be reached at 1-877-454-TRVL (8785).** Travelers should use the self-service online system to make travel reservations whenever possible since the transaction fee is less than agent-assisted reservations. Agents are available for more complex travel arrangements.

Air travels booked through TravelStore are charged to the City's credit card. The Controller's Office will provide departments with monthly reports of their airfare expenditures with TravelStore for verification and approval of their charges.

Travelers may use other travel service providers under the following conditions:

- The Traveler is willing to use his or her personal credit card to book the flight or other mode of transportation; and,
- Premier economy seating which are justified and approved by Department Head but not available at TravelStore; and
- Sufficient proof is provided that the airfare is equal to or lower than airfare or fare available at TravelStore, at the time of GAETL approval.

Travelers are responsible for canceling airline reservations if the trip is canceled or postponed and obtaining a copy of their non-transferable credit for future use with TravelStore. Similar steps should be taken when flights are not booked with TravelStore.

B. Airline Travel

LAAC Section 2.242.3(a) states that, except in case of official necessity, air travel expenses are allowable only for the lowest regular fare available for regularly scheduled airlines for the date and time selected. It further states that claims for reimbursement of higher fare or extra charges for transportation by scheduled airlines

are allowable only if certified by the Department Head that he or she has reviewed and concurs with the facts constituting the official necessity.

Coach or economy class fare is presumed to be the lowest regular fare available for regularly scheduled airlines. Travelers are required to only incur expenses that a reasonable and prudent person would incur if traveling on personal business and, therefore should consider the least expensive class of travel that meets their needs. Travelers are expected to make reservations as far in advance as possible to avoid paying higher fares. Purchase of a refundable ticket, which is usually more expensive than a nonrefundable ticket, should be pre-approved by Department Head. The benefit of booking a non-refundable ticket should be weighed against the risk of changes in travel plans before purchasing the ticket.

While the determination of “official necessity” falls under the purview of Department Heads, below are guidelines in determining whether the cost of business-class or premier economy seating accommodations is “reasonable”. The guidelines are consistent with federal guidelines and best practices of other government entities. *Use of any of the reasons below should be documented and noted as exceptions to the Travel Policy on the GAETL and PES documents.*

- When use of other than coach-class is necessary to accommodate a medical necessity. A written certification of the medical necessity and a recommended suitable class of transportation from a competent medical authority must be submitted.
- When exceptional security circumstances require other than coach-class accommodations.
- Where the origin and/or destination are outside the Continental United States and the scheduled flight time, including non-overnight stopovers (e.g., layovers) and change of planes, is in excess of 14 hours; and the Traveler is required to report to duty the following day or sooner. Scheduled flight time is the flight time between the originating departure point and the ultimate arrival point including scheduled non-overnight time spent at airports during plane changes. Scheduled flight time does not include time spent at the originating or ultimate arrival airports. Direct flights must be selected except when flights with stopovers are more economical.
- When no coach-class accommodations are available on any airline that is scheduled to leave within 24 hours of the proposed departure time, or scheduled to arrive within 24 hours of the proposed arrival time.
- When the use of other than coach-class accommodations results in overall cost savings to the City. Sufficient proof of cost savings must be provided.

Travelers should select an arrival/departure airport that is closest to the destination unless flights are not available or airfare is more expensive than the additional ground

transportation costs to reach the destination. Travelers should document why the closest airport to the destination was not selected. Traveling within and between foreign countries should also be by the most economical and direct transportation mode unless savings can be achieved otherwise.

Exceptions to the Policy (including Reasons 1 to 5 above) must be justified in writing and approved in advance by Department Head. Receipt is required to be reimbursed for actual cost of airfare (note: flight insurance is not reimbursable).

1) *Seating Upgrade Programs*

Some airlines have seating upgrade programs for coach-class. These programs are sometimes called “Coach Elite”, “Coach Plus”, “Preferred Coach” or “Economy Plus”. Under these airline programs, a passenger may obtain for a fee a more desirable seat choice within the coach-class cabin. Although these coach upgrade options are not considered a new or higher class of accommodation since the seating is still in the coach cabin, the use of these upgraded/preferred coach seating options is generally a Traveler’s personal choice and therefore is at the Traveler’s personal expense.

Exception:

When use of extra leg-room coach class is necessary to accommodate for a medical necessity, exception must be justified in writing and approved in advanced by Department Head. The additional cost for use of extra leg-room coach class should be noted as exceptions to the Travel Policy on the GAETL and PES documents.

2) *Checked Baggage Fees*

Some airlines charge fees for checked baggage. In cases where the Traveler is charged for the first checked bag, the City will reimburse for the fee. Fees for additional checked bags will not be reimbursed unless justification is provided for a business need, such as when the Traveler needs to carry special equipment or the length of travel justifies additional bags. *Fees for additional checked bags should be noted as exception on GAETL and PES documents.*

3) *Promotional Materials and Frequent Traveler Programs*

Consistent with current federal practice, the City will only reimburse for actual out-of-pocket expenses incurred. Therefore, the City will not reimburse for any

promotional benefits used in connection with City travel. Travelers may use frequent Traveler benefits, earned on official or personal travel, for a subsequent City travel but will not receive reimbursement for City-related use of such benefits.

4) *Airport Parking*

Travelers should use the most economical self-parking option at or near the airport and obtain pre-approval for airport parking. Receipt is required for reimbursement. Parking at the airport lots listed below or in other locations that do not exceed 25 percent of the applicable airport's rate (which includes tax) does not require justification. Departments should verify the airport rate since the parking rates noted below are subject to change. For airports not listed below, Traveler should use the lowest airport parking lot rate for that airport.

- Burbank Bob Hope Airport – Lots A (\$10 per day)
- John Wayne International Airport – Main Street Lot (\$14 per day)
- Long Beach Airport – Lot B (\$17 per day)
- Los Angeles International Airport (LAX) – Lot C (\$12 per day)
- Ontario International Airport – Lot 5 (\$9 per day)

If the Traveler knows prior to the travel that an exception is necessary, provide written justification to the Department Head for approval. If the Traveler does not use the most economical self-parking option and did not obtain approval in advance, Department Head approval of the justification is required for reimbursement. *Parking that exceeds the applicable airport rate by more 25 percent should be noted as exception on the GAETL and PES documents.*

C. Alternate Mode of Transportation (other than airline travel)

In accordance with the LAAC, in all instances where a mode of transportation other than regularly scheduled airline is chosen, the Department Head shall authorize such alternate mode of transportation in advance and the allowable cost shall be the actual cost of the alternate mode of transportation (including incidental costs such as parking fees) or the cost allowable under a regularly scheduled airline, whichever is less.

Cost comparison is not necessary between air travel and driving a private or rental automobile when the destination is in an adjacent county to Los Angeles since air travel is generally not the most economical or convenient. Adjacent counties include Orange, Riverside, San Diego, San Bernardino, Ventura, Kern, Santa Barbara, and San Luis Obispo.

The use of private automobile must be authorized in advance by the Department Head. The reimbursement for the use of private automobile shall be in accordance with the mileage provisions under the LAAC Division 4, Chapter 5, Article 2 Use of Privately Owned Automobiles on City Business and Reimbursement Therefor. It should be noted that Article 2 prohibits the reimbursement of mileage traveled between the employee's home and headquarters. Mileage reimbursement for City employees will be for the distance in excess of home to headquarters during scheduled work days and for non-scheduled work days, reimbursement will be for miles from home to destination and back (map print-out with the number of miles is required).

Additionally, the LAAC requires the Traveler to obtain a satisfactory policy of public liability insurance covering the full use and operation of the private automobile. A memorandum authorizing the use of private automobile signed by the Department Head must be included with the GAETL. The memorandum must certify that the Traveler has complied with LAAC Section 4.232 and has a valid driver's license. For complete insurance requirements, see LAAC Section 4.232 or the Risk Management Procedure Manual at <http://caodocs.ci.la.ca.us/riskmgmt/CAORiskMgmtManual.pdf>.

Reimbursement for use of a personal automobile will be payable to only one employee when traveling together with other employees on the same trip and in the same vehicle.

The use of a personal automobile for travel may not be reimbursable in cases where the Traveler receives a car allowance or any type of vehicle subsidy from the City on a regular basis through payroll. Travelers on mileage reimbursement should claim mileage associated with travel on the travel expense statement and not on the mileage reimbursement form.

For automobile rental, see Section 1.8.16.

1.8.13 Per Diem (Lodging, Meals and Incidentals)

Under the LAAC, it is expected that, in the selection of restaurants and hotel rooms, Travelers will seek moderately-priced establishments of acceptable quality. The LAAC requires Travelers to consider transportation costs, time and other relevant factors in selecting the most economical and practical accommodations.

In accordance with Council policy (C.F. 82-0944), advances and reimbursements for per diem (lodging, and meals and incidental expenses), shall not exceed the per diem limits detailed in the "Travel Allowances – Air Fare and Per Diem Rates" of the City Budget Manual. The City Administrative Officer (CAO) publishes the annual City Budget Manual, which can be accessed at <http://caodocs.ci.la.ca.us>.

The City is using the federal destination per diem rates (for the month of travel) as the maximum rates for reimbursements on lodging and meals and incidentals (M&IE) for departments to follow, with noted exceptions. The destination per diem rates Travelers should use are as follows:

- U.S. General Services Administration (GSA) for travel within the Continental U.S. (taxes are not included in the lodging rates). Rates are available on www.gsa.gov. Select "Per Diem Rates" and enter destination to find the daily rate.
- Department of Defense (DOD) for travel outside the Continental U.S., non-foreign such as Hawaii and Alaska (taxes are not included in the lodging rates) – see www.defensetravel.dod.mil/site/perdiemCalc.cfm or go to www.gsa.gov and there is a link below the map to the site. Use the amounts under "Maximum Lodging" and "Local Meals" columns. "Local Meals" is for three meals and incidentals.
- State Department for travel to foreign countries (taxes are included in the lodging rates). Rates are available on www.aoprals.state or go to www.gsa.gov and there is a link below the map to the site. Select "Foreign Per Diem Rates by Location" and enter destination to find the rates. Use "Maximum Lodging Rate" and "M&IE Rate" columns.

A. Lodging/Hotel

Lodging is for single occupancy standard rooms and generally, stay should be limited to the actual dates of the meeting/conference – arrive on the day the official business starts and return on the day the official business concludes. For out-of-state travel, Travelers may arrive the night before, regardless of the time the meeting starts. In addition, Department Heads may authorize extending the stay for any of the reasons discussed below with documentation of the reason. The following are guidelines for Department Heads to follow and therefore are not considered to be exceptions:

- In-state travel that meets the "50-mile" rule, Traveler may arrive the evening prior to the event/conference morning if the Traveler would otherwise have to depart so early in the morning to arrive in time that it would be impossible or constitute a hardship for the Traveler.

- In-state travel that meets the “50-mile” rule, Traveler may stay an additional night and return the following morning if the Traveler would otherwise arrive home so late in the evening that it would be impossible or constitute a hardship for the Traveler.
- Out-of-state travel, Traveler may stay an additional night and return the following morning if the meeting ends too late for the Traveler to make the last available flight or if the Department Head determines the stay to be necessary or in the best interests of the City. For example, conference ends at 2:00 p.m. but conference attendees plan on getting together afterwards to discuss business-related matters.
- Staying an additional night, either before and/or after the meeting, if it results in a net savings to the City when all costs are considered (provide a detailed accounting of the savings).

Travelers should inquire if government rate is available at time of hotel reservation and request that rate if it is less than the federal per diem rate.

Reimbursement will be for actual hotel expenses but not to exceed the total of the applicable federal per diem rate (plus fees and taxes, if applicable) for the destination and length of stay for the individual Traveler. Exceptions to reimbursing at higher than the federal per diem rate for the destination are discussed below. Department Heads should not approve lodging costs that exceed the limits in this policy. Under IRS rules, Travelers can be reimbursed for actual costs but the costs cannot be “lavish and extravagant”, otherwise, the reimbursement becomes taxable income. An itemized original lodging receipt (listing all expenses such as meals, phone calls, services charged to the room) must be provided for reimbursement to be made in all instances. Credit card receipts alone do not satisfy this requirement. Note: reimbursement of meal charges, including room service delivery, on hotel invoices should be in accordance with the M&IE guidelines and within the limits.

IRS Rule – Reimbursement without Receipt

The IRS requires reporting of lodgings that are in excess of the destination per diem rates, which are not supported by receipts, as taxable income on employees' Form W-2. However, Departments should not reimburse for lodging without a receipt since the City is not using the federal per diem rate as an allowance. If a reimbursement was inadvertently provided in excess of the per diem rates without receipt and the Department was unable to get the Traveler to return the excess amount, Departments are responsible for notifying the Controller's Payroll Administration and providing the necessary information for reporting to the IRS.

Travelers can be reimbursed for lodging if any of the exceptions to the “50-mile” rule discussed in Section 1.8.6 is applicable and pre-approved by the Department Head. Reimbursement will be for actual expenses but not to exceed the applicable federal destination per diem rate (200 percent allowance is not applicable) or conference hotel rate. Lodging receipt is required. Traveler should select alternative lodging if conference hotel rate exceeds federal per diem rate by 200 percent (i.e, hotel rate should not be more than double the federal rate).

Travelers are responsible for canceling hotel room when a trip is canceled or postponed, and documenting the cancelation in case of billing disputes.

Exceptions to Federal Per Diem Rate

1) *Conference Travel*

a) Conference Hotel

When a conference or event is held in a particular hotel, the Traveler is not precluded from staying at that conference or event hotel if such expenses would exceed the federal destination per diem limit under the LAAC. In addition, Federal Travel Regulations Section 301-11.300 provides for circumstances when actual expenses are warranted, including when “lodging and/or meals are procured at a prearranged place, such as a hotel where a meeting, conference or training session is held” Proper documentation such as brochure or literature indicating the event is being held in a particular hotel must be submitted and approved since the Department Head can require the Traveler to stay at a hotel with a lower rate. In addition, if the conference hotel rate exceeds the federal rate by 200 percent (i.e, hotel rate is more than double the federal rate) the Traveler should select alternative lodging.

b) “Authorized” or “Sponsor” Hotels

The LAAC does not specifically address instances where the conference or convention is held at a convention center or location other than a hotel. However, a reasonable conclusion is that the intent is to allow for staying at “authorized” or “sponsor” hotels of conference or convention. *To the extent feasible, Travelers should try to select the most economical among the “authorized” or “sponsor” hotels. However, it is not necessary to demonstrate that the selected hotel’s rate is the most economical rate of all*

the hotels. Reimbursements for actual costs that do not exceed 200 percent of the federal destination per diem rate will be allowed if:

- i) The sponsor hotel rate does not exceed the conference hotel rate, which is within the 200 percent cap, with documentation of the conference hotel rate; or,
- ii) There is not a designated hotel or the Traveler does not have documentation of the conference hotel rate. Traveler must obtain two quotes from hotels within a reasonable walking distance (i.e., ½ mile or less) and one quote from a hotel farther away with free shuttle service to the conference, and select the most economical hotel. If none of the hotels have free shuttle service, the Traveler must obtain three quotes from hotels within a reasonable walking distance and select the most economical.

c) Other Hotels

If a room is not available at the conference hotel or one of the “authorized/sponsor” hotels, the reimbursement for a hotel near the conference site can be based on:

- i) Actual expenses up to the total of the federal per diem (plus fees and taxes, if applicable) for the length of stay. For example, different rates for three nights stay but the total for the three nights does not exceed the total of the federal per diem rate for three nights; or,
- ii) Actual expenses but not to exceed the conference hotel rate (which is within the 200 percent cap) with documentation of the conference hotel rate (Note: cannot use sponsor hotel rates for this exception).

Reimbursements for hotel rates in accordance with the above guidelines for conference lodgings are not considered to be exceptions to the Travel Policy; therefore, exception notation on the GAETL and PES documents is not required.

2) *Non-Conference Travel*

If lodging is not available at the federal destination per diem rate or lodging options at the per diem rate are not practical and travel is not for a conference, the Traveler must provide justification to the Department Head and obtain approval to be reimbursed for a higher rate but not to exceed 200 percent of the federal per diem

rate for the destination. If the Department Head approves the higher hotel rate, this exception should be noted on the GAETL and PES documents. Traveler will be reimbursed at the federal destination per diem rate if the Department Head does not approve the higher rate.

The cap at 200 percent is not meant to condone selection of a more expensive room or hotel when a less costly practical option is available. The cap is meant to mitigate the Traveler from having to personally cover ordinary, reasonable and/or necessary costs as a result of travel for City business.

Department Heads should not approve a rate higher than the 200 percent cap since a higher percentage may be deemed by the IRS as "lavish and extravagant" and not ordinary, necessary and reasonable. "Lavish and extravagant" expenses are subject to taxable income reporting and are treated as paid under a non-accountable plan. In addition, the public may perceive the expenses as not a prudent use of public funds.

If the purpose of travel is to assist an agency/municipality in a federal, state or local emergency incident and with no alternative lodging, Department Heads can approve actual hotel expenses. *Lodging that exceeds 200 percent of the federal per diem rate should be noted as an exception on the GAETL and PES documents and Traveler should provide sufficient justification and documentation.*

3) Shared Lodging

If there are situations when two City Authorized Travelers choose to share a room, the cost of a double occupancy room cannot exceed 300 percent of the federal per diem rate for the destination. *Department Head approval is required and this exception should be noted on the GAETL and PES documents.*

The Traveler that paid the bill would claim the total paid for the room on his/her PES and list the name of the other Traveler. The other Traveler's PES should also note the name of the person that he/she shared lodging with.

B. Meals and Incidentals (M&IE)

The LAAC allows the reimbursement of a maximum of three meals a day. M&IE will be reimbursed at claimed amount but not to exceed the applicable federal per diem rate for the destination with noted exceptions. Note: reimbursement for M&IE should

reflect adjustments for meal charges on a hotel invoice, including room service delivery charges that are within the per diem limit.

Applicable federal per diems are as follow:

- First day of the trip (i.e., Traveler departs for the trip), use the per diem rate for the destination city.
- Last day of the trip (i.e., Traveler returns from the trip), use the per diem rate for the last location where the Traveler stayed overnight.
- If Traveler is in more than one city/location per day, use the per diem for the city/location in which the Traveler spends the night.

Example of M&IE rates to use for a trip with multiple destinations

4-Day Trip from Los Angeles to London, London to Paris, and Paris to Los Angeles

Day 1: Departure flight from Los Angeles to London (destination city is London and overnight stay is in London)
M&IE reimbursement is not to exceed 75% of the per diem rate for London

Day 2: Remain in London (overnight stay is in London)
M&IE reimbursement is not to exceed 100% of the per diem rate for London.

Day 3: Flight/train from London to Paris (overnight stay is in Paris)
M&IE reimbursement is not to exceed 100% of the per diem rate for Paris

Day 4: Return flight from Paris to Los Angeles (last location of overnight stay is Paris)
M&IE reimbursement is not to exceed 75% of the per diem rate for Paris

Expense Substantiation Methods

Reimbursements may be for actual costs with receipts (Actual Costs Method) not exceeding the federal per diem limit, or for the federal per diem rate without receipts (Per Diem Substantiation Method) but only one method of reimbursement may be used for the entire trip. The Per Diem Substantiation Method is an acceptable

alternative to the Actual Costs Method and satisfies the IRS requirements of an accountable reimbursement plan. Both methods require that the date, time, place, amount and business purpose of the expense be noted.

1) Reimbursement Limits – Travel with Overnight Lodging

Meal expenses in excess of the federal per diem rate may be perceived as “lavish and extravagant”. Therefore to avoid any issue, reimbursement is capped at the federal destination per diem rate except for destinations with rates less than \$60 per day as discussed below. Meal allowance will not be provided when meals are provided by the host throughout the day. Complimentary breakfast provided by hotel does not constitute a meal. Alcoholic drinks are NOT reimbursable expenses.

Exception to the cap at the federal destination per diem rate is when the rate is less than \$60 per day in which case, the Traveler may request reimbursement for actual costs, not to exceed \$60 per day, with receipts. This provision does not allow the use of the per diem substantiation method and receipts are required. This is not considered to be an exception to the policy.

The meal allowance, which is for a full 24-hour day, will be prorated at 75 percent:

- On travel days regardless of departure and/or arrival times. For the purposes of the City Travel Policy, travel days refer to those days spent en route between the home/office and a destination city (i.e., the first and last day of a trip). M&IE is not prorated for days spend en route between destination cities.
- When a meal is provided as part of the conference (i.e., included in the registration fee).
- For travel under the “50-mile” rule exceptions with overnight lodging and pre-approval.

Certain exceptions to the proration can be requested by the Traveler such as:

- Unable to consume the furnished meals due to medical reasons (doctor’s note is not required) or religious beliefs. Whenever possible, Travelers with special meal requirements are encouraged to contact the host to obtain reasonable meal accommodation.
- Full M&IE rate is necessary because of long travel day(s). Traveler must provide receipts for all the days (i.e., the entire trip) for actual costs reimbursement up to the federal per diem rate for the destination, or up to \$60 per day for destinations with rates less than \$60. Reimbursement will be for the actual costs for each day but not to exceed the daily per diem rate (i.e., no cost in excess of the daily per

diem rate can be offset by another day claimed at less than the daily per diem rate). Traveler cannot use the per diem substantiation method for the entire trip.

Reason for the exception must be documented and approved by the Department Head for reimbursement and the exception should be noted on the GAETL and PES documents.

Traveler that stayed with a friend or family member overnight can be reimbursed for meals provided that the Traveler provides a signed statement as proof of overnight stay to be exempted from taxable income reporting to the IRS. Reimbursement for meals is subject to taxable income reporting without the signed statement.

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Summary of M&IE Reimbursements with Overnight Lodging

Selected Reimbursement Option (1,2 or 3) must be used for the entire trip ⁽¹⁾

Methodology	Receipts Required	Reimbursement Cap at Destination	Prorated Reimbursement Cap for Travel Day/Conference Provided Meal/"50-mile" Rule Exceptions	Exception: Full Reimbursement Cap for Travel Day/Conference Provided Meal ⁽²⁾
Option 1: Federal Per Diem	No	Reimburse at federal per diem amount for destination	75% proration of federal per diem amount	No exceptions allowed
Option 2: Actual costs capped at federal per diem	Yes	Reimburse actual costs <i>up to</i> federal per diem amount for destination	Reimburse actual costs <i>up to</i> 75% of federal per diem amount for destination	Reimburse actual costs <i>up to</i> full federal per diem amount for destination
Option 3: Actual costs capped at \$60/day	Yes	Reimburse actual costs <i>up to</i> \$60 per day	Reimburse actual costs <i>up to</i> \$45 per day	Reimburse actual costs <i>up to</i> \$60 per day

(1) Traveler must use actual costs reimbursement methodology if the trip's funding source requires actual receipts. Submittal of receipt for any single meal that costs more than \$25 in accordance with the LAAC does not preclude the Traveler from using the federal per diem reimbursement methodology.

(2) Exceptions for prorated travel days will be made for full days spent at destination and in transit. Exceptions for prorated meals will be made for conference meals that cannot accommodate medical or religious restrictions.

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2) Reimbursement Limits – Travel without Overnight Lodging (One-Day Travel)

Meals reimbursements for travel that is performed within one day and does not involve an overnight stay must be reported as taxable income in accordance with IRS regulations. Accordingly, reimbursements will be processed from FMS but Departments will also be required to report one day meal reimbursements to the Controller's Office at calendar year end for adjustment to W-2 in the Payroll System (e.g., PaySR). Instructions will be issued every December of the year on reporting One-Day Travel meals as taxable income.

The following apply for reimbursement:

- Travel destination has to meet the "50-mile" rule (see [1.8.6](#)). If destination does not meet the "50-mile" rule, Traveler must justify the reason for meals reimbursement and obtain Department Head approval. *Reimbursements for destinations that do not meet the "50-mile" rule should be noted as exceptions on the GAETL and PES documents.*
- Reimbursement cannot exceed 75 percent of the federal per diem for the destination even if the destination per diem is less than \$60 per day.
- Meals will not be reimbursed when all meals are provided by the host throughout the day. Meal reimbursement cannot exceed 75 percent if one or two meals are provided as part of the conference/meeting.
- Receipts are not required unless any single meal exceeds \$25.
- Traveler must sign the "One-Day Travel Meals Reimbursement – Taxable Income Acknowledgement" form acknowledging that he/she has been informed that the reimbursement is taxable income, which will be reported to the IRS. The Acknowledgement form should be attached to FMS TEX document together with the PES.

Note: This provision cannot be used to reimburse meal expenses for off-site department, committee, board or commission meetings.

Gratuities for restaurant service (e.g., waiters) are included in the per diem rates (also see Section [1.8.20](#) for gratuity limits). The per diem rates also include incidental expenses as defined by the IRS such as fees and tips to porters, baggage carriers, hotel staff and staff on ships.

Transportation between places of lodging and places where meals are taken are no longer included in the definition of incidental expenses (IRS Bulletin 2013-44). If transportation is necessary to procure meals, transportation reimbursement will not

exceed \$5 per day with receipts and Department Head approval is required. *This should be noted as an exception on the GAETL and PES documents.*

Receipts are not required except when the cost for any single meal exceeds \$25 in accordance with LAAC or when Traveler is requesting reimbursement by the Actual Costs Method. Receipt requirement is also contingent on the funding source for the travel. If the funding source requires receipts, Traveler must submit receipts and will be reimbursed for actual costs but not to exceed the applicable federal per diem rate unless the funding source/grantor specifically authorizes in writing that a different policy shall apply.

1.8.14 Hosting While Traveling

In addition to the lodging and meals requirements, the LAAC requires that food and beverage expenses for persons other than City employees or elected officials be certified by the Department Head as expenditures for a public purpose and necessary for the conduct of City business. The LAAC also requires all City employees and elected officials to specify the name(s) and organization(s) of the person(s) hosted and the nature of the City business discussed.

The provisions for lodging and M&IE reimbursements also apply to persons hosted by City officials or employees. Alcoholic drinks are NOT reimbursable expenses. Consistent with federal guidelines, the LAAC provision on food and beverage is interpreted to exclude alcoholic drinks. Further, it is the responsibility of City employees to comply with the Personnel Department policy regarding consumption of alcoholic beverages while on duty.

1.8.15 Ground Transportation

The LAAC mandates that the least expensive and most practical form of public transportation shall be used, taking into consideration such factors as time, availability and personal safety or health. Whenever possible, Travelers should take advantage of free or courtesy shuttle services offered by airports and hotels to keep costs to a minimum. Receipt is required for reimbursement of ground transportation costs. Traveler may provide credit card receipt or statement but must specify the fare and tip amounts of the total charge for reimbursement. If a receipt is not available for **public transportation**, provide documentation of the fare (e.g., print the fare from the official website). Tips for driver of taxi and shuttle are reimbursed for up to 15 percent of the fare if reflected on the receipt. Tips in excess of 15 percent will not be reimbursed.

IRS Rule – Reimbursement without Receipt

If the ground transportation receipt does not include the tip amount, the Traveler will not be reimbursed for the tip since a reimbursement that exceeds the receipt amount may be deemed as taxable income, which creates an administrative burden for the City to track and report to the IRS.

See Section 1.8.13.B for guidance on transportation to and from restaurants.

1.8.16 Automobile Rental

Automobile rental expenses are allowable if traveling by car is less expensive or more appropriate for the efficient conduct of City business than by taxi, bus, or plane. A cost comparison, unless the destination is to a county adjacent to Los Angeles (see Section 1.8.12.C), should be provided as proof that automobile rental expenses (including incidental costs such as parking fees) are less expensive than train, bus, taxi or plane. If proof cannot be provided, the Traveler must provide a written justification pre-approved by the Department Head that clearly demonstrates the need for an automobile rental for the efficient conduct of City business. Travelers must fill the gas tank before returning a rental vehicle to avoid fuel surcharges. Receipts are required for reimbursement of rental car, gasoline, parking and toll expenses. If receipts for toll and/or parking meter expenses are not available, provide printouts from official websites. Fees for GPS are not reimbursable expenses. Parking tickets, traffic violations or other penalties for infractions of any law are also not reimbursable.

When traveling alone, mid-size or smaller car is the car type within policy. Travelers may upgrade to a car type other than mid-size or smaller under any of the conditions discussed below or for other reasons. *An upgrade is considered to be an exception to the policy; therefore, Travelers should document the specific reason for the upgrade and obtain approval.*

- Insufficient space for the number of City employees traveling together;
- Insufficient space to accommodate work-related equipment;
- Terrain of destination requires a type of vehicle;
- Medical necessity (i.e., driver with disability); or,
- Upgrade is at no extra cost.

Travelers are responsible for canceling rental car reservations if no longer necessary and documenting the cancelation in case of billing disputes.

Automobile Rental Insurance

In accordance with the City of Los Angeles Risk Management Procedure Manual, the City self-insures property losses and will neither authorize nor reimburse the cost of the Collision Damage Waiver. As a result, if an employee were to have an accident while traveling on City business, the car rental companies could demand immediate payment and could charge the amount of the loss to the employee's personal credit card to ensure payment. The employee would be reimbursed for the expense by the City upon his/her return. In addition, an employee's personal auto coverage would provide primary coverage if a rental vehicle is rented in the employee's own name and if the policy provides full coverage (including comprehensive and collision) that is specifically extended to rental cars. Therefore, employees will not be reimbursed for rental vehicle insurance for travel to a non-foreign country.

For foreign travel, employees should purchase that country's liability insurance (e.g., for Mexico, it is sold at the border) from a reliable source if the employee's own policy does not provide coverage. An employee should check with his or her insurance beforehand to determine if the employee has appropriate coverage. If coverage is not applicable, the employee should also ask their carrier to provide appropriate coverage and limits to purchase while on foreign travel. If the employee does not have such coverage, the employee will be reimbursed for the expense. Employees should document the advice provided by their carrier on the appropriate coverage and limits to purchase in case of questions regarding the expense amount.

1.8.17 Laundry Service

Under the LAAC, expenses for laundry service are allowable if the duration of the trip, traveling conditions or some other special circumstances dictate. As a reference, the federal guidelines require a minimum of four consecutive nights lodging on official travel to qualify for laundry service reimbursement. *Otherwise, explanation should be provided on the special circumstances requiring laundry service and reimbursement requires Department Head approval of the exception.*

1.8.18 Telephone Calls

Under the LAAC, the costs of City business telephone calls are fully reimbursable. One personal telephone call to the employee's immediate family in the locale of the residence of the employee is allowed if travel is in excess of three days. One such call is permitted

for each successive three days thereafter. For reference, a ten-minute telephone call is considered reasonable.

1.8.19 Internet Connection Services

If free internet connection service is not available to conduct City business, the cost is reimbursable with Department Head approval.

1.8.20 Gratuities

Under the LAAC, gratuities not exceeding 15 percent are allowable where reasonable and customary. Fees and tips given to waiters (up to 15 percent of the restaurant bill exclusive of taxes), porters (\$2 per bag), bell hops (\$1 to \$2 per bag), housekeeping (\$1 to \$2 per day), taxicab drivers (up to 15 percent of the fare) and other service personnel are considered customary. Note: Gratuities to porters, bell hops and housekeeping are included in the IRS definition of “incidental expenses” and are therefore included in the M&IE limit and not reimbursed separately.

Exception to exceeding the 15 percent is when there is a required gratuity and the amount is added on the bill by the service provider (e.g., gratuity added by a restaurant for a large party). In 2012, the IRS clarified the difference between a tip and service charge for tax purposes and ruled that automatic gratuities are service charges, rather than tips. However, a Traveler that chose to tip more than 15 percent of the restaurant bill will be reimbursed only for 15 percent.

1.8.21 Registration, Seminar or Meeting Fees

The LAAC allows the reimbursement of registration, seminar or meeting fees where required. Whenever time permits, registration fees should be paid directly to the conference sponsor.

1.8.22 Expenses Not Specifically Set Forth in the LAAC

Other expenses not specifically set forth in the LAAC that are incurred by an employee or an elected official are allowable where deemed necessary in the conduct of City business, provided that the reasons for such expenses have been reviewed and certified by the Department Head as reasonable and proper and incurred in pursuit of City

business. For example, costs of visa and/or passport are reimbursable when directly related to City travel and approved by Department Head. All reimbursements require receipts.

1.8.23 Non-reimbursable Travel Costs

Travel expenses that are not in compliance with City policy are the personal responsibility of the Traveler.

Under the LAAC, the City will also not reimburse expenses of a purely personal nature. The following are examples (not an all-inclusive list) of travel costs NOT reimbursable:

- Auto repairs, replacement or towage to personal vehicle when such use has been authorized
- Parking ticket
- Traffic ticket
- Travel insurance
- Personal telephone calls (unless in accordance with Section 1.8.18)
- Expenses for persons other than the employee, elected official or City approved Travelers who accompanies the Traveler (e.g., companion's transportation, lodging, and/or meals)
- Entertainment costs such as in-room movies or games
- Spa and personal grooming services
- Fuel expenses for personal and City vehicles.

Exception: Traveler can be reimbursed for fueling City vehicle if unable to obtain a temporary Voyager Card from the Department of General Services before the trip departure date and provides receipts. However, the Departments will have to provide justification and documentation of efforts to obtain the card before the trip date. This should be noted as exceptions to the Travel Policy on the GAETL and PES documents.

1.8.24 Interrupted and Indirect Travel

Where there is an interruption or deviation from the direct travel route, whether for the Traveler's personal leave or convenience, expenses allowable will not exceed those that would have been incurred for uninterrupted travel utilizing the usual route. Travelers who combine personal travel with business travel must identify and pay for the personal segment of the trip. The City will not reimburse a Traveler for expenses incurred when the Traveler chooses to extend time at the destination for personal reasons (e.g., the Traveler takes vacation or stays through the weekend). Traveler must provide a quote from the air travel service provider showing the cost of the roundtrip ticket for the most

economical and direct travel to/from the business destination for the dates of official business. This quote will be used for comparison and reimbursement purposes. Traveler must pay for the personal portion of the airfare expense. Hotel, car rental and parking expenses must also be prorated, and only the portion related to City travel will be reimbursed.

If a City employee becomes sick or injured during travel, his or her first responsibility is to seek competent medical attention. Even if the injury is not serious and treatment can wait until the completion of the trip, the employee, when able, must notify his or her Department Personnel Officer, who will then notify the City Workers' Compensation Section.

1.8.25 City Contractor Travel

Travel by a City contractor shall be governed by the provisions of the contract between the City and the contractor. In the absence of specific provisions in the contract, the City travel policies and procedures shall apply.

1.8.26 Non-City Employee Travel

Under certain circumstances, an individual who is not a City employee nor otherwise compensated by the City may need to travel on behalf of the City. For example, the City may request individuals from non-profit organizations to sit on interview panels to review request for proposals. All City policies and procedures on travel will apply to the non-City employee.

1.8.27 Personal Expense Statement and Documentation of Expenses

The LAAC requires that completed travel expense forms be forwarded to the Controller within 30 days of the conclusion of the trip. To adhere to the LAAC requirement, Departments should post the Personal Expense Statement (PES) in the FMS within 30 days. Form Gen. 16, Personal Expense Statement (PES) may be accessed and filled out interactively at <http://ctr.ci.la.ca.us/forms.htm>. All expenses claimed for reimbursement should be itemized on the PES. Note: payment transaction fees charged by Traveler's personal credit card providers and/or payment service providers are not reimbursable except for foreign transaction fees for City business related expenses (e.g., lodging, meals, transportation).

The Department Head shall certify that all expenditures were incurred in pursuit of City business. Falsification of such certification shall be grounds for appropriate disciplinary action and such other sanctions provided by law.

The LAAC further requires that receipts be provided for transportation costs, lodging, and for any single item of expenditure in excess of \$25. Internal Revenue Code 274 requires adequate records or sufficient evidence corroborating the Traveler's own statement to substantiate traveling expenses and in order to determine tax liability. Sufficient evidence must be presented as to the amount of travel expense, the time and place of the travel and the business purpose of the expense. Departments should certify expenses, and maintain copies of receipts for expenses regardless of amount when deemed necessary in these guidelines. For grant-funded and special-funded travel, it is the Traveler's responsibility to comply with the grant/special fund requirements relative to receipt documentation.

Note: Completed PES and receipts submitted, electronically or otherwise, become part of the City official travel records and the official property of the City. Therefore, Travelers are advised to black out/redact any personal information contained in any documents submitted. Departments are required to maintain original support documentation for five years.

Below are examples of acceptable documentation to be submitted with the completed PES.

Description of Expense and Acceptable Documentation

<i>Airfare</i>	Airfare receipt such as passenger ticket, invoice, itinerary, "e-ticket", confirmation notice or other documentation reflecting the dates of travel.
	Proof of payment such as credit card receipt or statement. For "e-ticket", a screen print of the confirmation notice indicating payment by credit card is acceptable.
<i>Ground Transportation</i>	Proof of fare and tip amounts is required either in the form of a receipt, credit card receipt or credit card statement. If a receipt is not available for public transportation , provide a printout from the official website on the fare amount.

Laundry Itemized on hotel bill or provide separate receipt from serviced provider.

Lodging Hotel/motel invoice reflecting zero balance, or that the balance is subject to credit card payment. The invoice must provide a breakdown of daily expenses.

When lodging rates for persons other than the Traveler are charged, single occupancy rate documented on hotel/motel letterhead must be provided.

Meals & Incidentals In accordance with the LAAC Section 4.242.7, receipts for any single meal in excess of \$25 must be provided.

Receipts are required for reimbursements under Actual Costs Method.

Traveler must submit receipts if required by the trip's funding source (e.g., grant funds).

Receipts for meals for other than the Traveler must include the guest(s) names and affiliated organizations and a statement of the event attended or sponsored and business discussed.

Personal Automobile When used in-lieu of airfare, the number of miles at the current mileage rate is reflected under the PES Miscellaneous Expense column. The total costs may *not* exceed the lowest regular fare available for regularly scheduled airlines for the date and time of travel.

The use of a personal automobile for travel may not be reimbursable in cases where the Traveler receives a car allowance or any type of vehicle subsidy from the City on a regular basis.

Registration Original or copy of the registration form, reflecting form of payment.

Telephone

Hotel invoice and on a separate attachment, *detailing* the name(s) of persons called, title(s), the affiliated department or business, and subjects discussed. Travelers are encouraged to consider the most economical option for telephone calls. In some cases, the use of pre-paid phone cards may be more economical than hotel or cellular phones.

Miscellaneous

Other miscellaneous expenses are reimbursable when they are actual and necessary in the conduct of City business. The expenses require *review* and *certification* by the Department Head as reasonable and proper and incurred in pursuit of City business. Details of the charges must be included in the completed PES and receipts attached.

1.8.28 FMS Travel Expenditure (TEX) Document

To process the reimbursement of travel expenditures under FMS, a TEX document is required. The TEX document must be submitted together with the completed PES.

1.8.29 Foreign Currency

The PES must indicate values in US dollars (USD). It is the Traveler's responsibility to convert any foreign currency charges to USD. Supporting documentation for the foreign currency conversion should be attached to the PES. The conversion date must coincide with the date of the original receipt. Acceptable documentation includes:

- Credit card statement showing conversion of foreign-denominated expenses to USD
- Internet conversion of charges
- Foreign exchange receipts from money exchanges or banks showing foreign currency conversion rates

1.8.30 Travel Advances

The LAAC authorizes the Controller to advance the amount of funds for travel purposes upon certification by the Department Head that they will be incurred for City business. Because processing travel advances is labor intensive and may result in overpayments, departments can reduce the need for an advance by booking flights with TravelStore when feasible, paying registration fee directly, and processing reimbursements in a timely manner.

Employees may request a travel advance for approved travel when the estimated expenses, excluding airfare costs and other expenses are at least \$500. Department Heads may approve travel advances for lesser amounts, if necessary. Travel advance requests must be forwarded to the Controller's Office for processing. Travel advances are generally for lodging, meals and incidentals and the advanced amount is 90 percent of the estimate. Travel advances will not be issued if request is only for the cost of One-Day Travel meals. Advances at 90 percent minimize instances of overpayment to Travelers. Collection of overpayments creates additional work for the City and when overpayments are not returned by the Traveler, the City must report to the IRS as taxable income to the Traveler.

Requests for travel advance must be submitted at least ten (10) business days in advance of the beginning of the planned expenditure of funds and such request shall include the following information:

- GAETL number
- name of Traveler
- traveling period covered
- destination
- purpose of the trip
- nature of the City business to be conducted on the trip
- proposed total estimated expenditure
- a statement certifying that the Traveler has no outstanding cash advance.

As a matter of policy, the Controller will not accept travel advance requests more than thirty (30) calendar days prior to commencement of travel. The travel advance will be released to the Traveler no more than one week prior to travel except where advance deposits and registration fees are required. Advance travel checks are released by the Controller Paymaster Section on "Will-Call" basis only.

Travel advances must be resolved through the submission of a completed PES within 30 days after the conclusion of the trip. *A travel advance is considered delinquent if not resolved within 30 days after the conclusion of travel.* Travelers with a delinquent travel advance cannot receive another travel advance until the prior travel advance is resolved. Departments should notify and remind Travelers in writing to resolve outstanding advances until the advance is over 120 days old. However, ultimately, it is the Traveler's responsibility to remember to resolve travel advances regardless if he/she received reminders.

The Controller's Office will report all delinquent travel advances over 120 calendar days old as employee income as required by the IRS. Outstanding travel advances not accounted for within 120 calendar days will be included as part of the employee's wages on the first payroll period of the subsequent calendar quarter following the end of 120 calendar days. This amount will be subject to income and employment taxes for the period per IRS Publication 463. When the unresolved travel advance amount is reported in an employee's Wage and Tax Statement will depend on when the 120 days expires:

- Before last pay day of the calendar year – on Form W-2
- Between last pay day of the calendar year to March 31 of the following year – on Corrected Form W-2
- After March 31 of the following year – on Form W-2c

For non-City employees, IRS Form 1099-Misc will be issued per IRS Federal, State, Local Government Taxable Fringe Benefit Guide.

Refund of Travel Advances

Travelers may need to return money to the City after completion of travel due to excess travel advance or disallowed travel expenses. Refund checks or money orders must be made payable to the City of Los Angeles. Departments are responsible for depositing any refund check immediately upon receipt by submitting a cash receipt (CR) together with the refund check to the Office of Finance. The Traveler should attach a copy of the CR with the Office of Finance stamp (or other receipt verification) to the completed PES. Questions regarding the preparation and submission of CR documents should be directed to the Office of the Finance.

1.8.31 Related Resources

Travel forms and additional information and materials regarding travel are available on the Controller website under Guides to Departments at



<http://ctr.ci.la.ca.us/guidestodepts.htm>. Questions regarding “Will-Call policies and procedures should be directed to the Paymaster Section (see Controller Directory in Cityfone). Questions regarding this Policy should be directed to the Controller’s Demand Audit Section.

Exhibit A

Certification Regarding Compliance with the Americans with Disabilities Act

**CERTIFICATION REGARDING COMPLIANCE WITH THE
AMERICANS WITH DISABILITIES ACT**

The undersigned certifies, that to the best of his/her knowledge and belief, that:

1. The Contractor/Borrower/Agency (hereafter Contractor) is in compliance with and will continue to comply with the Americans with Disabilities Act 42 U.S.C. 12101 et. seq. and its implementing regulations.
2. The Contractor will provide for reasonable accommodations to allow qualified individuals with disabilities to have access and participate in its programs, services and activities in accordance with the provisions of the Americans With Disabilities Act.
3. The Contractor will not discriminate against persons with disabilities nor against persons due to their relationship or association with a person with a disability.
4. The Contractor will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
5. This Certification is a material representation of fact upon which the City relied when entering into this agreement.

AGREEMENT NUMBER: _____

CONTRACTOR: _____

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE

DATE

Exhibit B

Certification of Compliance with Child Support Obligations

**CITY OF LOS ANGELES
CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS**

The undersigned hereby agrees that _____ will:

Name of Business

1. Fully comply with all applicable State and Federal employment reporting requirements for it employees.
2. Fully comply with and implement all lawfully served Wage and Earnings Assignment Order and Notices of Assignment.
3. Certify that the principal owner(s) of the business are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally.
4. Certify that the business will maintain such compliance throughout the term of the contract.
5. This certification is a material representation of fact upon which reliance was placed when the parties entered into this transaction.
6. The undersigned shall require that the language of this Certification be included in all subcontractors and that subcontractors shall certify and disclose accordingly.

To the best of my knowledge, I declare under penalty of perjury that the foregoing is true and was executed at:

City/County/State

Date

Name of Business Address

Signature of Authorized Office or Representative Print Name

Title Telephone Number

Exhibit C1

LW-5 – Subcontractor Declaration of Compliance Form

LWO – SUBCONTRACTOR DECLARATION OF COMPLIANCE FORM
REQUIRED DOCUMENTATION FOR ALL SUBCONTRACTS SUBJECT TO LWO

This form must be signed within 90 DAYS of the execution of the subcontract and **RETAINED by the **PRIME CONTRACTOR**.**

TO BE FILLED OUT BY THE PRIME CONTRACTOR:

1. Company Name: _____ Phone #: _____
 2. Company Address: _____
 3. Awarding Department: _____
 4. Project Name: _____

IF A SUBCONTRACTOR FAILS TO COMPLETE AND SUBMIT THIS FORM TO PRIME CONTRACTOR ON THE CITY CONTRACT, THE PRIME CONTRACTOR MAY BE DEEMED TO BE IN VIOLATION OF THE LIVING WAGE ORDINANCE (LWO) FOR FAILING TO ENSURE ITS SUBCONTRACTOR'S COMPLIANCE WITH THE ORDINANCE. THIS MAY RESULT IN WITHHOLDING OF PAYMENTS DUE TO THE PRIME CONTRACTOR, OR TERMINATION OF THE PRIME CONTRACTOR'S AGREEMENT WITH THE CITY.

THE PRIME CONTRACTOR MUST INFORM THEIR SUBCONTRACTORS OF THE FOLLOWING:

THE LIVING WAGE ORDINANCE REQUIRES:

That a subcontractor (including a sublessee, a sublicensee, or a service contractor to a City financial assistance recipient) that works on or under the authority of an agreement subject to the LWO **must comply with all applicable provisions of the Ordinance unless specifically approved for an exemption.**

THE LIVING WAGE ORDINANCE REQUIRES THAT SUBJECT EMPLOYERS PROVIDE TO EMPLOYEES:

- As of July 1, 2017, a wage of at least **\$11.48 per hour with health benefits** of \$1.25 per hour, or **\$12.73 per hour without health benefits** (to be adjusted annually on July 1);
- At least **96 compensated hours off per year** for sick leave, vacation or personal necessity at the employee's request (pro-rated for part-time employees);
- At least **80 additional hours off per year of uncompensated time off** for personal or immediate family illness (pro-rated for part-time employees). Refer to the LWO Rules and Regulations, available on the Bureau of Contract Administration website at <http://bca.lacity.org/index.cfm>, for details regarding the wage and benefit requirements of the Ordinance; and
- Information of their possible **right to the federal Earned Income Tax Credit (EITC)** and make available the forms required to secure advance EITC payments from the employer.

THE LIVING WAGE ORDINANCE ALSO REQUIRES EMPLOYERS:

- To permit access to work sites for authorized City representatives to review the operation, payroll and related documents, and to provide certified copies of the relevant records upon request by the City.
- **Not to retaliate** against any employee claiming non-compliance with the provisions of these Ordinances and to **comply with federal law** prohibiting retaliation for union organizing.

TO BE FILLED OUT BY THE SUBCONTRACTOR:

1. Company Name: _____ Company Phone Number: _____
 2. Company Address: _____
 3. Type of Service Provided by Subcontractor to Prime: _____
 4. Amount of Subcontract: _____ Subcontract Start Date: ___/___/___ End Date: ___/___/___

By signing this Declaration of Compliance, the subcontractor certifies that it will comply with all applicable provisions of the LWO, and its Implementing Rules and Regulations, including any amendments or revisions to the Ordinances and Regulations.

Print Name of Person Completing this Form _____

Signature of Person Completing this Form _____

Title _____

Phone # _____

Date _____

Exhibit C2

LW-6 – Employee Information Form

LWO – EMPLOYEE INFORMATION FORM
 REQUIRED DOCUMENTATION FOR ALL CONTRACTS SUBJECT TO LWO

This form must be submitted to the AWARDING DEPARTMENT within 30 DAYS of contract execution. **INCOMPLETE SUBMISSIONS WILL BE RETURNED.**

THE LIVING WAGE ORDINANCE (LWO) REQUIRES THAT SUBJECT EMPLOYERS PROVIDE TO EMPLOYEES:

- As of July 1, 2017, a wage of at least **\$11.48 per hour with health benefits** of \$1.25 per hour, or **\$12.73 per hour without health benefits** (to be adjusted annually on July 1);
- At least **96 compensated hours off per year** for sick leave, vacation or personal necessity at the employee's request (pro-rated for part-time employees); and
- At least **80 additional hours off per year of uncompensated time off** for personal or immediate family illness (pro-rated for part-time employees). Refer to the LWO Rules and Regulations, available on the Bureau of Contract Administration website at <http://bca.lacity.org/index.cfm> for details regarding the wage and benefit requirements of the Ordinance; and
- Information of their possible **right to the federal Earned Income Tax Credit (EITC)** and make available the forms required to secure advance EITC payments from the employer.

THE LIVING WAGE ORDINANCE (LWO) ALSO REQUIRES EMPLOYERS:

- **Not to retaliate** against any employee claiming non-compliance with the provisions of this Ordinance and to **comply with federal law** prohibiting retaliation for union organizing.

TO BE FILLED OUT BY THE CONTRACTOR:

1. Company Name: _____ Email Address: _____
2. STATE the number of employees working ON THIS CITY CONTRACT: _____
3. **ATTACH** a copy of your company's 1st PAYROLL under THIS CITY CONTRACT.
4. Do you provide health benefits (such as medical, dental, vision, mental health, and disability insurance) to your employees? Yes No
 If YES, provide the employer's monthly contribution amount(s) toward the health benefits premium(s) for each employee working on THIS CITY CONTRACT.

FAILURE TO COMPLY WITH THESE REQUIREMENTS WILL RESULT IN WITHHOLDING OF PAYMENTS BY THE CITY CONTROLLER, OR A RECOMMENDATION TO THE AWARDING AUTHORITY FOR CONTRACT TERMINATION. ALL INFORMATION SUBMITTED IS SUBJECT TO VERIFICATION, AND FALSE INFORMATION MAY RESULT IN CONTRACT TERMINATION.

I understand that the employee information provided herein will be used by the City of Los Angeles, Office of Contract Compliance for the purpose of monitoring the Living Wage Ordinance.

Print Name of Person Completing this Form	Signature of Person Completing this Form
Title	Phone # Date

AWARDING DEPARTMENT USE ONLY:

Dept: _____ Contact: _____ Phone #: _____ Contract #: _____

Exhibit C3

LW-18 – Subcontractor Information Form

LWO – SUBCONTRACTOR INFORMATION FORM

REQUIRED DOCUMENTATION FOR ALL CONTRACTS SUBJECT TO LWO

This form must be submitted to the AWARDED DEPARTMENT within 30 DAYS of contract execution. **INCOMPLETE SUBMISSIONS WILL BE RETURNED.**

SECTION I: CONTRACTOR INFORMATION

1. Company Name: _____ Contact Person: _____ Phone #: _____

2. Do you have subcontractors working on this City contract? Yes No

If YES, a) STATE the number of your subcontractors ON THIS CITY CONTRACT: _____

b) Complete Section II for EACH subcontractor, continue to Section III & IV (if applicable), AND SIGN Section V.

If NO, This form is now complete – SIGN THE BOTTOM OF PAGE 2 AND SUBMIT TO THE AWARDED DEPARTMENT.

SECTION II: SUBCONTRACTOR INFORMATION

1. Subcontractor Name: _____

2. Contact Person: _____ Phone #: _____

3. Address: _____

4. Purpose of Subcontract: _____

5. Amount of Subcontract: \$ _____ Term: Start Date ____/____/____ End Date ____/____/____

6. Is this subcontractor exempted from or not subject to the LWO? Yes No

If Yes, state reason below. And see Section III for the required document(s):

1. Subcontractor Name: _____

2. Contact Person: _____ Phone #: _____

3. Address: _____

4. Purpose of Subcontract: _____

5. Amount of Subcontract: \$ _____ Term: Start Date ____/____/____ End Date ____/____/____

6. Is this subcontractor exempted from or not subject to the LWO? Yes No

If Yes, state reason below. And see Section III for the required document(s):

1. Subcontractor Name: _____

2. Contact Person: _____ Phone #: _____

3. Address: _____

4. Purpose of Subcontract: _____

5. Amount of Subcontract: \$ _____ Term: Start Date ____/____/____ End Date ____/____/____

6. Is this subcontractor exempted from or not subject to the LWO? Yes No

If Yes, state reason below. And see Section III for the required document(s):

SECTION II: SUBCONTRACTOR INFORMATION (continued)

1. Subcontractor Name: _____

2. Contact Person: _____ Phone #: _____

3. Address: _____

4. Purpose of Subcontract: _____

5. Amount of Subcontract: \$ _____ Term: Start Date ____/____/____ End Date ____/____/____

6. Is this subcontractor exempted from or not subject to the LWO? Yes No
If Yes, state reason below. And see Section III for the required document(s):

1. Subcontractor Name: _____

2. Contact Person: _____ Phone #: _____

3. Address: _____

4. Purpose of Subcontract: _____

5. Amount of Subcontract: \$ _____ Term: Start Date ____/____/____ End Date ____/____/____

6. Is this subcontractor exempted from or not subject to the LWO? Yes No
If Yes, state reason below. And see Section III for the required document(s):

SECTION III: EXEMPTIONS or SUBCONTRACTS NOT SUBJECT TO THE LWO

EXEMPTION or NON-COVERAGES	SUPPORTING DOCUMENTATION REQUIRED
501(c)(3) non-profit organization ¹	LW-28 - 501(c)(3) Non-Profit Exemption Form http://lwa.lacity.org/index.cfm?nxt=ee&nrd_body=div_occ_two_forms.cfm
Collective bargaining agreement w/supersession language ²	LW-10 - OCC Exemption Form http://lwa.lacity.org/index.cfm?nxt=ee&nrd_body=div_occ_two_forms.cfm
Small Business ³	LW-26 - Small Business Exemption Form (English & Spanish) http://lwa.lacity.org/index.cfm?nxt=ee&nrd_body=div_occ_two_forms.cfm
Governmental Entity ⁴ or Utilities Companies ⁵	NONE REQUIRED.
Construction contract ⁶	NONE REQUIRED.

SECTION IV: SUBCONTRACTS SUBJECT TO THE LWO (NOT ELIGIBLE FOR EXEMPTIONS)

Please have EACH of your Subcontractors that ARE SUBJECT to the LWO fill out the three forms below. Submit LW-6 and LW-18 ONLY to the Awarding Department (and supporting documentation, where applicable) and RETAIN LW-5 in your office.

1) Employee Information Form	LW-6 - http://lwa.lacity.org/index.cfm?nxt=ee&nrd_body=div_occ_two_forms.cfm
2) Subcontractor Information Form	LW-18 - http://lwa.lacity.org/index.cfm?nxt=ee&nrd_body=div_occ_two_forms.cfm
3) Subcontractor Declaration of Compliance Form (retain)	LW-5 - http://lwa.lacity.org/index.cfm?nxt=ee&nrd_body=div_occ_two_forms.cfm

SECTION V: SIGNATURE

I understand that the Subcontractor Information provided herein is confidential and will be used by the City of Los Angeles' Office of Contract Compliance for the purpose of monitoring the Living Wage Ordinance.

Print Name of Person Completing This Form _____ Signature of Person Completing This Form _____

Title _____ Phone # _____ Date _____

AWARDING DEPARTMENT USE ONLY

Dept: _____ Dept Contact: _____ Contact Phone: _____ Contact Phone: _____

- ¹ **Non-Profit 501(c)(3) Organizations:** A corporation claiming exemption under Section 10.37.15(b) of the LWO as a corporation organized under Section 501(c)(3) of the United States Internal Revenue Code must provide the following additional documents in support of the application for exemption:
- (1) A copy of the most recent IRS letter indicating that the Employer has been recognized as a non-profit corporation organized under section 501(c)(3) of the United States Internal Revenue Code.
 - (2) The LW-28 501(c)(3) Non-Profit Exemption Application referred to in the LWO Rules and Regulations Appendix A must include the salary certification information. The salary certification must list the salary of the corporation's chief executive officer (CEO), computed on an hourly basis, and the hourly wage rate of the lowest paid worker in the corporation. The salary of the CEO, when computed on an hourly basis, must be less than 8 times what the lowest paid worker is paid on an hourly basis. For purposes of this exemption, the "chief executive officer (CEO)" means the CEO of the 501(c)(3) corporation that entered into the agreement or the highest paid person employed by the corporation if the CEO is not the highest paid employee. The "lowest paid worker" refers to the lowest paid worker employed by the 501(c)(3) corporation that entered into the Agreement with the City, regardless of whether the person works on the City Agreement.
- ² **Exemption by Collective Bargaining Agreement – LAAC 10.37.12:** An Employer subject to provisions of the LWO may, by collective bargaining agreement (CBA), provide that the CBA, during its term, shall supersede the requirements of the LWO for those Employees covered by the CBA. The provisions of the LWO should not be interpreted to require an employer to reduce the wages and benefits required by the CBA. All parties to the CBA must specifically waive in full or in part the benefits required by the LWO. An Employer applying for this exemption shall submit a copy of the CBA. If the CBA does not specifically indicate that the LWO has been superseded, the Employer shall submit written confirmation from the union representing the Employees working on the Agreement that the union and the Employer have agreed to let the CBA supersede the LWO.
- (a) If the final CBA signed by the Employer and the union supersedes the LWO, in full or in part, the Employer shall be considered to be exempt from the LWO's specified provisions for the time period covered by the effective dates of the superseding CBA. The Employer remains subject to all applicable provisions of the LWO for the time period not covered by the superseding CBA. If the Employer has not complied with the LWO requirements during the time period not covered by the superseding CBA, the Employer shall be required to make retroactive corrections for any period of violation, which may include making retroactive payments to affected employees for the relevant periods of violation.
 - (b) If the final CBA signed by the Employer and the union does not supersede the LWO, the Employer shall be required to comply with all applicable LWO requirements, including the wage and benefits provisions. Compliance shall also be required retroactively to the date that the Employer first became subject to the LWO. If necessary, the Employer shall provide retroactive payments to affected Employees for any time period during which the Employer did not comply with the LWO.
- ³ **Small Business Exemptions for Public Lessees and Licensees – LAAC 10.37.15(a):** A public lessee or licensee claiming exemption from the LWO under section 10.37.15(a) shall submit the application for "Small Business Exemption" referred to in the LWO Rules and Regulations Appendix A, along with supporting documentation to verify that it meets the requirement that the lessee or licensee employs no more than seven (7) people on and off City property.
- (a) For purposes of this exemption, a lessee or licensee shall be deemed to employ a person if the person works for a company or entity that is owned or controlled by the lessee or licensee, regardless of where the company or entity is located; or if the person works for a company or entity that owns or controls the lessee or licensee, regardless of where the for a company or entity is located. Whether the lessee or licensee meets the seven (7) person limit shall be determined using the total number of people employed by all companies or businesses, which the lessee or licensee owns or controls, or which own or control the lessee or licensee. For purposes of this example, "control" means that one company owns a controlling interest in another company.
 - (b) If a business operated by the lessee or licensee is part of a chain of businesses, the total number of people includes all everyone employed by the entire chain of businesses unless the business operated by the lessee or licensee is an independently owned and operated franchise.
 - (c) A public lessee or licensee shall be deemed to employ no more than seven (7) people if its entire workforce (inclusive of the people falling within the guidelines stated in subsections (a) and (b) above) worked an average of no more than 1,214 hours per month for at least three-fourths of the of the previous calendar year.
- ⁴ **Governmental Entities – LAAC 10.37.14(b):** Agreements with governmental entities are not subject to the requirements of the LWO. If an Agreement is not subject to the LWO because the Employer is a governmental entity, Subcontractors performing work for the governmental entity on the Agreement are also not subject to the LWO.
- ⁵ **Utilities Companies – LAAC Section 10.37.14(c):** Contract for work done directly by a utility company pursuant to an order of the Public Utilities Commission.
- ⁶ **Construction contracts – LAAC Section 10.37.14(a):** Construction contracts are not subject to the LWO unless 1) there are employees not covered by prevailing wage or 2) if the prevailing wage is less than the required rate in 10.37.2.

Exhibit D1

Responsibility Questionnaire

**CITY OF LOS ANGELES
RESPONSIBILITY
QUESTIONNAIRE**

RESPONSES TO THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE MUST BE SUBMITTED ON THIS FORM.

In responding to the Questionnaire, neither the City form, nor any of the questions contained therein, may be retyped, recreated, modified, altered, or changed in any way, in whole or in part. Bidders or Proposers that submit responses on a form that has been retyped, recreated, modified, altered, or changed in any way shall be deemed non-responsive.

The signatory of this questionnaire guarantees the truth and accuracy of all statements and answers to the Questions herein. Failure to complete and return this questionnaire, any false statements, or failure to answer

(a) question(s) when required, may render the bid/proposal non-responsive. All responses must be typewritten or printed in ink. Where an explanation is required or where additional space is needed to explain an answer, use the Responsibility Questionnaire Attachments. Submit the completed form and all attachments to the awarding authority. Retain a copy of this completed form for future reference. Contractors must submit updated information to the awarding authority if changes have occurred that would render any of the responses inaccurate in any way. Updates must be submitted to the awarding authority within 30 days of the change(s).

A. CONTACT INFORMATION

CITY DEPARTMENT INFORMATION

City Department/Division Awarding Contract	City Contact Person	Phone
City Bid or Contract Number and Project Title (if applicable)	Bid	Date

BIDDER/CONTRACTOR INFORMATION

Bidder/Proposer Business Name	Contractor's License Number		
Street Address	City	State	Zip
Contact Person, Title	Phone	Fax	

TYPE OF SUBMISSION:

The Questionnaire being submitted is:

- An initial submission of a completed Questionnaire.
- An update of a prior Questionnaire dated _____ / _____ / _____.
- No change. I certify under penalty of perjury under the laws of the State of California that there has been no change to any of the responses since the last Responsibility Questionnaire dated _____ / _____ / _____ was submitted by the firm. Attach a copy of that Questionnaire and sign below.

Print Name, Title	Signature	Date
-------------------	-----------	------

TOTAL NUMBER OF PAGES SUBMITTED, INCLUDING ALL ATTACHMENTS: _____

B. BUSINESS ORGANIZATION/STRUCTURE

Indicate the organizational structure of your firm. "Firm" includes a sole proprietorship, corporation, joint venture, consortium, association, or any combination thereof.

Corporation: Date incorporated: ____ / ____ / ____ State of incorporation: _____

List the corporation's current officers.

President: _____

Vice President: _____

Secretary: _____

Treasurer: _____

Check the box only if your firm is a publicly traded corporation.

List those who own 5% or more of the corporation's stock. Use Attachment A if more space is needed. Publicly traded corporations need not list the owners of 5% or more of the corporation's stock.

Partnership: Date formed: ____ / ____ / ____ State of formation: _____

List all partners in your firm. Use Attachment A if more space is needed.

Sole Proprietorship: Date started: / /

List any firm(s) that you have been associated with as an owner, partner, or officer for the last five years. Use Attachment A if more space is needed. Do not include ownership of stock in a publicly traded company in your response to this question.

Joint Venture: Date formed: / /

List: (1) each firm that is a member of the joint venture and (2) the percentage of ownership the firm will have in the joint venture. Use Attachment A if more space is needed. **Each member of the Joint Venture must complete a separate Questionnaire for the Joint Venture's submission to be considered as responsive to the invitation.**

C. OWNERSHIP AND NAME CHANGES

1. Is your firm a subsidiary, parent, holding company, or affiliate of another firm?

Yes No

If **Yes**, explain on Attachment A the relationship between your firm and the associated firms. Include information about an affiliated firm only if one firm owns 50% or more of another firm, or if an owner, partner or officer of your firm holds a similar position in another firm.

2. Has any of the firm's owners, partners, or officers operated a similar business in the past five years?

Yes No

If **Yes**, list on Attachment A the names and addresses of all such businesses, and the person who operated the business. Include information about a similar business only if an owner, partner or officer of your firm holds a similar position in another firm.

3. Has the firm changed names in the past five years?

Yes No

If **Yes**, list on Attachment A all prior names, addresses, and the dates they were used. Explain the reason for each name change in the last five years.

4. Are any of your firm's licenses held in the name of a corporation or partnership?

Yes No

If **Yes**, list on Attachment A the name of the corporation or partnership that actually holds the license.

Bidders/Contractors must continue on to Section D and answer all remaining questions contained in this Questionnaire.

**The responses in this Questionnaire will not be made available to the public for review. This is not a public document.
[CPCC §20101(a)]**

D. FINANCIAL RESOURCES AND RESPONSIBILITY

5. In the past five years, has your firm ever been denied bonding?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

6. Is your firm now, or has it ever been at any time in the last five years, the debtor in a bankruptcy case?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

7. Is your firm in the process of, or in negotiations toward, being sold?

Yes No

If **Yes**, explain the circumstances on Attachment B.

E. INSURANCE

8. In the past five years, has any bonding company made any payments to satisfy any claims made against a bond issued on your firm's behalf?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

9. Indicate whether your firm currently has a workers' compensation insurance policy in effect, whether it is legally self-insured, or whether it currently has no workers' compensation insurance policy in effect.

Workers' Compensation Insurance Policy Currently in Effect

Legally Self-Insured

No Workers' Compensation Policy Currently in Effect

If you have no worker's compensation insurance policy currently in effect, and you are not legally self-insured, provide an explanation on Attachment B.

10. List the Experience Modification Rate (EMR) issued to your firm annually by your workers' compensation insurance carrier for the last three years. Begin with the most recent year (YR 1) that an EMR rate was issued (EMR -1). If any of the rates for the three years is or was 1.00 or higher, you may provide an explanation on Attachment B.

YR. 1: ___ EMR-1: ___ YR 2: ___ EMR-2: ___ YR. 3: ___ EMR-3:

11. Within the past five years, has your firm ever had employees but was without workers' compensation insurance or state approved self-insurance?

Yes No

If yes, explain on Attachment B each instance. If No, attach a statement from your workers' compensation insurance provider that you have been continuously insured for the past five years.

F. PERFORMANCE HISTORY

12. How many years has your firm been in business? _____ Years.
13. Has your firm ever held any contracts with the City of Los Angeles or any of its departments?
 Yes No

If, **Yes**, list on Attachment B all contracts your firm has had with the City of Los Angeles for the last 10 years. For each contract listed in response to this question, include: (a) entity name; (b) name of a contact and phone number; (c) purpose of contract; (d) total cost; (e) starting date; and (f) ending date.

14. List on Attachment B all contracts your firm has had with any private or governmental entity (other than the City of Los Angeles) over the last five years that are similar to the work to be performed on the contract for which you are bidding or proposing. For each contract listed in response to this question, include: (a) entity name; (b) name of a contact and phone number; (c) purpose of contract; (d) total cost; (e) starting date; and (f) ending date.
 Check the box if you have not had any similar contracts in the last five years.
15. In the past five years, has a governmental or private entity or individual terminated your firm's contract prior to its completion of the contract?
 Yes No
If **Yes**, explain on Attachment B the circumstances surrounding each instance.

16. In the past five years, has your firm used any subcontractor to perform work on a government contract when you knew that the subcontractor had been debarred by a governmental entity?
 Yes No
If **Yes**, explain on Attachment B the circumstances surrounding each instance.

17. In the past five years, has your firm defaulted on a contract or been debarred or determined to be a non-responsible bidder or contractor?
 Yes No
If **Yes**, explain on Attachment B the circumstances surrounding each instance.

G. DISPUTES

18. In the past five years, has your firm been the defendant in court on a matter related to any of the following issues? For parts (a) and (b) below, check **Yes** even if the matter proceeded to arbitration without court litigation. For part (c), check **Yes** only if the matter proceeded to court litigation. If you answer **Yes** to any of the questions below, explain the circumstances surrounding each instance on Attachment B. You must include the following in your response: the name of the plaintiffs in each court case, the specific causes of action in each case; the date each case was filed; and the disposition/current status of each case.

- (a) Payment to subcontractors?
 Yes No
- (b) Work performance on a contract?
 Yes No
- (c) Employment-related litigation brought by an employee? Yes No

19. Does your firm have any outstanding judgments pending against it?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

20. In the past five years, has your firm been assessed liquidated damages on a contract?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance and identify all such projects, the amount assessed and paid, and the name and address of the project owner.

H. COMPLIANCE

21. In the past five years, has your firm or any of its owners, partners or officers, ever been investigated, cited, assessed any penalties, or been found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed on Attachment C (Page 10)? For this question, the term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation.

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance, including the entity that was involved, the dates of such instances, and the outcome.

22. If a license is required to perform any services provided by your firm, has your firm, or any person employed by your firm, been investigated, found to have violated, cited, assessed any penalties, or subject to any disciplinary action by a licensing agency for violation of any licensing laws in the past five years?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance in the last five years.

23. In the past five years, has your firm, any of its owners, partners, or officers, ever been penalized or given a letter of warning by the City of Los Angeles for failing to obtain authorization from the City for the substitution of a Minority-owned (MBE), Women-owned (WBE), or Other (OBE) business enterprise?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance in the last five years.

24. Provide on **Attachment B**, the name(s), address(s) and telephone number(s) of the apprenticeship program sponsor(s) approved by the California Division of Apprenticeship Standards that will provide apprentices to your company for use on any public works projects that you are awarded by the City of Los Angeles.

Provide on **Attachment B**, the name(s), address(s) and telephone number(s) of the apprenticeship program sponsor(s) approved by the California Division of Apprenticeship Standards that have provided apprentices to your company on any public works project on which your firm has participated within the last 3 years.

I. BUSINESS INTEGRITY

25. For questions (a), (b), and (c) below, check **Yes** if the situation applies to your firm. For these questions, the term “firm” includes any owners, partners, or officers in the firm. The term “owner” does not include owners of stock in your firm if your firm is a publicly traded corporation. If you check **Yes** to any of the three questions below, explain on Attachment B the circumstances surrounding each instance.

(a) Is a governmental entity or public utility currently investigating your firm for making (a) false claim(s) or material misrepresentation(s)?

Yes **No**

(b) In the past five years, has a governmental entity or public utility alleged or determined that your firm made (a) false claim(s) or material misrepresentation(s)?

Yes **No**

(c) In the past five years, has your firm been convicted of, or found liable in a civil suit for, making (a) false claim(s) or material misrepresentation(s) to any governmental entity or public utility?

Yes **No**

26. In the past five years, has your firm, any of its owners or officers been convicted of a crime involving the bidding of a government contract, the awarding of a government contract, the performance of a government contract, or the crime of theft, fraud, embezzlement, perjury, or bribery? For this question, the term “owner” does not include owners of stock in your firm if your firm is a publicly traded corporation.

Yes **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

CERTIFICATION UNDER PENALTY OF PERJURY

I certify under penalty of perjury under the laws of the State of California that I have read and understand the questions contained in this questionnaire and the responses contained herein and on all Attachments. I further certify that I have provided full and complete answers to each question, and that all information provided in response to this Questionnaire is true and accurate to the best of my knowledge and belief.

Print Name, Title

Signature

Date

ATTACHMENT A FOR SECTIONS A THROUGH C

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

Page

ATTACHMENT B FOR SECTIONS D THROUGH I

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

Page

ATTACHMENT C: GOVERNMENTAL ENTITIES FOR QUESTION NO. 21

Check **Yes** in response to Question No. 21 if your firm or any of its owners, partners or officers, have ever been investigated, cited, assessed any penalties, or found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed below (or any of its subdivisions), including but not limited to those examples specified below. The term “owner” does not include owners of stock in your firm if your firm is a publicly traded corporation. If you answered Yes, provide an explanation on Attachment B of the circumstances surrounding each instance, including the entity involved, the dates of such instances, and the outcome.

FEDERAL ENTITIES

Federal Department of Labor

- American with Disabilities Act
- Immigration Reform and Control Act
- Family Medical Leave Act
- Fair Labor Standards Act
- Davis-Bacon and laws covering wage requirements for federal government contract workers
- Migrant and Seasonal Agricultural Workers Protection Act
- Immigration and Naturalization Act
- Occupational Safety and Health Act
- anti-discrimination provisions applicable to government contractors and subcontractors
- whistleblower protection laws

Federal Department of Justice

- Civil Rights Act
- American with Disabilities Act
- Immigration Reform and Control Act of 1986
- bankruptcy fraud and abuse

Federal Department of Housing and Urban Development (HUD)

- anti-discrimination provisions in federally subsidized/assisted/sponsored housing programs
- prevailing wage requirements applicable to HUD related programs

Federal Environmental Protection Agency

- Environmental Protection Act

National Labor Relations Board

- National Labor Relations Act

Federal Equal Employment Opportunity Commission

- Civil Rights Act
- Equal Pay Act
- Age Discrimination in Employment Act
- Rehabilitation Act
- Americans with Disabilities Act

STATE ENTITIES

California’s Department of Industrial Relations

- wage and labor standards, and licensing and registration
- occupational safety and health standards
- workers’ compensation self insurance plans
- Workers’ Compensation Act
- wage, hour, and working standards for apprentices
- any provision of the California Labor Code

California’s Department of Fair Employment and Housing

- California Fair Employment and Housing Act
- Unruh Civil Rights Act
- Ralph Civil Rights Act

California Department of Consumer Affairs

- licensing, registration, and certification requirements
- occupational licensing requirements administered and/or enforced by any of the Department’s boards, including the Contractor’s State Licensing Board

California’s Department of Justice LOCAL

ENTITIES

City of Los Angeles or any of its subdivisions for violations of any law, ordinance, code, rule, or regulation administered and/or enforced by the City, including any letters of warning or sanctions issued by the City of Los Angeles for an unauthorized substitution of subcontractors, or unauthorized reductions in dollar amounts subcontracted.

OTHERS

Any other federal, state, local governmental entity for violation of any other federal, state, or local law or regulation relating to wages, labor, or other terms and conditions of employment.

Exhibit D2

Pledge of Compliance with Contractor Responsibility Ordinance

**CITY OF LOS ANGELES
PLEDGE OF COMPLIANCE WITH CONTRACTOR RESPONSIBILITY ORDINANCE**

Los Angeles Administrative Code (LAAC) Section 10.40 et seq. (Contractor Responsibility Ordinance) provides that, unless specifically exempt, City contractors working under service contracts of at least Twenty-Five Thousand Dollars (\$25,000.00) and three (3) months, contracts for the purchase of goods and products of at least One Hundred Thousand Dollars (\$100,000.00), contracts for the purchase of garments of at least Twenty-Five Thousand Dollars (\$25,000.00), and construction contracts of any amount; public lessees; public licensees; and certain recipients of City financial assistance or City grant funds, shall comply with all applicable provisions of the Ordinance. Upon award of a City contract, public lease, public license, financial assistance or grant, the contractor, public lessee, public licensee, City financial assistance recipient, or grant recipient, and any its subcontractor(s), shall submit this Pledge of Compliance to the awarding authority.

The contractor agrees to comply with the Contractor Responsibility Ordinance and the following provisions:

- (a) To comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (b) To notify the awarding authority within thirty (30) calendar days after receiving notification that any governmental agency has initiated an investigation which may result in a finding that the contractor did not comply with any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (c) To notify the awarding authority within thirty (30) calendar days of all findings by a governmental agency or court of competent jurisdiction that the contractor has violated any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
- (d) If applicable, to provide the awarding authority, within thirty (30) calendar days, updated responses to the Responsibility Questionnaire if any change occurs which would change any response contained within the Responsibility Questionnaire and such change would affect the contractor's fitness and ability to continue the contract.
- (e) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (f) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, sublicensee that perform or assist in performing services on the leased or licensed premises) submit a Pledge of Compliance.
- (g) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with paragraphs (b) and (c).

Failure to complete and submit this form to the Awarding Authority may result in withholding of payments by the City Controller, or contract termination.

Company Name, Address and Phone Number

Signature of Officer or Authorized Representative

Date

Print Name and Title of Officer or Authorized Representative

Awarding City Department

Contract Number

Exhibit E

Los Angeles Residence Information

LOS ANGELES RESIDENCE INFORMATION

The City Council in consideration of the importance of preserving and enhancing the economic base and well-being of the City encourages businesses to locate or remain within the City of Los Angeles. This is important because of the jobs businesses generate and for the business taxes they remit. The City Council, on January 7, 1992, adopted a motion that requires bidders to state their headquarter address as well as the percentage of their workforce residing in the City of Los Angeles.

Organization: _____

I. Corporate or Main Office Address:

II. Total Number of Employees in the Organization:

III. Percentage of the Bidder's Total Workforce Employed within the City of Los Angeles:

_____ ; Percentage Residing in the City: _____

IV. Address of any Branch Offices Located within the City of Los Angeles and Total Number Employed in each Los Angeles Branch:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

V. Percentage of the Workforce in each Los Angeles Branch Offices that is Employed within

The City: _____ ; Percentage Residing in the City: _____

Exhibit F

Municipal Lobbying Ordinance - Bidder Certification CEC Form 50



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

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(l):
 - 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(l)(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 sublicenses;
 - (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.

Exhibit G

Compliance with City Charter Section 470(c)(12) (Measure H) – CEC Form 55

	Ethics Commission 200 N Spring Street City Hall — 24th Floor Los Angeles, CA 90012 (213) 978-1960 ethics.lacity.org	<h1 style="margin: 0;">Prohibited Contributors (Bidders)</h1> <h2 style="margin: 0;">Form 55</h2>
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This form must be completed in its entirety and submitted with your bid or proposal to the City department that is awarding the contract. Failure to submit a completed form may affect your bid or proposal. If you have questions about this form, please contact the Ethics Commission.

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

Reference Number (bid or contract number, if applicable): _____	Date Bid Submitted: _____
--	----------------------------------

Description of Contract (title of RFP and services to be provided): _____

City Department Awarding the Contract: _____

BIDDER INFORMATION

Name: _____

Address: _____

Email: _____ Phone: _____

SCHEDULE SUMMARY

Please complete all three of the following:

1. **SCHEDULE A — Bidder's Principals (check one)**
 - The bidder is the individual listed above and has no other principals (Schedule A is not required).
 - The bidder is the individual listed above or an entity and has other principals, who are listed on the attached Schedule A pages.

2. **SCHEDULE B — Subcontractors and Their Principals (check one)**
 - The bidder has no subcontractors on this bid or proposal whose subcontracts are worth \$100,000 or more (Schedule B is not required).
 - The bidder has one or more subcontractors on this bid or proposal with subcontracts worth \$100,000 or more, and those subcontractors and their principals are listed on the attached Schedule B pages.

3. **TOTAL NUMBER OF PAGES SUBMITTED (including this cover page):** _____

BIDDER'S CERTIFICATION

I certify that I understand, will comply with, and have notified my principals and subcontractors of the requirements and restrictions in Los Angeles City Charter section 470(c)(12) and any related ordinances. I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that the information provided on this form and the attached pages is true and complete to the best of my knowledge and belief.

Date: _____ Signature: _____

Name: _____

Title: _____



Ethics Commission
 200 N Spring Street
 City Hall — 24th Floor
 Los Angeles, CA 90012
 (213) 978-1960
 ethics.lacity.org

Prohibited Contributors (Bidders) Form 55

SCHEDULE A — BIDDER'S PRINCIPALS

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

Check this box if additional Schedule A pages are attached.

Name: _____ Title: _____

Address: _____



Ethics Commission
 200 N Spring Street
 City Hall — 24th Floor
 Los Angeles, CA 90012
 (213) 978-1960
 ethics.lacity.org

Prohibited Contributors (Bidders) Form 55

SCHEDULE B — SUBCONTRACTORS AND THEIR PRINCIPALS

Please identify all subcontractors whose subcontracts are worth \$100,000 or more. Separate Schedule B pages are required for each subcontractor who meets that threshold.

Subcontractor: _____

Address: _____

Check one of the following:

- The subcontractor listed above is an individual and has no other principals.
- The subcontractor listed above is an individual or an entity and has principals, and their names and titles are identified below (attach additional sheets if necessary). Principals include a subcontractor's board chair, president, chief executive officer, chief operating officer, and individuals who serve in the functional equivalent of one or more of those positions. Principals also include individuals who hold an ownership interest in the subcontractor of at least 20 percent and employees of the subcontractor who are authorized by the bid or proposal to represent the subcontractor before the City.

Check this box if additional Schedule B pages are attached.

Name: _____ Title: _____

Address: _____



Ethics Commission
200 N Spring Street
City Hall — 24th Floor
Los Angeles, CA 90012
(213) 978-1960
ethics.lacity.org

Form 55 Instructions

Bidders who respond to certain City contract solicitations are limited by City law in their ability to financially participate in City elections. They are prohibited from making campaign contributions to and engaging in certain fundraising activity for City candidates and officeholders. They are also required to disclose their identities and the identities of their subcontractors and principals. Form 55 must be used for that purpose, and these instructions provide information about how to complete it.

If you have questions about Form 55, please contact the Ethics Commission.
(213) 978-1960
ethics.bidder@lacity.org

Bidder Responsibilities

You are a bidder required to complete Form 55 when all of the following apply:

- ◆ You submit a **response or proposal** for an RFP (request for proposals), RFQ (request for qualifications), RFB (request for bids), or any other written or verbal request to enter into a City contract; *and*
- ◆ The contract you seek is expected to be valued at **\$100,000 or more**; *and*
- ◆ The contract must be approved by an **elected office** (City Council, Mayor, City Controller, or City Attorney).

Form 55 is used to disclose information about the following individuals and entities:

- ◆ You (the bidder);
- ◆ Your principals;
- ◆ Your subcontractors with subcontracts valued at \$100,000 or more; *and*
- ◆ The principals of those subcontractors.

The campaign finance restrictions and requirements in ***Los Angeles City Charter § 470(c)(12)*** and ***Los Angeles Municipal Code § 49.7.35*** apply to all of those individuals and entities. They are subject to the laws because of the positions they hold in relation to a City bid, not because they are disclosed on your Form 55.

You are required to do all of the following:

1. **Submit** your Form 55 with your bid or proposal documents to the City department awarding the contract.
2. **Amend** your Form 55 within 10 days if the information in the form changes after you submit it with your bid.
3. **Notify** your principals and subcontractors of the campaign finance restrictions and requirements that apply to them.



Ethics Commission
200 N Spring Street
City Hall — 24th Floor
Los Angeles, CA 90012
(213) 978-1960
ethics.lacity.org

Form 55 Instructions

Page 1: Cover Page and Bidder Information

You must complete all sections on the cover page.

A. Original or Amended Filing

Original Filing – Check this box if this is the first time you are submitting a Form 55 in connection with a City contract that you currently seek or have been awarded.

Amended Filing – Check this box if you are making changes to a Form 55 that was previously submitted in connection with the same City contract that you are seeking or have been awarded. For an amended filing, you must provide the later of:

- ◆ The date that your original Form 55 submission was signed, or
- ◆ The date that your most recent amendment was signed.

Example 1

Your law firm submitted a Form 55 last month when responding to an RFP with the City Attorney's Office for legal services. Your law firm is now responding to an RFP with the Port of Los Angeles for a different contract to provide legal services. Check the "Original Filing" box on the Form 55 submitted to the Port, because this is the first time your firm is submitting Form 55 in connection with the legal services contract with the Port.

Example 2

Your company submitted a Form 55 last week when responding to an RFP with the Department of Water and Power (DWP) for construction services. This week, your company moved its offices to a new location. Your company is required to update its contact information on the Form 55 submitted with its proposal. Check the "Amended Filing" box, because your company is submitting an updated version of the Form 55 that was submitted in connection with the same construction services contract with DWP.

B. Reference Number

If applicable, provide the bid number, contract number, RFP number, or other identifying number or code assigned to the bid or potential contract that you seek. You can usually find this number on the City solicitation package (e.g., the RFP documents). However, not all solicitations have a reference number.

If there is no reference number for the bid or contract, enter "N/A" in this box.

C. Date Bid Submitted

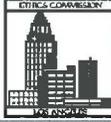
Enter the date that you submit your bid or response documents to the City department awarding the contract.

D. Description of Contract

Provide the following information in this section:

- ◆ Title of the RFP, RFQ, or RFB as listed on the City solicitation documents; and
- ◆ Description of the services to be provided under the contract sought.

A brief description of the contract is usually given in the RFP, RFQ, RFB, or solicitation documents. If you cannot find one, describe what will be performed under the contract.



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Los Angeles, CA 90012
(213) 978-1960
ethics.lacity.org

Form 55 Instructions

E. City Department Awarding the Contract

Provide the name of the City department that will be awarding the contract you seek.

F. Bidder Information

Provide all of the following information:

- ◆ Your full legal name;
- ◆ Your street address;
- ◆ Your telephone number; and
- ◆ Your email address.

The email address and telephone number provided in this section will be used to contact you if there are questions about the information provided in your Form 55. Remember to amend your Form 55 to keep this information current.

G. Schedule Summary

1. Schedule A – Bidder's Principals

In this section, indicate whether you have principals to disclose. Check only one box in this section. A **principal** is any of the following:

- ◆ Board chair;
- ◆ President;
- ◆ Chief executive officer;
- ◆ Chief operating officer;
- ◆ An individual who serves in the functional equivalent of one of the above positions;
- ◆ An individual who holds an ownership interest of 20% or more; or
- ◆ An employee authorized to represent you before the City regarding this contract.

Check the **first box** if you are an individual and do not have other principals.

Check the **second box** if you are an entity (corporation, company, partnership, organization, etc.) or if you are an individual who has other principals. Attach to the cover page as many Schedule A pages as necessary to identify all of your principals.

Most bidders are entities that have principals. So most bidders must check the second box and attach Schedule A pages to the cover page.

Example 1

You are putting together a proposal for a City contract on behalf of your employer, Bidder, Inc. The proposal must include a Form 55. Because Bidder, Inc. is an entity, you must check the second box and disclose Bidder, Inc.'s principals on attached Schedule A pages.

Example 2

You are an individual submitting a proposal for a City contract and must complete a Form 55. You have two employees who are authorized to represent you before the City on this proposal. You must check the second box and disclose yourself and those employees as your principals on attached Schedule A pages.



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Form 55 Instructions

2. Schedule B – Subcontractors and Their Principals

In this section, indicate whether you have one or more subcontractors with subcontracts valued at \$100,000 or more on the City contract you seek. Check only one box in this section.

Check the **first box** if you do not have subcontractors with subcontracts worth \$100,000 or more.

Check the **second box** if you do have subcontractors with subcontracts worth \$100,000 or more. Attach to the cover page as many Schedule B pages as necessary to identify all of your subcontractors and their principals.

Example 1

Your construction company is submitting a response to a City RFP to provide construction services on a development project and must submit a Form 55. For the proposed project, you expect to hire ABC Company as a subcontractor that will perform \$50,000 worth of work and XYZ Corporation as another subcontractor that will perform \$200,000 worth of work. Check the second box and attach Schedule B pages to disclose XYZ Corporation and its principals.

Example 2

Your architecture firm is submitting a response to a City RFP to provide landscape design services at a new park, and a Form 55 is required. For the proposed project, you expect to hire two subcontractors: More Sunshine, Inc., which will provide consulting services worth \$30,000; and Beautiful Parks Company, which will perform \$85,000 worth of the work. Check the first box, indicating that you do not have any subcontractors with subcontracts valued at \$100,000 or more.

3. Total Number of Pages Submitted

Enter the total number of Form 55 pages that you are submitting, including the cover page and all attached Schedule A and B pages.

H. Bidder's Certification

Form 55 must be signed by an authorized representative of the bidder. By signing this section, you are certifying under penalty of perjury all of the following:

- ◆ You **understand** and **will comply** with the requirements and restrictions in Los Angeles City Charter § 470(c)(12) and Los Angeles Municipal Code § 49.7.35;
- ◆ You have **notified** your principals and subcontractors of the requirements and restrictions; and
- ◆ The information you provided in the Form 55 and all attached pages is **true and complete** to the best of your knowledge and belief.



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Form 55 Instructions

Page 2: Schedule A — Bidder's Principals

You must complete this section to disclose your principals. See page 3 of these instructions for a definition of "principal".

Provide the name, title, and address for each of your principals. If you need more space, mark the box indicating that you are attaching additional Schedule A pages. You may attach as many additional Schedule A pages as necessary to disclose all of your principals.

Remember to include all attached Schedule A pages in the total *page count* on your cover page.

Page 3: Schedule B — Subcontractors and Their Principals

You must complete this section to disclose your subcontractors with subcontracts worth \$100,000 or more. You must also disclose the principals of those subcontractors. "Principal" is defined the same for bidders and for subcontractors. See page 3 of these instructions for the definition.

You must submit at least one Schedule B page for each subcontractor. Provide the name and address of the subcontractor, and then mark the appropriate box to indicate whether the subcontractor has principals.

If a subcontractor has more principals than will fit on one page—or if you have multiple subcontractors to disclose—mark the box indicating that you are attaching additional Schedule B pages. You may attach as many additional Schedule B pages as necessary to disclose all of your subcontractors with subcontracts worth \$100,000 or more and all of their principals.

Remember to include all attached Schedule B pages in the total *page count* on your cover page.

Exhibit H

Iran Contracting Act of 2010

IRAN CONTRACTING ACT OF 2010 COMPLIANCE AFFIDAVIT

(California Public Contract Code Sections 2200-2208)

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

1. A bidder providing goods or services of Twenty Million Dollars (\$20,000,000.00) or more in the energy sector of Iran, including provision of oil or liquefied natural gas tankers, or products used to constructor maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or
2. A bidder that is a financial institution (as that term is defined in 50U.S.C. § 1701) that extends Twenty Million Dollars (\$20,000,000.00) or more in credit to another person, for forty-five (45) days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list created by the California Department of General Services (DGS) pursuant to PCC § 2203(b) as a person engaging in the investment activities in Iran.

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

California law establishes penalties for providing false certifications, including civil penalties equal to the greater of Two Hundred Fifty Thousand Dollars (\$250,000.00) or twice the amount of the contract for which the false certification was made; contract termination; and three- (3) year ineligibility to bid on contracts (PCC § 2205).

To comply with the Iran Contracting Act of 2010, the bidder shall provide its vendor or financial institution name, and City Business Tax Registration Certificate (BTRC) if available, in completing **ONE (1)** of the options shown below.

OPTION #1: CERTIFICATION

I, the official named below, certify that I am duly authorized to execute this certification on behalf of the bidder or financial institution identified below, and that the bidder or financial institution identified below is **not** on the current DGS list of persons engaged in investment activities in Iran and is **not** a financial institution extending Twenty Million Dollars (\$20,000,000.00) or more in credit to another person or vendor, for forty-five (45) days or more, if that other person or vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current DSG list of persons engaged in investment activities in Iran.

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

OPTION #2: EXEMPTION

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

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

Exhibit I

Required Insurance and Minimum Limits

Required Insurance and Minimum Limits

Name: Vermont Systems, Inc.

Date: 09/11/2018

Agreement/Reference: for system software licenses, equipment, maintenance and support

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

<input checked="" type="checkbox"/> General Liability <u>City of Los Angeles must be named as an Additional Insured Party</u>	1,000,000
<input checked="" type="checkbox"/> Products/Completed Operations	<input type="checkbox"/> Sexual Misconduct _____
<input type="checkbox"/> Fire Legal Liability _____	
<input checked="" type="checkbox"/> with \$2,000,000 aggregate	

<input checked="" type="checkbox"/> Automobile Liability (for any and all vehicles used for this contract, other than commuting to/from work)	1,000,000
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<input checked="" type="checkbox"/> Professional Liability (Errors and Omissions)	5,000,000
Discovery Period <u>See Note #3</u>	

<input type="checkbox"/> 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"/> _____

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

Crime Insurance _____

- Other:** 1) If a contractor has no employees and decides to not cover herself/himself for workers' compensation, please complete the form entitled "Request for Waiver of Workers' Compensation Insurance Requirement" located at: <http://cao.lacity.org/risk/InsuranceForms.htm>
- 2) In the absence of imposed auto liability requirements, all contractors using vehicles during the course of their contract must adhere to the financial responsibility laws of the State of California.
- 3) Professional Liability Insurance to include: Tech Errors & Omissions, Cyber Privacy and Data Breach.

Exhibit J

Instructions and Information on Complying with City Insurance Requirements

(Rev. 05/18)

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 should 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 required method of submitting your documents. **KwikComply** 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. **KwikComply** 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 **KwikComply** at <https://kwikcomply.org/> and follow the instructions to register and submit the appropriate proof of insurance on your behalf.

Contractor must provide City a thirty (30) day notice of cancellation (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.

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 **KwikComply**, the CITY's online insurance compliance system, at <https://kwikcomply.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 **KwikComply** at <https://kwikcomply.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), 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 Contractor Development and Bond Assistance Program website address at <http://cao.lacity.org/risk/BondAssistanceProgram.pdf> or call (213) 258-3000 for more information.

12. **Cyber Liability & Privacy** coverage may be required to cover technology services or products for both liability and property losses that may result when a CITY contractor engages in various electronic activities, such as selling on the Internet or collecting data within its internal electronic network. Contractor's policies shall cover liability for a data breach in which the CITY employees' and/or CITY customers' confidential or personal information, such as but not limited to, Social Security or credit card information are exposed or stolen by a hacker or other criminal who has gained access to the CITY's or contractor's electronic network. The policies shall cover a variety of expenses associated with data breaches, including: notification costs, credit monitoring, costs to defend claims by state regulators, fines and penalties, and loss resulting from identity theft. The policies are required to cover liability arising from website media content, as well as property exposures from: (a) business interruption, (b) data loss/destruction, (c) computer fraud, (d) funds transfer loss, and (e) cyber extortion.