

CITY OF LOS ANGELES
1ST AND BOYLE OPPORTUNITY SITE

May 11, 2016

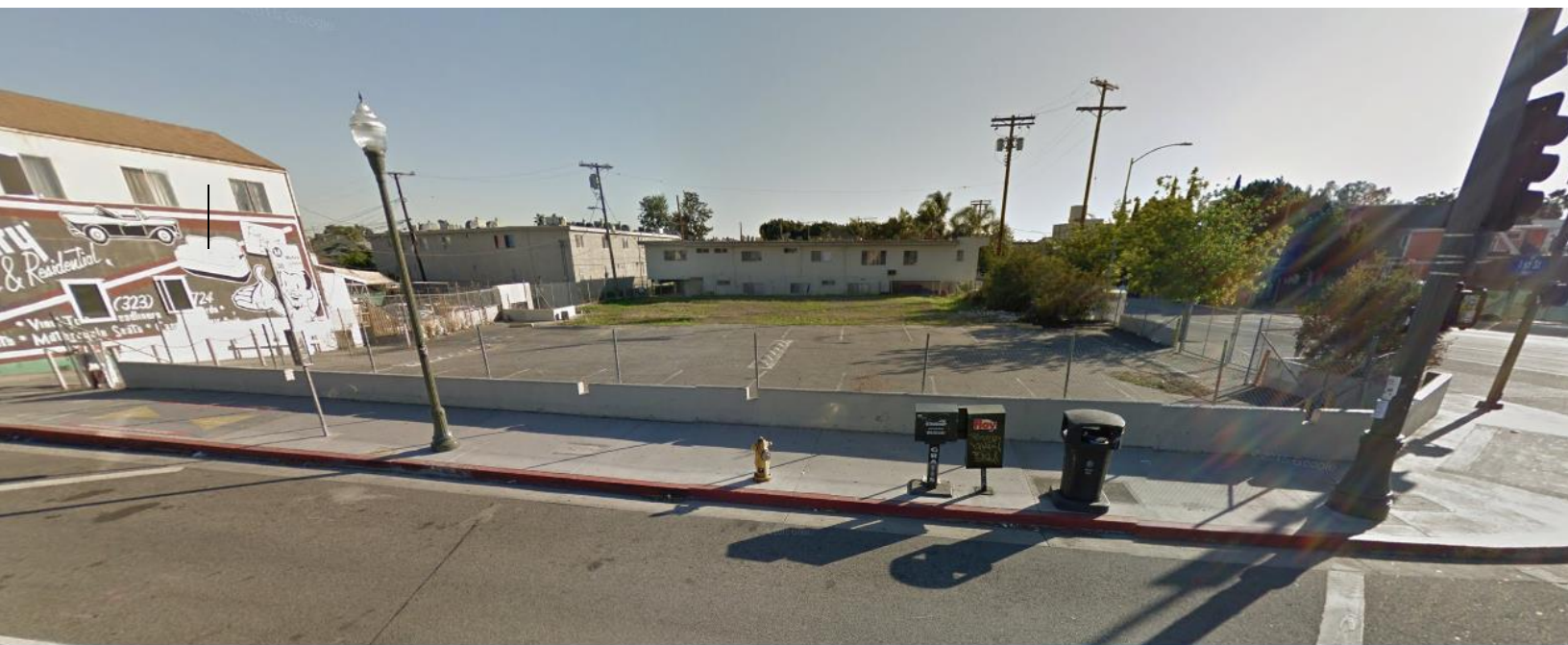


REQUEST FOR PROPOSALS

RFP

ECONOMIC & WORKFORCE DEVELOPMENT DEPARTMENT

The City of Los Angeles Economic and Workforce Development Department is seeking proposals for the development of a city-owned parcel in Boyle Heights and seeks to enter into an Exclusive Negotiation Agreement with the selected development team.



REQUEST FOR DEVELOPER PROPOSALS

1ST AND BOYLE LOT
0.34 ACRE OPPORTUNITY SITE



REQUEST FOR PROPOSALS
1ST AND BOYLE OPPORTUNITY SITE

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1. EXECUTIVE SUMMARY

1.1 Development Opportunity

The City of Los Angeles Economic and Workforce Development Department (EWDD) is seeking proposals for the development of the 14,600 square foot lot at the intersection of 1st and Boyle, in Boyle Heights, CA (the “Project”) and seeks to enter into an Exclusive Negotiation Agreement (“ENA”), which may lead to a Disposition and Development Agreement (“DDA”) with the selected development team. The Project entails the disposition and development of the vacant City-Owned lot. The City is looking for proposals that can incorporate one or several of the following uses: Public Open Space, Public Parking, a Community Center, Housing, and Retail.

With the numerous ongoing redevelopment efforts in Boyle Heights, the 1st and Boyle site offers a valuable opportunity to contribute to the long-term economic growth in Boyle Heights and the City. In order to align with community input, proposals that incorporate public open space, public parking, a community center, neighborhood serving retail, and affordable housing will receive additional points. The most qualified projects will incorporate a strong understanding of the unique urban fabric of Boyle Heights, while at the same time maximizing community benefits and being financially feasible.

1.2 Location

The 1st and Boyle site is generally bounded by East 1st Street on the north, South Boyle Avenue on the west, residences on the south, and an alley on the east (See Map - Exhibit A). The lot is located at a busy intersection that garners significant foot traffic due to its close proximity to the Metro station, residences, and local dining and businesses.

1.3 Size

The total development site is approximately 14,600 square feet or 0.34 acres.

1.4 Property Status

There is one (1) parcel comprising the Site. It is owned by the former Community Redevelopment Agency of the City of Los Angeles and located at 100 - 114 South Boyle Avenue (APN 5174018900). The property is maintained by the City of Los Angeles Board of Public Works Office of Community Beautification.

1.5 Community Benefits and Desired Uses

Proposals should include benefits that will enhance the Boyle Heights neighborhood. The successful proposal will likely prioritize affordable housing and/or service oriented retail. As described below, community priorities are for the development of public parking, public open space/community center, affordable housing, and neighborhood serving retail.

- 1) Public parking, with the understanding that underground parking may be prohibitively expensive.
- 2) A park or community center, though there is no city source for financing the purchase and improvement of either.
- 3) Affordable housing has strong community support, and proposals with affordable housing at the deepest level of affordability will receive additional points.
- 4) Locally owned and service oriented retail will also receive additional points. Specifically, the community has expressed interest in a replacement laundromat or a market with fresh foods.

1.6 Development Team

To be considered responsive to this RFP, all Proposals must identify development team members and/or partners with the qualifications listed below. Resumes and references must also be included.

- a. Successful and recent development, ownership and management of the type and size of project(s) being proposed in the Development Team’s response;
- b. Demonstrated access to private capital, financially feasible and the ability to close on the land purchase within one year from the date of this proposal;
- c. Experience with successful community engagement around the development of urban infill projects; and
- d. Experience in public-private partnerships that involve a variety of public and private financing methods.

1.7 Site Tour/Pre-Proposal Conference

The EWDD will schedule a site tour/pre-proposal conference at the Site to discuss the RFP on Thursday, June 2, 2016 at 11:00 am.

1.8 RFP Process Schedule

The tentative schedule for developer selection, negotiations, execution of the Disposition and Development Agreement:

Issuance of the Request for Proposals	<i>Monday, May 9, 2016</i>
Site Tour/Pre-Proposal Conference	<i>Thursday, June 2, 2016 at 11:00 am</i>
Questionnaires/Inquiries Due	<i>Friday, June 24, 2016 at 5:00 pm</i>
Proposals Due	<i>Friday, August 5, 2016 at 5:00 pm</i>

2. 1ST AND BOYLE OPPORTUNITY SITE

2.1 Boyle Heights Today and History of the Community

Today, Boyle Heights is a vibrant residential and commercial destination. Over the years, it transformed from a collection of nineteenth-century mansions to a substantial working class suburb consisting of compact single story homes. The 2010 U.S. census counted 91,193 residents in the 6.52-square-mile neighborhood—an average of 13,986 people per square mile, a high density for communities in Los Angeles County. The community is located within Los Angeles County's First District and the City of Los Angeles 14th Council District.

Boyle Heights is a predominantly immigrant community and includes many families with children. The median age for residents was 25, considered young for both the city and the county. An estimated 52% of the local residents were born outside of the United States, with Mexico (87.7%) and El Salvador (4.5%) among the most common places of birth for Boyle Heights residents. The ethnic breakdown for the Boyle Heights community is Latino, 94.0%; Asian, 2.4%; white, 2.0%; black, 0.9%, and others, 0.7%. The median household income (2008 dollars) is \$33,235, considered low for the City of Los Angeles and low for Los Angeles County. An abundance of youth in the district makes the presence of over twenty public schools and ten private schools a necessity.

The multicultural history of Boyle Heights can be traced back to its origins as a gateway for newcomers to the city. From the 1920s to the 1950s Boyle Heights was the most racially mixed neighborhood in Los Angeles, home to large concentrations of Jewish, Mexican, Japanese, and other residents from Europe and Asia. With the rise of Jewish immigrants in particular, community developments began to unfold. Breed Street Shul, then referred to as the "Queen of the Shuls," opened in 1923 and housed the Congregation Talmud Torah of Los Angeles, which in the coming years became the largest of the then 30 recognized Jewish congregations in Los Angeles, consisting of 75,000 members.

By the 1970s, the Jewish population had shifted to the west and the predominantly Mexican American enclave that Boyle Heights is currently known as today began to take shape. A neighborhood once consisting of kosher butchers, bakeries, and synagogues transitioned into one characterized by Mexican restaurants, Latino markets and shops, celebration of mariachi musicians and music, and colorful murals.

Boyle Heights offers a variety of activities and places for recreation and cultural exploration. Mariachi Plaza provides entertainment with its array of musical performances while Hollenbeck Park features grassy knolls for relaxation. The ever present murals provide a pleasing aesthetic for visitors, whether drawn to the neighborhood for its unique dining or colorful mix of shops. Boyle Heights has undergone historically significant evolution over the past century, and the neighborhood continues to grow and evolve. With the high visibility of this site, there is considerable development potential for the greater benefit of the community.

2.2 The Opportunity

The 1st and Boyle site is situated in a prominent corner of an evolving commercial and residential neighborhood. Specifically, it is within one block of local Bus Lines, the Metro Gold Line Subway Station, and various small businesses. Within walking distance are a number of popular cafes and restaurants such as Un Solo Sol, La Serenata, and Birrieria De Don Boni. The site provides significant opportunity to augment and take advantage of existing redevelopment efforts in the neighborhood.

The Metro Gold Line Eastside Extension, which opened in November 2009, has ignited redevelopment, with a total of four (4) stations in Boyle Heights: Aliso/Pico, Mariachi Plaza, Soto Station and Indiana Station. Immediately adjacent to the stations or within close proximity are various parcels of land that were acquired by Metro to either build the station or for construction staging.

Metro's Joint Development group has initiated development efforts on five sites, including Cesar Chavez and Soto, 1st and Soto, Mariachi Plaza Station, Cesar Chavez and Fickett, and 1st and Lorena.

Cesar Chavez and Soto will have 77 units of affordable housing with 8,500 square feet of ground floor retail. 1st and Soto will have 65 Affordable Housing Units with 5,000 s.f. commercial space on the ground floor and 65 parking spaces. Mariachi Plaza and the Cesar Chavez and Fickett sites are in the beginning stages of a community engagement process to create community-driven Development Guidelines. 1st and Lorena will include 49 units of affordable family housing, with 24 of the units offered as supportive housing for veterans, and 10,000 s.f. of ground floor commercial space. These Metro Joint Development projects are at various stages of advancement that will contribute to the unified objective of community improvement.

In conjunction with the numerous ongoing redevelopment projects in Boyle Heights, the 1st and Boyle site has marked potential to contribute to these efforts and increase the quality of life in both the community and the greater Los Angeles area.

Other notable projects in the immediate vicinity include the newly renovated Boyle Hotel at Mariachi Plaza. Located diagonally from the opportunity site, the Boyle Hotel (also known as the Cummings Block) is one of the oldest remaining commercial structures in Los Angeles. Designed by architect W.R. Norton in 1889 for George Cummings and his wife Maria del Sacramento Lopez, this Victorian-era hotel became a social and political center for the community and encouraged the residential and commercial development of Boyle Heights.

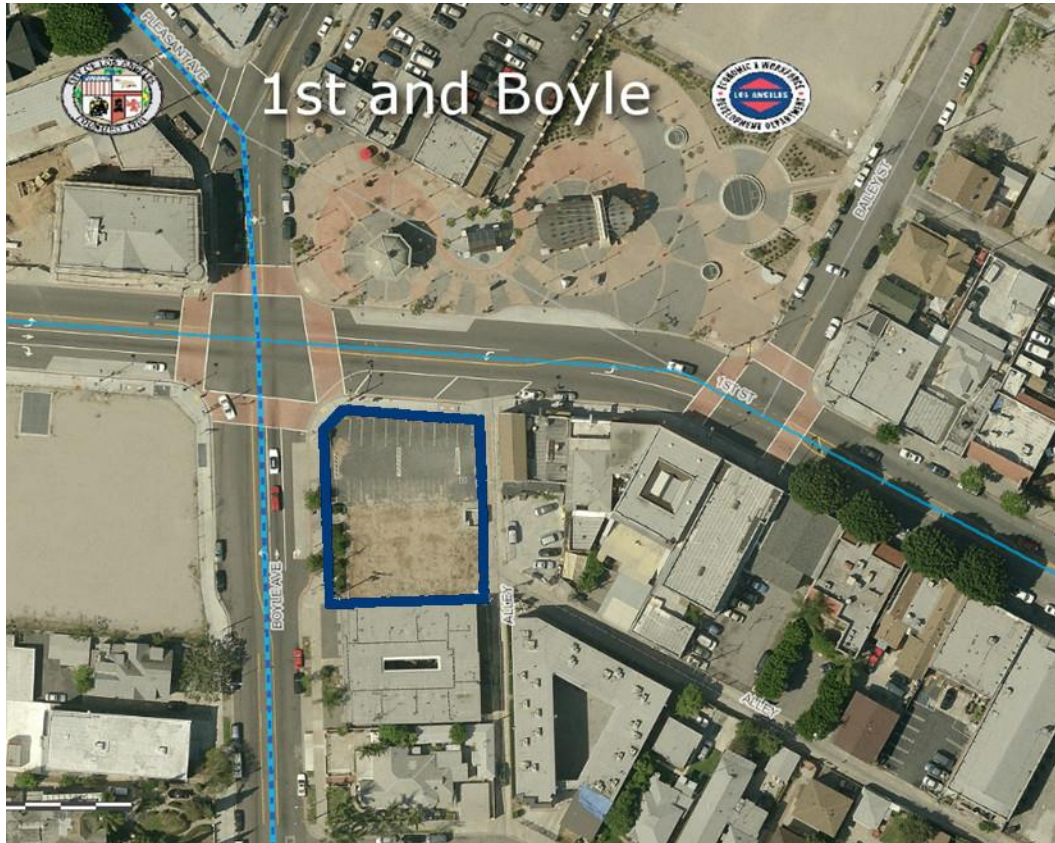
In the 20th Century, the Boyle Hotel became associated with the many mariachi musicians who rented rooms in the hotel and gathered in the adjacent plaza, earning it the nickname "Mariachi Hotel." In 2012 the Boyle Hotel underwent a \$24 million renovation and restoration that saved many architectural features of the building and created 51 units of affordable housing and three ground floor commercial spaces. The Boyle Hotel is a Los Angeles Historic-Cultural Monument.

Under construction across Boyle Avenue is the Santa Cecilia Apartments, an 80 unit affordable housing development with ground floor commercial retail.

2.2.1 Project Goals and Objectives

EWDD seeks to promote the economic well-being of Boyle Heights, increase job creation, potentially provide housing for households at affordable income levels and improve the quality of the environment. The RFP reflects the concerted effort of the City and the community to meet these major development goals with a project that integrates the local identity with a sense of place through appropriate scale, density, land uses, and sensitive urban design.

2.3 The Site



2.3.1 Site Description

The Site under consideration for development is generally bounded by East 1st Street on the north, South Boyle Avenue on the west, residences on the south, and an alley on the east.

The single parcel is 14,600 square feet or 0.34 acres. It is zoned C2.

The City is open to the selected development team(s) pursuing and negotiating private assembly of non-City-owned sites wherever possible for the purpose of providing parking or expanding the development if site control can be demonstrated.

2.4 Project Requirements

EWDD seeks to promote the economic well-being of Boyle Heights, increase job creation, potentially provide housing for households at affordable income levels and improve the quality of the environment. The City is looking for proposals that can incorporate one or several of the following uses: Public Open Space, Public Parking, a Community Center, Housing, and Retail.

All proposals should include the following requirements:

- a) Identification and inclusion on the development team of key members experienced in similar scale developments in neighborhoods with comparable demographics. A strong understanding of the urban, cultural and historic fabric of Boyle Heights is essential in the preparation and realization

of a vision that best serves the community. Experience in successful community outreach and participation.

- b) Development of the 1st and Boyle site as financially self-sustaining. Proposals must include detailed descriptions of how the development will achieve this objective and a pro forma that includes revenue and operating cost projections.
- c) Achievement of a high level of concern for the architectural, landscape and urban design, and land use principles with attractive landscaping, native/drought tolerant plants.
- d) Design should complement existing urban context taking into account nearby buildings, materials, art, murals, color palette, Mariachi Plaza & kiosk.
- e) Development should be pedestrian oriented.
- f) Development on site should have universal design, so that all areas of the property are immediately accessible to persons with disabilities with no modifications required.
- g) The 1st and Boyle property will be developed with sufficient on-site parking to meet the needs of all project components, with preference for subterranean parking.

Any proposals including housing should incorporate the following requirements:

- a) Housing for a diverse range of incomes, including extremely low, very low, and moderate income households covenanted to remain affordable for 55 years.
- b) Housing for families.

Any proposal including retail should incorporate the following requirements:

- a) A focus on developing locally-owned and neighborhood serving oriented retail options. Stakeholders expressed preferences for a medium sized neighborhood market with fresh produce. Desire for a laundromat and office space for community non-profits was also expressed.
- b) Local retail should be subsidized if possible, and that subsidy should be covenanted for as long a term as possible.
- c) No proposals for off-site sales of liquor.
- d) No chain stores.

Any proposal including public parking should incorporate the following requirements:

- a) Competitively priced public parking relative to nearby parking options.
- b) Parking must be adequately secured and lit to prevent nuisance activities.

Any proposal including a public open space should incorporate the following requirements:

- a) Amenities for a diverse age range especially toddlers, children, youth, and seniors.
- b) Park design should focus on alternatives to concrete.

Any proposal including a community center should incorporate the following requirements:

- a) Activation opportunities for a variety of community functions, events, and uses. For example: performance space, recreation space, after school programming, and art gallery.
- b) Space should be designed for a diverse age range including toddlers, children, youth, and seniors.

2.5 City Involvement

The City holds an Option Agreement with the CRA/LA for the 1st and Boyle property and will engage in the process of obtaining the property in order to ensure the viability of any proposal. The Option Agreement requires the City to pay Fair Market Value to the CRA/LA at the time of acting on the Option, which must be assumed in any Development Pro forma submitted.

The City recognizes that the potential significant benefits of proposed projects may require City subsidy, however it should be noted that the City has not identified incentives or set aside public financing for this Project. All proposals must clearly indicate funding gaps and specifically identify any City incentives or public assistance required to successfully develop and operate their proposed project. The feasibility of these requests will be gauged as part of the final evaluation and scoring of responses.

2.5.1 The Planning/Entitlement Process:

The Office of Councilmember Jose Huizar, the EWDD and the Department of City Planning are committed to working with the selected development team to achieve all necessary entitlements. In addition, the EWDD will assist with coordinating across City agencies. However, it is the ultimate responsibility of the Development Team to secure all necessary permits, approvals, and entitlements required for the selected project.

Development Team(s) further acknowledges that receipt of this RFP does not constitute approval by EWDD or the City of any required permits, applications, or allocations, and in no way limits the discretion of the EWDD or the City in the permit review and approval process.

Development Team must conduct their own due diligence before submitting a response and are strongly encouraged to review the following documents related to the planning, zoning, building conditions, and entitlements of this area:

1. Los Angeles City General Plan Framework
2. Community Plan – Policies and objectives, design Guidelines
3. Current Zoning – ZIMAS: <http://zimas.lacity.org/>

2.5.2 Financial Assistance

Development Financing: Assistance from the City of Los Angeles, if any, will be determined on the basis of the Proposal submitted and subsequent negotiations with the Development Team selected through the RFP process. Those proposals that maximize

private financing (debt and equity) and minimize public financial assistance will be given additional points as further described in Section 3.4 Evaluation Criteria.

Operating Proforma: The project must be financially self-sustaining. Proposals must include a detailed pro forma that includes revenue and operating cost projections.

3. RFP PROCESS

3.1 Submission Requirements

To allow interested respondents an understanding of the complete requirements for response, this RFP includes the requirements for each phase. The submission must contain the following elements, which must be answered as completely as possible in the outlined organizational order. Please submit information in appropriate detail on each of the items described below to allow adequate review and evaluation of your proposal:

- Cover Letter.
- Identification of Development Team and Associates. Applicant should identify key consultants.
- Development Team Qualifications.
- Proposed development and design program, including estimated square footage of retail, office, parking or residential space (based on proposal) with detail on number, bedroom and income mix of the proposed residential component as well as number of parking spaces provided and attributed to each use.
- Description of prior projects in which the Development Team participated of similar type and magnitude.
- Financial Feasibility of Proposed Project, including pro forma showing development cost budget, sources and uses, and 10 year cash flow projections for all project components.
- Proposed community benefits.
- Business Terms.
- References.

3.1.1 Cover Letter

Two (2) 8 ½ x 11 inch, single-spaced pages maximum signed by an authorized officer of the lead firm, summarizing the major points contained in the submission, and providing the name, address, email address, telephone number and fax number of the key contact person.

3.1.2 Identification of Development Team and Associates

For each of the principal parties comprising the proposed Development Team, provide the following information:

- a) Name, address, telephone number and email address of Development Team Member and Project Manager (if appropriate).
- b) Identification and organization of Development Team (individual, corporation, partnership, other).
- c) Identification of principals of development organization and project manager (corporate officers, principal stockholders, general and limited partners) and manager to be responsible for proposed project.
- d) Indication of any relationship the development organization may have with a parent corporation, subsidiaries, joint ventures or other entities. If a joint venture is proposed, percentage of ownership of each entity shall be specified. Describe the financial, liability-related, and other decision-making relationships.

- e) Resumes for all key Development Team members including all assigned personnel, describing relevant project experience as related to the subject submittal, and specific technical skills. The minimum information to be included in the resumes shall include the person's education, showing related certificates, degrees, schools and dates; work experience, showing previous employers, job titles and functions by calendar date and by duration in months and years; and other information as relevant to the specific assignment.

3.1.3 Development Team Qualifications/Financial Capacity

The Development Team's ability to see a project from conception through fruition is especially important to the City of Los Angeles. Strong weight in the evaluation process will be given to a Development Team that has experience and a track record in each of the following areas. Keep each sample project to two pages. Please provide:

- a) A list of similar development projects in which the Development Team and proposed associates have participated, describing the relationships to these projects (i.e. developed, owned, operated and/or managed) and a general description of the project(s) including any unique challenges. Identify the location, total project costs, land uses, length of time to complete and actual completion dates.
- b) Financial statements for Developer and/or principals (last two years audited and most recent interim unaudited).
- c) Statement regarding any prior bankruptcy and all outstanding judgements, pending or final, against the Developer or any related individual or entity.
- d) Description of the ownership entity for the project including an organization chart and percentages of ownership of each entity involved.
- e) Listing of current projects in the Developer's pipeline, including predevelopment, construction and lease-up activities underway. This list should include the location, project type, size and total development cost for each project.
- f) An organization chart and organization documents for Development Team members who will be in ownership positions (Articles of Incorporation, By-Laws, Partnership Agreement, Operating Agreement, Limited Liability Certificate, etc.)
- g) Descriptions and illustrations of the proposed architect's or architects' work on development projects that have been built or are under construction. If possible, include photographs of these projects.
- h) If proposing to develop housing as part of the project, provide a description of other market rate and affordable housing projects developed, owned and managed, including success in obtaining Low Income Housing Tax Credits, State Housing and Community Development program funding and funding from the Los Angeles Housing + Community Investment Department.
- i) For each project or relevant experience, a name and phone number of a contact person familiar with this project who can act as a reference.
- j) Explanation of how the Development Team proposes to finance the project by providing a description of how the developer(s) financed projects of similar type and scope, including total project cost, sources and uses for similar projects. Describe a specific project and how you have handled unexpected budget increases during project implementation and how budget gaps were filled.

3.1.4 Development Program (Design/Development Concept)

Please provide the following:

- a) A general overview of the type of development that the Team considers appropriate for the site.
- b) A site plan and elevations.
- c) If the proposed development includes retail, institutional use, or hotel indicate which tenants or operators have been identified for the site, if any, and the development team's working relationship and/or ability to secure a lease with that entity.
- d) Concept project renderings or precedent images to convey the vision for the project, preferably relating to projects completed by the Development Team.
- e) Type of housing to be developed on the site (if any), e.g. family, large family and/or senior housing; and proposed support services.
- f) If the housing proposed will be affordable, please provide a unit matrix that shows size and type by affordability level.
- g) Project development timeline showing schedule of major milestones.

3.1.5 Financial Feasibility of the Proposed Project

Please provide the following:

- a) Sources and Uses of Funds for each phase of development, including a development schedule that shows major development and financing milestones.
- b) Project Development Budget (total development cost).
- c) Project Operating Pro Forma, including 10-year cash flow analyses with clear explanations of all assumptions.
- d) Market data which demonstrates the feasibility of projected revenue streams.

3.1.6 Community Experience

Describe, in detail, the Development Team's experience in working with and developing in ethnically diverse and low-income communities. Did you engage the community and, if so, how? Have you experienced community opposition to your development proposals in the past? If so, how did you work towards a resolution with the community? In addition to this description, please provide the following:

- a) Examples of community benefits provided by past and current projects you have developed; and
- b) Community references (residents, business/property owners, community based organizations, and/or other community stakeholders).

3.1.7 Business Terms

Business terms must include, at minimum, the following:

- Proposed Deal Structure. Indicate division of responsibilities for the project's successful completion.
- Initial Conditions. Indicate any initial conditions or requirements, which are needed to be granted by a governmental entity. These initial conditions may include, but are not limited to, financial assistance, monetary contributions or land write down, tax credit programs, technical assistance, City variances or special entitlement processing, and any similar contingency which could result in additional time and resources on City's behalf to complete the project.

- Project Time Schedule. A schedule of performance outlining the estimated time for each step and phase. Include summary “time line” or other similar graphic representation of the development processes. The schedule should recognize the time involved in completing site assembly, finalizing development agreements, receiving project entitlements, designing the project, financing the project, commencing construction and completing construction, lease negotiations, marketing and final occupancy.
- Community Benefits Package. Proposal of benefits, which will come from the construction and ongoing operation of the proposed development. Examples of community benefits include: local hiring, living wage jobs, job training opportunities, affordable housing, public open space, new taxes being paid, etc. If discussing jobs, please provide an estimate of jobs to be retained and new temporary and permanent jobs to be created.

3.1.8 References

Provide a list of a least three (3) references, including contact, title, addresses, email address and telephone number for the agency/business which your firm provided similar services. Also indicate the year in which your firm provided the services for the agency/business. Provide at least one reference from a lender and one from a public agency with which you have worked.

3.2 SUBMISSION OF PROPOSAL

3.2.1 Proposal Submission

The City desires succinct submittals addressing the specific information requested herein. All submittals shall be in the format described herein. In order to ensure that each submittal is reviewed and evaluated properly, it is important that each submittal follow the format with attention to the following:

- a) Statements shall be organized in the order presented in Section 3.1 and shall have tabs keyed to the requirements outlined in this Section. Statements shall be a straightforward delineation of the respondent’s capability to satisfy the intent and requirements of this RFP, and shall not contain redundancies and conflicting statements.
- b) All proprietary information shall be identified as such by the respondent.
- c) Development Team(s) must submit one (1) original and five (5) copies (total of 6 sets), of the RFP response document in 8-1/2” x 11” format and one (1) electronic version in Portable Document Format (pdf). No copies will be made at EWDD or by EWDD staff. If large-format drawings or exhibits are included in the submittal, copies of these exhibits shall be reduced to 8-1/2 “x 11” format or folded 11” x 17” format and shall be included with the submittals described above.

3.2.2 Deadline Date for Submission of Proposal

Proposals in response to this RFP must be received by City of Los Angeles Economic and Workforce Development Department by **Friday, August 5, 2016 at 5:00pm** (Pacific Standard Time).

All Proposals shall be marked “Proposals for the 1st and Boyle Opportunity Site” and hand-delivered to:

City of Los Angeles Economic and Workforce Development Department
 Attn: Samuel Hughes
 1200 West 7th Street, 6th Floor

Los Angeles, CA 90017

Proposals will be time and date stamped. The person who delivers the proposal package will be issued a "Notice of Receipt of Proposal."

Proposals submitted via U.S. Postal Service, fax or e-mail will not be accepted. Proposals received after the deadline will not be accepted.

The City reserves the right to extend the submission deadline should this be in the interest of the City. No exceptions will be made to these procedures.

3.2.3 On-Time Delivery

It is the sole responsibility of the developer submitting the proposal to see that it is delivered on time. The developer is entirely responsible for the means of delivering the proposal to the appropriate location on time. Delays due to internal routing of misdirected proposals or due to verbal directions given by City of Los Angeles staff shall be the responsibility of developer.

3.2.4 Signature

The proposal must be signed in the name of the developer and must bear the actual "wet" signature of the person authorized to sign proposals on behalf of the developer.

3.2.5 Completion of Proposals

Proposals shall be completed in all respects as required by the instructions herein. A proposal may be rejected and deemed non-responsive if it is conditional or incomplete, or if it contains alterations of form or other irregularities of any kind. A proposal will be rejected if, in the opinion of the City, the information contained therein was intended to erroneously and fallaciously mislead the City in the evaluation of the proposal.

3.2.6 Questions, Inquiries and Clarifications

Please refer all questions, inquiries and requests for clarification regarding this RFP in writing to ewdd.1standboylefp@lacity.org

Technical assistance will be available for questions regarding the requirements of the RFP. Such assistance is intended to further explain the City's requirements and expectations. The City will not provide assistance on a proposer's narratives nor will the City review or evaluate a proposer's responses to the RFP prior to the close of the RFP process.

All technical assistance questions must be submitted via e-mail. The proposer's question must identify the RFP page and section of the subject matter to which the proposer is referring. The deadline to submit requests for technical assistance is Friday, June 24, 2016 at 5:00 pm.

To ensure fair and consistent distribution of information, questions will be answered by Question-and-Answer (Q&A) documents. They will be uploaded on LABAVN (<http://www.labavn.org/>) as Additional Documents on the 1st and Boyle listing. Individual answers will not be given directly to the inquirer and a consolidated answer may be provided in response to several questions that are similar in nature. Q&A uploads will be performed on a regular basis to ensure the prompt dissemination of information.

3.3 SELECTION PROCESS

All proposals submitted in response to this RFP will be reviewed for their relative strengths and weaknesses based on the submission requirements and evaluation criteria described herein, including consistency with the goals and objectives of this RFP. In addition, proposals will be reviewed for completeness, developer and team experience, the proposed development plan, as well as the ability of the respondent to finance, undertake and complete the proposed project in accordance with an agreed upon time schedule.

Upon receipt of proposals, a panel of professionals and community stakeholders will review and score the proposals and will recommend a short list of development teams to interview. EWDD may contact references and industry sources, investigate previous projects and current commitments, interview some or all of the development team members, and take any other information into account in its evaluation of the responses. The EWDD reserves the right to request clarification or additional information from development teams and to request that development teams make presentations to community groups or others.

If the composition of the development team(s) changes during the RFP process, the developer will be required to notify the EWDD of these changes and, at its sole discretion, the EWDD will determine whether this revised development team meets the requirements of the Request for Proposals.

Once the review panel makes its final recommendation, the selected proposal must be approved by the City Council and Mayor of Los Angeles. Upon approval of the development team, EWDD staff may prepare an Exclusive Negotiation Agreement (ENA) in cooperation with the development team.

The review and selection process is anticipated to take approximately 60 days from the "Due Date." During this time period, EWDD staff will evaluate all proposals on the basis of the information submitted; RFP respondents may be asked to meet with the review panel, EWDD staff, Council and the community to present and/or discuss their proposal.

3.4 Evaluation Criteria

Submission will be evaluated based upon the following criteria:

Development Team Qualifications/ Financing Capacity	(20 points)
Development Program/Operations Concept	(30 points)
Financial Analysis	(30 points)
Community Benefits Provided	(20 points)
MAXIMUM POINTS	100

RIGHT TO REJECT ALL PROPOSALS

This RFP is not a contract offer, a request for technical services or an agreement to construct any project that may be proposed or otherwise submitted and does not commit the City to enter into any exclusive negotiating agreement, disposition and development agreement, ground lease, or any other agreement, or to accept any part of any proposal, including, without limitation, a selected proposal, or to pay any costs incurred in submission of any proposal. Should this process result in an Exclusive Negotiating Agreement, the execution of such agreement does not constitute a contract, agreement

or promise that such agreement will lead to a Disposition and Development Agreement or ground lease, or that the City will agree to build or have built any proposed project.

3.5 City Non-Liability and Related Matters

The RFP and the selection process shall in no way be deemed to create a binding contract, agreement or offer of any kind between the City and the respondents. If the City select a Development Team pursuant to the RFP, any legal rights and obligation between the successful team, if any, and the City will come into existence only when an agreement is fully executed by all parties, and the legal rights and obligations of each party shall at the time be only those rights and obligations which are set forth in the agreement and any other documents specifically referred to in that agreement.

Each Development Team submitting a Proposal in response to this RFP agrees that the preparation of all material for submittal to the City and all presentation are at the Development Team's sole cost and expense. In addition, each Development Team agrees that all documentation and materials submitted in response to this RFP shall remain the property of the City. Subject to the California law relating to access to public records, the City may be required to publicly disclose all submitted information and materials to their parties requesting such information.

The City reserves the right to alter the selection process in any way, to withdraw the RFP, to deem the proposals as non-responsive, to postpone the selection process for its own convenience at any time, to waive any defects in any submission, to issue a new RFP any time, or to hire a Development Team it deems appropriate at its sole discretion within a RFP evaluation.

3.6 Proposal Appeal Process

1. Appeal Rights

The City will notify all proposers in writing of the results of the proposal evaluations, their right to file an appeal, and the appeal process. **Proposers may appeal procedural issues only.**

2. Letter of Appeals

Appeals shall be hand-delivered to EWDD no later than five (5) business days after the date of the RFP notification results letter. To file an appeal, applicants must submit a written request and identify the specific reason for the appeal to:

Samuel Hughes, Assistant General Manager
City of Los Angeles
Economic and Workforce Development Department
RFP Appeal – 1st and Boyle
1200 W. 7th Street, 6th Floor
Los Angeles, CA 90017

Written appeals shall not be more than three (3) typewritten 8 ½ x 11 inch pages, and shall request that an appeals review be granted. Written appeals must include the following information:

- a. The name, address and telephone number of the proposer.
- b. The name/title of RFP to which the organization responded.
- c. Detailed statement of the specific procedural issues for appeal.

Written appeals may not include any new or additional information that was not submitted with the original proposal. Only one appeal per proposal will be permitted. All appeals and protests must be submitted within the time limits set forth in the above paragraphs.

3. Review Panel

The Appeals Board shall be established by EWDD. All Appeals Board members shall be provided with a copy of the procurement document, a summary of facts regarding the specific procurement that includes a written summary of the procurement process, each written appeal together with a departmental response, and other documents that EWDD deems appropriate. In the Appeals Hearing, appellants shall have five (5) minutes to make their oral presentation, followed by a question and answer period not to exceed fifteen (15) minutes at the discretion of the Board. The decision of the Appeals Board shall be considered EWDD's final determination.

4. Disclaimer

The City is not responsible for representations made by any of its officers or employees prior to the approval of an agreement by the City Council unless such understanding or representation is included in this RFP or in subsequent written addenda. The City is responsible only for that which is expressly stated in this solicitation document and any authorized written addenda thereto.

Exhibit A.



1st and Boyle



BOYLE AVE

ALLEY

ALLEY

1ST ST

BAILEY ST

PLEASANT AVE

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Division of Housing Policy Development

2020 W El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

**MEMORANDUM**

DATE: April 15, 2015

TO: Interested Parties

Lisa Bates

FROM: Lisa Bates, Deputy Director
Division of Housing Policy Development

SUBJECT: **State Income Limits for 2015**

Attached are briefing materials and State Income Limits for 2015 reflecting median income and household income levels for extremely low-, very low-, low-, and moderate-income households for California's 58 counties. Updated 2015 income Limits are now in effect and replace last year's limits. 2015 income limits can be downloaded on the Department of Housing and Community Development's (Department) website <http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>.

State Income Limits apply to designated programs and are to be used to determine applicant eligibility (based on level of household income) and to calculate affordable housing cost for applicable housing assistance programs. Note that use of State Income Limits is subject to a particular program's definition of income, family, family size, effective dates, and other factors. Also, definitions applicable to income categories, criteria, and geographic areas sometimes differ depending on funding source and program resulting in some programs using other income limits.

California's 2015 income limits were updated based on: (1) federal income limit changes the U.S. Department of Housing and Urban Development (HUD) released on March 6, 2015 and revised on March 10, 2015 for its Section 8 Housing Choice Voucher Program income limits and (2) adjustments the Department made based on particular State statutory provisions and the Department's 2013 Hold Harmless (HH) Policy.

Since 2013, the Department's HH policy has held State Income Limits harmless from any decreases in household income category and median income levels that HUD, since 2010, began applying to its Section 8 Income Limits after eliminating its longstanding Hold Harmless Policy. HUD determined its HH Policy was no longer necessary due to federal law changes in 2008 (Public Law 110-98) prohibiting any rent decreases in federal or private activity bond funded projects.

Please contact Department staff at (916) 263-2911 to answer questions concerning State Income Limits.

Attachments: 2015 State Income Limits and Briefing Materials

**2015 State Income Limits Briefing Materials
California Code of Regulations, Title 25, § 6932**

Overview

Pursuant to Health & Safety Code (H&SC) Section 50093(c), California Department of Housing and Community Development (HCD) filed 2015 State Income Limits with the Office of Administrative Law. HCD updated its income limits based on Department of Housing and Urban Development (HUD) updates to its Section 8 Housing Choice Voucher Program that HUD released on March 6, 2015 and revised on March 10, 2015.

HUD annually updates Section 8 income limits to reflect changes in household income category levels and median income levels applicable to extremely-low, very-low, and low-income households. California law specifies that its State Income Limits must be updated based on HUD updates to its Section 8 income limit levels. The Department also revises its State Income Limit levels to reflect: (1) adjustments, per State law, to some HUD county median income figures, and (2) adjustments to some household income category and area median income levels to reflect HCD's February 2013 Hold Harmless (HH) Policy. This policy was implemented to replace HUD's HH Policy, discontinued in 2009, in maintaining income category and area median income levels at their highest achieved levels and (3) calculation of California's moderate-income household levels based on changes to county area median income levels.

Following are brief summaries of different methodologies used by HUD and HCD in updating income limits for different household income categories.

HUD Methodology

HUD uses 40th percentile rents in 50th percentile fair market rent (FMR) areas, to calculate high housing cost areas. The purpose is to prevent fluctuations in "Low-Income Housing Tax Credit Difficult Development Area" determinations that result solely from high housing cost income limit fluctuations as areas go in and out of the 50th percentile FMR program.

Extremely Low-Income

This income category comprises households with a maximum income of 30 percent (30%) of HUD's median family income (MFI). HUD calculates extremely-low income limits based on very-low income limits. Extremely low-income limits reflect 60 percent of very-low income limits. However, HUD sets a floor based on minimum Supplemental Security Income (SSI).

Very Low-Income

The maximum very-low income limit typically reflects 50 percent (50%) of MFI. HUD's MFI figure generally equals two times HUD's 4-person very low-income limit, except when HUD applies adjustments. HUD may adjust income limits for an area or county to account for conditions that warrant special considerations, referred to as exceptions. HUD may

2015 State Income Limits Briefing Materials
California Code of Regulations, Title 25, § 6932

apply exceptions to areas with unusually high or low family income, uneven housing-cost-to-income relationships or historical exceptions. The following reflect HUD's explanations of adjustment increases and decreases contained in HUD's FY 2015 Income Limits Briefing Material:

Adjustment Increases:

HUD applies an increase, if the four-person very low-income limit would otherwise be less than the amount at which 35 percent (35%) of it equals 85 percent (85%) of the annualized two-bedroom Section 8 FMR (or 40th percentile rent in 50th percentile FMR areas). The purpose is to increase the income limit for areas where rental housing costs are unusually high in relation to the median income.

HUD applies an increase to the four person income limit if it is less than the State non-metropolitan median family income level. In addition, the four-person income limit is also increased, if it is less than 95 percent of last year's very low income limit. HUD restricts adjustments so income limits do not vary more than five percent (5%) of the previous year's very low-income figure. Very low-income limits are used as the base to calculate extremely-low and low-income limits.

Adjustment Decreases:

HUD applies a decrease to the greater of 80 percent of the U.S. median family level (MFI), or the amount at which 30 percent of a four-person family's income equals 100 percent of the two-bedroom FMR (or 40th percentile rent in 50th percentile FMR areas). The purpose is to decrease the income limit for areas of high median family income. The four-person income limit is reduced to the greater of 105 percent of last year's limit or twice the change in the national MFI estimate if that amount would be larger than five percent (5%).

HUD restricts adjustment increases and decreases to not vary more than five percent (5%) of the previous year's very low-income figure. Adjusted very low-income limits are used as the base to calculate extremely-low and low-income limits.

Low-Income

In general, maximum income for low-income households reflects 80 percent (80%) of the MFI level. Most low-income limits represent the higher level of: (1) 80 percent of MFI or (2) 80 percent of State non-metropolitan median family income. However, due to adjustments that HUD sometimes makes, strictly calculating low-income limits as 80 percent of MFI could produce unintended anomalies inconsistent with statutory intent. HUD's briefing materials specify that, with some exceptions, the low-income limit reflects 160 percent of the very low-income limit. HUD may apply exceptions to areas with unusually high or low housing-costs-to-income relationships. An example of the result from HUD applying an exception to an area could be an increase to the low-income limit without an increase to the very low-income limit. In sum, an "80%" limit cannot be assumed to equal 80 percent of the AMI or 4-person median income limit nor 160 percent of the very low-income limit due to adjustments HUD may make.

**2015 State Income Limits Briefing Materials
California Code of Regulations, Title 25, § 6932**

Median Family Income/Area Median Income

HUD estimates and references Median Family Income (MFI) in calculating its income limits. California law and income limits reference Area Median Income (AMI) that, pursuant to H&SC 50093(c), means the median family income of a geographic area estimated by HUD for its Section 8 Program.

HUD's calculations of Section 8 Income Limits begin with the production of MFI estimates. FY 2015 MFI estimates use 5-year survey data (American Community Survey (ACS) 2008-2012 and Puerto Rico Community Survey (PRCS) 2007-2011) augmented by 2012, 1-year ACS and PRCS data. HUD then adjusts the survey data to account for anticipated income growth by applying the Consumer Price Index (CPI) inflation forecast (through the mid-point of 2015) that the Congressional Budget Office published in August 2014. HUD's determination of MFI is used to calculate very low-income limits that are then used as the basis to calculate income limits for other income categories.

Income Limit Calculations for Household Sizes Other Than 4-Persons

Income limits for all income categories are adjusted for household size so that larger households have higher income limits than smaller households. For all income categories, income limits for household sizes other than 4-persons are calculated using the 4-person income limit as the base. HUD's adjustments use the following percentages, with results rounded to the nearest \$50 increment:

Number of persons in Household: 1 2 3 4 5 6 7 8

Adjustments: 70% 80% 90% Base 108% 116% 124% 132%

Income Limit Calculations for Household Sizes Greater Than 8-Persons

For households of more than eight persons, refer to the formula at the end of the table for 2015 Income Limits. Due to the adjustments HUD can make to income limits in a given county, table data should be the only method used to determine program eligibility. Arithmetic calculations are applicable only when a household has more than eight members.

Reference: FY 2015 HUD Income Limits Transmittal Notice PDR-2015-02 issued March 6, 2015 and HUD Income Limits Briefing Material dated March 10, 2015
<http://www.huduser.org/portal/datasets/il/il15/index.html>
http://www.huduser.org/portal/datasets/il/il15/HUD_sec8_15.pdf

HCD Methodology

State law (Health & Safety Code Section 50093, et. seq.) prescribes the methodology the Department uses to update its Official State Income Limits. The Department utilizes HUD's Section 8 Housing Choice Voucher Program Income Limits. HCD's methodology involves: (1) increasing some counties' median income levels established by HUD, (2) increasing some 4-person very-low income limits established by HUD, (3) applying its Hold Harmless (HH) Policy, in effect since 2013, to not allow decreases in area median income levels and household income category levels, and (4) determining income limit levels applicable to California's moderate-income households defined by State law as household income not exceeding 120 percent of county AMI.

2015 State Income Limits Briefing Materials
California Code of Regulations, Title 25, § 6932

Area Median Income and Income Category Levels

HCD, pursuant to federal and state law and its Hold Harmless (HH) Policy, adjusts median income levels determined by HUD for a metropolitan county (county included in a metropolitan statistical area) and for a non-metropolitan county (county not included in a metropolitan statistical area). For non-metropolitan counties, federal law (Section 567 of the 1987 Housing and Community Development Act) requires adjusting median income to the higher of the (1) median income for the county or (2) the current statewide non-metropolitan median income (\$56,900 for 2015) determined by HUD. Next, HCD, for both metropolitan and non-metropolitan counties, applies its HH policy to ensure area median income for all counties and income limits for all income categories do not fall below any level achieved in the prior year.

4-person Median Income Calculation

HUD's 4-person median income figure usually reflects the county's AMI figure. HUD sometimes makes adjustments to decrease the 4-person very-low income limit when median family income is unusually high. The Department makes adjustments so its calculation of the 4-person very-low income limit for each county is not less than HUD's median family income figure and, pursuant to HCD's HH Policy, not less than the prior year's higher level.

Moderate-Income Levels

The Department is responsible for establishing California moderate-income limit levels. After calculating the 4-person area median income (AMI) level as previously described, the Department sets the maximum moderate income limit to equal 120 percent of the county's AMI.

Applicability of California's Official State Income Limits

Applicability of these State Income Limits is subject to particular programs as program definitions of such factors as income, family, and household size, etc., vary. Some programs, such as Multifamily Tax Subsidy Projects (MTSPs), use different income limits.

For MTSPs, separate income limits apply per provisions of the Housing and Economic Recovery Act (HERA) of 2008 (Public Law 110-289). Income limits for MTSPs are used to determine qualification levels as well as set maximum rental rates for projects funded with tax credits authorized under Section 42 of the Internal Revenue Code (Code). Also, MTSP income limits apply to projects financed with tax exempt housing bonds issued to provide qualified residential rental development under Section 142 of the Code. These income limits are available at this web link <http://www.huduser.org/datasets/mtsp.html>.

Section 6932. 2015 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Alameda County 4-Person Area Median Income: \$93,500	Extremely Low	19650	22450	25250	28050	30300	32570	36730	40890
	Very Low Income	32750	37400	42100	46750	50500	54250	58000	61750
	Low Income	50150	57300	64450	71600	77350	83100	88800	94550
	Median Income	65450	74800	84150	93500	101000	108450	115950	123400
	Moderate Income	78550	89750	101000	112200	121200	130150	139150	148100
Alpine County 4-Person Area Median Income: \$94,900	Extremely Low	18150	20750	23350	25900	28410	32570	36730	40890
	Very Low Income	30250	34600	38900	43200	46700	50150	53600	57050
	Low Income	46100	52650	59250	65800	71100	76350	81600	86900
	Median Income	66450	75900	85400	94900	102500	110100	117700	125250
	Moderate Income	79750	91100	102500	113900	123000	132100	141250	150350
Amador County 4-Person Area Median Income: \$72,300	Extremely Low	15200	17400	20090	24250	28410	32570	36730	40890
	Very Low Income	25350	28950	32550	36150	39050	41950	44850	47750
	Low Income	40500	46300	52100	57850	62500	67150	71750	76400
	Median Income	50600	57850	65050	72300	78100	83850	89650	95450
	Moderate Income	60700	69400	78100	86750	93700	100650	107550	114500
Butte County 4-Person Area Median Income: \$58,700	Extremely Low	12350	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20550	23500	26450	29350	31700	34050	36400	38750
	Low Income	32900	37600	42300	46950	50750	54500	58250	62000
	Median Income	41100	46950	52850	58700	63400	68100	72800	77500
	Moderate Income	49300	56350	63400	70450	76100	81700	87350	93000
Calaveras County 4-Person Area Median Income: \$70,200	Extremely Low	14750	16850	20090	24250	28410	32570	36730	40890
	Very Low Income	24600	28100	31600	35100	37950	40750	43550	46350
	Low Income	39350	44950	50550	56150	60650	65150	69650	74150
	Median Income	49150	56150	63200	70200	75800	81450	87050	92650
	Moderate Income	58950	67400	75850	84250	91000	97750	104450	111200
Colusa County 4-Person Area Median Income: \$58,700	Extremely Low	12350	15930	20090	24250	28410	32570	36400	38750
	Very Low Income	20550	23500	26450	29350	31700	34050	36400	38750
	Low Income	32900	37600	42300	46950	50750	54500	58250	62000
	Median Income	41100	46950	52850	58700	63400	68100	72800	77500
	Moderate Income	49300	56350	63400	70450	76100	81700	87350	93000
Contra Costa County 4-Person Area Median Income: \$93,500	Extremely Low	19650	22450	25250	28050	30300	32570	36730	40890
	Very Low Income	32750	37400	42100	46750	50500	54250	58000	61750
	Low Income	50150	57300	64450	71600	77350	83100	88800	94550
	Median Income	65450	74800	84150	93500	101000	108450	115950	123400
	Moderate Income	78550	89750	101000	112200	121200	130150	139150	148100
Del Norte County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
El Dorado County 4-Person Area Median Income: \$76,100	Extremely Low	16000	18300	20600	24250	28410	32570	36730	40890
	Very Low Income	26650	30450	34250	38050	41100	44150	47200	50250
	Low Income	42650	48750	54850	60900	65800	70650	75550	80400
	Median Income	53250	60900	68500	76100	82200	88300	94350	100450
	Moderate Income	63900	73050	82150	91300	98600	105900	113200	120500

Section 6932. 2015 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Fresno County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Glenn County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Humboldt County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Imperial County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Inyo County 4-Person Area Median Income: \$71,500	Extremely Low	15050	17200	20090	24250	28410	32570	36730	40890
	Very Low Income	25050	28600	32200	35750	38650	41500	44350	47200
	Low Income	40050	45800	51500	57200	61800	66400	70950	75550
	Median Income	50050	57200	64350	71500	77200	82950	88650	94400
	Moderate Income	60050	68650	77200	85800	92650	99550	106400	113250
Kern County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Kings County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Lake County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Lassen County 4-Person Area Median Income: \$69,400	Extremely Low	14600	16650	20090	24250	28410	32570	36730	40890
	Very Low Income	24300	27800	31250	34700	37500	40300	43050	45850
	Low Income	38850	44400	49950	55500	59950	64400	68850	73300
	Median Income	48600	55500	62450	69400	74950	80500	86050	91600
	Moderate Income	58300	66650	74950	83300	89950	96650	103300	109950

Section 6932. 2015 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Los Angeles County 4-Person Area Median Income: \$64,800	Extremely Low	17950	20500	23050	25600	28410	32570	36730	40890
	Very Low Income	29900	34200	38450	42700	46150	49550	52950	56400
	Low Income *	47850	54650	61500	68300	73800	79250	84700	90200
	Median Income	45350	51850	58300	64800	70000	75150	80350	85550
	Moderate Income	54450	62200	70000	77750	83950	90200	96400	102650
<i>* Low income exceeding median income is an anomaly for this county due to HUD historical adjustments to median income. Household lower income figures are derived from very-low income figures that are not adjusted by HUD for exceptions.</i>									
Madera County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Marin County 4-Person Area Median Income: \$103,000	Extremely Low	24650	28150	31650	35150	38000	40800	43600	46400
	Very Low Income	41050	46900	52750	58600	63300	68000	72700	77400
	Low Income	65700	75100	84500	93850	101400	108900	116400	123900
	Median Income	72100	82400	92700	103000	111250	119500	127700	135950
	Moderate Income	86500	98900	111250	123600	133500	143400	153250	163150
Mariposa County 4-Person Area Median Income: \$61,900	Extremely Low	13000	15930	20090	24250	28410	32570	36730	40890
	Very Low Income	21700	24800	27900	30950	33450	35950	38400	40900
	Low Income	34650	39600	44550	49500	53500	57450	61400	65350
	Median Income	43350	49500	55700	61900	66850	71800	76750	81700
	Moderate Income	52000	59450	66850	74300	80250	86200	92150	98100
Mendocino County 4-Person Area Median Income: \$58,900	Extremely Low	12200	15930	20090	24250	28410	32570	36000	38300
	Very Low Income	20300	23200	26100	29000	31350	33650	36000	38300
	Low Income	32500	37150	41800	46400	50150	53850	57550	61250
	Median Income	41250	47100	53000	58900	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
Merced County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Modoc County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Mono County 4-Person Area Median Income: \$81,200	Extremely Low	17050	19500	21950	24350	28410	32570	36730	40890
	Very Low Income	28450	32500	36550	40600	43850	47100	50350	53600
	Low Income	44750	51150	57550	63900	69050	74150	79250	84350
	Median Income	56850	64950	73100	81200	87700	94200	100700	107200
	Moderate Income	68200	77950	87700	97450	105250	113050	120850	128650
Monterey County 4-Person Area Median Income: \$68,700	Extremely Low	15250	17400	20090	24250	28410	32570	36730	40890
	Very Low Income	25400	29000	32650	36250	39150	42050	44950	47850
	Low Income	40600	46400	52200	58000	62650	67300	71950	76600
	Median Income	48100	54950	61850	68700	74200	79700	85200	90700
	Moderate Income	57700	65950	74200	82450	89050	95650	102250	108850

Section 6932. 2015 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Napa County 4-Person Area Median Income: \$86,100	Extremely Low	18350	21000	23600	26200	28410	32570	36730	40890
	Very Low Income	30600	34950	39300	43650	47150	50650	54150	57650
	Low Income	48900	55850	62850	69800	75400	81000	86600	92150
	Median Income	60250	68900	77500	86100	93000	99900	106750	113650
	Moderate Income	72300	82650	92950	103300	111550	119850	128100	136350
Nevada County 4-Person Area Median Income: \$73,500	Extremely Low	16100	18400	20700	24250	28410	32570	36730	40890
	Very Low Income	26850	30700	34550	38350	41450	44500	47600	50650
	Low Income	42950	49050	55200	61300	66250	71150	76050	80950
	Median Income	51450	58800	66150	73500	79400	85250	91150	97000
	Moderate Income	61750	70550	79400	88200	95250	102300	109350	116400
Orange County 4-Person Area Median Income: \$87,200	Extremely Low	20250	23150	26050	28900	31250	33550	36730	40890
	Very Low Income	33750	38550	43350	48150	52050	55900	59750	63600
	Low Income	53950	61650	69350	77050	83250	89400	95550	101750
	Median Income	61050	69750	78500	87200	94200	101150	108150	115100
	Moderate Income	73250	83700	94200	104650	113000	121400	129750	138150
Placer County 4-Person Area Median Income: \$76,100	Extremely Low	16000	18300	20600	24250	28410	32570	36730	40890
	Very Low Income	26650	30450	34250	38050	41100	44150	47200	50250
	Low Income	42650	48750	54850	60900	65800	70650	75550	80400
	Median Income	53250	60900	68500	76100	82200	88300	94350	100450
	Moderate Income	63900	73050	82150	91300	98600	105900	113200	120500
Plumas County 4-Person Area Median Income: \$62,000	Extremely Low	13050	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	21700	24800	27900	31000	33500	36000	38450	40950
	Low Income	34750	39700	44650	49600	53600	57550	61550	65500
	Median Income	43400	49600	55800	62000	66950	71900	76900	81850
	Moderate Income	52100	59500	66950	74400	80350	86300	92250	98200
Riverside County 4-Person Area Median Income: \$65,000	Extremely Low	14100	16100	20090	24250	28410	32570	36730	40890
	Very Low Income	23450	26800	30150	33500	36200	38900	41550	44250
	Low Income	37550	42900	48250	53600	57900	62200	66500	70800
	Median Income	45500	52000	58500	65000	70200	75400	80600	85800
	Moderate Income	54600	62400	70200	78000	84250	90500	96700	102950
Sacramento County 4-Person Area Median Income: \$76,100	Extremely Low	16000	18300	20600	24250	28410	32570	36730	40890
	Very Low Income	26650	30450	34250	38050	41100	44150	47200	50250
	Low Income	42650	48750	54850	60900	65800	70650	75550	80400
	Median Income	53250	60900	68500	76100	82200	88300	94350	100450
	Moderate Income	63900	73050	82150	91300	98600	105900	113200	120500
San Benito County 4-Person Area Median Income: \$81,100	Extremely Low	17050	19500	21950	24350	28410	32570	36730	40890
	Very Low Income	28400	32450	36500	40550	43800	47050	50300	53550
	Low Income	45100	51550	58000	64400	69600	74750	79900	85050
	Median Income	56750	64900	73000	81100	87600	94100	100550	107050
	Moderate Income	68100	77850	87550	97300	105100	112850	120650	128450
San Bernardino County 4-Person Area Median Income: \$65,000	Extremely Low	14100	16100	20090	24250	28410	32570	36730	40890
	Very Low Income	23450	26800	30150	33500	36200	38900	41550	44250
	Low Income	37550	42900	48250	53600	57900	62200	66500	70800
	Median Income	45500	52000	58500	65000	70200	75400	80600	85800
	Moderate Income	54600	62400	70200	78000	84250	90500	96700	102950

Section 6932. 2015 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
San Diego County 4-Person Area Median Income: \$75,900	Extremely Low	17350	19850	22300	24800	28410	32570	36730	40890
	Very Low Income	28900	33050	37150	41300	44600	47900	51200	54500
	Low Income	46250	52900	59500	66100	71400	76700	81950	87250
	Median Income	53150	60700	68300	75900	81950	88050	94100	100200
	Moderate Income	63750	72900	82000	91100	98400	105700	112950	120250
San Francisco County 4-Person Area Median Income: \$103,000	Extremely Low	24650	28150	31650	35150	38000	40800	43600	46400
	Very Low Income	41050	46900	52750	58600	63300	68000	72700	77400
	Low Income	65700	75100	84500	93850	101400	108900	116400	123900
	Median Income	72100	82400	92700	103000	111250	119500	127700	135950
	Moderate Income	86500	98900	111250	123600	133500	143400	153250	163150
San Joaquin County 4-Person Area Median Income: \$66,300	Extremely Low	13950	15950	20090	24250	28410	32570	36730	39350
	Very Low Income	23250	26550	29850	33150	35850	38500	41150	43800
	Low Income	37150	42450	47750	53050	57300	61550	65800	70050
	Median Income	46400	53050	59650	66300	71600	76900	82200	87500
	Moderate Income	55700	63650	71600	79550	85900	92300	98650	105000
San Luis Obispo County 4-Person Area Median Income: \$77,100	Extremely Low	16250	18550	20850	24250	28410	32570	36730	40890
	Very Low Income	27000	30850	34700	38550	41650	44750	47850	50900
	Low Income	43200	49400	55550	61700	66650	71600	76550	81450
	Median Income	53950	61700	69400	77100	83250	89450	95600	101750
	Moderate Income	64750	74000	83250	92500	99900	107300	114700	122100
San Mateo County 4-Person Area Median Income: \$103,000	Extremely Low	24650	28150	31650	35150	38000	40800	43600	46400
	Very Low Income	41050	46900	52750	58600	63300	68000	72700	77400
	Low Income	65700	75100	84500	93850	101400	108900	116400	123900
	Median Income	72100	82400	92700	103000	111250	119500	127700	135950
	Moderate Income	86500	98900	111250	123600	133500	143400	153250	163150
Santa Barbara County 4-Person Area Median Income: \$75,400	Extremely Low	16850	19250	21650	24250	28410	32570	36730	40890
	Very Low Income	28100	32100	36100	40100	43350	46550	49750	52950
	Low Income	44950	51350	57750	64150	69300	74450	79550	84700
	Median Income	52800	60300	67850	75400	81450	87450	93500	99550
	Moderate Income	63350	72400	81450	90500	97750	105000	112200	119450
Santa Clara County 4-Person Area Median Income: \$106,300	Extremely Low	22350	25550	28750	31900	34500	37050	39600	42150
	Very Low Income	37250	42550	47850	53150	57450	61700	65950	70200
	Low Income	59400	67900	76400	84900	91650	98450	105250	112050
	Median Income	74400	85050	95650	106300	114800	123300	131800	140300
	Moderate Income	89300	102050	114800	127550	137750	147950	158150	168350
Santa Cruz County 4-Person Area Median Income: \$87,000	Extremely Low	21200	24200	27250	30250	32700	35100	37550	40890
	Very Low Income	35300	40350	45400	50400	54450	58500	62500	66550
	Low Income	56500	64550	72600	80650	87150	93600	100050	106500
	Median Income	60900	69600	78300	87000	93950	100900	107900	114850
	Moderate Income	73100	83500	93950	104400	112750	121100	129450	137800
Shasta County 4-Person Area Median Income: \$59,000	Extremely Low	12400	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20650	23600	26550	29500	31900	34250	36600	38950
	Low Income	33050	37800	42500	47200	51000	54800	58550	62350
	Median Income	41300	47200	53100	59000	63700	68450	73150	77900
	Moderate Income	49550	56650	63700	70800	76450	82150	87800	93450

Section 6932. 2015 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Sierra County 4-Person Area Median Income: \$71,800	Extremely Low	14800	16900	20090	24250	28410	32570	36730	40890
	Very Low Income	24650	28150	31650	35150	38000	40800	43600	46400
	Low Income	39400	45000	50650	56250	60750	65250	69750	74250
	Median Income	50250	57450	64600	71800	77550	83300	89050	94800
	Moderate Income	60300	68900	77550	86150	93050	99950	106850	113700
Siskiyou County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Solano County 4-Person Area Median Income: \$82,600	Extremely Low	17400	19850	22350	24800	28410	32570	36730	40890
	Very Low Income	28950	33050	37200	41300	44650	47950	51250	54550
	Low Income	45500	52000	58500	65000	70200	75400	80600	85800
	Median Income	57800	66100	74350	82600	89200	95800	102400	109050
	Moderate Income	69350	79300	89200	99100	107050	114950	122900	130800
Sonoma County 4-Person Area Median Income: \$82,600	Extremely Low	17400	19850	22350	24800	28410	32570	36730	40890
	Very Low Income	28950	33050	37200	41300	44650	47950	51250	54550
	Low Income	45500	52000	58500	65000	70200	75400	80600	85800
	Median Income	57800	66100	74350	82600	89200	95800	102400	109050
	Moderate Income	69350	79300	89200	99100	107050	114950	122900	130800
Stanislaus County 4-Person Area Median Income: \$62,000	Extremely Low	13050	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	21700	24800	27900	31000	33500	36000	38450	40950
	Low Income	34750	39700	44650	49600	53600	57550	61550	65500
	Median Income	43400	49600	55800	62000	66950	71900	76900	81850
	Moderate Income	52100	59500	66950	74400	80350	86300	92250	98200
Sutter County 4-Person Area Median Income: \$59,400	Extremely Low	12500	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20800	23800	26750	29700	32100	34500	36850	39250
	Low Income	33250	38000	42750	47500	51300	55100	58900	62700
	Median Income	41600	47500	53450	59400	64150	68900	73650	78400
	Moderate Income	49900	57050	64150	71300	77000	82700	88400	94100
Tehama County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Trinity County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
Tulare County 4-Person Area Median Income: \$57,900	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	Median Income	40550	46300	52100	57900	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750

Section 6932. 2015 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Tuolumne County 4-Person Area Median Income: \$66,700	Extremely Low	13950	15950	20090	24250	28410	32570	36730	40890
	Very Low Income	23250	26600	29900	33200	35900	38550	41200	43850
	Low Income	37200	42500	47800	53100	57350	61600	65850	70100
	Median Income	46700	53350	60050	66700	72050	77350	82700	88050
	Moderate Income	56050	64050	72050	80050	86450	92850	99250	105650
Ventura County 4-Person Area Median Income: \$89,300	Extremely Low	19050	21800	24500	27200	29400	32570	36730	40890
	Very Low Income	31750	36250	40800	45300	48950	52550	56200	59800
	Low Income	50750	58000	65250	72500	78300	84100	89900	95700
	Median Income	62500	71450	80350	89300	96450	103600	110750	117900
	Moderate Income	75000	85700	96450	107150	115700	124300	132850	141450
Yolo County 4-Person Area Median Income: \$76,900	Extremely Low	16150	18450	20750	24250	28410	32570	36730	40890
	Very Low Income	26950	30800	34650	38450	41550	44650	47700	50800
	Low Income	43050	49200	55350	61500	66450	71350	76300	81200
	Median Income	53850	61500	69200	76900	83050	89200	95350	101500
	Moderate Income	64600	73850	83050	92300	99700	107050	114450	121850
Yuba County 4-Person Area Median Income: \$59,400	Extremely Low	12500	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20800	23800	26750	29700	32100	34500	36850	39250
	Low Income	33250	38000	42750	47500	51300	55100	58900	62700
	Median Income	41600	47500	53450	59400	64150	68900	73650	78400
	Moderate Income	49900	57050	64150	71300	77000	82700	88400	94100

Instructions:

Eligibility Determination:

Use household size income category figures in this chart. Determine eligibility based on actual number of persons in household and total of gross income for all persons.

Determination of Income Limit for Households Larger than Eight Persons:

Per person (PP) adjustment above 8: (1) multiply the 4-person income limit by eight percent (8%), (2) multiply result by number of persons in excess of eight, (3) add the amount to the 8-person income limit, and (4) round to the nearest \$50.

E X A M P L E	Yuba County							
	Income Category	4 persons	8% PP Adj	+8 persons	=9 persons	8 person+	8% Adj x2=	10 persons
	Extremely Low	24,250	1940	32,000	33,950	32,000	3880	35,900
	Very Low Income	29,700	2376	39,200	41,600	39,200	4752	43,950
	Lower Income	47,500	3800	62,700	66,500	62,700	7600	70,300
	Moderate Income	71,300	5704	94,100	99,800	94,100	11408	105,500

Calculation of Housing Cost and Rent:

Refer to Health & Safety Code Sections 50052.5 and 50053. Use benchmark household size and multiply against applicable percentages defined in H&SC using Area Median Income identified in this chart.

Determination of Household Size:

For projects with no federal assistance, household size is set at number of bedrooms in unit plus one.

For projects with federal assistance, household size may be set by multiplying 1.5 against the number of bedrooms in unit.

HUD release: 3/6/2015

Authority cited: Health and Safety Code (H&SC) Section 50093.

Reference: H&SC Sections 50079.5, 50093, 50105, and 50106.

Economic and Workforce Development Department's Policy on Conflict of Interest

Sample Form A

Sample Form B

Sample Form C

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

APPENDIX A

2 of 8

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017

JAN PERRY
INTERIM GENERAL MANAGER

DATE: October 15, 2013

TO: All Economic and Workforce Development
Department Contractors

FROM: Jan Perry
Interim General Manager

SUBJECT: **WDS DIRECTIVE NO. 14-05**
POLICY ON CONFLICT OF INTEREST

EFFECTIVE DATE

This directive is effective upon date of issue.

PURPOSE

The purpose of this Directive is to re-issue the Department's policy on Conflict of Interest previously issued on December 15, 2006 as Directive Number FY07-0001.

Prior directive FY07-0001 became effective on January 1, 2007 as of the execution date of any new contract and/or amendment. WDS Directive No. 14-05 supersedes Community Development Department (CDD) Directive FY07-0001.

BACKGROUND

The Economic and Workforce Development Department (EWDD) is funded by several grant sources, each with different regulations related to prohibiting conflicts of interest. The City is required to apply conflict of interest laws cumulatively, meaning the strictest law is what controls a given situation. In an effort to assist the Department's contractors and their various staffing situations, EWDD will review each reported case of conflict of interest on an individual basis, to the extent allowed by the specific grant regulations for the benefit of the grant and its beneficiaries. If approval of an exception/waiver is recommended by EWDD and approved by the City, it must then be approved by the funding source. The request to review conflict of interest situations must be made prior to the execution of your Agreement or Amendment.

DIRECTIVE

Please note that the City's Agreement and this Directive prohibits Contractors from allowing employees to be members of its Board of Directors if the employee receives any financial benefit from the City Agreement.

All Contractors/Sub-Contractors are required to notify the City immediately upon discovery that a potential conflict of interest situation exists or may come into existence due to upcoming contractual/business dealings prior to each year's execution of a new City Agreement or Amendment.

If an existing or pending conflict of interest situation(s) is not brought to the attention of the City prior to execution of the Agreement or Amendment, and subsequent audit or monitoring visits determine that a conflict of interest does exist, the City will **NOT** approve a Contractor/Sub-Contractor's request for waiver/exception of the conflict of interest. Further, the City will question and may disallow any and all costs associated with that conflict of interest.

All exceptions/waivers to conflicts of interest that have been previously granted must be reviewed before execution of a new City funded Agreement or Amendment.

No City-funded Employees as Board Members

The City will not execute any Agreements and/or Amendments with Contractors where an employee (an individual who is paid or receives any financial benefit from funds from the Agreement with the City), is a member of the Board of Directors. The Board minutes must reflect this requirement.

Code of Conduct

The City requires that all Contractors/Sub-Contractors adopt a Code of Conduct which at minimum reflects the constraints discussed in this Directive. No Agreements and/or Amendments will be executed without City approval of this Code of Conduct.

Further, the City requires compliance with the following conflict of interest requirements for all City funded contractors.

Conflict of Interest

A. Prior to obtaining the City's approval of any subcontract, the Contractor shall disclose to the City any relationship, financial or otherwise, direct or indirect, of the Contractor or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.

B. The Contractor covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administrating any subcontract supported (in whole or in part) by City funds (regardless of source) where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract; or
2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or

3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.
- C. Definitions:
1. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law.
 2. The term "financial or other interest" includes but is not limited to:
 - a. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
 3. A subcontract is any agreement entered into by Contractor for the purchase of goods or services with any funds provided by this Agreement.
- D. Minutes of Board Meetings must reflect disclosure of transactions where Board Members may have had a direct or indirect interest/benefit in the action.
- E. No director, officer, employee (or agent) of the Contractor may be on the Board of Directors if they receive any financial benefit provided by any City Agreement.
- F. The Contractor further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- G. The Contractor shall not subcontract with a former director, officer, or employee within an one-year period following the termination of the relationship between said person and the Contractor.
- H. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.
- I. The Contractor warrants that it has not paid or given and will not pay or give to any third person, any money or other consideration for obtaining this Agreement.

J. The Contractor covenants that no member, officer or employee of Contractor shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.

K. The Contractor shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".

CONTACT

Please contact your assigned Analyst to discuss the different options for eliminating existing conflict of interest situations. If you require technical assistance regarding this Directive, please contact Christopher Rajapakse, Community Program Director at (213)744-7175, TTY (213) 744-9395.

JP:RS:JP:CR

(SAMPLE A: MAY BE USED WHEN ADOPTING CITY'S CODE OF CONDUCT/ print on letterhead)

CERTIFICATION OF BOARD RESOLUTION

Whereas (legal name of your corporation) shall continue to operate and provide services to the Los Angeles community; and

Whereas adoption of a Code of Conduct shall be needed in order for (legal name of your corporation) to continue to contract with the City and its funding sources; and

Whereas (legal name of your corporation) has amended its corporate policies and procedures by reference to and incorporation of said City Code of Conduct;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of (legal name of your corporation) hereby adopted the City of Los Angeles Code of Conduct effective January 1, 2007, with respect to all agreements (legal name of your corporation) might enter into with the City of Los Angeles; Said adoption will remain in effect unless amended by a future Board Resolution.

I, the undersigned, do hereby certify:

1. That I am the duly elected Secretary of (legal name of your corporation); and
2. That the foregoing constitutes a Resolution of the Board of said corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the ____ th day of _____, 2013.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed the seal of said corporation, this ____ th day of _____, 2013.

(AFFIX CORPORATE SEAL HERE)

(Name of Corporate Secretary)
Corporate Secretary,
(Name of your Corporation)

(SAMPLE B: MAY BE USED WHEN CONTRACTOR HAS EXISTING CODE OF CONDUCT WHICH WAS AMENDED TO INCORPORATE THE CITY'S CODE OF CONDUCT/ print on letterhead)

CERTIFICATION OF BOARD RESOLUTION

Whereas (legal name of your corporation) shall continue to operate and provide services to the Los Angeles community; and

Whereas adoption of a Code of Conduct shall be needed in order for (legal name of your corporation) to continue to contract with the City and its funding sources; and

Whereas (legal name of your corporation) amended its corporate policies and procedures by reference to and incorporation of said City Code of Conduct;

IT WAS RESOLVED that the Board of Directors of (legal name of your corporation) adopted a Code of Conduct that contains all the requirements as set forth by the City of Los Angeles effective January 1, 2007 with respect to all agreements (legal name of your corporation) may enter into with the City of Los Angeles; Said adoption will remain in effect unless amended by a future Board Resolution. A fully executed copy of adopted Code of Conduct is attached to this Resolution and is incorporated herein by reference.

I, the undersigned, do hereby certify:

1. That I am the duly elected Secretary of (legal name of your corporation); and
2. That the foregoing constitutes a Resolution of the Board of said corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the _____ th day of _____, 2013.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed the seal of said corporation, this _____ th day of _____, 2013.

(AFFIX CORPORATE SEAL HERE)

(Name of Corporation Secretary)
 Corporate Secretary,
 (Name of your Corporation)

(SAMPLE C: MAY BE USED BY INDEPENDENT CONTRACTOR ON OWN LETTERHEAD OR ADOPT SAMPLE HEADER FORMAT AS FOLLOWS)

██████████ (Formal Name of Independent Contractor)
DBA ██████████ (Doing Business As Name, if applicable)
██████████ (Address: Street, Street No.)
██████████ (Address: City, State, and Zip)
Telephone: ██████████; Fax: ██████████; E-mail: ██████████

City of Los Angeles
Economic and Workforce Development Department
1200 West 7th Street, 6th floor
Los Angeles, CA 90017

SUBJECT: SELF STATEMENT OF ADOPTING THE CODE OF CONDUCT OF THE CITY OF LOS ANGELES

I, ██████████ (DBA ██████████), an independent contractor, hereby adopt the Code of Conduct for the City of Los Angeles effective January 1, 2007 with respect to all Agreements I may enter into with the City of Los Angeles Economic and Workforce Development Department, ██████████ Division, effective immediately. It shall and remain in effect unless amended.

██████████ (Print Name and Title)
Independent Contractor

DBA if applicable

Date Signed

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC – 1. CONSTRUCTION OF PROVISIONS AND TITLES HEREIN

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

PSC – 2. NUMBER OF ORIGINALS

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

PSC – 3. APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

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

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

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

PSC – 4. TIME OF EFFECTIVENESS

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

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

PSC – 5. INTEGRATED CONTRACT

This contract contains the full and complete agreement between the parties, sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous

agreements or understandings, whether written or oral, relating thereto. No verbal agreement nor conversation with any representative of either party shall affect or modify any of the terms and conditions of the contract.

PSC – 6. AMENDMENT

Any change to the terms of the contract, including changes in the scope of work to be performed and any increase or decrease in the amount of compensation, which are agreed to by the parties shall be incorporated into the contract by a written amendment properly executed by the authorized representatives of the parties and effective pursuant to the provisions of PSC-4. No verbal agreement with any officer or employee shall affect or modify any of the terms or conditions of the contract.

PSC – 7. EXCUSABLE DELAYS

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

PSC – 8. BREACH

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

PSC – 9. WAIVER

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

PSC – 10. TERMINATION

A. TERMINATION FOR CONVENIENCE

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

B. TERMINATION FOR BREACH OF CONTRACT

1. Except for excusable delays as provided in PSC-7, if Contractor fails to perform any of the provisions of this contract or so fails to make progress as to endanger timely performance of this contract, the City may give Contractor written notice of such default. If Contractor does not cure such default or provide a plan to cure such default which is acceptable to the City within the time permitted by the City, then the City may terminate this contract due to Contractor's breach of this contract
2. If a federal or state proceeding for relief of debtors is undertaken by or against Contractor, or if Contractor makes an assignment for the benefit of creditors, then the City may immediately terminate this contract.
3. If Contractor engages in any dishonest conduct related to the performance or administration of this contract or violates the City's lobbying policies, then the City may immediately terminate this contract.
4. In the event the City terminates this contract as provided in this section, the City may procure, upon such terms and in such manner as the City may deem appropriate, services similar in scope and level of effort to those so terminated, and Contractor shall be liable to the City for all of its costs and damages, including, but not limited to, any excess costs for such services.
5. All finished or unfinished documents and materials produced or procured under this contract, including all intellectual property rights thereto, shall become City property upon date of such termination. Contractor agrees to execute any documents necessary for the City to perfect, memorialize, or record the City's ownership of rights provided herein.
6. If, after notice of termination of this contract under the provisions of this section, it is determined for any reason that Contractor was not in default under the provisions of this section, or that the default was excusable under the terms of this contract, the rights and obligations of the parties shall be the same as if the notice of termination had not been issued pursuant to PSC-10(A) Termination for Convenience.
7. The rights and remedies of the City provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

PSC – 11. INDEPENDENT CONTRACTOR

Contractor is acting hereunder as an independent contractor and not as an agent or employee of the City. No employee of Contractor has been, is, or shall be an employee of the City by virtue of the contract, and Contractor shall so inform each employee organization and each employee who is hired or retained under the contract. Contractor shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the City.

PSC – 12. CONTRACTOR'S PERSONNEL

Unless otherwise provided or approved by the City, Contractor shall use its own employees to perform the services described in this contract. The City shall have the right to review and approve any personnel

who are assigned to work under this contract. Contractor agrees to remove personnel from performing work under this contract if requested to do so by the City.

Contractor shall not use subcontractors to assist in performance of this contract without the prior written approval of the City. If the City permits the use of subcontractors, Contractor shall remain responsible for performing all aspects of this contract. The City has the right to approve Contractor's subcontractors, and the City reserves the right to request replacement of subcontractors. The City does not have any obligation to pay Contractor's subcontractors, and nothing herein creates any privity between the City and the subcontractors.

PSC – 13. PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

Contractor shall not, unless it has first obtained the prior written consent of the City (a) Assign or otherwise alienate any of its rights under this contract, including the right to payment; or (b) Delegate, subcontract, or otherwise transfer any of its duties under this contract.

PSC – 14. PERMITS

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

PSC – 15. CLAIMS FOR LABOR AND MATERIALS

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

PSC – 16. LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE

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

PSC – 17. RETENTION OF RECORDS, AUDIT AND REPORTS

Contractor shall maintain all records, including records of financial transactions, pertaining to the performance of this contract, in their original form, in accordance with requirements prescribed by the City. These records shall be retained for a period of no less than five years following final payment made by the City hereunder or the expiration date of this contract, whichever occurs last. Said records shall be subject to examination and audit by authorized City personnel or by the City's representative at any time during the term of this contract or within the five years following final payment made by the City hereunder or the expiration date of this contract, whichever occurs last. Contractor shall provide any reports requested by the City regarding performance of this contract. Any subcontract entered into by Contractor, to the extent allowed hereunder, shall include a like provision for work to be performed under this contract.

PSC – 18. FALSE CLAIMS ACT

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

PSC – 19. BONDS

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

PSC – 20. INDEMNIFICATION

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

PSC – 21. INTELLECTUAL PROPERTY INDEMNIFICATION

Contractor, at its own expense, undertakes and agrees to defend (with counsel subject to City approval), indemnify, and hold harmless the City, and its boards, officers, agents, employees, assigns and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, cost of experts and consultants), damages or liability of any nature whatsoever arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information right (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by Contractor, or its subcontractors of any tier, in performing the work under this contract; or (2) as a result of the City's actual or intended use of any work product furnished by Contractor, or its subcontractors of any tier, under the Agreement. Work Products are all works, tangible or not, created under this contract including, without limitation, documents, material, data, reports, manuals, specifications, artwork, drawings, sketches, computer programs and databases, schematics, photographs, video and audiovisual records, and sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas matters and combinations thereof, and all forms of intellectual property. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this contract and those allowed under the laws of the United States, the State of California, and the City. The provisions of PSC-21 shall survive expiration or termination of this contract.

PSC – 22. INTELLECTUAL PROPERTY WARRANTY

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

PSC – 23. OWNERSHIP AND LICENSE

Unless otherwise provided for herein, all Work Products originated and prepared by Contractor or its subcontractors of any tier under this contract shall be and remain the exclusive property of the City for its use in any manner it deems appropriate. Contractor hereby assigns, and agrees to assign, all goodwill, copyright, trademarks, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared by Contractor under this contract. Contractor further agrees to execute any documents necessary for the City to perfect, memorialize, or record the City's ownership of rights provided herein. For all Work Products delivered to the City that are not originated or prepared by Contractor or its subcontractors of any tier under this contract, Contractor hereby grants a non-exclusive perpetual license to use such Work Products for any City purposes.

Contractor shall not provide or disclose any Work Product to any third party without prior written consent of the City.

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

PSC – 24. INSURANCE

During the term of this contract and without limiting Contractor's indemnification of the City, Contractor shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by Contractor, but not less than the amounts and types listed on the Required Insurance and Minimum Limits sheet (Form General 146), covering its operations hereunder. Such insurance shall conform to City requirements established by Charter, ordinance or policy, and the Instructions and Information on Complying with City Insurance Requirements and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management.

PSC – 25. DISCOUNT TERMS

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

PSC – 26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR

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

PSC – 27. NON-DISCRIMINATION

Unless otherwise exempt, this contract is subject to the non-discrimination provisions in Sections 10.8 through 10.8.2 of the Los Angeles Administrative Code as amended from time to time. The Contractor shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this contract, Contractor shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, age, physical handicap, mental disability, domestic partner status, marital status or medical condition, citizenship, and political affiliation or belief. Any subcontract entered into by Contractor to the extent allowed hereunder, shall include a like provision for work to be performed under this contract.

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

PSC – 28. EQUAL EMPLOYMENT PRACTICES

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

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

contracts. Contractor shall, upon request, provide evidence that it has or will comply therewith.

- E. The failure of any Contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice, and an opportunity to be heard has been given to Contractor.
- F. Upon a finding duly made that Contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City. In addition such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the Contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, Contractor shall be disqualified from being awarded a contract with the City for a period of two years, or until Contractor shall establish and carry out a program in conformance with the provisions hereof.
- G. Notwithstanding any other provision of this contract, the City shall have any and all other remedies at law or in equity for any breach hereof.
- H. Intentionally blank.
- I. Nothing contained in this Contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
- J. At the time a supplier registers to do business with the City, or when an individual bid or proposal is submitted, Contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.
- K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
 - 1. Hiring practices;
 - 2. Apprenticeships where such approved programs are functioning and other on-the-job training for non-apprenticeable occupations;
 - 3. Training and promotional opportunities; and
 - 4. Reasonable accommodations for persons with disabilities.
- L. Any subcontract entered into by Contractor, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of Contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject Contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the Contractor's Contract with the City.

PSC – 29. AFFIRMATIVE ACTION PROGRAM

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

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

- B. Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

- C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract compliance, Contractor shall certify on an electronic or hard copy form to be supplied, that Contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

- D. Contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts. Contractor shall, upon request, provide evidence that it has or will comply therewith.

- E. The failure of any Contractor to comply with the Affirmative Action Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to Contractor.

- F. Upon a finding duly made that Contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City. In addition such breach may be the basis for a determination by the awarding authority or the Board of Public Works that said Contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such Contractor shall be disqualified from being awarded a contract with

the City for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that Contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to Contractor by the City under the contract, a penalty of ten dollars(\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.
- H. Notwithstanding any other provisions of a City contract, the City shall have any and all remedies at law or in equity for any breach hereof.
- I. Intentionally blank.
- J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. Contractor shall submit an Affirmative Action Plan which shall meet the requirements of the Los Angeles Administrative Code at the time it submits its bid or proposal or at the time it registers to do business with the City. The Plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a Plan, Contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, Contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.
 - 1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
 - 2. Contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and Contractor.
- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without

limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning and other on-the-job training for non-apprenticeable occupations;
 2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation;
 4. Upgrading training and opportunities;
 5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimizes the impact of any disability.
- N. Any adjustments which may be made in the Contractor's or supplier's work force to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its contract compliance Affirmative Action Program.
- P. Intentionally blank.
- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the Contract and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the Contract.

PSC – 30. CHILD SUPPORT ASSIGNMENT ORDERS

This Contract is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to the Child Support Assignment Orders Ordinance, Contractor will fully comply with all applicable State and Federal employment reporting requirements for Contractor's employees. Contractor shall also certify (1) that Contractor will fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment

Orders; (2) that the Principal Owner(s) of Contractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) that Contractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with Section 5230, *et seq.*, of the California Family Code; and (4) that Contractor will maintain such compliance throughout the term of this Contract.

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

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

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

PSC – 31. LIVING WAGE ORDINANCE

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

4. Any subcontract entered into by Contractor relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-31 and shall incorporate the provisions of the LWO.
 5. Contractor shall comply with all rules, regulations and policies promulgated by the City's Designated Administrative Agency which may be amended from time to time.
 6. Contractor shall post a copy of the Notice to Employees Working on City Contracts Re: Living Wage Ordinance and Prohibition Against Retaliation, which is attached hereto as Attachment 1, in a prominent place in an area frequented by employees.
- B. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, the City shall have the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if the City determines that the subject Contractor has violated the LWO provision.
 - C. Where under the LWO Section 10.37.6(d), the City's Designated Administrative Agency has determined (a) that Contractor is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the City in such circumstances may impound monies otherwise due Contractor in accordance with the following procedures. Impoundment shall mean that from monies due Contractor, City may deduct the amount determined to be due and owing by Contractor to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d)(3) and disposed of under procedures described therein through final and binding arbitration. Whether Contractor is to continue work following an impoundment shall remain in the sole discretion of the City. Contractor may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.
 - D. Contractor shall inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit (EIC). Contractor shall also make available to employees the forms informing them about the EIC and forms required to secure advance EIC payments from Contractor.

PSC – 32. SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

Unless otherwise exempt, this Contract is subject to the provisions of the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time.

PSC – 33. AMERICANS WITH DISABILITIES ACT

Contractor hereby certifies that it will comply with the Americans with Disabilities Act, 42 USC §12101 *et seq.*, and its implementing regulations (ADA), the Americans with Disabilities Act Amendments Act of 2008 (ADAAA), Pub. L. 110-325 and all subsequent amendments, Section 504 of the Rehabilitation Act of 1973 (Rehab. Act), as amended, 29 USC 794 and 24 CFR Parts 8 and 9, the Uniform Federal Accessibility Standards (UFAS), 24 CFR, Part 40, and the Fair Housing Act, 42 U.S.C. 3601, *et seq.*; 24 CFR Parts 100, 103, and 104 (FHA) and all implementing regulations. The Contractor will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the ADA, the ADAAA, the Rehab Act, the UFAS and the FHA and all subsequent amendments. Contractor will not

discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the Contractor, relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

PSC – 34. CONTRACTOR RESPONSIBILITY ORDINANCE

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

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

PSC – 35. MINORITY, WOMEN, AND OTHER BUSINESS ENTERPRISE OUTREACH PROGRAM

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

PSC – 36. EQUAL BENEFITS ORDINANCE

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

- A. During the performance of the contract, Contractor certifies and represents that Contractor will comply with the EBO.
- B. The failure of Contractor to comply with the EBO will be deemed to be a material breach of this contract by the City.
- C. If Contractor fails to comply with the EBO the City may cancel, terminate or suspend this contract, in whole or in part, and all monies due or to become due under this contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.

- D. Failure to comply with the EBO may be used as evidence against Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.
- E. If the City's Designated Administrative Agency determines that a Contractor has set up or used its contracting entity for the purpose of evading the intent of the EBO, the City may terminate the contract. Violation of this provision may be used as evidence against Contractor in actions taken pursuant to the provisions of Los Angeles Administrative code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.

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

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

PSC – 37. SLAVERY DISCLOSURE ORDINANCE

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

PSC – 38. FIRST SOURCE HIRING ORDINANCE

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

- A. Contractor shall, prior to the execution of the contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that Contractor estimates it will need to fill in order to perform the services under the contract.
- B. Contractor further pledges that it will, during the term of the contract: (1) at least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Economic and Workforce Development Department (EWDD), which will refer individuals for interview; (2) interview qualified individuals referred by EWDD; and (3) prior to filing any employment opportunity, the Contractor shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the Contractor interviewed and the reasons why referred individuals were not hired.
- C. Any subcontract entered into by the Contractor relating to this contract, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.
- D. Contractor shall comply with all rules, regulations and policies promulgated by the DAA, which may be amended from time to time.

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

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

PSC – 39. LIMITATIONS ON CAMPAIGN CONTRIBUTIONS IN CITY ELECTIONS

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

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are a subcontractor on City of Los Angeles Contract #_____. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to Contractor within ten (10) business days. Failure to comply may result in termination of contract or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.

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

PSC – 40. IRAN CONTRACTING ACT OF 2010

For Contracts for the provision of goods and/or services estimated at \$1,000,000 or more, Contractor shall comply with the requirements of the Iran Contracting Act of 2010 (Public Contract Code Sections 2200-2208). Contractor shall, upon entrance of the contract and any renewal thereof, complete, sign and submit to the City the Iran Contracting Act of 2010 Compliance Affidavit. Provision of a false certification can result in certain penalties, including termination of the contract.

CITY OF LOS ANGELES

**INSTRUCTIONS AND INFORMATION ON
COMPLYING WITH CITY INSURANCE REQUIREMENTS**

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

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

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

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

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

Acceptable Alternatives to Acord Certificates and other Insurance Certificates:

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

Additional Insured Endorsements DO NOT apply to the following:

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

Completed **Insurance Industry Certificates other than Acord 25 Certificates** can be sent electronically (CAO.insurance.bonds@lacity.org) or faxed to the Office of the City Administrative Officer, Risk Management (213) 978-7616. Please note that submissions other than through Track4LA™ will delay the insurance approval process as documents will have to be manually processed.

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

4. **Renewal** When an existing policy is renewed, have your insurance broker or agent submit a new Acord 235 Certificate through **Track4LA™** at <http://track4la.lacity.org> or submit an Insurance Industry Certificate or a renewal endorsement as outlined in Section 3 above. If your policy number changes you must also submit a new Additional Insured Endorsement with an Insurance Industry Certificate.

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

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

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

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

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

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

11. **Surety** coverage may be required to guarantee performance of work and payment to vendors and suppliers. **A Crime Policy** may be required to handle CITY funds or securities, and under certain

other conditions. **Specialty coverages** may be needed for certain operations. For assistance in obtaining the CITY required bid, performance and payment surety bonds, please see the City of Los Angeles bond Assistance Program website address at <http://cao.lacity.org/risk/BondAssistanceProgram.pdf> or call (213) 258-3000 for more information.

SUBCONTRACT AND PROCUREMENT PROCEDURES

§1 SUBCONTRACTS

- A. For the purpose of this Agreement, subcontracts shall include, but not be limited to, purchase agreements, lease or rental agreements (excluding real property agreements), third party agreements, consultant services subcontracts, and construction subcontracts.
- B. Subcontracts entered into in the performance of this Agreement shall:
 - 1. Be subject to the terms and conditions set forth in of this Agreement. City may require incorporation of the applicable provisions in a written agreement;
 - 2. Specifically prohibit assignment or transfer of interest without prior written approval by the City;
 - 3. Contractor must specifically provide proof, when applicable, of the appropriate permits and/or business licenses.
- C. A copy of each executed subcontract, or amendment(s) thereto, shall be submitted to the City prior to payment.

§2 PROCUREMENT PROCEDURES

- A. It is the policy of the City to encourage fair and open competition in its procurement for goods and services. The requirements for a fair and open competition include the development of written procurement policies that include, but are not limited to, all of the following subsections. It is the City's intent that the following rules be binding upon the City and its subcontractors. Several of the provisions herein include City mandated rules and procedures in addition to the other grant requirements. Such policies are applicable to subcontractors to the extent permitted by law.
- B. Purpose. It is the intent of these rules that these procedures shall apply to all subcontracts including, but not limited to, purchase agreements, lease or rental agreements (excluding real property agreements), third party agreements, and consultant services subcontracts. All contractors are required to prepare written procurement procedures. All written procedures and policies for procurement activities are to be available for public inspection.
- C. Competition. The City and each of its contractors shall conduct procurement in a manner that provides full and open competition. Some of the situations considered to be restrictive of competition include, but are not limited to:
 - 1. Placing unreasonable requirements on firms or organizations in order for them to qualify to do business;
 - 2. Requiring unnecessary experience and excessive bonding;
 - 3. Noncompetitive pricing practices between firms or organizations or between affiliated companies or organizations;
 - 4. Noncompetitive awards to consultants that are on retainer contracts;
 - 5. Organizational conflicts of interest;
 - 6. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement;
 - 7. Overly restrictive specifications; and
 - 8. Any arbitrary action in the procurement process.
- D. Responsibilities.
 - 1. The following procedures shall apply to all procurement under this Agreement in order to ensure that all solicitations:
 - a. Incorporate a clear and accurate description of the technical requirements for the material, product or service to be procured. Such description shall not, in competitive procurement, contain features which unduly restrict competition; and

- b. Identify all requirements that the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
2. Issue a Public Notification. The notification must be made through an announcement in a local public medium (e.g., newspaper) or other media that covers the entire service area.
3. All steps of each procurement must be documented, including a description of the documentation process and where the documentation will be located.
4. Contractor shall provide a copy of the RFP/request for qualifications (RFQ) to anyone who requests it. Contractor shall compile a list of everyone requesting a copy of the RFP/RFQ.
5. The Contractor shall ensure that all pre-qualified lists of persons, firms or other organizations that are used to acquire goods and services are current and include sufficient numbers of qualified sources to ensure maximum open and free competition. The agencies listed on the bidder's list may be individually notified.
6. The Contractor shall not use funds provided under this Agreement to duplicate facilities or services available in the area (with or without reimbursement) from federal, State, or local sources, unless it is demonstrated that the Agreement-funded alternative services or facilities would be more effective or more likely to achieve performance goals.
7. The Contractor shall maintain records that are sufficient to detail the significant history of a procurement procedure in compliance with 29 CFR 97.36. These records shall include, but are not limited to, the following: rationale for the method of procurement, the selection of contract type, contractor selection or rejection, rationale and reasonable rating criteria and the basis for the contract type. Records regarding the history of a procurement procedure shall comply with 29 CFR 7.36.
8. The Contractor shall keep records sufficient to insure that funds have not been spent unlawfully.
9. The Contractor shall retain all records pertinent to any procurement agreement/contract within the County of Los Angeles for a period of five years following termination of the Agreement and after final disposition of all pending matters. "Pending Matters" include, but are not limited to, an audit, litigation, or other activities involving records. Prior to destruction of records retained under this Agreement, the Contractor shall notify the City and request instructions on disposition of said records.
10. The Contractor shall not contract with any party which is debarred, suspended or otherwise excluded from participation in federal assistance programs in accordance with DOL regulations at 29 CFR Part 98. All contracts shall include a self-certification from the contractor that it is not a debarred party.

The federal government prohibits awards to any party that is debarred. The federal government compiles a list of debarred parties. The federal list is published by the General Services Administration; a copy may be obtained by telephoning the Superintendent of Documents (202/512-1600). The list will be issued as an information Bulletin in May of each year. It is the Contractor's responsibility to ensure that funds are not awarded to entities on the debarment lists.
11. Procurement shall be conducted at least once every three years.
12. Procurement activities must be conducted in a confidential manner. Staff involved in procurement must not divulge advance purchasing information, specific proposal/offer evaluation criteria, negotiations with bidders or in-house discussions regarding a procurement until such time as this information is released to all parties.
13. Contractor shall receive and log in proposals and establish a method for recording the date and time of arrival of proposals using either a login sheet or a date/time stamp. Contractor shall establish a single location for receipt of proposals. Contractor shall ensure that only proposals received by the deadline specified in the RFP/RFQ qualify for the evaluation process unless there is a valid legal reason for otherwise considering a late proposal.
14. Contractor shall establish proposal evaluation procedures that shall include, but not be limited to, the following:
 - a. Clear staff responsibilities. A procurement specialist shall be designated for each bid/proposal process. It shall be the responsibility of the specialist to ensure compliance with these procurement rules.

- b. Develop a standard worksheet or check list for determining responsiveness of each proposal.
 - c. Establish and use evaluation criteria and a standard evaluation worksheet to be used in recording the evaluations of each proposal.
 - d. Prepare an analysis of costs to verify allowability and to determine reasonableness.
 - e. Identify staff responsibilities for completing proposal evaluation and for summarizing evaluation results.
 - f. Develop a description of methods for ensuring independence of ratings by those involved in the evaluation process (i.e., prohibit discussion among staff, sequestered evaluators).
 - g. Identify policy and process by which selection of awardee(s) will be made.
 - h. Provide an opportunity for bidders to appeal staff recommendations.
 - i. Items a-c should be sufficiently completed before issuance of the RFP so relevant parts can be included.
15. Contractor shall identify complete and timely proposals. Contractor shall review the technical merits of these proposals based on the rating criteria contained in the RFP/RFQ. Contractor shall review the cost proposals based on applicable cost principles and the technical proposal. For participant service RFPs/RFQs demonstrated performance and ability must be documented and should include independently verified information and data.
16. Contractor shall determine which proposals are in the competitive range for technical response and based on the cost and price analysis conducted prior to the RFP/RFQ are within the cost and price criteria.
17. Contractor shall negotiate with organization(s) in the competitive range. Contractor shall establish policies and procedures governing face-to-face negotiations. Contractor shall include in the criteria that all responsive offerors in the competitive range are given fair and equal consideration based on the merits of their proposals. Contractor shall document these negotiations in writing.
18. Contractor shall determine for participant service RFPs the demonstrated performance and ability of the highest rated offeror(s). This determination must be documented and should include independently verified information and data.
19. Private for-profit entities must obtain prior written approval from the City for purchases of personal property (other than supplies) using Agreement funds.
20. Contractor shall conduct and document oversight to ensure compliance with these procurement procedures.
21. City may procure goods and services from other governmental entities in accordance with Agreement procurement regulations. Contracts may not charge higher prices than that available to the general public. All such contracts are subject to cost reasonableness requirements.
- a. In-school youth programs may be sole sourced to public and nonprofit private secondary schools.
 - b. City may use as the basis for selecting a provider a procurement process from another government in its market area upon review of the procurement process and City determination that such process complies with this Agreement and local law.
 - c. City may use the Central City Purchasing agent in order to procure office supplies, basic equipment and other similar goods.
 - d. The City may authorize its Contractor to use a vendor subcontractor who has been already selected through the City's procurement process without requiring an additional procurement process.
22. If the State or the City has established a debt against an Agreement service provider that has not been repaid or a repayment agreement plan has not been implemented, then the service provider shall be barred from receiving any future grant funds.

23. The City will use the definition of a private postsecondary education institute as defined in the California Education Code Section 94302(w) as any person doing business in California that offers to provide or provides, for a tuition, fee, or other charge, any instruction, training, or education primarily to people who completed or terminated their secondary education or are beyond the age of compulsory high school attendance. Information Bulletin B95-83 provides further guidance regarding post-secondary education.

24. Participation of Minorities, Women and Small Businesses

- a. To the fullest extent possible in the administration of this Agreement, Contractor agrees to provide opportunities for minorities, women and small businesses to participate in procurement under this Agreement.

E. Cost or Price Analysis.

1. Contractor shall establish standards for the performance of cost or price analysis.
2. Contractor shall perform a cost or price analysis in connection with every procurement action, including contract modifications to determine that the expenditure is reasonable. The method and degree of analysis depends on the facts surrounding the particular procurement and pricing situation, but at a minimum, the Contractor shall make independent estimates before receiving bids or proposals.
 - a. A cost analysis is necessary when the offeror is required to submit the elements of the estimated cost, when adequate price competition is lacking, and for sole source procurement, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. As part of its bid the offeror shall certify that to the best of its knowledge and belief, the cost data are accurate, complete and current at the time of agreement on price.
 - b. Contracts or modifications negotiated in reliance on such data should provide the awarding agency a right to a price adjustment to exclude any significant sum by which the price was increased because the contractor had submitted data that were not accurate, complete or current as certified.
 - c. Any indirect costs in a proposal must be carefully reviewed to ensure that the costs are not duplicated by direct costs. Indirect costs must be allocated in accordance with an approved cost allocation plan.
 - d. If a bidder proposes to use a subcontractor as part of its proposal, all costs in the proposed subcontract must also be evaluated in the same manner as for the primary proposal.
 - e. Cost analysis must carefully evaluate salaries of owners of sole proprietorships or partnerships who submit offers to ensure that they are in line with the services to be performed.
3. A price analysis shall be used in all other instances to determine the reasonableness of the proposed contract price. The following price analysis techniques shall be used: i) comparison of proposed prices received; ii) comparison of prior prices received and current contract proposed prices for the same or similar requirement; iii) application of rough yardsticks (e.g., dollars per square foot, dollars per placement); iv) comparison with competitive published price lists and published market prices; and v) comparison with agency's independently developed cost estimates.
4. The following cost analysis steps shall be used 1) verify cost or pricing data and evaluate cost elements; 2) evaluate the effect of the offeror's current practices on future costs; 3) compare proposed costs for individual cost elements; 4) verify that offeror's cost submissions are in accordance with cost principles (allowable/allocable); and 5) review to determine that all necessary cost or pricing data have been submitted.
5. Agreement procurement shall not permit excess program income (for nonprofit and governmental entities) or excess profit (for private for-profit entities). If profit or program income is included in the price, the City or the Contractor shall negotiate profit or program income as a separate element of the price for each contract/subcontract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit or program income, consideration shall be given to:

- a. The complexity of the work to be performed;
 - b. The risk borne by the contractor;
 - c. The Contractor's investment;
 - d. The amount of subcontracting;
 - e. The quality of the Contractor's record of past performance;
 - f. Industry profit rates in the surrounding geographical area for similar work; and
 - g. Market conditions in the surrounding geographical area.
6. The cost plus a percentage of cost method of contracting shall not be used.
 7. All Contractors must comply with 24 CFR section 85.25 income regulations and City contract provisions regarding program income.
 8. All goods and services procured pursuant to the Agreement must be in compliance with the allowable cost provisions in 29 CFR §97.27, 29 CFR 97.22 and 20 CFR 667.200, and any State or Federal directives on allowable costs.

F. Awarding of Agreement/Contract.

1. Prior to an award of a contract, the City shall make a determination that the Contractor has demonstrated effectiveness in providing RFP documented services. Agreements/Contracts shall be made only with responsible subcontractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. The selected proposer must be a responsive entity that has submitted a proposal or bid which meets all requirements of the solicitation adequately, which includes responding to the Request for Proposal (RFP)/ Request for Qualification (RFQ) within the required time frames, and completing all forms and documents. A responsible entity is one that has been determined to: 1) have a satisfactory record of integrity and business ethics; 2) have a satisfactory performance record; 3) have adequate financial resources to perform the contract or the ability to obtain such resources; 4) be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and business commitments; 5) have the needed organization, experience, accounting, operational control and technical skills or ability to obtain them; 6) have adequate production, construction or technical equipment and needed facilities or the ability to obtain them; 7) be able to meet the program design specifications; 8) be able to meet performance goals which includes a showing of demonstrated effectiveness in providing employment and training services; 9) be able to provide services that can lead to the achievement of competency standards for participants, and 10) be both qualified and eligible to receive the award under applicable law and regulation. Contractor shall make the award(s) and finalize the contract(s). Contractor shall follow established procedures for formal notification of offerors of the results of the evaluations and selection process.
2. The City and its Contractors shall make positive efforts to utilize small business and minority-owned business as sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts to be performed utilizing federal grant funds.
3. Where such advertised bids are obtained, the awards shall be made to the responsible bidder whose bid is responsive to the invitation and is most advantageous to the grantee, price and other factors considered. Factors such as discounts, transportation costs, and taxes may be considered in determining the lowest bid. No points shall be given for status as a sub-contractor or a contractor with an approved childcare policy within existing delivery systems. However, if a bid results in a tie score, preference may be given to the Contractor or a subcontractor with an approved childcare policy.
4. Any or all bids may be rejected when it is in the City/Contractor's interest to do so, and such rejections are in accordance with applicable State and local law, rules, and regulations.

G. Funding Restrictions for High Risk Contracts.

1. Contractor may be considered "high-risk" if an awarding agency determines that the Contractor is otherwise responsible but:

- a. Has a history of unsatisfactory performance;
 - b. Is not financially stable;
 - c. Has a management system which does not meet the management standards set forth in this part; or
 - d. Has not conformed to terms and conditions of a previously awarded grant or sub-grant.
2. If the City/Contractor agency determines that a grant or sub-grant will be made to a "high-risk" Contractor or subcontractor, then special funding restrictions that address the "high-risk" status may be included in the contract or subcontract. Funding restrictions may include, but are not limited to:
- a. Use of reimbursements rather than advances or payment upon completion of the project;
 - b. Requiring additional and/or more detailed financial or performance reports;
 - c. Additional monitoring;
 - d. Requiring the Contractor or subcontractor to obtain specific technical or management assistance; and/or
 - e. Establishing additional prior approvals (e.g. requiring awarding agency approval prior to hiring/firing, award of small purchase contracts).
3. If the City/Contractor decides to impose such funding restrictions, the awarding official will notify the Contractor or subcontractor as early as possible, in writing, of:
- a. The nature of the funding restrictions;
 - b. The reason(s) for imposing them;
 - c. The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions;
 - d. The method of requesting reconsideration of the restrictions imposed, and
 - e. Additional prior approvals.

H. City Code of Conduct

- 1. The Contractor shall comply with the Conflict of Interest provisions found in Section 504 of this Agreement.

I. Methods of Procurement

- 1. Contractor shall use one of the following methods of procurement, as appropriate for each procurement action. When any purchase is made, it can only be for an allowable cost. Invitations for bids shall clearly set forth all requirements that the bidder must fulfill in order for his bid to be evaluated by the grantee. Complaint process procedures shall be included in each of the following methods of advertised procurement.

- a. Small Purchase Procedures: Small purchases are made from vendors for goods or services under \$50,000. Following the procedures for small purchase will constitute justification of the procurement method chosen. The requirements are:

<u>Dollar Range of Purchase</u>	<u>Contacts and Method</u>
\$0 to \$24,999	2 written quotes or telephone bids ¹
\$25,000 - \$50,000	3 bids with proposers submitting bids with original signatures [†]

- (1) Documentation: Each procurement must be documented, as required by federal and state statutes and regulations. For the "2 documented quotes," the documentation can include product or service catalogs, current price lists, or telephone contact with the vendors to obtain

¹ This purchase is defined as a small purchase under \$25,000 and not as noncompetitive or sole source procurement.

[†] Unless sole source justification exists

quotes (i.e., a memorandum that reflects the oral quotations by source and dated and signed by a staff person of the OneSource Center obtaining the bids). Catalogs and price lists should be updated annually.

- (2) For “3 written quotes,” the RFQ must either be provided in writing to the vendors or transmitted as uniformly as possible over the telephone. To be considered, the response must be signed and dated by the vendor responding to the RFQ.
- (3) A cost/price analysis must be conducted prior to purchase. Lowest price is the normal criteria for selecting goods and services. Qualifications of the vendor, availability of the goods or services, service to be provided, quality and location are some additional factors that could influence the procurement. The documentation must contain the basis for vendor selection. If the basis is something other than the price, the Contractor must prepare written documentation describing the additional criteria for selection, its relevance to the need and benefit, and the relative advantage of the offering from the selected vendor. Documentation should be retained as described in the procurement procedures.
- (4) Many governmentally linked sub-recipients purchase office supplies and basic office equipment through their central governmental supply house or procurement administration. Items procured for sub-recipient use in this manner will be assumed, for the purposes of WIA, to be purchased competitively by the central governmental purchasing agency and to meet the requirements of these regulations. Any item purchased solely for WIA use must be purchased following applicable City Information Bulletins, State Information Notices, City and State Directives, the WIA, and its regulations.

b. Sealed Bids—Formal Advertising

- (1) Contractor shall prepare an Invitation for Bid (IFB) or similar solicitation document that includes full and clear definitions and descriptions of the items to be procured and essential performance criteria, dimensions or specifications. Sealed bids shall be solicited publicly for procurement for a firm-fixed-price contract (lump sum or unit price) or other fixed-price arrangement. Contractor shall distribute the IFB to vendors on established bidders' lists (if available). Contractor shall publicly advertise the procurement in a local newspaper with Workforce Investment area-wide circulation and shall solicit from an adequate number of organizations, allowing sufficient time before the bid opening to permit adequate responses to the solicitation. Contractor shall notify the bidders of the dispute resolution process. The bids must be received and opened publicly at the time and place stated in the solicitation. Contracts shall be awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. Contractor shall determine the demonstrated performance and ability of the lowest bidder who meets the technical requirements (for service providers).
- (2) Contractor reserves the right to reject any or all bids when the bid is non-responsive. However, Contractor must state this in the solicitation and the specific reasons must be fully described and documented in the procurement file. Contractor may award a firm fixed-price or fixed-unit price contract by written notice to the responsible offeror whose bid represents the lowest price and conforms with all of the specifications in the IFB. Contractor shall also provide written notification of the awarding of the contract to the bidders who were not accepted. Contractor shall document the procurement in the procurement file.

c. Competitive Proposals

- (1) Proposals shall normally be conducted with more than one source submitting an offer. Either a fixed-price or a cost-reimbursement contract should be awarded. Contractors shall ensure that they use a documented methodology for technical evaluations and shall award the contract to the responsible offeror whose proposals are most advantageous to the program with price, technical, and other factors considered. Requests for proposals must be formally advertised for all contracts above \$50,000.
- (2) This method is typically used when the nature of the goods or services to be acquired cannot be defined as precisely as required by the sealed bid method; and, specifically, when factors other than price are important in the selection decision.

- (3) The sub-recipient must indicate in the RFP the scope of work and service area, the method for scoring the proposals, the deadline for receipt, and the dispute process. The various components of the request will be valued and the value assigned should be reasonable in relation to the entire request. The sub-recipient can reserve the right to reject any or all bids when the bid is not responsive. However, the sub-recipient must state this in the solicitation and the specific reasons must be fully described and documented in the procurement file. The sub-recipient must establish a method for recording the date and time that proposals were received. This process must ensure that only proposals received in accordance with the date and time specified in the RFP qualify for the evaluation process. A log is an acceptable method for recording date and time of receipt. The sub-recipient must conduct a cost or a price analysis of the proposals selected for consideration.

d. Noncompetitive Proposals – Sole Source

- (1) To conduct a noncompetitive procurement, the criteria established here must be met. Sole source contracts shall be procured through solicitation of a proposal from only one source, the funding of an unsolicited proposal, or, after solicitation of a number of sources, when competition is determined inadequate. All sole source contracts require prior City approval. All sole source procurements must be documented, and the Contractor must have demonstrated performance in supplying the goods or services. Contractor shall minimize the use of sole source procurements to the extent practicable, but in every case, the use of sole source procurements shall be justified and documented.
- (2) Purchases of goods and services for the general administration of the administrative entity should follow normal business practices to ensure receipt and quality of the goods and services. Procurement by noncompetitive proposals may be used only when the award of a contract is unfeasible under small purchase procedures, sealed bids, or competitive proposals and one of the following circumstances applies:
- (a) The item or service is available only from a single source;
 - (b) The public exigency or emergency need for the item or service does not permit a delay resulting from competitive solicitation and the procurement is for a limited time only;
 - (c) The awarding agency authorizes noncompetitive proposals;
 - (d) After solicitation of a number of sources, competition is determined inadequate;
 - (e) OJT contracts, except OJT brokering contracts, which shall be selected competitively, or enrollment of individual customers in classroom training.
 - i. Individual referral to classroom training and OJT procurements require special considerations. For every procurement from a training provider, school, or employer, a determination of demonstrated performance must be conducted. Prior to the enrollment of any customer, a school or training institution must meet the state requirements for conducting training (Private Post-secondary certification, Department of Health Services approval, business license, etc.). The catalog used for course selection must be updated at least annually and a copy must be retained for documentation. The IEP may be used to document the reasons for selection of the classroom training provider or the OJT employer.
 - ii. The sub-recipients may not place customers in OJT with employers who are debarred by the federal or state government.
 - iii. Classroom training may be provided by either vendors or sub-recipients. The type of organization (community college, adult school, high school, private school, etc.) does not determine the vendor or sub-recipient designation. The determination is made based on the relationship between the service provider and the program using the definitions found in the regulations.
 - iv. When purchasing training from an institution or OJT employer, the demonstrated performance of the vendor must be assured using prior history and documenting the source of the data. The LWIA or sub-recipient placing a customer in training will need to ensure access to all records regarding the

customer. Agreements with vendors and OJT employers must include statements that permit monitoring of the customer's financial and attendance records. For OJT employers the customer's financial records include time sheets, payroll records, and canceled checks. For training provided by vendors, customer's financial records include student loan, grant, and tuition information.

- v. The formal agreement between the vendor or OJT employer and the SDA or sub-recipient must include language to ensure access to the above referenced records by the responsible entities. The responsible entities include the SDA, the sub-recipient, the State, the DOL, the Comptroller General of the United States, or any of their duly authorized representatives. The records include any books, documents, papers, and computer data directly pertinent to the records of the customer. The right to the records includes the right to make excerpts, transcripts, and photocopies. The right also includes the reasonable and timely access to personnel for the purpose of interviews and discussions related to the records of the customer.

J. Appeal and Dispute Procedures

1. The City and its contractors shall have protest procedures to handle and resolve disputes relating to their procurements. A protester shall exhaust all administrative remedies with the Contractor before pursuing a protest at a higher level. Notice of appeal rights and procedures must be given to all bidders. WIA bidders who are dissatisfied may file a complaint in accordance with City WIA complaint procedures.
2. The selected bidders are offered contracts after the evaluation and negotiation process is completed. The contracts with subcontractors must contain all provisions set forth in S702K below, and the requirements of 29 CFR Part 97. The provisions listed under Section 627.420(h)(4)(ii) and (iii) are to be included only in applicable agreements. Agreements, with vendors who are not involved with carrying out the program, are not required to contain the clauses in Section 627.420(4). When purchasing material subject to copyright law, the sub-recipient must include the copyright provisions in 29 CFR 97.34.
3. Regardless of the amount of the award, all sub-recipients shall certify to a Drug Free Workplace. All awards to sub-recipients in excess of \$100,000 shall certify that no funds shall be used for lobbying. All contracts and awards to vendors and sub-recipients in excess of \$25,000 shall include debarment certifications.

K. RFP/RFQ Procedures

1. It is a City policy to contract for services on the basis of demonstrated competence and reasonable price by obtaining bids or proposals. Before preparing an RFP for the procurement of services, several preliminary activities should be performed including the determination of the City's/Contractor's needs, consulting with contractors and other local governments, and developing an approach to the procurement process. Excluding small purchases, the Contractors must justify the procurement method used for each purchase. Once these activities are completed, the development of an RFP can begin.
2. The following guidelines apply to the preparation of written RFPs or RFQs. These provisions apply to this Agreement and to City Contractors who will need to make some modification to the language, which clarifies that the solicitation is from the Contractor and not the City. In the RFP process, cost is usually one of several selection criteria that proposers must address in their proposals. By contrast in the RFQ process, cost becomes a selection criterion only after qualified proposers have been identified from a review of their qualifications. RFQs are usually reserved for the selection of engineers, architects, or other highly specialized, technical providers.
3. The purpose of the guidelines is to present ideas and material that are characteristic of well-prepared solicitations. The guidelines are not intended to provide total coverage of any topic. While the guidelines apply generally, exceptional circumstances may call for modifying or excluding one or more of the suggested provisions. In any case, the RFP or RFQ should be tailored to the job that needs to be done. The arrangement, adequacy, clarity, simplicity and appeal of the solicitation document shall remain the responsibility of the administering agency. To be most effective, a

solicitation document should be clear and complete but avoid repetition, legalism or extraneous information. RFPs must be publicly advertised.

a. Standard RFP Format

- (1) Cover Page. The cover page should describe briefly the scope of services requested, the format, the issuance date and the deadline of date and time for submission of proposals, and the Contractor contact for further information about the RFP. Include the name, address, telephone number and location of the person to whom the submission is to be made. If a proposers' conference is appropriate, include information on the location, time and date of the event. All RFPs should include a deadline for receipt. Contractors shall have procedures to ensure that only proposals received in accordance with the date and time specified will be reviewed. All RFPs shall include the approximate date of the award notification.
- (2) Contents. The RFP should contain the following standard items which are discussed below:
 - (a) Introduction
 - (b) RFP Provisions
 - (c) Statement of Work and Evaluation Criteria
 - (d) Proposal Specifications
 - (e) RFP Items Not Covered
 - (f) References
 - (g) Standard Contract Provisions
 - (h) Indemnity and Insurance
 - (i) Signatures and Declarations
 - (j) Cover letter of proposal
 - (k) Proposers Conference
 - (l) Proposal evaluation for Request for Proposals
 - (m) Disposition of Proposals
 - (n) Description of failed competition and the rights and options in the event of a failure
 - (o) RFP Revisions
 - (p) Staff Reassignments
 - (q) Complaint procedures to handle and resolve disputes relating to the procurement
 - (r) Inclusion of Contractual Provisions Required by External Funding Source
 - (s) City/Contractor Policy Issue Summaries
 - i. Affirmative Action
 - ii. MBE, WBE and Other Business Enterprise Outreach Program.
 - iii. Sample Policy Statement
 - iv. Supplementary Instructions to Proposers and Proposer's Affidavit
 - v. Contractual Provisions and Certifications, including, but not limited to, a Certification Regarding Drug-Free Workplace Requirements, only if Contractor receives State CSBG or WIA funds as a funding source under this Agreement; Certification Regarding Lobbying; Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transaction; Certification Regarding Compliance With Service Contract Worker Retention and Living Wage Ordinances;; Certification of Compliance With Equal Benefits Ordinance/Reasonable Measures Application for Equal Benefits Ordinance.
- (3) Introduction

- (a) Describe in general terms the nature, scope and schedule of the work to be contracted, and the Contractor that will be responsible for administering the contract, including name and address of contracting agency.
 - (b) Describe the Contractor's organizational structure that is in place or will be established to facilitate the types of relationships and interactions which will be required to successfully complete the engagement. Present sufficient background and historical information about the project and the Contractor or other agency involved to permit a full understanding of the work to be contracted. State that as a rule all proposals must be submitted in the English language, and that all numerical data must be the dollar-foot-pound-seconds units of measurement.
 - (c) Describe the minimum and maximum amount of funding for the contract.
 - (d) Request that proposals be prepared simply and economically, avoiding the use of unnecessary promotional materials. Proposals shall include a table of contents and a signature and date block for the offeror. Specify the number of copies of the proposal to be submitted to the Contractor. State that the Contractor shall accept no responsibility for the cost of preparing any proposal.
 - (e) Request that proposals be enclosed in a single, sealed package plainly marked with the words "Proposal for (name of project as referenced in the RFP)." Declare that proposals shall be made as firm offers for a set period of time following the deadline for submittal. To ensure that the release of an RFP and receipt of any proposals are properly coordinated, contact the Purchasing Division of the Department of General Services for assistance.
 - (f) Direct proposers to address all questions regarding the RFP and their proposals to the assigned Contractor proposal administrator only. State that failure to comply with this requirement, other than as specifically permitted in the RFP, may disqualify a proposer from further consideration.
 - (g) Contractor shall direct staff to respond to questions regarding the RFP and the submission requirements. Contractor shall record all responses, except those that are clearly answered in the RFP. Contractor shall provide a written copy of the responses to all parties to whom the RFP has been distributed, including those who attended the proposers' conference. This should be provided in a timely and frequent manner to ensure that all proposers are aware of the responses when preparing their proposal.
 - (h) State that it is the Contractor's intent to award a contract, in a form approved by the Contractor, to the selected proposer. Indicate that the RFP and the Contractor's proposal or any part thereof may be incorporated into and made a part of the contract. State that the Contractor reserves the right to further negotiate the terms and conditions of the contract. State that the Contractor, however, shall reserve the right to withdraw the RFP, to reject any proposal for noncompliance with RFP provisions, or not to award a contract at any time because of unforeseen circumstances or if it is determined to be in the best interest of the Contractor.
- (4) Statement of Work
- (a) Describe the tasks that the subcontractor will be responsible to perform. Clearly define the type, scope, schedule, and other relevant characteristics of each task. Use quantitative language whenever possible to establish an objective basis from which to evaluate responses. Describe the status and/or progress reporting that will be required of the subcontractor. Specify any other items that proposers should address, including, but not limited to, the following:
 - i. Background or project content
 - 1) General requirement description
 - 2) Related projects
 - 3) Problem statement

- 4) Statutory or regulatory foundation
- ii. *Project objectives
 - 1) *Purpose
 - 2) *How results will be used
- iii. *Scope of work
 - 1) *Population to be served
 - 2) *Number to be served
 - 3) Training or services to be provided
- iv. *Period of Performance
- v. *Performance Standards
- vi. *Reporting Requirements

*Must be included in the proposal

- (b) Generally RFP based contracts are awarded on the basis of several criteria, such as the level of effort and method proposed to do the work, the credentials and related work experience of subcontractor personnel assigned to do the work, City/Contractor policy issues and price. Describe in the RFP the general criteria the Contractor intends to use to evaluate the written responses, and the assigned weight of each criterion.
- (c) Proposed evaluation criteria can be complicated by the varying degrees to which the proposals meet, exceed, or fall below the specific requirements of the RFP. Scale the evaluation process to manageable proportions. The more complete and specific the RFP, the better it serves as a standard for measuring and evaluating proposals. Include a statement that the Contractor shall reserve the right to use such other criteria as may be deemed appropriate in evaluating the proposals, even if such criteria are not mentioned in the RFP. State that proposers submitting the highest-rated written responses may be called for an oral interview to further assess their qualifications. Describe the evaluation criteria that will be used in the interview if different from the written criteria in the RFP. A description of assigned weights may be included if appropriate.
- (d) If technical services are to be procured, a technical requirements section should be prepared. The technical requirements section should organize information in a form understandable to potential bidders and Contractor staff. For example, items that might be included in a technical requirements section to procure an automated system include:
 - i. Description of current hardware and software operating environment;
 - ii. Detailed description of all hardware and software requirements;
 - iii. Indication of need for data conversion assistance;
 - iv. Outline of orientation and training requirements; and,
 - v. Indication of the need for a benchmark demonstration of system capabilities.
- (5) Proposal Specifications
 - (a) Request proposers to demonstrate their capability to fulfill the work to be contracted. Proposers should provide specific information about the personnel, including subcontractors, if possible, who will be assigned to perform the work; past performance on projects of a similar nature including a client list, if possible; the proposed price to complete the work; adequate documentation on the financial status of the firm which will permit the Contractor to evaluate the proposer's ability to complete the work; and other work elements deemed necessary to evaluate the proposals.
 - (b) State that responses to the RFP must be made in accordance with the format set forth in the RFP. Indicate that a comprehensive index which includes a clear

definition of the content of the proposal and which identifies the information set forth therein by sequential page number and appropriate reference number is required. State that failure to meet this requirement may be cause for rejection of the proposal as non-responsive. Generally, each proposer should be requested to address the following specifications:

- i. Assigned Personnel. The names of the key personnel, whom the proposer employs or plans to employ or hire through subcontract, to perform the requested services. For each person listed, the following information should be provided:
 - 1) Description of the work he or she will perform;
 - 2) Amount of time he or she will be assigned to work on the project;
 - 3) Academic achievements, including all college undergraduate and graduate education;
 - 4) Relevant work experience in years and level of responsibility.
 - 5) An organization chart depicting the lines of authority, the relationships of the organizational units and the names of the key personnel who will be doing the work.
 - ii. Project Cost
 - 1) The total cost to the Contractor, broken down in salaries, expenses, equipment, and in hours and total dollar amount by deliverable task.
 - 2) Salary, or wage; billing rate for each employee.
 - 3) The proposed schedule of payment.
 - 4) All resources proposed to be supplied by the Contractor.
 - iii. Deliverables
 - 1) The products that the subcontractor will deliver to the Contractor according to a set schedule, including the nature of the deliverables, e.g., oral or written reports, videotapes, or architectural models and, if applicable, number of copies to be provided of written products.
- (6) RFP Items Not Covered
- (a) Proposals should cover the statement of work and all the RFP specifications. Otherwise, proposers should state why the RFP requirements are not being addressed. If proposers wish to present qualifications in addition to the required items such information should be presented under the heading "Additional Qualifications We Wish To Present." Proposers who do not wish to present such information should state: "There are no additional qualifications we wish to present."
- (7) References
- (a) Request proposers to support their presentations by listing successfully completed projects that resemble the work to be done and the dates of completion. Request the name, title, address and phone numbers of a contact for each project.
- (8) Standard Contract Provisions
- (a) Sample standard contract provisions have been provided by the City for Contractor's use. The document, which is available from the City, is updated periodically. Check with the City to ascertain use of the latest version. Unless the standard provisions are incorporated by reference and attached to the RFP, the general contract provisions that are expected to be included in the contract should be excerpted from the standard provisions document and provided to prospective proposers.
- (9) Indemnity and Insurance
- (a) The standard City insurance conditions are incorporated into the sample standard subcontract provisions. The specific insurance coverage and limits shall be described

by contractor in the RFP. These coverage and limits should be tailored to the individual subcontract. For City contracts, Required Insurance and Minimum Limits are set by the City Risk Management staff in the Office of the City Administrative Officer of the City of Los Angeles on the Form Gen.146. Electronic submission is the preferred method of submitting your evidence of insurance documents. Track4LA™ is the City's online insurance compliance system and is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used primarily by insurance brokers and agents as they submit client insurance certificates directly to the City. It uses the standard insurance industry form known as the ACORD 25 Certificate of Liability Insurance in electronic format. The easiest and quickest way to obtain approval of your insurance is to have your insurance broker or agent access Track4LA™ at <http://track4la.lacity.org/> and follow the instructions to register and submit the appropriate proof of insurance on your behalf. Additional instructions and information on complying with City insurance requirements can be found at: http://cao.lacity.org/risk/Submitting_proof_of_Insurance.pdf.

(10) Signatures and Declarations

- (a) Each proposal must be signed on behalf of the proposer by an officer authorized to bind the proposer, and must include the following declaration:
- i. This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the proposer has not directly or indirectly induced or solicited any other proposer to put in a sham bid, or any other person, firm or corporation to refrain from submitting a proposal; and the proposer has not in any manner sought by collusion to secure for himself an advantage over any other proposer.

(11) Cover Letter of Proposal

- (a) The cover letter of each proposal should be limited to one page. The letter must include the title, address and telephone number of the person or persons who will be authorized to represent the proposer. The letter must be signed by a company officer authorized to bind the company to all commitments made in the proposal.

(12) Proposers Conference

- (a) Determine if a proposers' conference will be conducted. A proposers' conference may be appropriate especially if the work to be contracted has not previously been done by contract or not done at all. If a proposers' conference is to be scheduled, designate a date, time and place at which proposers will be given the opportunity to pose questions about the RFP and notify all parties to whom the RFP has been distributed. The notification can be included in the RFP. Invite proposers to submit their questions in writing prior to the conference, and arrange, to the extent possible, for all questions to be answered at the conference. A memorandum for the proposers listing attendees, documenting in writing each question answered at the conference, any actions taken during the conference, etc. shall be prepared to document the conference and conveyed to the participants. Contractors shall provide this information directly to the proposers who received the RFP but were unable to attend the conference or as an addendum to the RFP for any subsequent requesters. The memorandum should be filed with the record set of contractual documents retained by the Contractor. Materials handed out at the proposer's conference shall be available to all other parties following the conference. If a proposers' conference was not initially planned but the number or extent of questions regarding the RFP indicates a need for one, a separate notice should be mailed and the RFP due date extended if necessary.

(13) Proposal Evaluation for RFPs

- (a) Contractor/City shall develop proposal evaluation procedures in accordance with the requirements of Section D.14 above.

- (14) Failed Competition.
- (a) The RFP shall provide that it is the Contractor's/City's authority to determine that the procurement process has failed. The basis for failure should include a lack of response to the RFP; not enough bidders; a determination that the responses do not agree with mandatory requirements of the RFP; a determination that no proposer demonstrated effectiveness in providing the services solicited, and/or a determination that the award of a contract at this time to any proposer would not be cost effective, responsible or prudent. In the event that the City/Contractor determines that the procurement has failed, it may elect to negotiate a sole source agreement or develop and issue a new RFP.
- (15) Disposition of Proposals.
- (a) State that all proposals submitted in response to the RFP shall become the property of the Contractor/City and a matter of public record. Also, proposers must identify all copyrighted material, trade secrets or other proprietary information that they claim are exempt from disclosure under the Public Records Act (California Code Sections 6250 et seq.). In the event such an exemption is claimed, the proposer shall be requested to state in the proposal that he or she will defend any action brought against the Contractor/City for its refusal to disclose such material, trade secrets or other proprietary information to any party making a request therefore.
- (16) RFP Revisions
- (a) Any revision made to an issued RFP shall be sent to all parties known to have received a copy of the original RFP.
- (17) Staff Reassignments
- (a) If the original selection of a subcontractor will be based in part on the qualifications of specific key individuals named in the proposal, state that the Contractor/City must approve in advance any changes in individuals or levels of commitment to the project. State that the Contractor will reserve the right to have the subcontractor replace any subcontractor project personnel.
- (18) Inclusion of Contractual Provision Required by External Funding Source.
- (a) Federal, State and other funding agencies typically impose requirements on recipients of funds that apply to subcontractors. Such requirements should be reflected in RFPs and related contracts.
- (19) City Policy Issue Summaries
- (a) Affirmative Action. The City of Los Angeles' Administrative Code (Division 10, Chapter 1, Article 1, Section 10.8) establishes an affirmative action program for vendors doing business with the City. State that as a condition of contract award, the selected proposer shall be required to comply with the provisions of the City's Affirmative Action program, including the submission of one of the following affirmative action plans: a) a trade association affirmative action plan, b) the proposer's own affirmative action plan, or c) an executed copy of the City Affirmative Action Plan. Refer to the provisions herein regarding nondiscrimination and affirmative action and recite the text of this provision in the RFP. Urge proposers to include an affirmative action plan in their proposals. Attach as an appendix to the RFP the City forms (GSS-AA 1) instructing prospective subcontractors about compliance with the City's Affirmative Action Program.
- (b) MBE, WBE and Other Business Enterprise Outreach Program. It is the policy of the City to provide minority business enterprises (MBEs), women business enterprises (WBEs) and all other business enterprises an equal opportunity to participate in the performance of all Contractor contracts, including procurement, construction and personal services. This policy applies to all Contractors. Be sure to comply with the provisions of City Executive Directive I-B and 1-C to ensure that MBEs, WBEs, and

all other businesses are offered the greatest opportunity to compete for and perform subcontracts and provide personal services to the Contractor.

- i. Include a statement that proposers are to assist the Contractor in implementing this policy by taking all reasonable steps to ensure that all available business enterprises, including MBEs and WBEs, have an equal opportunity to compete for and participate in Contractor subcontracts. Inform proposers that equal opportunity will be determined by their good faith efforts comply with the Contractor's outreach program. Advise proposers that participation by MBEs, WBEs, and all other businesses may be in the form of joint ventures or subcontracting. Contractor is responsible for the implementation of MBE/WBE procedures.
 - (c) Child Care Policy. It is the policy of the City to encourage all its vendors to adopt a stated policy on child care. This policy acknowledges the importance of quality, affordable and accessible child care and commits the Contractor to use its resources as an educator, employer, role model and facilitator to act as a catalyst in expanding the supply of quality, affordable and accessible child care.
4. Consultant Directory. To assist Contractors in identifying potential subcontractors, the Office of the City Administrative Officer of the City of Los Angeles (CAO) maintains a computerized consultant directory. Firms are listed according to their fields of expertise, e.g., bond counsel, CPA, and human resources. Contact the CAO Productivity Group for access to the directory and for lists of firms in the form of mailing labels, hard copy reports or both.

L. Contract Provisions

- 1. All contracts must contain at a minimum the following provisions:
 - a. Specific deliverables and the basis for payment;
 - b. Provisions requiring compliance with grant regulations;
 - c. Provisions that describe remedies for breach;
 - d. Provisions that describe Agreement's patent and copyright rules;
 - e. Provisions for termination for cause and convenience;
 - f. Access to records for audit purposes;
 - g. Audit requirements;
 - h. Provisions for payment and delivery;
 - i. Provisions describing contract amendment procedures;
 - j. Provisions against assignment;
 - k. Provisions for equal opportunity and non-discrimination; and
 - l. Provisions prohibiting conflicts of interest.

§3 RECORDS AND AUDITS OF SUBCONTRACTS

- A. Records shall be maintained in accordance with requirements prescribed by the City with respect to all matters covered by any subcontract. Such records shall be retained within the Los Angeles Area for a period of five (5) years after receipt of final payment under this Agreement, unless authorization to remove them is granted in writing by the City.
- B. Expenditures pertaining to subcontracts shall be supported by properly executed documents evidencing in detail the nature of the charges.
- C. At such times and in such forms as the City may require, there shall be furnished to the City such statements, records, reports, data and information as the City may request pertaining to matters covered by any subcontract.
- D. These records shall be made available to the City for copying, audit, and inspection at any time during normal business hours.

§4 COST-PLUS-A-PERCENTAGE-OF-COST-SUBCONTRACTING

A. Under no circumstances shall the Contractor enter into Cost-Plus-a-Percentage-of-Cost subcontracts.

§5 RESTRICTION ON DISBURSEMENTS

A. No money received pursuant to this Agreement by the Contractor shall be disbursed to any subcontractor except pursuant to a written agreement which incorporates the applicable General Contract Conditions as described herein and unless the subcontractor is in compliance with City requirements with regard to accounting and fiscal matters, to the extent that they are applicable.

§6 PARTICIPATION OF SMALL, MINORITY, AND WOMEN'S BUSINESS

A. Consistent with Executive Order Nos. 11625, 12432, and 12138, Contractor shall provide opportunities for small, minority, and women's businesses to participate in contracting and procurement activities generated under this Agreement. The Contractor shall:

1. Invite small, minority, and women's businesses to participate in procurements under this Agreement.
2. Divide total requirements into small requirements to permit maximum small, minority, and women's business participation whenever economically feasible.
3. Use the services and assistance of the Small Business Administration, the Minority Business Development Agency of the Department of Commerce, and the Community Services Administration (or its successor), as required.
4. The Contractor shall include the requirements of this section in every subcontract for work in connection with this Agreement and project.