

**APPENDIX C
(SAMPLE CONTRACT)**



CONTRACT

BY AND BETWEEN

**COUNTY OF LOS ANGELES
COMMUNITY AND SENIOR SERVICES**

AND

FOR

**NEW FREEDOM:
VOLUNTEER DRIVER MILEAGE REIMBURSEMENT PROGRAM**

CONTRACT NUMBER _____

CONTRACT PERIOD JULY 1, 2016 – SEPTEMBER 27, 2017

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RECITALS

This Contract ("Contract") is made and entered into this **[@ Contract_Date @]** by and between the parties below:

County of Los Angeles
Community and Senior Services
(hereafter "County")

County's Business Address:
3175 West Sixth Street
Los Angeles, Ca 90020

and

[@ Supplier Name @]
(hereafter "Contractor")

Contractor's Business Address:
[@ Supplier Address Line1 @]
[@ Supplier City @], Ca **[@ Supplier Zip Code @]**

WHEREAS, pursuant to the California Government Code Section 26227, County may operate programs which are determined to serve public purposes and County may contract with agencies for the provision of such services; and

WHEREAS, pursuant to the provisions of the New Freedom Program, enacted August 10, 2005 and codified in United States Code (USC) Title 49, Chapter 53, Section 5317 (49 USC 5317), the Volunteer Driver Mileage Reimbursement Program (hereafter "Program" or "VDMRP") has been established to provide mileage reimbursements for volunteer drivers to eligible Clients (hereafter "Services"), as defined in Exhibit A (Statement of Work); and

WHEREAS, County of Los Angeles Community and Senior Services and Los Angeles County Metropolitan Transportation Authority (hereafter "LACMTA") have entered into an agreement to fund Program services (hereafter "Services") provided or administered by County within its jurisdictional boundaries; and

WHEREAS, County has received funding to establish and implement the Program and Services and such funding has been authorized by the following regulations: United States Department of Transportation Federal Transit Administration; and

WHEREAS, County implements its authority to administer the Program by procuring Contractor under the guidelines of the New Freedom Program; and

WHEREAS, County and Contractor shall implement these Services in accordance with the New Freedom Program and all regulations and directives thereto promulgated by County, LACMTA and United States Department of Transportation Federal Transit Administration; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide such Services; and

WHEREAS, Contractor further warrants that throughout the entirety of this Contract, Contractor shall establish and implement written administrative, management and personnel policies and procedures to govern the management and administration of the Program in order to ensure that all goals and objectives are achieved as contracted; and

WHEREAS, on [Board Date], the Los Angeles County Board of Supervisors authorized the Director of County of Los Angeles Community and Senior Services (hereafter "County's Department Head") or his/her designee to enter, execute and administer this Contract.

NOW therefore, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto agree as follows:

1.0 APPLICABLE DOCUMENTS

- 1.1 Exhibits A, B, D, E, F, G1, H, I, O, P, Q, R, S, T, U, V, W, Y, AA, BB and CC are attached to and form a part of this Contract. This Contract constitutes the complete and exclusive statement of understanding between the parties, which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Subparagraph 8.1 (Amendments), and signed by both parties.
- 1.2 Contractor's Proposal submitted in response to the [@ Program Name @] Request for Proposals (RFP) is incorporated and made part of this Contract. Contractor's misrepresentation of any required element in its Proposal submitted in response to the RFP shall be considered an event of default and this Contract may be terminated in whole or in part pursuant to available remedies provided in Subparagraph 8.43 (Termination for Default).
- 1.3 The headings, page numbers, Paragraph and Subparagraph numbers contained in this Contract are for convenience and reference only and are not intended to define the scope of any provision herein.
- 1.4 References in this Contract to Federal, State, County and/or other governmental laws, rules, regulations, ordinances, guidelines and/or directives shall mean such laws, rules, regulations, ordinances, guidelines and/or directives as amended from time to time. To access current County directives, contact your assigned Contract Manager or visit County's website at: <http://css.lacounty.gov/>.
- 1.5 Unless expressly stated otherwise, all approvals, consents and determinations made by or on behalf of County, under this Contract, shall be in writing, and shall be given or made in the sole discretion of the person or County agent authorized to provide such approval or consent.
- 1.6 In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, Service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the terms and conditions of the Contract and then to the Exhibits according to the following priority:
 - 1.6.1 Exhibit A (Statement of Work)
 - 1.6.2 Exhibit B (Pricing Schedule)

- 1.6.3 Exhibit D (Contractor's Equal Employment Opportunity Certification)
- 1.6.4 Exhibit E (County's Administration)
- 1.6.5 Exhibit F (Contractor's Administration)
- 1.6.6 Exhibit G1 (Contractor Acknowledgement and Confidentiality Agreement)
- 1.6.7 Exhibit H (Contractor Employee Jury Service)
- 1.6.8 Exhibit I (Safely Surrendered Baby Law)
- 1.6.9 Exhibit O (Charitable Contributions Certification)
- 1.6.10 Exhibit P (Definitions)
- 1.6.11 Exhibit Q (Accounting, Administration and Reporting Requirements)
- 1.6.12 Exhibit R (Joint Funding Revenue Disclosure)
- 1.6.13 Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed and Non-Fixed Assets and Supplies)
- 1.6.14 Exhibit T (Inventory Control Form)
- 1.6.15 Exhibit U (Certification of Compliance with County's Defaulted Property Tax Reduction Program)
- 1.6.16 Exhibit V (Contract Management System - Contractor's Gateway Terms and Conditions of Use)
- 1.6.17 Exhibit W (Budget)
- 1.6.18 Exhibit Y (List of Subcontracts)
- 1.6.19 Exhibit AA (Budget Instructions)
- 1.6.20 Exhibit BB (Additional Federally Required Provisions)
- 1.6.21 Exhibit CC (Certification Regarding Lobbying)

2.0 DEFINITIONS AND HEADINGS

2.1 The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. Exhibit P (Definitions) provides the meaning of key words used herein. These definitions shall be construed to have the meaning provided, unless otherwise apparent from the context in which they are used, or specifically noted herein.

3.0 WORK

3.1 Pursuant to the provisions of this Contract, Contractor shall fully perform,

complete and deliver on time, all tasks, deliverables, Services and other work as set forth herein.

- 3.2 If Contractor provides any tasks, deliverables, goods, Services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of Contractor, and Contractor shall have no claim whatsoever against County.
- 3.3 In the performance of this Contract, Contractor shall comply with the following (which may be amended, modified or revised from time to time by County and/or other funding authorities): all terms and conditions of this Contract (including all terms contained in the Exhibits hereto) as well as those imposed and required by County and/or other funding authorities; all Program provisions; implementing regulations; grant requirements; and, all relevant rules and policies.
- 3.4 Contractor acknowledges time is of the essence in the provision and completion of the Work provided to County as stipulated in this Contract, as is the timely conveyance of reporting deliverables to County, as also stipulated in this Contract.
- 3.5 Contractor's performance under the requirements of this Contract will be evaluated during each Fiscal Year or Program Year. Contractor shall provide 100% of Services and expend 100% of the Contract Grant Funds as stated in Paragraph 5.0 (Contract Sum); Exhibit A (Statement of Work), Attachment B (Performance Requirements Summary Chart); and Exhibit W (Budget). Contract Grant Funds and the Services associated with those Funds may be reduced from Contractor's allocation and reallocated to other Program Contractors that are performing and/or expending at a higher level/rate and qualify for increases if Contractor fails to provide at least 95% of Services and/or expend at least 95% of the Maximum Annual Contract Sum allocated under this Contract in Paragraph 5.0 (Contract Sum). Additionally, County, at its discretion, may adjust Contractor's Funds allocated for the following Fiscal Year or Program Year to more accurately reflect Contractor's level of performance/expenditure.
- 3.6 At County's request, Contractor shall complete a new Exhibit W (Budget) and submit them to County prior to the beginning of each Fiscal Year. In preparing this Exhibit, Contractor shall adhere to the requirements outlined in Exhibit AA (Budget Instructions).
- 3.7 Contractor acknowledges that this Contract includes performance requirements standards which are provided in Exhibit A (Statement of Work), Attachment B (Performance Requirements Summary Chart). These standards will measure Contractor's performance of the Program requirements. Contractor shall adhere to the required standards and the corresponding acceptable quality level identified in Exhibit A (Statement of Work), Attachment B (Performance Requirements Summary Chart).

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be one (1) year and three (3) months commencing on July 1, 2016, upon execution by the parties, and shall continue through September 27, 2017, unless sooner terminated or extended in writing by County, in whole or in part, as provided in this Contract.
- 4.2 Following the initial term as set forth in Subparagraph 4.1 above, County shall have the sole option to extend the Contract term for up to one (1) additional one-year period for a maximum total Contract term of two (2) years and three (3) months. Each such option and extension shall be exercised at the sole

discretion of County's Department Head or his/her designee as authorized by the Board of Supervisors.

4.3 Contractor acknowledges County maintains databases that track/monitor Contractor's performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise a Contract term extension option.

4.4 Contractor shall notify County when this Contract is within six (6) months of the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to County's Project Director at the address herein provided in Exhibit E (County's Administration).

5.0 CONTRACT SUM

5.1 FIRM-FIXED CONTRACT

5.1.1 County and Contractor agree that this is a firm-fixed Contract based on the unit rate(s) set forth in Exhibit B (Pricing Schedule) and Exhibit W (Budget) for the Fiscal Year(s) identified in each such document. This unit rate(s) shall remain firm and fixed throughout the entire term of this Contract. County and Contractor further agree that the unit rate(s) represents Contractor's true, actual and supported costs which are incurred solely for providing Services hereunder. For purposes of this Contract, such true/actual costs are those costs which are net of any applicable credits including, but not limited to, discounts, refunds, adjustments, rebates, allowances, etc. and are inclusive of any taxes, delivery/shipping charges, etc. County shall reimburse Contractor for supplying the Services as set forth in Exhibit A (Statement of Work), Exhibit B (Pricing Schedule) and Exhibit W (Budget). In the event that County or any of its duly authorized representatives (including, but not limited to, Federal, State and other County agents) notes any discrepancy(ies) between Contractor's true/actual costs and the costs which have been reimbursed to Contractor then County shall remedy such discrepancy(ies) at County's sole discretion.

5.1.2 Contractor shall track Contract Funds and contributions. Contractor shall provide a tracking of Contract Funds during an audit as indicated in Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement).

5.2 FUNDING ALLOCATIONS

5.2.1 Maximum Contract Sum

5.2.1.1 During the term of this Contract, Contractor shall receive funding for providing the Services outlined in this Contract (hereafter "Contract Funds" or "Contract Grant Funds"). Contract Funds shall be allocated to Contractor on an annual basis for each Fiscal Year (hereafter "Maximum Annual Contract Sum"). The Maximum Annual Contract Sum for the first Fiscal Year of this Contract is **\$[@ Year 1 Annual Sum @]**. The Maximum Annual Contract Sum for each Fiscal Year following the first Fiscal Year is projected to remain at the level of **\$[@ Year 1 Annual Sum @]**. The combined total of all Maximum Annual Contract Sums to be allocated during the term of this Contract is estimated to be

[\$ @ Maximum Contract Sum @] (hereafter "Maximum Contract Sum"). Contractor acknowledges that both the projected funding for each year after the first year and the projected combined total of all Maximum Annual Contract Sums are estimates only.

5.2.1.2 Pursuant to Subparagraph 8.1 (Amendments), County may amend this Contract upon occurrence of any changes to the Contract Funds. Future allocations of Contract Funds will be contingent upon Contractor's level of performance/expenditure and the availability and appropriation of funds from Federal, State and/or local authorities and such Funds may be subsequently adjusted to reflect available funding.

5.2.2 Year 1 Maximum Annual Contract Sum Funding Source(s)

5.2.2.1 The Maximum Annual Contract Sum for the first Fiscal Year of this Contract (hereafter "Year 1") is comprised of monies which are identified by the funding source(s) or governing statute(s) listed below. The funding source(s) and governing statute(s) authorize County to use these monies to provide Program Services.

5.2.2.2 New Freedom Program (49 USC 5317) funds: **[\$ @ Year 1 Annual Sum @]**

5.3 CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) PROGRAM NUMBER(S)

5.3.1 Contract Funds, either in whole or in part, are identified as Federal monies. The Federal portion(s) of the Contract Funds has been assigned both a CFDA program number (which identifies and describes the Federal assistance that is available to various entities) and a Federal Grantor office (which provides oversight and administration for these Federal monies). When Contractor and its subcontractor(s), if any, are being audited by an independent auditor, Contractor shall provide the following CFDA program information to the independent auditor: CFDA program number; and, name of the assigned Federal Grantor office. This CFDA program information is outlined herein and is only available for the Federal portion(s) of the Contract Funds. In the event that the CFDA program information is not listed herein for all of the Federal monies included in the Contract Funds then the excluded monies are not Federal monies and therefore the CFDA program information is not applicable to them.

5.3.2 CFDA Program Number(s) and Federal Grantor Funding Source(s)

5.3.2.1 The CFDA program number for the Title 49 USC Section 5317 portion of the Contract Funds is 20.521 - New Freedom Program. The Federal Grantor funding source for these Contract Funds is the United States Department of Transportation Federal Transit Administration.

5.4 ASSUMPTION OR TAKEOVER

5.4.1 Contractor shall not be entitled to payment or reimbursement for any tasks or Services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of Contractor's duties, responsibilities, or obligations, or performance of same by any person or entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall not occur except with County's express prior written approval.

5.5 LIMITATIONS ON USE OF CONTRACT FUNDS

5.5.1 Contract Funds may only be used for the purposes set forth herein, and must be consistent with the statutory authority for the Program.

5.5.2 Expenditures made by Contractor in the operation of this Contract shall be in compliance and in conformity with Federal Register, Volume 78, Number 248, Part III, Office of Management and Budget, (2 CFR 200 et al.). Contractor shall comply with the Administrative Requirements and Cost Principles which are outlined in Exhibit Q (Accounting, Administration and Reporting Requirements), and shall adhere to the strict administrative and fiscal standards described therein. Contractor shall be responsible for obtaining the Federal Register, Volume 78, Number 248, Part III, Office of Management and Budget, (2 CFR 200 et al.), which is available via the Internet at http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

5.5.3 Limitations on Contract Sums

5.5.3.1 Contractor shall not be paid for any Contract expenditures that exceed the Maximum Contract Sum. County has no obligation, whatsoever, to pay for any expenditures that exceed the Maximum Contract Sum. Any expenditures that exceed the Maximum Contract Sum shall become the sole fiscal responsibility of Contractor.

5.5.3.2 Contractor shall not be paid for any Contract expenditures that exceed the Maximum Annual Contract Sum. County has no obligation, whatsoever, to pay for any expenditures that exceed the Maximum Annual Contract Sum. Any expenditures that exceed the Maximum Annual Contract Sum shall become the sole fiscal responsibility of Contractor. Contractor shall only expend Contract Funds during the Fiscal Year or Program Year for which it is allocated. When Contractor does not expend funding up to the Maximum Annual Contract Sum appropriated for the Fiscal Year or Program Year, that unspent amount will not carry forward (or roll-over) to the following Fiscal Year or Program Year.

5.5.4 Prohibitions on Contract Funds

- 5.5.4.1 Contractor shall comply with Public Law (PL) 101-121 (31 USC 1352), its amendments or revisions, and any implementing regulations, prohibiting the use of Federal money to influence or attempt to influence a member of Congress, Congressional staff, or a Federal employee to award, make or amend any Federal contract, grant, loan or cooperative agreement. Contractor shall also comply with all certification and disclosure requirements of PL 101-121, its amendments, revisions, and implementing regulations, and shall provide assurance that all subcontractors or sub-grantees under this Contract also fully comply with such certification and disclosure requirements. When the annual amount of this Contract is \$100,000 or more, Contractor shall submit the completed Exhibit CC (Certification Regarding Lobbying) to County's Project Director in the time and manner as designated by County.
- 5.5.4.2 No materials, property, or Services contributed to County or Contractor under this Contract shall be used in the performance of any of the following: any political activity; the election of any candidate or the defeat of any candidate for public office; and, no materials, property, or Services contributed to County or Contractor under this Contract shall be used for the transportation of any voters or prospective voters to polls or other similar assistance in connection with an election or any voter registration activity.
- 5.5.4.3 Contract Funds may not be used for matching funds for any Federal, State, County or local grants/cooperative agreements, lobbying or intervention in Federal regulatory or adjudicatory proceedings.
- 5.5.4.4 Contract Funds may not be used to sue the Federal government or any other government entity.
- 5.5.4.5 Pre-award costs are not an allowable use for Contract Funds.

5.6 75% OF CONTRACT AUTHORIZATION

- 5.6.1 Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the total Contract sum under this Contract (the Maximum Annual Contract Sum and the Maximum Contract Sum). Upon occurrence of this event, Contractor shall send written notification to County's Project Director at the address herein provided in Exhibit E (County's Administration).

5.7 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION OR TERMINATION OF CONTRACT

- 5.7.1 Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any Service provided by Contractor after the expiration or other

termination of this Contract. Should Contractor receive any such payment, it shall immediately notify County's Project Director and shall immediately repay all such funds to County. Payment by County for Services rendered after expiration or termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Contract.

5.8 OTHER CONTRACTS

5.8.1 Contractor shall immediately notify County's Project Director in writing of any contracts between Contractor and other public or private organizations which directly impact activities funded under this Contract. A copy of any such contracts shall be kept on file at Contractor's offices and shall be provided to County upon request. Contractor shall also immediately notify County's Project Director in writing of any default, termination, or finding of withheld payments under such contracts between Contractor and other public or private organizations which directly impact activities funded under this Contract.

5.8.2 Contractor warrants that no other funding source will be billed for Services that are provided to and paid for by County under this Contract.

5.9 JOINT FUNDING REVENUES

5.9.1 Funds made available under this Contract shall supplement and not supplant any other Federal, State or local funds expended by Contractor to provide Program Services. Contractor certifies that it has applied, or expects to apply, to offset in whole or in part, any of the costs incurred by Contractor in conducting current or prospective projects or business activities, including, but not necessarily limited to, the project or business activity which is the subject of this Contract. To this end, Contractor shall complete Exhibit R (Joint Funding Revenue Disclosure) prior to the commencement of this Contract (and annually thereafter). Contractor shall submit the completed Exhibit R (Joint Funding Revenue Disclosure) to County's Project Director in the time and manner as designated by County.

5.10 INVOICES AND PAYMENTS

5.10.1 Contractor shall invoice County only for providing the tasks, deliverables, goods, Services, and other work specified in Exhibit A (Statement of Work), Exhibit B (Pricing Schedule) and elsewhere hereunder. Contractor shall prepare invoices, which shall include the charges owed to Contractor by County under the terms of this Contract. Each invoice shall be based on actual expenditures and Contractor shall not submit an invoice based on budgeted or estimated costs (i.e., Contractor shall not submit an invoice based on 1/12th of either its Maximum Annual Contract Sum or its Maximum Contract Sum). Payments to Contractor shall be based on the information provided by Contractor as established in Exhibit B (Pricing Schedule) and Exhibit W (Budget) for the Fiscal Year identified therein, and Contractor shall be paid only for the tasks, deliverables, goods, Services, budgeted items and other work approved in writing by County. If County does not approve the Work in writing, no payment shall be due to Contractor for that Work.

- 5.10.2 Contractor's invoices shall be priced in accordance with the information provided in Exhibit B (Pricing Schedule) and Exhibit W (Budget) for the Fiscal Year identified therein.
- 5.10.3 Contractor's invoices shall contain the information set forth in Exhibit A (Statement of Work), Exhibit B (Pricing Schedule) and Exhibit W (Budget) for the Fiscal Year identified therein, describing the tasks, deliverables, goods, Services, Work hours, budgeted items and facility and/or other work for which payment is claimed.
- 5.10.4 **Submission of Invoices**
- 5.10.4.1 Contractor shall prepare monthly invoices, along with any necessary supporting documentation for each invoice, for Contractor's Work performed under the requirements of this Contract. Upon direction of County, Contractor shall provide all support documentation required by County, including, but not limited to, vendor invoices, receipts of payment, bank statements, and/or bank registers. All supporting documentation must be able to justify the costs invoiced and be submitted to County within 30 days following the date the corresponding monthly invoice is submitted. County reserves the right to require Contractor to upload all required support documentation using County's Information Technology Systems (ITS) which may include the Contract Management System (CMS) - Contractor's Gateway or via other ITS identified by County. Contractor shall submit all invoices to County in the form and manner as directed by County by the 10th calendar day of the month following the month of Service (e.g., Contractor shall submit an invoice for Services provided in October by November 10th for reimbursement). Contractor shall also submit the final, year-end invoice to County no later than the 10th calendar day of the month following the month in which final Services were provided during the Fiscal Year. In both instances, when the 10th calendar day falls on a non-business day (Saturday, Sunday or Los Angeles County holiday), Contractor shall submit the invoice by the following business day. County reserves the right to modify in writing the due date(s) for the submission of invoices as needed in order to meet regulatory deadlines.
- 5.10.4.2 Contractor shall submit an invoice for each month of Service as directed above and invoices shall be submitted in chronological order (e.g., July, August, September, etc.). For example, Contractor shall not submit the September invoice unless the August invoice was previously submitted by the 10th calendar day following the month of August. County will not be under any obligation to pay any invoice that is submitted out of chronological order until Contractor takes the appropriate measures to adhere to these requirements.

- 5.10.4.3 When Contractor does not incur any expenditures for the month of Service, Contractor shall prepare an invoice as directed by County so that the invoice reflects zero (\$0) expenditures. Contractor shall submit the invoice according to the procedures outlined herein and as further directed by County.
- 5.10.4.4 Contractor is responsible for the accuracy of invoices submitted to County. Contractor shall reconcile its invoices and correct inaccuracies or inconsistencies in the invoices it submits to County. Contractor and County agree as follows:
 - 5.10.4.4.1 When County or its designee discovers that Contractor has been overpaid, County will send Contractor written notification to request return of the overpayment. Overpayment includes, but is not limited to, payment(s) made to Contractor that exceeds either the Maximum Annual Contract Sum or the Maximum Contract Sum. Contractor shall return such overpayment to County within thirty (30) days of receiving County's written notification.
 - 5.10.4.4.2 When Contractor receives or discovers any overpayment from County, Contractor shall immediately notify County's Project Director in writing of such overpayment. Contractor shall immediately return such overpayment to County's Project Director within thirty (30) days of receiving or discovering the overpayment.
 - 5.10.4.4.3 At County's sole election, overpayment made to Contractor may be used to offset future payments due Contractor.
- 5.10.4.5 Contractor shall submit a complete, accurate, verifiable and timely invoice for each month of Service as directed above. Contractor shall also submit a complete, accurate, verifiable and timely final year-end invoice as also directed above. Contractor's failure to comply with these requirements may result in delayed processing of payment(s). Any invoice which does not adhere to County's requirements may be rejected at County's sole discretion. Contractor's continued non-compliance with County's invoicing policies and procedures may lend Contractor to remedies which County may impose at County's sole discretion.

5.10.5 **County Approval of Invoices**

5.10.5.1 All invoices submitted by Contractor for payment must have the written approval of County's Project Director or designee prior to any payment thereof. In no event shall County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.10.5.2 County will review Contractor's supporting documentation for its invoice and reconcile between the invoice and the supporting documentation. County will also use the supporting documentation to confirm that all of Contractor's costs reported on the invoice have been paid. County will communicate any discrepancies with Contractor to acquire additional information, if needed. This will ensure that any questioned cost(s) is addressed before the cost(s) becomes disallowed. In the event Contractor is not able to substantiate the cost(s), Contractor will have to repay County for all unsubstantiated costs, Contractor may be removed from eligibility for future cash advances (if cash advances are allowed under this Contract), Contractor's payments may be suspended, and/or County may impose other remedies deemed appropriate by County.

5.10.6 **Payments to Contractor**

5.10.6.1 In accordance with the invoicing policies and procedures set forth in this Contract as well as those provided by County, County agrees to pay Contractor for the satisfactory provision of the Services identified in Exhibit A (Statement of Work) and any amendments, addendums or modifications thereto. Such payment shall not exceed the amount(s) indicated in Subparagraph 5.2 (Funding Allocations). All payments to Contractor will be made in arrears on a monthly basis for Services performed, provided that Contractor is not in default under any provision of this Contract. County has no obligation to pay for any work except those Services expressly authorized by this Contract.

5.10.6.2 Payments to Contractor will be made within thirty (30) calendar days after receipt of an "undisputed invoice". For purposes of this Subparagraph, an undisputed invoice shall mean an invoice which does not contain errors and has been completed and submitted by Contractor pursuant to the requirements outlined herein and as directed by County. County has the final authority to determine whether or not an invoice is an undisputed invoice. Contractor shall promptly adhere to County's instructions for correcting an invoice that is not undisputed in order to prevent any delays in

processing payment(s). Until Contractor submits an undisputed invoice, County will not be under any obligation to pay any invoice that is not submitted pursuant to the requirements outlined herein and as directed by County.

5.10.6.3 All payments for Services provided under the terms of this Contract shall be made to Contractor using Contractor's legal name and tax payer identification number. Contractor shall not request payments to be made to third-party vendors (i.e., subcontractors) or any vendor which Contractor may use in the performance of this Contract. For purposes of this Contract, Contractor's legal name is identified as the name on Contractor's articles of incorporation, charter or other legal document that was used to create Contractor's organization.

5.10.6.4 **Direct Deposit Requirements**

5.10.6.4.1 In an effort to reduce costs, Contractor shall receive payments through direct deposit and shall adhere to County's direct deposit requirements. Contractor shall complete a direct deposit authorization form and submit it to County's Project Director in the time and manner as prescribed by County.

5.10.6.5 **Past Due Invoice**

5.10.6.5.1 Any invoice submitted more than thirty (30) days after the last day of the month in which the Services were rendered shall constitute a "past due invoice". Notwithstanding any other provision of this Contract, Contractor and County agree that County shall have no obligation whatsoever to pay any past due invoices. County may, in its sole discretion, pay some or all of a past due invoice which Contractor has submitted, provided that sufficient funds remain available under this Contract.

5.10.6.6 **Intentionally Omitted**

5.10.7 Contractor's failure to timely submit Contract-related documents that are accurate and complete, as requested or required by County, may result in suspension of payments to Contractor or other remedies provided by law or this Contract. Such documents shall include, but are not limited to, the following:

5.10.7.1 Exhibit D (Contractor's Equal Employment Opportunity Certification); Exhibit F (Contractor's Administration); Exhibit G1 (Contractor Acknowledgement and Confidentiality Agreement); Exhibit O (Charitable Contributions Certification); Exhibit R (Joint Funding Revenue Disclosure); Exhibit T (Inventory Control Form); Exhibit U (Certification of Compliance with County's Defaulted Property Tax Reduction Program); Exhibit W (Budget) for each Fiscal Year of the Contract term; Exhibit Y (List of Subcontracts); and, Exhibit CC (Certification Regarding Lobbying);

5.10.7.2 Those documents outlined in Subparagraph 9.24 (Contract Document Deliverables) and Subparagraph 9.25 (Fiscal Reporting Requirements).

5.10.8 **Intentionally Omitted**

5.11 COST OF LIVING ADJUSTMENTS (COLA'S)

5.11.1 If requested by Contractor, the Contract hourly, daily, monthly or Unit Rate amount may at the sole discretion of County, be increased annually based on the most recent published percentage change in the United States Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County area for the 12-month period preceding the Contract anniversary date, which shall be the effective date for any Cost of Living Adjustment (COLA). However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Executive Officer as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board of Supervisors from approving any increase in County employee salaries, no COLA will be granted. Where County decides to grant a COLA pursuant to this Subparagraph for living wage contracts, County may, in its sole discretion exclude the cost of labor (including the cost of wages and benefits paid to employees providing Services under this Contract) from the base upon which a COLA is calculated, unless Contractor can show that his/her labor cost will actually increase. Further, before any COLA increase shall take effect and become part of this Contract, it shall require a written amendment to this Contract first, that has been formally approved and executed by the parties. At no time shall any increase in the Contract hourly, daily, monthly or Unit Rate amount, or COLA adjustment, ever result in the Contract Sum exceeding the Maximum Annual Contract Sum or Maximum Contract Sum.

5.12 INTENTIONALLY OMITTED

5.13 INTENTIONALLY OMITTED

6.0 ADMINISTRATION OF CONTRACT - COUNTY

6.1 COUNTY ADMINISTRATION

6.1.1 A listing of all County Administration referenced in the following

Subparagraphs is provided in Exhibit E (County's Administration). County will notify Contractor in writing of any change in the names or addresses shown.

6.2 COUNTY'S PROJECT DIRECTOR

6.2.1 The role of County's Project Director or his/her designee may include:

6.2.1.1 coordinating with Contractor and ensuring Contractor's performance of the Contract; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby;

6.2.1.2 upon request of Contractor, providing direction to Contractor, as appropriate in areas relating to County policy, information requirements, and procedural requirements; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby;

6.2.1.3 making revisions which do not materially affect the terms and conditions of this Contract in accordance with Subparagraph 9.9 (Modifications); and

6.2.1.4 acting on behalf of County with respect to approval of subcontracts and subcontractor employees working on this Contract.

6.3 COUNTY'S PROJECT MANAGER

6.3.1 The role of County's Project Manager is authorized to include:

6.3.1.1 meeting with Contractor's Project Manager on a regular basis; and

6.3.1.2 inspecting any and all tasks, deliverables, goods, Services, or other work provided by or on behalf of Contractor; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

6.3.2 County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

6.4 COUNTY'S CONTRACT PROJECT MONITOR

6.4.1 The role of County's Contract Project Monitor include:

6.4.1.1 verifying Contractor's compliance with the requirements of this Contract;

6.4.1.2 overseeing and monitoring the delivery of Services; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby;

6.4.1.3 ensuring that the objectives of this Contract are met.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 CONTRACTOR ADMINISTRATION

7.1.1 A listing of all of Contractor's Administration referenced in the following Subparagraphs is provided in Exhibit F (Contractor's Administration). Contractor will notify County in writing of any change in the names or addresses shown.

7.2 CONTRACTOR'S PROJECT MANAGER

7.2.1 Contractor's Project Manager is designated in Exhibit F (Contractor's Administration). Contractor shall notify County's Project Director in writing of any change in the name or address of Contractor's Project Manager immediately upon occurrence of the change but no later than five (5) business days after the change is effective.

7.2.2 Contractor's Project Manager shall be responsible for Contractor's day-to-day activities as related to this Contract and shall meet and coordinate with County's Project Director, County's Project Manager and County's Contract Project Monitor on a regular basis.

7.2.3 Contractor's Project Manager must have the qualifications and experience identified in Exhibit A (Statement of Work).

7.3 APPROVAL OF CONTRACTOR'S STAFF

7.3.1 County has the absolute right to approve or disapprove all of Contractor's staff performing Work hereunder and any proposed changes in Contractor's staff, including, but not limited to, Contractor's Project Manager. Contractor shall provide County's Project Manager with a resume of each proposed substitute and an opportunity to interview such person prior to any staff substitution.

7.4 CONTRACTOR'S STAFF IDENTIFICATION

7.4.1 Contractor shall provide, at Contractor's expense, all staff providing Services under this Contract with a photo identification badge (hereafter "badge"). The badge shall be developed in accordance with County's specifications. Contractor shall obtain approval for the format and content of the badge from County's Project Manager prior to Contractor creating, issuing, or implementing use of the badge.

7.4.2 Contractor's staff, while on duty or when entering County facilities or grounds, shall prominently display the badge on the upper part of the body. Contractor's staff may be asked by a County representative to leave a County facility if they do not have the photo identification badge on their person and

Contractor's staff must immediately comply with such request.

7.4.3 Contractor shall notify County's Project Director within five (5) days when staff is terminated from working under this Contract. Contractor shall retrieve and immediately destroy the employee's badge upon the employee's termination of employment with Contractor.

7.4.4 If County requests the removal of Contractor's staff, Contractor shall retrieve and immediately destroy an employee's badge at the time the employee is removed from working on this Contract.

7.5 BACKGROUND AND SECURITY INVESTIGATIONS

7.5.1 Each of Contractor's staff performing Services under this Contract who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform Services under this Contract. This background investigation should be conducted on an annual basis throughout the entire term of this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and Federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of Contractor, regardless of whether the member of Contractor's staff passes or fails the background investigation. For purposes of this Contract, a sensitive position is one in which the duties pose a potential threat or risk to Client when performed by persons who have a criminal history incompatible with those duties, whether those persons are employees of Contractor or other individuals who perform Services on behalf of Contractor pursuant to this Contract. For Work performed under this Contract, sensitive positions include the following:

7.5.1.1 Positions that involve the care, oversight, or protection of persons through direct contact with such persons (e.g., social worker, case manager, etc.).

7.5.1.2 Positions having direct or indirect access to funds or negotiable instruments (e.g., finance manager, accountant, bookkeeper, etc.).

7.5.1.3 Positions that require State and/or professional licensing (e.g., Certified Public Accountant, etc.).

7.5.1.4 Positions that have access to confidential or classified information including criminal conviction information (e.g., human resources manager, etc.).

7.5.1.5 Positions that involve the care, oversight, or protection of County, public, or private property (e.g., property custodian, etc.).

7.5.2 If a member of Contractor's staff does not pass the background investigation, County may request that the member of

Contractor's staff be immediately removed from performing Services under this Contract. Contractor shall comply with County's request at any time during the term of this Contract. County will not provide to Contractor or to Contractor's staff any information obtained through County's background investigation.

7.5.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff who does not pass such investigation to the satisfaction of County or whose background or conduct is incompatible with County facility access.

7.5.4 Current and prospective employees who are (or will) work under the terms of this Contract shall not be on active probation or parole nor shall they have been on probation or parole within the last three (3) years.

7.5.5 Contractor and its staff, including all current and prospective employees, independent contractors, volunteers or subcontractors who may come in contact with people in the course of their work, volunteer activity, or performance of a subcontract, providing Services under this Contract shall be under a continuing obligation to disclose any prior or subsequent criminal conviction record or any pending criminal trial to County's Project Director. Contractor shall inform its staff, including all current and prospective employees, independent contractors, volunteers or subcontractors who may come in contact with people in the course of their work, volunteer activity, or performance of a subcontract, providing Services under this Contract of said obligation. Contractor shall maintain records of criminal convictions and/or pending criminal trials in the file of each such person.

7.5.6 Contractor shall immediately notify County's Project Director of any arrest and/or subsequent conviction, other than for minor traffic offenses, of any Contractor staff, independent contractor, volunteer staff or subcontractor who may come in contact with children, elderly individuals or dependent adults while providing Services under this Contract when such information becomes known to Contractor. Contractor shall not engage or continue to engage the services of any person convicted of any crime involving harm to minors, or any crime involving conduct inimical to the health, morals, welfare or safety of others, including but not limited to, the offenses specified in the California Health and Safety Code Section 11590 (i.e., offenses requiring registration as a controlled substance offender) and those crimes listed in the California Penal Code which involve murder, rape, kidnap, abduction, assault and lewd and lascivious acts.

7.5.7 Disqualification of any member of Contractor's staff pursuant to this Subparagraph 7.4 shall not relieve Contractor of its obligation to complete all Work in accordance with the terms and conditions of this Contract.

7.6 CONFIDENTIALITY

7.6.1 Contractor shall maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines,

policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Subparagraph 7.5 and Exhibit G1 (Contractor Acknowledgement and Confidentiality Agreement), as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Subparagraph 7.5 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.6.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing Services hereunder of the confidentiality provisions of this Contract.

7.6.4 Contractor shall sign and also adhere to the provisions of Exhibit G1 (Contractor Acknowledgement and Confidentiality Agreement).

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS

8.1.1 For any change which materially affects the Scope of Work, Contract Term, Contract Sum, payments, or any other term or condition included under this Contract, an Amendment to this Contract shall be prepared by County and executed by Contractor and by County's Department Head or his/her designee.

8.1.2 County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in this Contract during the term of this Contract. County reserves the right to add and/or change such provisions as required by County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to this Contract shall be prepared by County and executed by Contractor and by County's Department Head or his/her designee.

- 8.1.3 County's Department Head or his/her designee may, at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 (Term of Contract). Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to this Contract shall be prepared by County and executed by Contractor and by County's Department Head or his/her designee.
- 8.1.4 The following events shall also warrant an Amendment to this Contract as described in this Subparagraph 8.1:
- 8.1.4.1 County may initiate a unilateral Amendment to this Contract at any time when required by Federal, State or County laws or policies, and shall immediately notify Contractor of said Amendment and the justification thereto.
- 8.1.4.2 To the extent that funding for the Program is eliminated or otherwise reduced, the Program is terminated or the Program is modified for any reason (such that funding is reduced or the Scope of Work is changed), County may in its sole discretion amend this Contract accordingly or move to terminate pursuant to the provisions in Subparagraph 8.42 (Termination for Convenience) without further liability for Services yet to be rendered by Contractor.
- 8.1.5 For any change which does not affect the Scope of Work performed under this Contract, the Contract Term or Contract Sum, and does not otherwise materially change any other term or condition under this Contract, County reserves the right to initiate such change(s) through a Change Notice. Such Change Notice shall be a written document that is prepared by County at its sole discretion and is signed by County's Project Director or designee. A Change Notice will be used to communicate changes which do not warrant an amendment to this Contract. Such Change Notice shall be provided to Contractor at least ten (10) days prior to its effective date and Contractor shall adhere to the requirements as specified therein. Contractor's failure to comply with the Change Notice(s) may result in County imposing remedies including suspension of payment(s), termination of Contract or other remedies under this Contract as determined by County at its sole discretion.

8.2 ASSIGNMENT AND DELEGATION

- 8.2.1 Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its sole discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Subparagraph 8.2, County consent shall require a written Amendment to this Contract, which is formally approved and executed by the parties. Any payments by County to any approved delegatee or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which Contractor may have

against County.

8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

8.2.3 Any assumption, assignment, delegation, or takeover of any of Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of this Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 AUTHORIZATION WARRANTY

8.3.1 Contractor represents and warrants that the person executing this Contract for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation of this Contract and that all requirements of Contractor have been fulfilled to provide such actual authority (hereafter "Contractor's Authorized Representative").

8.3.2 Contractor's Authorized Representative must be available to County and/or County's duly authorized representatives during the days and times specified in Exhibit A (Statement of Work). In the event that Contractor's Authorized Representative is not available during these specified days and times, he/she shall ensure that an appropriate designee is identified in writing to County's Project Director. Such designee shall have the ability and authority to act as a proxy on behalf of Contractor's Authorized Representative, and this authority must also be evidenced in writing by Contractor's Authorized Representative. Contractor's Authorized Representative shall further ensure that he/she can be contacted by his/her designee when Contractor's Authorized Representative is not available during the days and times specified in Exhibit A (Statement of Work).

8.4 BUDGET REDUCTIONS

8.4.1 In the event that County's Board of Supervisors adopts, in any Fiscal Year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation under this Contract correspondingly for that Fiscal Year or Program Year and any subsequent Fiscal Year or

Program Year during the term of this Contract (including any extensions), and the Services to be provided by Contractor under this Contract shall also be reduced correspondingly. County's notice to Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, Contractor shall continue to provide all of the Services set forth in this Contract.

8.5 COMPLAINTS

- 8.5.1 Contractor shall develop, maintain and utilize procedures for receiving, investigating and responding to complaints. Within fifteen (15) business days after the Contract effective date, Contractor shall provide County's Project Director with Contractor's policy for receiving, investigating and responding to Client complaints.
- 8.5.2 County will review Contractor's policy and provide Contractor with approval of said plan or with requested changes.
- 8.5.3 If County requests changes in Contractor's policy, Contractor shall make such changes and resubmit the plan within five (5) business days for County approval.
- 8.5.4 If, at any time, Contractor wishes to change Contractor's policy, Contractor shall submit proposed changes to County's Project Director for approval before implementation.
- 8.5.5 Contractor shall preliminarily investigate all complaints and notify County's Contract Project Monitor of the status of the investigation within ten (10) business days of receiving the complaint.
- 8.5.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.5.7 Copies of all written responses shall be sent to County's Contract Project Monitor within five (5) business days of mailing to the complainant.
- 8.5.8 Contractor shall provide Client an opportunity to anonymously submit a grievance directly to County's Contract Project Monitor. Contractor shall ensure that the contact information of County's Contract Project Monitor is posted in a publicly accessible area and also provided to Client in writing.
- 8.5.9 Contractor shall provide County an opportunity to consider any grievance whether it is anonymously submitted to County by Client or if it's a grievance that cannot be resolved by Contractor. At County's sole discretion, County's written decision regarding the grievance shall be final and irrevocable.
- 8.5.10 At a minimum, Contractor shall incorporate the procedures and provisions of this Subparagraph 8.5 in its written grievance policies.

8.6 COMPLIANCE WITH APPLICABLE LAWS

- 8.6.1 In the performance of this Contract, Contractor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference, including, but not limited to, 49 USC 5317, Federal Transit Administration Circular 9045.1, and other Federal requirements as referenced in Exhibit BB (Additional Federally Required Provisions).
- 8.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Subparagraph 8.6 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.
- 8.6.3 Contractor's compliance with applicable laws and regulations includes, but is not limited to, adherence to Federal Register, Volume 78, Number 248, Part III, Office of Management and Budget, (2 CFR 200 et al.) and mandatory standards and policies relating to the following: State's energy efficiency regulations (the California Code of Regulations Title 24); the Clean Air Act (42 USC 7401 et seq.); the Water Pollution Prevention and Control provisions (33 USC 1251); the Clean Water Act/Federal Water Pollution Control Act (33 USC 1251 et seq.) as referenced in Exhibit BB (Additional Federally Required Provisions); and, Executive Order 11738. County reserves the right to review Contractor's procedures to ensure that they comply with the statutes, ordinances, regulations, rules, rulings, policies and procedures of the Federal, State and County authorities, as applicable.
- 8.6.4 Contractor certifies that throughout the entirety of this Contract it shall comply with all Federal and State payroll tax rules and employer tax guides; Contractor shall pay all Federal and State payroll taxes; and, Contractor shall make all tax deposits required by Federal and State laws within the time limits required.

8.6.5 Contractor's failure to comply with such regulations, rules, ordinances, court rules, municipal laws, directives, policies and procedures outlined in this Subparagraph 8.6 and/or the provisions, requirements or conditions of this Contract, including but not limited to, performance documentation, reporting, audit and evaluation requirements shall be material breach of this Contract and may result in termination of this Contract or other remedies available herein.

8.7 COMPLIANCE WITH CIVIL RIGHTS LAWS

8.7.1 Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964 (42 USC 2000e - 2000e-17) and Exhibit BB (Additional Federally Required Provisions), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. Contractor shall comply with Exhibit D (Contractor's Equal Employment Opportunity Certification). Prior to the commencement of this Contract, Contractor shall submit the completed Exhibit D to County's Project Director in the time and manner as designated by County.

8.7.2 Notwithstanding any other provision of law and pursuant to the requirements outlined in California Public Contract Code Section 10295.3, when the annual amount of this Contract is \$100,000 or more, Contractor shall not discriminate in the provision of benefits between employees with spouses and employees with domestic partners, or discriminate between employees with spouses or domestic partners of a different sex and employees with spouses or domestic partners of the same sex, or discriminate between same-sex and different-sex domestic partners of employees or between same sex and different-sex spouses of employees. For purposes of this Subparagraph, "contract" includes contracts awarded by County to Contractor with a cumulative amount of \$100,000 or more for each Fiscal Year (where the contract funds originate from the State).

8.8 COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM

8.8.1 Jury Service Program

8.8.1.1 This Contract is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service (hereafter "Jury Service Program") as codified in Los Angeles County Code Sections 2.203.010 through 2.203.090, a copy of which is attached as Exhibit H and incorporated by reference into and made a part of this Contract.

8.8.2 Written Employee Jury Service Policy

8.8.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Los Angeles County Code Section 2.203.020) or that Contractor qualifies for an

exception to the Jury Service Program (Los Angeles County Code Section 2.203.070), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.

8.8.2.2 For purposes of this Subparagraph 8.8, "Contractor" means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one (1) or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform Services for County under this Contract, the subcontractor shall also be subject to the provisions of this Subparagraph 8.8. The provisions of this Subparagraph 8.8, shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

8.8.2.3 If Contractor is not required to comply with the Jury Service Program when this Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County's Project Director if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during this Contract and at its sole discretion, that Contractor demonstrate, to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Jury Service Program.

8.8.2.4 Contractor's violation of this Subparagraph 8.8 of this Contract may constitute a material breach of this Contract. In the event of such material breach, County may, in its sole discretion, terminate this Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 CONFLICT OF INTEREST

8.9.1 No County employee whose position with County enables such employee to influence the award of this Contract or any competing contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of Contractor who may financially benefit from the performance of Work hereunder shall in any way participate in County's approval, or ongoing evaluation, of such Work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such Work.

8.9.2 Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. Contractor warrants that it is not now aware of any facts that create a conflict of interest. If Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County's Project Director. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Subparagraph 8.9 shall be a material breach of this Contract.

8.10 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS OR ON RE-EMPLOYMENT LIST

8.10.1 Should Contractor require additional or replacement personnel after the effective date of this Contract to perform the Services set forth herein, Contractor shall give first consideration for such employment openings to qualified permanent County employees who are targeted for layoff or to qualified former County employees who are on a re-employment list during the life of this Contract.

8.11 CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS

8.11.1 Should Contractor require additional or replacement personnel after the effective date of this Contract, Contractor shall give consideration for any such employment openings to participants in County of Los Angeles Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@dpss.lacounty.gov to obtain a list of qualified GAIN/GROW job candidates.

8.11.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.12 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.12.1 Responsible Contractor

8.12.1.1 A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform this Contract. It is County's policy to conduct business only with responsible contractors.

8.12.2 Los Angeles County Code Chapter 2.202

8.12.2.1 Contractor is hereby notified that, in accordance with Los Angeles County Code Chapter 2.202, if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in this Contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

8.12.3 Non-responsible Contractor

8.12.3.1 County may debar Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

8.12.4 Contractor Hearing Board

8.12.4.1 If there is evidence that Contractor may be subject to debarment, County will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

8.12.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or

Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and County shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

8.12.4.3 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.4.4 If Contractor has been debarred for a period longer than five (5) years, Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

8.12.4.5 The Contractor Hearing Board will consider a request for review of a debarment determination only where: (1) Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

8.12.4.6 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to

reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 Subcontractors of Contractor

8.12.5.1 These terms shall also apply to subcontractors of County contractors.

8.12.6 Contractor hereby acknowledges that County is prohibited from contracting with and/or making sub-awards to parties that are suspended, debarred, ineligible, or excluded from securing State-funded or Federally-funded contracts. By executing this Contract, Contractor certifies that neither it nor any of its owners, officers, partners, directors, or other principals is currently suspended, debarred, ineligible, or excluded from securing State-funded or Federally-funded contracts. Further by executing this Contract, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractors is currently suspended, debarred, ineligible, or excluded from securing State-funded or Federally-funded contracts. During the term of this Contract, Contractor shall immediately notify County's Project Director in writing should it or any of its subcontractors or any principals of either be suspended, debarred, ineligible, or excluded from securing State-funded or Federally-funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Contract upon which County may immediately terminate or suspend this Contract.

8.13 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY' S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

8.13.1 Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County contractors to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at Contractor's place of business. Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. County of Los Angeles Department of Children and Family Services will supply Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

8.14 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.14.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contracts are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

8.14.2 As required by County's Child Support Compliance Program (Los Angeles County Code Chapter 2.200) and without limiting Contractor's duty under this Contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Social Security Act (42 USC 653(a)) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to the California Code of Civil Procedure Section 706.031 and the California Family Code Section 5246(b).

8.15 COUNTY'S QUALITY ASSURANCE PLAN

8.15.1 County or its agent will evaluate Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which County determines are severe or continuing and that may place performance of this Contract in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Contract or impose other penalties as specified in this Contract.

8.16 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

8.16.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by Contractor or employees or agents of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.16.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

8.17.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing Work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain, from all employees performing Work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (PL 99-603) as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 Contractor shall indemnify, defend, and hold harmless, County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing Work under this Contract.

8.18 FACSIMILE REPRESENTATIONS

8.18.1 County and Contractor hereby agree to regard facsimile representations of original signatures (i.e., electronic signatures) of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Subparagraph 8.1 (Amendments) and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.19 FAIR LABOR STANDARDS

8.19.1 Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for Work performed by Contractor's employees for which County may be found jointly or solely liable.

8.20 FORCE MAJEURE

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this Subparagraph 8.20 as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for 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 meet the required performance schedule. As used in this Subparagraph 8.20, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

8.20.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or Services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 GOVERNING LAW, JURISDICTION, AND VENUE

8.21.1 This Contract shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction, including personal jurisdiction, of the courts of the State of California for all purposes regarding this Contract, and further agrees and consents that venue of any action brought hereunder shall be exclusively in County of Los Angeles.

8.22 INDEPENDENT CONTRACTOR STATUS

8.22.1 This Contract is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing Work pursuant to this Contract all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.

8.22.3 Contractor understands and agrees that all persons performing Work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of Contractor and not employees of County. Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any Work performed by or on behalf of Contractor pursuant to this Contract.

8.22.4 Contractor shall adhere to the provisions stated in Subparagraph 7.5 (Confidentiality).

8.23 INDEMNIFICATION

8.23.1 Contractor shall comply with all applicable Federal requirements as described in Exhibit BB (Additional Federally Required Provisions) and shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of County Indemnitees.

8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

8.24.1 Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Subparagraph 8.24 and Subparagraph 8.25 (Insurance Coverage) of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to this Contract.

8.24.2 **Evidence of Coverage and Notice to County**

8.24.2.1 Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) have been given Insured status under Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing Services under this Contract.

8.24.2.2 Renewal Certificates shall be provided to County not less than ten (10) days prior to Contractor's policy expiration dates. County reserves the right to obtain complete, certified copies of any required Contractor and/or subcontractor insurance policies at any time.

8.24.2.3 Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding \$50,000.00 dollars, and list any County required endorsement forms.

8.24.2.4 Neither County's failure to obtain, nor County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

8.24.2.5 Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles

Community and Senior Services
Contracts Management Division
Attention: County's Project Director
3175 West Sixth Street
Los Angeles, CA 90020

8.24.2.6 Contractor also shall promptly report to County's Project Director any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County's Project Director of any third-party claim or suit filed against Contractor or any of its subcontractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.24.3 **Additional Insured Status and Scope of Coverage**

8.24.3.1 County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of Contractor's acts or omissions, whether such liability is attributable to Contractor or to County. The full policy limits and scope of protection also shall apply to County and its Agents as an additional insured, even if they exceed County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.4 **Cancellation of or Change(s) in Insurance**

8.24.4.1 Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County's Project Director at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of this Contract, in the sole discretion of County, upon which County

may suspend or terminate this Contract.

8.24.5 Failure to Maintain Insurance

8.24.5.1 Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of this Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

8.24.6 Insurer Financial Ratings

8.24.6.1 Coverage shall be placed with insurers acceptable to County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.24.7 Contractor's Insurance Shall Be Primary

8.24.7.1 Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.24.8 Waivers of Subrogation

8.24.8.1 To the fullest extent permitted by law, Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.9 Subcontractor Insurance Coverage Requirements

8.24.9.1 Contractor shall include all subcontractors as insureds under Contractor's own policies, or shall provide County with each subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall require that each subcontractor name County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.

8.24.10 Deductibles and Self-Insured Retentions (SIRs)

8.24.10.1 Contractor's policies shall not obligate County to pay any portion of any Contractor deductible or

SIR. County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.24.11 Claims Made Coverage

8.24.11.1 If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

8.24.12 Application of Excess Liability Coverage

8.24.12.1 Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.13 Separation of Insureds

8.24.13.1 All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.14 Alternative Risk Financing Programs

8.24.14.1 County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.15 County Review and Approval of Insurance Requirements

8.24.15.1 County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

8.25 INSURANCE COVERAGE

8.25.1 Commercial General Liability

8.25.1.1 Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury: Each Occurrence:	\$1 million

8.25.2 **Automobile Liability**

8.25.2.1 Insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 **Workers Compensation and Employers' Liability**

8.25.3.1 Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any Federal workers or workmen's compensation law or any Federal occupational disease law.

8.25.4 **Crime Coverage**

8.25.4.1 A Fidelity Bond or Crime Insurance policy with limits of not less than \$50,000 per occurrence. Such coverage shall protect against all loss of money, securities, or other valuable property entrusted by County to Contractor, and apply to all of Contractor's directors, officers, agents and employees who regularly handle or have responsibility for such money, securities or property. County and its Agents shall be named as an Additional Insured and Loss Payee as its interests may appear. This insurance shall include third-party fidelity coverage, include coverage for loss due to theft, mysterious disappearance, and computer fraud/theft, and shall not contain a requirement for an arrest and/or conviction.

8.25.5 **Intentionally Omitted**

8.25.6 **Intentionally Omitted**

8.25.7 **Sexual Misconduct Liability**

8.25.7.1 Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

8.25.8 **Intentionally Omitted**

8.26 LIQUIDATED DAMAGES

8.26.1 If, in the judgment of County's Department Head, or his/her designee, Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, County's Department Head, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from Contractor's invoice for Work not performed. A description of the Work not performed and the amount to be withheld or deducted from payments to Contractor from County, will be forwarded to Contractor by County's Department Head, or his/her designee, in a written notice describing the reasons for said action.

8.26.2 If County's Department Head or his/her designee determines that there are deficiencies in the performance of this Contract that County's Department Head or his/her designee deems are correctable by Contractor over a certain time span, County's Department Head or his/her designee will provide a written notice to Contractor to correct the deficiency within specified time frames. Should Contractor fail to correct deficiencies within said time frame, County's Department Head or his/her designee may:

8.26.2.1 Deduct from Contractor's payment, pro rata, those applicable portions of the monthly Contract Sum; and/or

8.26.2.2 Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages per day per infraction shall be determined as follows: when this Contract is funded for one (1) Fiscal Year or Program Year term then a reasonable estimate of such damages per day per infraction shall be 0.25% of the Maximum Contract Sum or as specified in Exhibit A (Statement of Work), Attachment B (Performance Requirements Summary Chart); or, when this Contract is funded for more than one (1) Fiscal Year or Program Year term then a reasonable estimate of such damages per day per infraction shall be 0.25% of the Maximum Annual Contract Sum or as specified in Exhibit A (Statement of Work), Attachment B (Performance Requirements Summary Chart). In either case, Contractor shall be liable to County for liquidated damages in said amount and this amount shall be deducted from County's payment to Contractor; and/or

8.26.2.3 Upon giving five (5) days' notice to Contractor for failure to correct the deficiencies, County may correct any and all deficiencies and the total costs incurred by County for completion of the Work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to Contractor from County, as determined by County.

8.26.3 The action noted in Subparagraph 8.26.2 shall not be construed as a penalty, but as adjustment of payment to Contractor to recover County cost due to the failure of Contractor to complete or comply with the provisions of this Contract.

8.26.4 This Subparagraph 8.26 shall not, in any manner, restrict or limit County's right to damages for any breach of this Contract provided by law or as specified in Exhibit A (Statement of Work), Attachment B (Performance Requirements Summary Chart) or Subparagraph 8.26.2, and shall not, in any manner, restrict or limit County's right to terminate this Contract as agreed to herein. This Subparagraph 8.26 may be assessed as an option. It does not preclude utilizing Exhibit A (Statement of Work), Attachment B (Performance Requirements Summary Chart) or assessing actual costs of the damage.

8.27 MOST FAVORED PUBLIC ENTITY

8.27.1 If Contractor's prices decline, or should Contractor at any time during the term of this Contract provide the same goods or Services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such

lower prices shall be immediately extended to County.

8.28 NON-DISCRIMINATION AND AFFIRMATIVE ACTION

- 8.28.1 Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.
- 8.28.2 Contractor shall certify to, and comply with, the provisions of Exhibit D (Contractor's Equal Employment Opportunity Certification).
- 8.28.3 Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 8.28.4 Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 8.28.5 Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.28.6 Contractor shall allow County representatives access to Contractor's employment records during County's regular business hours to verify compliance with the provisions of this Subparagraph 8.28 when so requested by County.
- 8.28.7 If County finds that any provisions of this Subparagraph 8.28 have been violated, such violation shall constitute a material breach of this Contract upon which County may terminate or suspend this Contract. While County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Contract.

8.28.8 The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Contract, County shall, at its sole option, be entitled to the sum of \$500 for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.29 NON-EXCLUSIVITY

8.29.1 Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Contract shall not restrict County from acquiring similar, equal or like goods and/or Services from other entities or sources.

8.30 NOTICE OF DELAYS

8.30.1 Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.31 NOTICE OF DISPUTES

8.31.1 Contractor shall bring to the attention of County's Project Manager and/or County's Project Director any dispute between County and Contractor regarding the performance of Services as stated in this Contract. If County's Project Manager or County's Project Director is not able to resolve the dispute, County's Department Head or his/her designee shall resolve it.

8.32 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

8.32.1 Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service (IRS) Notice 1015. Contractor shall obtain the most current version of IRS Notice 1015 on-line at the IRS website: www.irs.gov.

8.33 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

8.33.1 Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I (Safely Surrendered Baby Law), of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.34 NOTICES

8.34.1 All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand-delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the

parties as identified in Exhibit E (County's Administration) and Exhibit F (Contractor's Administration). Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. County's Project Director or his/her designee shall have the authority to issue all notices or demands required or permitted by County under this Contract.

8.35 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

8.35.1 Notwithstanding the above, Contractor and County agree that, during the term of this Contract and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.36 PUBLIC RECORDS ACT

8.36.1 Any documents submitted by Contractor, all information obtained in connection with County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement), as well as those documents which were required to be submitted in response to the solicitation used to procure this Contract, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (California Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", Contractor agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in an action or liability arising under the California Public Records Act.

8.37 PUBLICITY

8.37.1 Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing Contractor's need to identify its Services and related Clients to sustain itself, County shall not inhibit Contractor from publishing its role under this Contract within the following conditions:

8.37.1.1 Contractor shall develop all publicity material in a professional manner; and

8.37.1.2 During the term of this Contract, Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of County's Project Director. County shall not unreasonably withhold written consent.

8.37.2 Without the prior written consent of County, Contractor may indicate in its proposals and sales materials that it has been awarded this Contract with County of Los Angeles, provided that the requirements of this Subparagraph 8.37 shall apply.

8.37.3 Contractor shall not use or display the official seal of County of Los Angeles or the logo of Community and Senior Services on any of its letterhead or other communications with any debtor, or for any other reason, unless each form of usage has prior written approval of the Los Angeles County Board of Supervisors.

8.38 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

8.38.1 Record Retention Requirements

8.38.1.1 Contractor shall maintain accurate and complete financial records (such as bank statements, cancelled checks or other proof of payment) of its activities and operations relating to this Contract in accordance with Generally Accepted Accounting Principles. Contractor shall also maintain all materials, including, but not limited to, complete employment records (such as timecards, sign-in/sign-out sheets and other time and employment records), supporting Program documents and proprietary data and information relating to its performance of this Contract. Contractor shall further maintain on file the entirety of this Contract, its amendments and/or addendums, modifications and all applicable laws, regulations, directives and guidance which are hereby incorporated by reference. Contractor shall ensure that the security and integrity of all records are maintained throughout the entire term of this Contract and during the authorized retention period as outlined below.

8.38.1.2 Contractor shall adhere to the requirements of the authorized retention period, which shall be the greater of the following: throughout the entire term of this Contract and no less than three (3) years after the expiration or termination of this Contract unless Contractor receives County's written permission to dispose of any such material prior to such time; until an audit of this Contract has occurred and a written audit resolution has been issued or unless otherwise authorized in writing by County; or, for such longer period, if any, as required by applicable statute, by any other provision of this Contract, by Subparagraphs

8.38.2.2 and 8.38.2.3 or as County deems necessary (which shall be communicated to Contractor in writing).

8.38.1.3 All such material shall be maintained by Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at County's option, Contractor shall pay County for travel, per diem, and other costs incurred by County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1.4 After the authorized retention period has expired, Contractor shall dispose of, shred or destroy all confidential records in a manner that will maintain confidentiality. Contractor shall obtain a certificate of destruction to substantiate that all confidential records have been securely destroyed. Contractor shall notify County's Project Director in writing within thirty (30) days after such records are destroyed. The certificate of destruction shall be provided to County's Project Director upon County's request.

8.38.2 Access to Records

8.38.2.1 Contractor agrees that County and any of its duly authorized representatives (which may include State authorities, Federal agencies (including, but not limited to, Comptroller of the United States, Office of the Inspector General, General Accounting Office, and Federal Transit Administration as referenced in Exhibit BB (Additional Federally Required Provisions) and/or any of their duly authorized representatives), shall have both access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract any books, documents, papers and records of Contractor that are directly pertinent to this Contract (as determined by County and its duly authorized representatives). The rights of access which are outlined in this Contract shall not be limited to the authorized retention period but shall last as long as the records are retained.

8.38.2.2 If this Contract (or any part thereof) is terminated, Contractor shall preserve and make all records, relating to the Work terminated, available during the authorized retention period of this Contract. Contractor shall ensure that any resource directories and all Client records remain the property of County upon termination of this Contract, and that they are returned to County or transferred to another contractor as instructed by County in writing.

8.38.2.3 In the event of any litigation, claim, negotiation,

audit exception or other action involving the records, Contractor shall maintain all records relative to such action and shall make them available to County and/or its duly authorized representatives until every action has been cleared to the satisfaction of County and/or its duly authorized representatives, and such clearance must be evidenced to Contractor in writing.

8.38.2.4 County reserves the right to take physical custody of Contractor's records when any of the following situations occur: in the event that a potential litigation may be levied against Contractor for its Work performed under this Contract; when County determines that Contractor is at a high risk of ceasing its operations during any time within the Contract term or prior to the end of the retention period; when County determines that the records have long-term value; and/or, in the event that County and Contractor terminate the contractual relationship. For purposes of this Contract, high risk is determined by County using criteria which includes but is not limited to the following: history of unsatisfactory contractual performance; financial instability or insolvency; documented evidence of an inadequate management system and lack of internal controls; non-conformance to the terms and conditions of previous awards; non-responsible; and/or history of disallowed costs.

8.38.3 **Monitoring Reviews**

8.38.3.1 Contractor shall provide the Services herein under the general supervision of County's Department Head and his/her authorized administrators who are designated in Paragraph 6.0 (Administration of Contract-County). County shall supervise, monitor and specify the kind, quality, appropriateness, timeliness and amount of the Services to be provided by Contractor as well as the criteria for determining the persons to be served (Clients). Contractor shall extend to County and to representatives authorized by County (including, but not limited to, State and Federal representatives) the right to observe, review and monitor Contractor's facilities, programs, records, procedures, performance, activities, or documents, which are used under this Contract. Contractor shall provide County (or other designated authorities) the right to conduct such reviews at any time during County's hours of operation. County (or other designated authorities) shall not unreasonably interfere with Contractor's performance. The requirements of this Subparagraph 8.38 shall also apply to subcontractors providing Services on behalf of Contractor.

8.38.3.2 County will monitor Contractor's

Services provided under this Contract on a regular basis and County may conduct unannounced site visits to ensure Contractor's compliance with this Contract. County will summarize the results of the monitoring efforts in written reports, which shall be supported with documented evidence of follow-up actions taken to correct areas of non-compliance. Monitoring activities may include, but are not limited to interviewing Contractor employees and, when applicable, Clients; entering any premises or any site in which any of the Services or activities funded are being conducted or in which any records of Contractor are kept; etc. All information will be maintained in a confidential manner in accordance with any and all Federal, State and local laws.

8.38.3.3 Contractor shall be responsible for monitoring the activities of its subcontractor(s) providing Services. Contractor shall conduct on-site fiscal and program monitoring reviews which shall be documented and maintained on file according to the record retention requirements provided in this Subparagraph 8.38. Contractor shall ensure that subcontractor(s) adheres to all requirements for correcting areas of non-compliance, and implements the corrective action plan which has been approved by Contractor.

8.38.4 **Independent Audit Requirements**

8.38.4.1 Federal Register, Volume 78, Number 248, Part III, Office of Management and Budget, (2 CFR 200.500 et seq.) requires that organizations which expend \$750,000 or more in a year in Federal awards, including pass-through awards, shall obtain an annual audit (either a single audit or a Program-specific audit). When Contractor's organization meets this requirement (as specified in 2 CFR 200.500 et seq.), Contractor shall ensure that such audit shall be conducted by an independent auditor in accordance with the requirements outlined in 2 CFR 200.500 et seq. (and any amendments or supplements thereto). Contractor shall submit an audit engagement letter as confirmation of the audit to be conducted by the independent auditor and such letter shall be submitted to County's Contract Project Monitor in the time and manner as directed by County. Upon auditor's completion of the single audit or the Program-specific audit, Contractor shall obtain both the data collection form and the reporting package (i.e., auditor's report), as described in 2 CFR 200.500 et seq., from the auditor for each audit period (i.e., each Fiscal Year or Program Year). Contractor shall submit a copy of the auditor's report to County's Contract Project Monitor within thirty (30) days after receipt of auditor's report but no later than nine (9) months following the end of the audit period.

8.38.4.2 When the requirements provided above for obtaining an annual audit do not apply to Contractor for any Fiscal Year (or Program Year), Contractor shall make its records available for review or audit by County and any of its duly authorized representatives (which may include State authorities, Federal agencies (including, but not limited to, Comptroller of the United States, Office of the Inspector General and General Accounting Office) and/or any of their duly authorized representatives). Such review or audit may include but is not limited to financial audits, performance audits, evaluations, inspections, monitoring, etc. as determined by County and/or by any other oversight agency that is responsible for overseeing Contract Funds, the Program and Services. Contractor shall comply with the review and audit requirements which shall be identified in writing by County and/or its duly authorized representatives.

8.38.4.3 In the event that an audit of Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, then Contractor shall file a copy of such audit report with County's Contract Project Monitor within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.38.4.4 If, at any time during the term of this Contract or during the authorized retention period of this Contract as noted in Subparagraph 8.38.1, representatives of County conduct an audit of Contractor regarding the Work performed under this Contract, and if such audit finds that County's dollar liability for any such Work is less than payments made by County to Contractor, then the difference shall be either: a) repaid by Contractor to County by cash payment upon demand; or, b) at the sole option of County of Los Angeles Department of Auditor-Controller, deducted from any amounts due to Contractor from County, whether under this Contract or otherwise. If such audit finds that County's dollar liability for such Work is more than the payments made by County to Contractor, then the difference shall be paid to Contractor by County by cash payment, provided that in no event shall County's maximum obligation for this Contract exceed the funds appropriated by County for the purpose of this Contract.

8.38.5 **Failure to Comply With Requirements**

8.38.5.1 Failure on the part of Contractor to comply with any

of the provisions of this Subparagraph 8.38 shall constitute a material breach of this Contract upon which County may terminate or suspend this Contract.

8.39 RECYCLED BOND PAPER

8.39.1 Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at Los Angeles County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.40 SUBCONTRACTING

8.40.1 The requirements of this Contract may not be subcontracted by Contractor without the advance written approval of County. Any attempt by Contractor to subcontract without the prior consent of County shall be deemed a material breach of this Contract. Contractor shall provide a draft copy of the proposed subcontract to County's Project Director, and shall allow County a minimum of two (2) months (e.g., sixty (60) days) to complete its review process. As such, Contractor shall ensure that it provides the subcontract to County well in advance of its intended date to execute the subcontract (i.e., in order for Contractor to meet its target date for executing the subcontract, Contractor shall factor County's 2-month review process into its timeframe for executing the subcontract).

8.40.2 If Contractor desires to subcontract, Contractor shall complete Exhibit Y (List of Subcontracts) and at County's request shall promptly provide the following information either on or along with Exhibit Y (List of Subcontracts):

8.40.2.1 Subcontractor's name and contact information; a description of the Work to be performed by the subcontractor; subcontract number; and subcontract amount;

8.40.2.2 A draft copy of the proposed subcontract; and

8.40.2.3 Other pertinent information and/or certifications requested by County.

8.40.3 Contractor shall indemnify, defend, and hold County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees.

8.40.4 Contractor shall remain fully responsible for all performances required of it under this Contract, including those that Contractor has determined to subcontract, notwithstanding County's approval of Contractor's proposed subcontract.

8.40.5 County's consent to subcontract shall not waive County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing Services under this Contract. Contractor is responsible for notifying its

subcontractors of this County right.

8.40.6 County's Project Director is authorized to act for and on behalf of County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by County, Contractor shall forward a copy of the fully executed subcontract to County's Project Director within five (5) days of its execution.

8.40.7 Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through Services performed hereunder, notwithstanding County's consent to subcontract.

8.40.8 Contractor shall obtain current valid certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by County. Such certificates of insurance shall indicate the subcontract number. Before any subcontractor employee performs any Work hereunder, Contractor shall deliver all such certificate of insurance documents to County as follows:

County of Los Angeles
Community and Senior Services
Contracts Management Division
Attention: County's Project Director
3175 West Sixth Street
Los Angeles, CA 90020

8.40.9 Amending a subcontract may be initiated by either Contractor or County. When an amendment is initiated by County, County shall outline the reason(s) for the amendment and Contractor shall comply with County's request. All subcontract amendments are subject to review and must be approved in writing by County before they are executed. Contractor shall provide a draft copy of the proposed amendment to County's Project Director, and shall allow County twenty (20) days to complete its review process. After County's approval of Contractor's amendment, Contractor shall forward a copy of the fully executed amendment to County's Project Director within five (5) days of its execution.

8.40.10 Contractor shall adhere to all applicable Federal, State and/or County requirements for the procurement of a subcontractor(s) and/or vendor services using Contract Funds.

8.40.11 In the event County approves Contractor's request to subcontract any part of the requirements of this Contract, all applicable provisions and requirements of this Contract shall be made applicable to such subcontract. To this end, Contractor shall include the following provision in the subcontract: This Contract is a subcontract under the terms of a prime contract (identified as Contract Number [@ PO Document Number @]) with County of Los Angeles Community and Senior Services and shall be subject to all of the provisions of such prime Contract. All representations and warranties under this Contract shall inure

to the benefit of County of Los Angeles.

8.41 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.41.1 Failure of Contractor to maintain compliance with the requirements set forth in Subparagraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program), shall constitute default under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Contract pursuant to Subparagraph 8.43 (Termination for Default) and pursue debarment of Contractor, pursuant to Los Angeles County Code Chapter 2.202.

8.42 TERMINATION FOR CONVENIENCE

8.42.1 County may terminate this Contract, in whole or in part, from time to time or permanently, when such action is deemed by County, in its sole discretion, to be in its best interest. Termination of Work hereunder shall be effected by notice of termination to Contractor specifying the extent to which performance of Work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than thirty (30) calendar days after the notice is sent.

8.42.2 Upon receipt of a notice of termination and except as otherwise directed by County, Contractor shall immediately:

8.42.2.1 Stop Work under this Contract on the date and to the extent specified in such notice;

8.42.2.2 Complete performance of such part of the Work as shall not have been terminated by such notice;

8.42.2.3 Transfer title and deliver to County all completed Work and Work in process.

8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of Contractor under this Contract shall be maintained by Contractor in accordance with Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement).

8.43 TERMINATION FOR DEFAULT

8.43.1 County may, by written notice to Contractor, terminate the whole or any part of this Contract, if, in the judgment of County:

8.43.1.1 Contractor has materially breached this Contract; or

8.43.1.2 Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, Service, or other work required under this Contract; or

8.43.1.3 Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as County may authorize in writing) after receipt of written notice from County specifying such failure.

8.43.2 In the event that County terminates this Contract in whole or in part as provided in Subparagraph 8.43.1, County may procure, upon such terms and in such manner as County may deem appropriate, goods and Services similar to those so terminated. Contractor shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and Services. Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this Subparagraph 8.43.

8.43.3 Except with respect to defaults of any subcontractor, Contractor shall not be liable for any such excess costs of the type identified in Subparagraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of Contractor. Such causes may include, but are not limited to: acts of nature or of the public enemy, acts of County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Contractor and subcontractor, and without the fault or negligence of either of them, Contractor shall not be liable for any such excess costs for 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 meet the required performance schedule. As used in this Subparagraph 8.43, the term "subcontractor(s)" means subcontractor(s) at any tier.

8.43.4 If, after County has given notice of termination under the provisions of this Subparagraph 8.43, it is determined by County that Contractor was not in default under the provisions of this Subparagraph 8.43, or that the default was excusable under the provisions of Subparagraph 8.43.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Subparagraph 8.42 (Termination for Convenience).

8.43.5 The rights and remedies of County provided in this Subparagraph 8.43, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 TERMINATION FOR IMPROPER CONSIDERATION

- 8.44.1 County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to Contractor's performance pursuant to this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.
- 8.44.2 Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to County manager charged with the supervision of the employee or to County of Los Angeles Department of Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.
- 8.44.3 Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

8.45 TERMINATION FOR INSOLVENCY

- 8.45.1 County may terminate this Contract forthwith in the event of the occurrence of any of the following:
 - 8.45.1.1 Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
 - 8.45.1.2 The filing of a voluntary or involuntary petition regarding Contractor under the Federal Bankruptcy Code;
 - 8.45.1.3 The appointment of a Receiver or Trustee for Contractor; or
 - 8.45.1.4 The execution by Contractor of a general assignment for the benefit of creditors.
- 8.45.2 The rights and remedies of County provided in this Subparagraph 8.45, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 TERMINATION FOR NON - ADHERENCE OF COUNTY LOBBYIST ORDINANCE

- 8.46.1 Contractor, and each County Lobbyist or County Lobbying firm as defined in Los Angeles County Code Section 2.160.010 retained by Contractor, shall fully comply with County's Lobbyist

Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County Lobbyist or County Lobbying firm retained by Contractor to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 TERMINATION FOR NON - APPROPRIATION OF FUNDS

8.47.1 Notwithstanding any other provision of this Contract, County shall not be obligated for Contractor's performance hereunder or by any provision of this Contract during any of County's future Fiscal Years unless and until County's Board of Supervisors appropriates funds for this Contract in County's Budget for each such future Fiscal Year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last Fiscal Year for which funds were appropriated. County shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.48 VALIDITY

8.48.1 If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.49 WAIVER

8.49.1 No waiver by County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Subparagraph 8.49, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 WARRANTY AGAINST CONTINGENT FEES

8.50.1 Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

8.50.2 For breach of this warranty, County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.51 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

8.51.1 Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon

County and its taxpayers. Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Contract will maintain compliance, with Los Angeles County Code Chapter 2.206. Prior to the commencement of this Contract, Contractor shall complete Exhibit U (Certification of Compliance with County's Defaulted Property Tax Reduction Program) and submit it to County's Project Director in the time and manner as designated by County.

8.52 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

8.52.1 Failure of Contractor to maintain compliance with the requirements set forth in Subparagraph 8.51 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program), shall constitute default under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Contract and/or pursue debarment of Contractor, pursuant to Los Angeles County Code Chapter 2.206.

8.53 TIME OFF FOR VOTING

8.53.1 Contractor shall notify and provide its employees, and shall require each subcontractor to notify and provide its employees, information regarding the time off for voting law pursuant to California Elections Code (EC) Section 14000. Not less than ten (10) days before every statewide election, Contractor and its subcontractor(s) shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of EC Section 14000.

8.54 MINIMUM WAGE REQUIREMENTS

8.54.1 Los Angeles has established the Los Angeles County Minimum Wage Ordinance (County Code Chapter 8.100 (Minimum Wage)). All employers (which means any person, as defined in the California Labor Code Section 18, including a corporate officer or executive, who directly or indirectly or through an agent or any other person, including through the services of a temporary service or staffing agency or similar entity, employs or exercises control over the wages, hours, or working conditions of any employee) shall pay their employees no less than the hourly rates set forth below:

8.54.1.1 Employers with twenty-six (26) or more employees shall pay employees a wage of no less than the following hourly rates:

8.54.1.1.1 On July 1, 2016, the hourly wage shall be \$10.50.

8.54.1.1.2 On July 1, 2017, the hourly wage shall be \$12.00.

8.54.1.1.3 On July 1, 2018, the hourly wage shall be \$13.25.

8.54.1.1.4 On July 1, 2019, the hourly wage shall be \$14.25.

8.54.1.1.5 On July 1, 2020, the hourly wage shall be \$15.00.

8.54.1.2 Employers with twenty-five (25) or fewer employees shall pay employees a wage of no less than the following hourly rates:

8.54.1.2.1 On July 1, 2017, the hourly wage shall be \$10.50.

8.54.1.2.2 On July 1, 2018, the hourly wage shall be \$12.00.

8.54.1.2.3 On July 1, 2019, the hourly wage shall be \$13.25.

8.54.1.2.4 On July 1, 2020, the hourly wage shall be \$14.25.

8.54.1.2.5 On July 1, 2021, the hourly wage shall be \$15.00.

8.54.1.3 Beginning on July 1, 2022, the minimum wage will increase annually based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Los Angeles metropolitan area (Los Angeles-Riverside-Orange County, CA), which is published by the Bureau of Labor Statistics. Beginning in 2022, and continuing each year thereafter, on January 1 the County of Los Angeles Chief Executive Officer shall determine the adjusted rates which shall take effect on July 1 of that year and publish a bulletin announcing the adjusted rates.

8.54.1.4 For purposes of this Subparagraph, the number of employees employed by an employer shall be determined by calculating the average number of employees employed during the previous calendar year.

8.54.2 All employers who provide Program Services in Los Angeles

County (including the unincorporated areas and any city) shall adhere to County's minimum wage requirements.

8.54.3 Entities who are exempt from the Los Angeles County Minimum Wage Ordinance include:

8.54.3.1 Any person not subject to, or exempt from, the State minimum wage, as provided under California Labor Code Section 1197 and wage orders published by the California Industrial Welfare Commission.

8.54.3.2 Public entities (including Federal, State, County and city entities (including school districts)).

9.0 UNIQUE TERMS AND CONDITIONS

9.1 ALLEGATIONS OF FRAUD AND/OR ABUSE

9.1.1 Fraud Prevention Reporting

9.1.1.1 Contractor's staff working on this Contract shall immediately report all suspected or actual instances of fraud as designated in Exhibit Q (Accounting, Administration and Reporting Requirements).

9.1.2 Child Abuse Reporting

9.1.2.1 Contractor's staff working on this Contract shall comply with the Child Abuse and Neglect Reporting Act (California Penal Code (PC) Section 11164 et seq.), and shall report all known and suspected instances of child abuse to an appropriate child protective agency, as mandated by the referenced Penal Code. Additionally, Contractor's staff working on this Contract shall also report such abuse to the Los Angeles County Department of Children and Family Services by calling the hotline at (800) 540-4000 within twenty-four (24) hours of discovering or suspecting the abuse. Contractor's staff shall submit all required information to the appropriate authorities in accordance with PC Sections 11166 and 11167.

9.1.3 Elder and Dependent Adult Abuse Reporting

9.1.3.1 Contractor's staff working on this Contract shall comply with the Elder Abuse and Dependent Adult Civil Protection Act (California Welfare and Institutions Code (WIC) Section 15600 et seq.), and shall report all known or suspected instances of physical abuse of elders and dependent adults either to an appropriate County adult protective services agency or to a local law enforcement agency, as mandated by the referenced Welfare and Institutions Code. Contractor's staff working on this Contract shall report the abuse and shall submit all required information in accordance with WIC Sections 15630, 15633 and 15633.5.

9.1.4 Withholding of Payment

9.1.4.1 In the event that allegations of fraud and/or abuse are levied against Contractor or any individual or entity performing Work under this Contract on behalf of Contractor, County reserves the right to withhold either ten percent (10%) of the Maximum Annual Contract Sum (in the event that this Contract is funded for one (1) Fiscal Year or Program Year term then ten percent (10%) will be withheld from the Maximum Contract Sum) or the amount of the final year-end invoice, whichever is greater, until a determination is issued in writing by County that withheld funds will be released to Contractor. For purposes of this Contract, fraud and abuse shall include but are not limited to the following: misapplication of funds; embezzlement; forgery; theft; solicitation and receipt of bribes; falsification of records; inauditable records; unsupported or undocumented Contract expenditures; inaccurate fiscal and/or Program reports; misuse of fixed assets or non-fixed assets purchased with Contract Funds (when the procurement of such assets are authorized in this Contract); violation of conflict of interest requirements; etc.

9.2 AMERICANS WITH DISABILITIES ACT (ADA)

9.2.1 Contractor shall abide by all applicable Federal, State and local laws including the Americans with Disabilities Act (ADA) and its requirement to provide reasonable accommodations and auxiliary aids or services, unless compliance with the ADA would place an undue financial burden on, or would fundamentally alter the nature of, Contractor's operations. Contractor shall submit demonstrable evidence of such undue financial burden to County in such circumstances.

9.3 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE

9.3.1 The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (Senate Bill 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractor to complete Exhibit O (Charitable Contributions Certification), County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect Los Angeles County and its taxpayers. When Contractor receives or raises charitable contributions without complying with its obligations under California law, Contractor commits a material breach subjecting it to termination of this Contract, debarment proceedings or both (Los Angeles County Code Chapter 2.202). Prior to the commencement of this Contract, Contractor shall submit the completed Exhibit O (Charitable Contributions Certification) to County's Project Director in the time and manner as designated by County.

9.4 INTENTIONALLY OMITTED

9.5 FIXED ASSETS, NON-FIXED ASSETS AND SUPPLIES

9.5.1 Contractor may use Contract Funds to purchase Fixed Assets, Non-Fixed Assets and Supplies, which are defined in Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies). Prior to the commencement of this Contract (and annually thereafter), Contractor shall complete Exhibit T (Inventory Control Form) and submit it to County's Project Director in the time and manner as designated by County. Contractor shall adhere to the purchase, inventory and disposal requirements for all Fixed Assets, Non-Fixed Assets and Supplies purchased with Contract Funds, as provided by Federal and State regulations as well as the requirements outlined in Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies).

9.5.2 This Contract involves the furnishing of equipment, materials and/or supplies. As such, it is unlawful for Contractor when engaged in business within the State to use any article or product as a "loss leader" as defined in the Business and Professions Code, Section 17030.

9.6 LIMITATION ON CORPORATE ACTS

9.6.1 Contractor shall not amend its articles of incorporation or bylaws, move to dissolve or transfer any assets obtained using Contract Funds, or take any other steps which may materially affect the performance of this Contract without first notifying County in writing no less than thirty (30) days prior to said action. Contractor shall notify County's Project Director immediately in writing of any change in Contractor's corporate name.

9.6.2 If, in County's sole discretion, the steps taken by Contractor are determined to materially affect Contractor's performance of this Contract, County may, at its sole discretion, take any (or all) of the following actions:

9.6.2.1 Require Contractor to remedy the areas that affect Contractor's ability to perform its obligations under this Contract.

9.6.2.2 Suspend Contractor from performing (and receiving payment for) Contract tasks until a remedy has been reached.

9.6.2.3 Terminate this Contract pursuant to Subparagraph 8.43 (Termination for Default).

9.7 INTENTIONALLY OMITTED

9.8 MANDATORY REQUIREMENT TO REGISTER ON COUNTY'S WEBVEN

9.8.1 As a pre-condition to the award of this Contract, Contractor represents and warrants that it has registered in Los Angeles County's vendor registration system (hereafter "WebVen"). The WebVen contains Contractor's business profile and identifies the goods/services being provided by Contractor. Contractor shall ensure that it updates its vendor profile whenever changes occur to Contractor's operations by accessing the WebVen site located on-line at: <http://camisvr.co.la.ca.us/webven/>. County shall use the data obtained from Contractor's WebVen profile to ensure

that Contractor's information is consistent with Contract records (e.g., Contractor's legal name, as reflected in its WebVen profile, shall be used in all Contract documents).

9.9 MODIFICATIONS

9.9.1 Modifications to this Contract

9.9.1.1 This Contract fully expresses the agreement of the parties. Any modification to this Contract must be by means of a separate written document approved by County. No oral conversation between any officer, employee or agent of the parties shall modify or otherwise amend this Contract in any way. For purposes of this Subparagraph 9.9, a Modification:

9.9.1.1.1 Is a mechanism that allows Contractor to revise its Budget or Services during the Fiscal Year or Program Year without adversely affecting Contractor's ability to fulfill its obligations under this Contract (i.e., such Modification shall not materially change Contractor's obligation to provide the Services outlined in Exhibit A (Statement of Work)).

9.9.1.1.2 Allows Contractor to fully utilize Contract Funds to fulfill the requirements of this Contract and adequately cover the provision of Services.

9.9.1.1.3 Is approved by County in writing, must be in the best interests of County and Contractor shall adhere to it in its entirety.

9.9.1.2 Any Modification, as described below, shall not change the terms, goals or requirements of this Contract. Such Modification provides Contractor some flexibility to operate within the terms of this Contract in order to fully utilize Contract Funds and to achieve Contractor's performance goals. Contractor's request for Modifications, either budgetary or programmatic, must be submitted in writing to County's Project Director. Contractor shall not request a Modification during the first quarter and during the last two (2) months of the current Fiscal Year or Program Year (except where a written waiver is requested by Contractor and granted by County).

9.9.2 Budget Modifications

9.9.2.1 The movement of funds within an approved Budget from one line item to another line item is classified as a Budget Modification. For the entirety of any Fiscal Year or Program Year, a Budget Modification

shall not exceed twenty percent (20%) of the baseline amount allocated to the line items being modified (i.e., Contractor's movement of funds among line items shall not cause one line item to be reduced or increased by more than twenty percent (20%) of its baseline amount). For purposes of this Subparagraph 9.9, baseline is defined as the original amount allocated at the beginning of a Fiscal Year or Program Year; for Fiscal Years or Program Years following the first Fiscal Year or Program Year, such amount may differ from what is reflected in the original Contract. A Budget Modification shall not change the Maximum Annual Contract Sum or the Maximum Contract Sum. Contractor shall notify County's Project Director in writing to request authorization prior to submitting a Budget Modification. On the date County approves a Budget Modification, such Budget Modification shall replace any prior Budget Modification(s) approved by County within the same Fiscal Year or Program Year (i.e., when Contractor's Budget Modification number 2 is approved by County, it becomes effective upon the approval date and Contractor's Budget Modification number 1 is no longer effective as of that same date).

9.9.3 **Program Modifications**

9.9.3.1 The movement of Services from one Service category (as defined in Exhibit A (Statement of Work)) to another is classified as a Program Modification. Contractor shall notify County's Project Director in writing to request authorization prior to submitting a Program Modification. On the date County approves a Program Modification, such Program Modification shall replace any prior Program Modification(s) approved by County within the same Fiscal Year or Program Year (i.e., when Contractor's Program Modification number 2 is approved by County, it becomes effective upon the approval date and Contractor's Program Modification number 1 is no longer effective as of that same date).

9.10 **NEPOTISM**

9.10.1 Contractor certifies that it shall not hire nor permit the hiring of any person in a position funded under this Contract if a member of the person's immediate family is employed in an administrative capacity by Contractor. For purposes of this Subparagraph 9.10, the term "immediate family" means spouse (common law or otherwise, and including domestic partner), child, mother, father, brother, sister, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, step-parent, step-child, or such other relationship which would give rise to a substantial appearance of impropriety if the person were to be hired by Contractor. The term "administrative capacity" means a position that has overall

administrative responsibility for the Program, including but not limited to selection, hiring, or supervisory responsibilities.

9.11 OWNERSHIP OF MATERIALS, SOFTWARE AND COPYRIGHT

- 9.11.1 County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools (hereafter "materials") which are originated or created through Contractor's Work pursuant to this Contract. Contractor, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in County all of Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to Contractor's Work under this Contract.
- 9.11.2 During the term of this Contract and during the authorized retention period of this Contract, Contractor shall maintain and provide security for all of Contractor's working papers prepared under this Contract. County shall have the right to inspect, copy and use at any time during the term of this Contract and during the authorized retention period of this Contract, any and all such working papers and all information contained therein.
- 9.11.3 Any and all materials, software and tools which are developed or were originally acquired by Contractor outside the scope of this Contract, which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to County's Project Director as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.
- 9.11.4 County will use reasonable means to ensure that Contractor's proprietary and/or confidential items are safeguarded and held in confidence. County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or confidential items without the prior written consent of Contractor.
- 9.11.5 Notwithstanding any other provision of this Contract, County will not be obligated to Contractor in any way under Subparagraph 9.11.4 for any of Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by Subparagraph 9.11.3 or for any disclosure which County is required to make under any Federal or State law or order of court.
- 9.11.6 Notwithstanding any other provision of this Contract, County and Contractor agree that County shall have all ownership rights of software or modification thereof and associated documentation designed, developed or installed using Federal financial participation. The Federal government shall have a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal government purposes, such software, modifications and documentation. Notwithstanding any other provision of this Contract, proprietary operating/vendor software packages, which

are provided at established catalog or market prices and sold or leased to the general public, shall not be subject to the ownership provisions of this Subparagraph 9.11.

9.11.7 All the rights and obligations of this Subparagraph 9.11 shall survive the expiration or termination of this Contract.

9.12 PATENT, COPYRIGHT AND TRADE SECRET INDEMNIFICATION

9.12.1 Contractor shall indemnify, hold harmless and defend County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third-party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of Contractor's Work under this Contract. County shall inform Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support Contractor's defense and settlement thereof.

9.12.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, Contractor, at its sole expense, and providing that County's continued use of the system is not materially impeded, shall either:

9.12.2.1 Procure for County all rights to continued use of the questioned equipment, part, or software product; or

9.12.2.2 Replace the questioned equipment, part, or software product with a non-questioned item; or

9.12.2.3 Modify the questioned equipment, part, or software so that it is free of claims.

9.12.3 Contractor shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by Contractor, in a manner for which the questioned product was not designed nor intended.

9.13 PROBATION AND SUSPENSION

9.13.1 Contractor may be placed on probation, suspension or a combination thereof when County determines that Contractor is not in compliance with any Service, Work, task, deliverable or requirement outlined in this Contract and/or when Contractor has demonstrated a consistent and significant lack of achievement of the Contract goals (including, but not limited to, meeting the requirements for Program performance, the Budget, expenditures, staffing, administration, etc.). County shall notify Contractor in writing in the event that Contractor is placed on probation, suspension or a combination thereof.

9.13.2 **Probation**

9.13.2.1 Probation as used herein shall mean a specified period of time (as determined by County) during which Contractor must remedy all areas of non-compliance which have been identified by County or its duly authorized representative(s). County shall monitor Contractor's adherence to such remedy(ies) during the probation. County will determine whether or not Contractor may continue to provide Services during Contractor's probation and County will notify Contractor in writing of this determination. Contractor's ability to obtain future funding may be impacted when Contractor does not remedy its non-compliance during its probation and/or when Contractor is placed on multiple probations (as determined by County at County's sole discretion).

9.13.3 **Suspension**

9.13.3.1 Suspension as used herein shall mean a specified period of time (as determined by County) during which County will withhold payment from Contractor, County will institute a temporary curtailment of the Services provided by Contractor and its subcontractor(s), if any, or a combination thereof. During the suspension, Contractor has a continuing obligation to remedy the areas of non-compliance which have been identified by County or its duly authorized representative(s). County shall monitor Contractor's adherence to such remedy(ies) during the suspension. When County institutes a temporary curtailment of Services, County shall provide Contractor a written description of the Service(s) being suspended. When applicable, County may also provide Contractor a written determination stating whether or not Contractor may continue to provide non-suspended Services, if any, during the suspension. At County's sole discretion, when Contractor's payment(s) and/or Services are suspended, County may also elect to transfer suspended Services from Contractor to another contractor for a period of time that will be determined solely by County. Contractor's ability to obtain future funding may be impacted when Contractor does not remedy its non-compliance during its suspension and/or when Contractor is placed on multiple suspensions (as determined by County at County's sole discretion).

9.13.4 **Suspension for Convenience**

9.13.4.1 This Contract may be suspended, in whole or in part, from time to time, when such action is deemed by County, in its sole discretion, to be in its best interest. Suspension of Work hereunder shall be effected by written notice of suspension to Contractor specifying the extent to which performance of Work is suspended and the date upon which such suspension becomes effective.

- 9.13.4.2 After receipt of a notice of suspension and except as otherwise directed by County, Contractor shall:
 - 9.13.4.2.1 Stop Work under this Contract on the date and to the extent specified in such notice, and
 - 9.13.4.2.2 Complete performance of such part of the Work as shall not have been suspended by such notice.
- 9.13.4.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of Contractor under this Contract shall be maintained by Contractor in accordance with Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement).
- 9.13.4.4 Contractor shall be promptly paid for Work properly completed up until the time of suspension, pending proper submission by Contractor of invoice(s) for Work completed up until effective date of Suspension.
- 9.13.4.5 Suspension shall continue for the period specified in the written notice of Suspension provided to Contractor, unless County provides written notice to resume Work at an earlier date.
- 9.13.4.6 All other terms and remedies provided in this Contract, including provisions for Termination, shall remain valid during any period of Suspension.
- 9.13.5 County's written notice of probation or suspension shall set forth the conditions of Contractor's non-compliance as well as the period in which Contractor must correct noted deficiencies. In response to the notice of probation or suspension, Contractor shall submit a written Corrective Action Plan to County's Contract Project Monitor within ten (10) days of the postmark date indicated on the notice from County. Contractor's Corrective Action Plan shall address all of the deficiencies noted by County.
- 9.13.6 County shall review Contractor's Corrective Action Plan, and will determine whether it meets the requirements for County's approval. County reserves the right to suspend/deduct payments for or to terminate all or any part of this Contract (and/or any of Contractor's other contracts with County) when Contractor submits a Corrective Action Plan that is not acceptable to County.
- 9.13.7 Contractor shall implement the Corrective Action Plan upon receiving County's final written approval of the Corrective Action Plan. Contractor's failure to comply with an approved Corrective Action Plan will be cause for material breach of Contract upon which County may pursue the remedies for default of Contract, including, but not limited to, reimbursement for all debt collection costs incurred by County.

9.14 TRANSITION OF CONTRACT SERVICES

9.14.1 Completion of Contract

9.14.1.1 Within sixty (60) calendar days prior to the expiration of this Contract (or shorter time period if notified in writing by County), Contractor shall allow County or a newly selected contractor a transition period for orientation purposes and the orderly transition of Contractor's current Services without additional costs to County. Contractor shall continue to provide Services timely and accurately so that the Services are current at the expiration of this Contract.

9.14.2 Transition Plan

9.14.2.1 If this Contract (or any part thereof) is terminated pursuant to any of the termination provisions outlined herein or if it expires pursuant to Paragraph 4.0 (Term of Contract), Contractor shall provide a Transition Plan to County. Contractor shall submit said Transition Plan to County's Project Director within the timeframe designated by County in the notice of termination or Contractor shall submit it at least sixty (60) days prior to the expiration of this Contract as noted in Paragraph 4.0 (Term of Contract).

9.14.2.2 County shall review Contractor's Transition Plan and will determine whether it meets the requirements for County's approval. County reserves the right to suspend/deduct payments under this Contract and/or under any of Contractor's other contracts with County when Contractor submits a Transition Plan that is not acceptable to County. Contractor shall adhere to the Transition Plan which, at a minimum, shall include all of the elements outlined below.

9.14.3 Elements of the Transition Plan

9.14.3.1 Description of how Clients will be notified about the change in their Service provider.

9.14.3.2 Contractor's method to communicate with other organizations that can assist in locating alternative Services.

9.14.3.3 Contractor's method to inform community referral sources of the pending termination of Services and what alternatives, if any, exist for future referrals.

9.14.3.4 Contractor's method to evaluate Clients in order to assure appropriate placement that will allow Clients to receive Services.

9.14.3.5 Contractor's method to transfer any confidential medical and Client records to the new contractor in accordance with applicable provisions of the Health

Insurance Portability and Accountability Act of 1996 or other Federal, State or local laws and regulations.

9.14.3.6 Contractor's method to dispose of confidential records in accordance with applicable laws and regulations, and the terms of this Contract.

9.14.3.7 Contractor's plan to assure for the provision of adequate staff to provide continued care through the remaining term of this Contract.

9.14.3.8 A fully documented inventory of all Fixed and Non-Fixed Assets as well as a method to dispose, transfer or return to County all Fixed and Non-Fixed Assets purchased with Contract Funds during the entire term of this Contract.

9.14.3.9 Any additional information which may be necessary to effect a safe transition of Clients to other community service providers.

9.14.4 Implementation of the Transition Plan

9.14.4.1 Contractor shall implement the Transition Plan that is approved by County. Contractor's failure to provide and/or implement the Transition Plan as prescribed herein shall mean that County will provide Contractor a Transition Plan and Contractor will implement the Transition Plan provided by County. County will monitor Contractor's progress in carrying out all elements of the Transition Plan.

9.15 TRANSITIONAL JOB OPPORTUNITIES PREFERENCE PROGRAM

9.15.1 This Contract is subject to the provisions of Los Angeles County's ordinance entitled Transitional Job Opportunities Preference Program, as codified in Los Angeles County Code Chapter 2.205.

9.15.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.

9.15.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.

9.15.4 If Contractor has obtained County certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason

of such certification has been awarded this Contract to which it would not otherwise have been entitled, Contractor shall:

9.15.4.1 Pay to County any difference between the Contract amount and what County's costs would have been if this Contract had been properly awarded;

9.15.4.2 In addition to the amount described in Subparagraph 9.15.4.1, be assessed a penalty in an amount of not more than ten percent (10%) of the amount of this Contract; and

9.15.4.3 Be subject to the provisions of Los Angeles County Code Chapter 2.202 (Determinations of Contractor Non-responsibility and Contractor Debarment).

9.15.5 The above penalties shall also apply to Contractor when it has previously obtained proper certification, however, as a result of a change in its status would no longer be eligible for certification, and fails to notify State, Los Angeles County's Internal Services Department and/or other certifying department, of this information prior to responding to a solicitation or accepting this Contract award.

9.16 TRAVEL EXPENSES

9.16.1 Contractor shall obtain prior written approval from County's Project Director for any expenses under this Contract related to travel outside of Los Angeles County.

9.16.2 Contractor shall maintain written documentation evidencing that all out-of-town travel expenses are specifically related to providing Services under this Contract, in conformity with the document retention requirements specified in Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement), above.

9.16.3 Contractor shall ensure that no more than two (2) of its staff incur any out-of-town travel expenses at any time.

9.16.4 Contractor shall not invoice County if out-of-town travel expenses are incurred without proper documentation evidencing County's prior written approval.

9.16.5 Contractor's non-compliance with the requirements of this Subparagraph will result in these costs being disallowed, payments being withheld or other remedy being applied as County shall determine to be appropriate.

9.17 DRUG-FREE WORKPLACE

9.17.1 Contractor and its subcontractor(s) shall adhere to the requirements outlined in the California Drug-Free Workplace Act of 1990, as amended (California Government Code Section 8350 et seq.). Contractor and its subcontractor(s) shall also adhere to the requirements outlined in the Federal Drug-Free Workplace Act of 1988, including its implementing regulations (41 USC 701 et seq.). Contractor and its subcontractor(s) shall provide and

maintain a drug-free workplace for all of their employees, and shall have a documented anti-drug policy and a drug-free awareness program. Violation of or non-compliance with these requirements by Contractor, its subcontractor or both shall subject Contractor to remedies available under the terms of this Contract. Such remedies shall include suspending Contractor's payments, placing Contractor on probation or suspension, terminating this Contract or other available remedies which shall be determined by County at its sole discretion.

- 9.17.2 Contractor shall provide a written drug-free workplace policy statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and stating the specific actions that will be taken for violations.
- 9.17.3 The ongoing drug-free awareness program must inform employees about the following: the dangers of drug abuse; available drug counseling, rehabilitation, and employee assistance programs; penalties that may be imposed; and, that employees are to be aware that Contractor and its subcontractor(s) operate a drug-free workplace.
- 9.17.4 Contractor shall require its employees to report in writing any conviction for a violation of a criminal drug statute occurring in the workplace. Contractor shall provide written notice to County's Project Director within ten (10) days of having received such notice from employee(s). Within thirty (30) days of receiving the notice of a conviction, Contractor must have taken appropriate action against the employee(s) or have required employee's participation in a drug abuse assistance or rehabilitation program.

9.18 DATA DESTRUCTION

- 9.18.1 When Contractor and its subcontractor(s) have maintained, processed, or stored County data and/or information, implied or expressed, Contractor and its subcontractor(s) shall have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the current National Institute of Standards and Technology Special Publication SP 800-88 titled, *Guidelines for Media Sanitization*, which is available on-line at: <http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88-Rev.%201>. County shall have sole authority to determine when Contractor and any subcontractors shall destroy any such data and/or information as described herein, and Contractor and any subcontractors shall only proceed upon written authorization from County.
- 9.18.2 The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within Los Angeles County, or external to Los Angeles County's boundaries. County must receive within ten (10) business days, a signed document from Contractor which certifies and validates that the data and information were placed in one (1) or more of the following

stored states: unusable, unreadable, and/or indecipherable.

- 9.18.3 Subcontractor(s) shall certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standards and Technology Special Publication SP 800-88 titled, *Guidelines for Media Sanitization*. Subcontractor shall provide County's Project Director with written certification, within ten (10) business days of removal of any electronic storage equipment and devices, that validates that any and all County data was destroyed and is unusable, unreadable, and/or undecipherable.

9.19 REMEDIES FOR NON-COMPLIANCE

- 9.19.1 Contractor agrees to comply with the requirements set forth in the entirety of this Contract as well as the requirements contained in supporting Program legislation and all applicable directives, notices, guidelines and instructions issued by or on behalf of Federal, State or County authorities. Contractor's failure to comply with such requirements shall subject Contractor to remedies which are available under this Contract and as provided by law. These remedies include but are not limited to the following: probation; suspension of payment(s); suspension of Services; assessment and collection of liquidated damages; de-obligation of Contract Funds (for purposes of this Contract, de-obligation is the partial or full removal of Contract Funds from Contractor); re-obligation of Contract Funds (for purposes of this Contract, re-obligation is the allocation of de-obligated Contract Funds to another current contractor(s) and/or to a new contractor); debarment; and/or termination of this Contract. County shall have the sole discretion to determine which remedy(ies) will be applied as a result of Contractor's non-compliance.

9.20 DISABLED VETERAN BUSINESS ENTERPRISE PREFERENCE PROGRAM

- 9.20.1 This Contract is subject to the provisions of Los Angeles County's ordinance entitled Disabled Veteran Business Enterprise Preference Program, as codified in Los Angeles County Code Chapter 2.211.
- 9.20.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Disabled Veteran Business Enterprise.
- 9.20.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Disabled Veteran Business Enterprise.
- 9.20.4 If Contractor has obtained County certification as a Disabled Veteran Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld

information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, Contractor shall:

9.20.4.1 Pay to County any difference between the Contract amount and what County's costs would have been if this Contract had been properly awarded;

9.20.4.2 In addition to the amount described in Subparagraph 9.20.4.1, be assessed a penalty in an amount of not more than ten percent (10%) of the amount of this Contract; and

9.20.4.3 Be subject to the provisions of Los Angeles County Code Chapter 2.202 (Determinations of Contractor Non-responsibility and Contractor Debarment).

9.20.5 The above penalties shall also apply to Contractor when it has previously obtained proper certification, however, as a result of a change in its status would no longer be eligible for certification, and fails to notify State, Los Angeles County's Internal Services Department and/or other certifying department, of this information prior to responding to a solicitation or accepting this Contract award.

9.21 INTENTIONALLY OMITTED

9.22 INFORMATION TECHNOLOGY SYSTEMS AND DATA SECURITY

9.22.1 Contract Management System - Contractor's Gateway

9.22.1.1 County has implemented use of the Contract Management System Contractor's Gateway ("Contractor's Gateway"), an automated system designed to electronically manage this Contract. Contractor shall use the System to perform its administrative contracting functions as directed by County.

9.22.1.2 County has established policies concerning the access, use and maintenance of the Contractor's Gateway. Contractor shall adhere to these policies, which are identified in Exhibit V (Contract Management System - Contractor's Gateway Terms and Conditions of Use), instruction guides/ tutorials provided by County, training sessions conducted by County, etc. Contractor's noncompliance with these policies may subject Contractor to denial of access to the Contractor's Gateway, suspension of payment(s), termination of this Contract, and/or other remedies/actions which County may take at its sole discretion under the terms of this Contract and/or applicable law or regulation.

9.22.2 Management Information System

9.22.2.1 Intentionally Omitted

9.22.2.2 Data Records

9.22.2.2.1 Contractor shall maintain all records and reports, consistent with Subparagraph 8.38 (Records Retention and Inspection/Audit Settlement), and shall make them available for audit, assessment, or inspection by County and any of its duly authorized representatives (including, but not limited to, State authorities, Federal agencies and/or any of their duly authorized representatives).

9.22.2.2.2 All information, records, data elements and print-outs collected and maintained for the operation of the Program and pertaining to Clients (including paper and electronic data) must be protected from unauthorized disclosures in accordance with Subparagraph 7.5 (Confidentiality), Section 10850 of the California Welfare and Institutions Code, 45 CFR 205.50, California Information Practices Act of 1977, and all other applicable laws and regulations.

9.22.2.3 **Intentionally Omitted**

9.22.3 **Information Integrity and Security**

9.22.3.1 **Information Assets**

9.22.3.1.1 Contractor shall have in place operational policies, procedures, and practices to protect Information Assets (i.e., public, confidential, sensitive and/or personal information) as specified in the State Administrative Manual, Section 5300 to 5365.3; Cal. Gov. Code Section 11019.9; Department of General Services Management Memo (MM 06-12); Department of Finance Budget Letter (06-34) and County's Board of Supervisors' Policy Manual (Policy Number 5.200 (Contractor Protection of Electronic County Information)).

9.22.3.1.2 Information Assets include (but are not limited to):

9.22.3.1.2.1 Information collected, transmitted and/or accessed in the administration of the Program and in the provision of Services.

9.22.3.1.2.2 Personally Identifiable Information (PII) as defined in California Civil Code Section 1798.29(g)

9.22.3.1.2.3 Protected Health Information (PHI) as defined in Health Insurance Portability and Accountability Act of 1996.

9.22.3.1.2.4 Medical Information as defined in California Civil Code Section 56.05(j)

9.22.3.1.3 Information Assets include those items which are stored in any media form, paper or electronic.

9.22.3.2 **Encryption on Workstations and Portable Computing Devices**

9.22.3.2.1 Contractor shall encrypt Information Assets including data stored on workstations, portable computing devices (including, but not limited to, mobile devices, wearables, tablets, laptops, personal digital assistants, notebook computers, and backup media) and/or portable electronic storage media (including, but not limited to, discs, thumb/flash drives, external/portable hard drives, and backup media).

9.22.3.2.2 Contractor shall use software and/or hardware encryption methods for stored data in accordance with the following standards:

9.22.3.2.2.1 Federal Information Processing Standard Publication (FIPS) 140-2

9.22.3.2.2.2 National Institute of Standards and Technology (NIST) Special Publication 800-57 Recommendation for Key Management - Part 1: General (Revision 3)

9.22.3.2.2.3 NIST Special Publication 800-57 Recommendation for Key Management - Part 2: Best Practices for Key Management Organization

9.22.3.2.2.4 NIST Special Publication 800-111 Guide to Storage Encryption Technologies for End User Devices

9.22.3.2.2.5 At a minimum, Contractor shall use Advanced Encryption Standard (AES) with cipher strength of 256-bit

9.22.3.2.2.6 Prior to use of remote servers (e.g., cloud storage, Software-as-a-Service (SaaS), etc.) for storage of Information Assets, Contractor shall request written approval from County's Project Manager

9.22.3.2.3 Contractor shall use software and/or hardware encryption methods for transmitted data in accordance with the following standards:

9.22.3.2.3.1 NIST Special Publication 800-52 Guidelines for the Selection and Use of Transport Layer Security Implementations

9.22.3.2.3.2 NIST Special Publication 800-57 Recommendation for Key Management - Part 3: Application-Specific Key Management Guidance

9.22.3.2.3.3 At a minimum, Contractor shall use the Transport Layer Security (TLS) 1.2 (or greater) connection protocol with minimum cipher strength of 256-bit.

9.22.3.2.4 In the event that Contractor will have Information Assets on or accessed by mobile devices, Contractor shall have

in place, a mobile computing policy, reviewable and audited by County. This policy must address device recovery and data eradication methods, the mobile device management capabilities in place, the use of personal devices versus Contractor-supplied devices and all applications that may have access to or render Information Assets.

9.22.3.2.5 Contractor shall certify its compliance with the encryption standards noted herein as a condition of executing this Contract. Such certification shall be provided by Contractor in the form and manner as determined by County. Contractor shall maintain compliance with this policy during the term of the Contract and for as long as Contractor maintains or is in possession of Information Assets. In addition to the foregoing certification, Contractor shall maintain any validation/attestation reports that the data encryption product generates and such reports shall be subject to audit in accordance with the requirements outlined in Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement). In the event of Contractor's non-compliance with these requirements, County will require Contractor to develop and execute a corrective action plan. Contractor's failure to comply with this policy may be subject to suspension or termination of this Contract, denial of access to County information technology resources, and/or other actions as deemed appropriate by County.

9.22.3.3 **Disclosure**

9.22.3.3.1 Contractor shall ensure that personal, sensitive and confidential information is protected from inappropriate or unauthorized access or disclosure in accordance with applicable laws, regulations and State policies. The requirement to protect information shall remain in force until superseded by laws, regulations, or policies.

9.22.3.3.2 Contractor shall protect from unauthorized disclosure the names and other identifying information, concerning Clients receiving Program Services pursuant to this Contract,

except for statistical information that does not identify any Client.

9.22.3.3.3 Contractor shall not use identifying information for any purpose other than carrying out Contractor's obligations under this Contract. Identifying information shall include, but is not limited to the following: name; identifying number; social security number; State driver's license or State identification number; financial account numbers; and symbol or other identifying characteristic assigned to Client, such as finger print, voice print or a photograph.

9.22.3.3.4 Contractor shall not, except as otherwise specifically authorized or required by this Contract or court order, disclose any identifying information obtained under the terms of this Contract to anyone other than County without prior written authorization from County. Contractor may be authorized, in writing, by Client to disclose identifying information specific to the authorizing Client.

9.22.3.3.5 Contractor may allow Client to authorize the release of information to specific entities, but shall not request or encourage Client to give a blanket authorization or sign a blank release, nor shall Contractor accept such blanket authorization from Client.

9.22.3.4 **Security Incident Reporting**

9.22.3.4.1 A security incident occurs when Information Assets are accessed, modified, destroyed, or disclosed without proper authorization, or are lost or stolen. Contractor must report all security incidents to County's Project Manager within two (2) business days of detection.

9.22.3.5 **Notification of Security Breach to Clients/Data Subjects**

9.22.3.5.1 Contractor shall give written notice to any Client/data subject whose personal information could have been breached.

9.22.3.5.2 Contractor shall provide such written notice in the most expedient time possible and without unreasonable delay except when notification would impede a criminal investigation, or

when necessary, measures to restore system integrity are required.

9.22.3.5.3 Such written notice may be provided electronically or by substitute notice in accordance with State law, regulation, or policy.

9.22.3.6 **Software Maintenance**

9.22.3.6.1 Contractor shall apply security patches and upgrades and shall keep virus software up-to-date on all systems on which Information Assets are used.

9.22.3.7 **Electronic Backups**

9.22.3.7.1 Contractor shall ensure that all electronic Information Assets are protected by performing regular backup of automated files and databases, and ensure the availability of Information Assets for continued business. Contractor shall ensure that any portable electronic media used for backups is encrypted.

9.22.3.8 Contractor shall ensure that its subcontractor(s) adheres to all of the provisions included in this Subparagraph 9.22.3 (Information Integrity and Security).

9.23 CONTRACT DOCUMENT DELIVERABLES

9.23.1 Prior to the execution of this Contract and throughout the entire term of this Contract, Contractor shall obtain and maintain current and appropriate licenses, permits and certificates which are required by all applicable County, State and/or Federal laws, regulations, guidelines, and directives for the operation of its facility(ies) and for the provision of Services hereunder. Prior to the execution of this Contract and annually thereafter (or as otherwise established by County), Contractor shall submit evidence/documentation (Contract Document Deliverables) of its compliance with this requirement in the form and manner that is prescribed by County. These deliverables must be complete (without missing pages) and legible, and shall include:

9.23.1.1 Contract Compliance Documents (as described in Subparagraph 9.23.3)

9.23.1.2 Business Forms (as described in Subparagraph 9.23.4)

9.23.1.3 Reporting Documents (as described in Subparagraph 9.23.5)

9.23.1.4 Other Documents: During the term of this Contract, County or its designee(s) may request from time to time additional documents from Contractor, and Contractor shall adhere to County's request for such documents.

9.23.2 Contractor shall submit copies of all new or renewed licenses, permits, and certificates to County's Project Manager within five (5) business days of the license, permit or certification award or renewal. Contractor shall immediately notify County of any lapses or expirations of these items. Contractor's failure to maintain and/or timely submit documents required or requested by County may result in County imposing remedies as determined by County in its sole discretion.

9.23.3 **Contract Compliance Documents**

9.23.3.1 Contractor shall provide to County's Project Manager, by the deadline imposed by County, current copies of the following Contract Compliance Documents:

9.23.3.1.1 **Business License:** When the local governing authority requires Contractor's organization to obtain a license to operate and conduct business within its local governing authority's jurisdiction, Contractor shall obtain such license to perform the Services outlined in this Contract. The local governing authority may be either the local city government for entities doing business within its city limits or County of Los Angeles for entities located outside of city limits (i.e. unincorporated areas or designated cities). Contractor shall ensure that the license is current throughout the entire term of this Contract. Contractor shall provide a current copy of its license to County annually (or upon expiration, as noted on the license).

9.23.3.1.2 **Certificate of Insurance:** The certificate shall evidence Contractor's compliance with the insurance requirements outlined in Subparagraph 8.24 (General Provisions for all Insurance Coverage) and Subparagraph 8.25 (Insurance Coverage). Contractor shall also provide copies of the certificate of insurance as it relates to its subcontractor(s).

9.23.3.1.3 **Fire Department Inspection Report:**

For each Service site that Client will visit, Contractor shall obtain an annual fire inspection of its facility(ies). The inspection shall be conducted by the Los Angeles County Fire Department or by Contractor's local fire department and Contractor shall obtain a written report of the inspection which shall be provided to County annually. In the event that violations are noted on the inspection report, Contractor shall ensure that it complies with all corrective measures as directed by the fire department. Contractor shall provide to County written evidence of its compliance within five (5) days of receiving the evidence from the fire department. The fire inspection report shall be current within the most recent 12-month period.

9.23.4 **Business Forms**

9.23.4.1 Contractor shall provide to County's Project Manager, by the deadline imposed by County, the following Business Forms:

9.23.4.1.1 **Articles of Incorporation:** This document, which evidences the legal formation of Contractor's organization, shall reflect Contractor's current legal name; and, County shall use this document as verification of Contractor's name. In the event there are any amendments or addendums to the articles of incorporation, Contractor shall provide copies of such amendments/ addendums to County within five (5) days of said amendments/addendums being finalized.

- When Contractor's organization is a local government or a consortium of local governments, Contractor shall provide either a city charter or a joint powers agreement respectively, in lieu of the articles of incorporation.

9.23.4.1.2 **Board of Directors' Resolution:** A resolution which provides written evidence to support the delegated authority that Contractor's organization has vested in its Authorized Representative who will act on behalf of Contractor pursuant to Subparagraph 8.3 (Authorization Warranty). Such written evidence shall adhere to the following requirements:

- If Contractor is a public entity (defined as the government of the United States; the government of a State or political subdivision of a State; or any interstate governmental agency), Contractor shall submit a copy of its resolution, order or motion which has been approved by its Governing Body (e.g., Board of Supervisors, City Council, etc.) to County. If Contractor is a private nonprofit entity, Contractor shall submit a copy of written authorization from its Governing Body (e.g., Board of Directors) to County.

- Contractor's resolution, order, motion or other authorization shall contain the following elements: reference to this Contract number; authorize execution of this Contract; identify Contractor's Authorized Representative who will execute the original Contract and any subsequent amendments to this Contract; and, approve and accept Contract Funds. In the event that there is a change in Contractor's Authorized Representative, Contractor shall provide County a revised resolution, order, motion or other authorization which reflects the new Authorized Representative within five (5) days of being approved by the Governing Body.

9.23.4.1.3 **Board of Directors Roster:** The roster shall include the individuals who comprise Contractor's Board of Directors. In the event that the roster is updated, Contractor shall provide an updated roster to County within five (5) days of it being approved or finalized.

9.23.4.1.4 **By-Laws:** This document shall reflect the internal rules which govern Contractor's organization. These rules are generally concerned with the operation of the organization, and setting out the form, manner or procedure in which the organization should operate. In the event that the bylaws are amended, Contractor shall provide such amendments to County within five (5) days of them being approved.

9.23.4.1.5 **Complaint Policies and Procedures:** Contractor's policies and procedures for receiving investigating and responding to Client complaints shall be prepared and submitted to County pursuant to the requirements outlined in Subparagraph 8.5 (Complaints).

- 9.23.4.1.6 **Direct Deposit Authorization Form:** Document completed by Contractor for purposes of authorizing payment for Services to be received through direct deposit into Contractor's bank account. County shall provide the form to Contractor upon commencement of Contract.
- 9.23.4.1.7 **Organization Chart:** The chart shall provide an outline of the hierarchy, relationships and relative ranks of Contractor's organizational parts and positions/jobs as it related to the operations of this Contract. In the event that Contractor revises its organization chart, a copy shall be provided to County within five (5) days of any change in its organization chart.
- 9.23.4.1.8 **Subcontract:** This executed third-party agreement (as defined in Subparagraph 8.40 (Subcontracting) and any amendments or addendums thereto, shall be provided to County within five (5) days of the execution of that agreement, amendment, and addendum.
- 9.23.4.1.9 **Tax Exempt Status Letter:** Written documentation that is obtained from the Internal Revenue Service, must evidence Contractor's tax exempt status. When Contractor is a non-profit entity, such evidence must reflect Contractor's tax exempt status. In the event Contractor's tax exempt status changes, Contractor shall provide County a copy of its new status within five (5) days of any change in its tax exempt status.
- 9.23.4.1.10 **Term and Conditions of Use-User Agreement:** Each employee who will access the Contract Management System - Contractor's Gateway shall complete and submit this agreement. Additional information is available in Exhibit V (Contract Management System - Contractor's Gateway Terms and Conditions of Use).

9.23.5 **Reporting Documents**

- 9.23.5.1 Contractor shall provide to County's Project Manager, by the deadline imposed by County, the following Reporting Documents:

- 9.23.5.1.1 Intentionally Omitted
- 9.23.5.1.2 **Closeout Report:** This report shall adhere to the requirements outlined in Subparagraph 9.24.2 (Close-Out Reports).
- 9.23.5.1.3 **Program Income Statement Report:** This report shall adhere to the requirements outlined in Subparagraph 9.24.3 (Program Income Statement Report).
- 9.23.5.1.4 **Other Reporting Documents:** From time-to-time, County or its designee(s) may request other documents relating to Contractor's performance, Work, and/or Services. County shall not be unreasonable in its request and Contractor shall adhere to County's request for such documents.

9.24 FISCAL REPORTING REQUIREMENTS

9.24.1 **Intentionally Omitted**

9.24.2 **Closeout Reports**

9.24.2.1 Within thirty (30) days before the end of each FY, Contractor shall complete and submit a mandatory Closeout Report in the form and manner designated by County. The Closeout Report shall include the reporting of expenses and accruals incurred through the last day of the FY. County will notify Contractor of the deadline for submission of the Closeout Report.

9.24.2.2 Contractor must ensure that all invoices are submitted and finalized prior to the submission of its Closeout Report. County will not pay invoices that are received after Contractor has submitted the Closeout Report. Once County has reviewed and accepted Contractor's Closeout Report, the data reflected on the Closeout Report will be reported to State as final. Any subsequent revisions will require the written signature and authorization of Contractor's Authorized Representative.

9.24.2.3 If this Contract is terminated or cancelled prior to June 30th of any FY, the Closeout Report shall be for that Contract period which ends on the termination or cancellation date. Contractor shall submit the Closeout Report after the termination/cancellation date in the manner and timeframe designated by County.

9.24.3 **Program Income Statement Report**

9.24.3.1 Program Income includes, but is not limited to:

- 9.24.3.1.1 Income received by Contractor or subcontractors directly generated by a grant support activity, or earned only as a result of the grant Contract during the grant period;
- 9.24.3.1.2 Income from usage or rental fees of real or personal property acquired with Contract Funds;
- 9.24.3.1.3 Interest income earned on funds received under this Contract is included.
- 9.24.3.2 Contractor shall adhere to the Program Income requirements outlined in Federal Register, Volume 78, Number 248, Part III, Office of Management and Budget, (2 CFR 200 et al.).
- 9.24.3.3 The use of Program Income requires prior written approval from County's Project Manager.
- 9.24.3.4 Contractor shall prepare an annual Program Income Statement Report ("Report") on Contract revenues versus expenditures, to identify the amount of Program Income. This Report shall be amended by Contractor if adjustments are required due to any new information received after the filing of this Report.
- 9.24.3.5 This Report shall be submitted along with the Closeout Report in the form, manner and timeline as designated by County.
- 9.24.4 **Plan for Disposition of Program Income**
 - 9.24.4.1 If Contractor's Program Income Statement Report identifies Program Income, Contractor shall prepare and submit a Plan for Disposition of Program Income (Plan). The Plan shall be completed and submitted in the form and manner as designated by County within thirty (30) days after the Program Income Statement Report, as specified in Subparagraph 9.24.3 is due.
 - 9.24.4.2 The Plan shall be reviewed by County for final approval. The Plan shall be amended by Contractor as soon as possible if the Program Income Statement Report is amended.
 - 9.24.4.3 Program Income shall be spent on line items identified by Contractor in the Plan (upon County's approval of the Plan).
 - 9.24.4.4 Final Report on Disposition of Program Income.
 - 9.24.4.5 Within thirty (30) days after the scheduled completion date of an approved Plan for Disposition of Program Income, Contractor must submit a Final

Report on Disposition of Program Income (Final Report) to County in the form and manner designated by County.

9.24.4.6 If the Final Report is not submitted on the scheduled date, County, in its sole discretion, may extend the completion date, renegotiate the Plan for Disposition of Program Income, recapture the balance of the unexpended Program Income, or pursue any other remedies available to County under this Contract.

9.24.4.7 **Program income shall be reinvested back into the program or reduced off the program expenses. Reimbursement will be calculated off the net amount.**

9.24.5 **Program Refunds and Rebates**

9.24.5.1 Contractor shall abide by the following:

9.24.5.1.1 Any refunds or rebates made during the period of performance of this Contract shall abate expenditures and not be retained by Contractor for other purposes. Examples of refunds and rebates include but are not limited to:

- Refunds for workers compensation payments,
- Vendor rebates, and
- Receipts from sale of property for which County does not hold title.

9.24.5.2 Any refunds or rebates related to this Contract made after submission of the final report must be remitted to County. Checks shall be sent to:

County of Los Angeles
Community and Senior Services
Financial Management Division
Attention: Fiscal Officer II
3175 West 6th Street
Los Angeles, CA 90020

9.25 DATA UNIVERSAL NUMBERING SYSTEM (DUNS) AND SYSTEM FOR AWARD MANAGEMENT (SAM)

9.25.1 Pursuant to the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282) and 2 CFR Part 25, Contractor shall be responsible for obtaining and maintaining a DUNS number from Dun and Bradstreet (D&B) and should be registered in SAM. The DUNS number is a unique nine-digit identification number and is site-specific. Therefore, each distinct physical location of an entity (such as

branches, divisions, and headquarters) will have its own, unique DUNS number. Contractor can obtain a DUNS number at no cost via telephone 1-866-705-5711 or the Internet at <http://fedgov.dnb.com/webform>.

9.25.2 Contractor shall comply with the following requirements:

9.25.2.1 Contractor shall provide a valid DUNS number to County in the time and manner as designated by County.

9.25.2.2 Contractor must keep its DUNS number and maintain an active SAM registration with current information at all times on the website at: <https://www.sam.gov/portal/SAM#1>.

9.25.2.3 If County cannot access Contractor's DUNS information related to this Contract on the Federal Funding Accountability and Transparency Act Subaward Reporting System (SAM.gov) due to errors in Contractor's data entry for its DUNS number, County will notify Contractor and Contractor must immediately update the information as required.

9.25.3 Contractor's failure to adhere to applicable DUNS and SAM requirements may result in County imposing remedies as determined by County in its sole discretion.

9.26 UNUSUAL OCCURRENCES AND CRIME

9.26.1 Unusual occurrences such as natural disaster (including earthquakes, floods, landslides, wildfires, extreme heat/cold), man-made emergencies (such as epidemic outbreaks, bio-terrorism, food-borne illness, fire, major accidents, death from unnatural causes or other catastrophes), and unusual occurrences which threaten the welfare, safety or health of Clients, Contractor personnel or visitors to Contractor's facility(ies) shall be reported by Contractor within twenty-four (24) hours to the local health officer by telephone and in writing, and to County by telephone and also in writing or email.

9.26.2 Crime related occurrences, such as theft or vandalism, must be reported by Contractor within twenty-four (24) hours to the local police or sheriff by filing a police report and to County by telephone, and in writing or email. Contractor shall also prepare and retain an incident report on file, and shall include a copy of the filed police report.

9.26.3 Contractor shall maintain all incident reports in a manner consistent with Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement). Contractor shall furnish such other pertinent information related to such occurrence as the local authorities and/or County may require.

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IN WITNESS WHEREOF, Contractor has executed this Contract or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Contract to be executed on its behalf by the Director of Community and Senior Services, on the day and year first above written. The person(s) signing on behalf of Contractor warrant under penalty of perjury that he or she is authorized to bind Contractor. Contractor and County acknowledge that this Contract shall not be deemed to be active until such time that the document is executed by the respective authorized representatives of both Contractor and County.

COUNTY OF LOS ANGELES

By _____ Date _____
Cynthia D. Banks, Director
County of Los Angeles
Community and Senior Services

CONTRACTOR

Contractor's Legal Name

Contract Number

By _____ Date _____
Name of Authorized Representative

Title

Signature

Approved as to Form:

OFFICE OF COUNTY COUNSEL
Mary C. Wickham, County Counsel

By _____
Lawrence Green
Deputy County Counsel

By _____ Date _____
Name of Authorized Representative

Title

Signature