

AGREEMENT NO. \_\_\_\_\_

AGREEMENT BETWEEN  
THE CITY OF LOS ANGELES AND  
TOYOTA TSUSHO AMERICA, INC.

THIS AGREEMENT is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board") and TOYOTA TSUSHO AMERICA, INC., a New York Corporation, located at 1977 W. 190<sup>th</sup> Street, Torrance, California 90504 ("GRANTEE").

WHEREAS, the City of Los Angeles Harbor Department ("Department" or "Port") and the City of Long Beach Harbor Department created the Technology Advancement Program ("TAP") as part of the Clean Air Action Plan ("CAAP") in order to accelerate the verification or commercial availability of new, clean technologies that are applicable to the port industry and that result in significant reductions of diesel particulate matter, nitrogen oxides, sulfur oxides and other pollutants; and

WHEREAS, the TAP provides grant funding to port-related technology vendors in order to assist in identifying, evaluating and demonstrating new and emerging emissions reduction technologies and strategies that may result in new control measures, alternatives to existing strategies or as additional mitigation options under the CAAP; and

WHEREAS, the TAP Committee has reviewed and approved funding for GRANTEE'S proposal to develop the repowering of a top handler with hydrogen fuel cell-power and develop an ultra-high-pressure hydrogen refueler and demonstrate these technologies on a marine terminal, which if successful will help decrease pollutants emitted from terminal handling equipment and prove the viability of mobile fueling solutions;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. AUTHORIZED REPRESENTATIVES TO RECEIVE NOTICES

A. The representatives of the respective parties who are authorized to receive notices for this Agreement are:

Toru Sugiura, Sr. Manager, Business Development  
Toyota Tsusho America, Inc.  
1977 W. 190<sup>th</sup> Street  
Torrance, California 90504  
619-414-6976  
Toru\_Sugiura@taiamerica.com

Jacob Goldberg  
Environmental Specialist

Port of Los Angeles  
425 South Palos Verdes Street  
San Pedro, CA 90731  
(310) 732-2675  
jgoldberg@portla.org

B. Formal notices, demands, requests and communications given by either party shall be made in writing to the authorized representatives set forth above.

C. If the name or address designated above is changed, written notice shall be given to the other party within five (5) working days of said change.

2. SERVICES TO BE PERFORMED BY GRANTEE

A. GRANTEE shall, to the satisfaction of the City, obtain those professional, expert and technical services and materials necessary to complete the demonstration project and reporting requirements set forth in Exhibit A ("Project").

B. During the term of this Agreement, GRANTEE shall submit a written request to, and obtain written approval from, the Executive Director or his or her designee to change or modify the Scope of Work described in Exhibit A. Changes or modifications to Exhibit A that are not approved and accepted in writing by the Executive Director or his or her designee shall not be eligible for reimbursement and shall be considered a breach of this Agreement.

3. SERVICES TO BE PERFORMED BY CITY

A. City shall reimburse GRANTEE for Project costs incurred in accordance with the terms of this Agreement.

B. At any time during the term of this Agreement, and upon ten (10) days written notice to GRANTEE, City shall have the right to review Project documentation for the purpose of verifying that Project milestones have been completed and that the Project is being conducted in accordance with the terms of this Agreement.

C. Unless set forth herein, City shall not be obligated to provide assistance to GRANTEE to assure completion of Project as required herein.

4. EFFECTIVE DATE AND TERM OF THE AGREEMENT

A. Subject to the provisions of Charter Section 245, the effective date of this Agreement shall be the date of its execution by Executive Director upon authorization of the Board. GRANTEE is aware that the City Council, pursuant to Charter Section 245 of the City of Los Angeles, has the right to review this Agreement. Accordingly, in no event shall this Agreement become effective until after the expiration of the fifth Council meeting day after Board action, or the date of City Council's approval of the Agreement.

B. This Agreement shall be in full force and effect commencing from the date of execution by the Executive Director and shall continue until the earlier of the following occurs:

1. Three (3) years have lapsed from the effective date of this Agreement; or
2. The Board of Harbor Commissioners, in its sole discretion, terminates and cancels all or part of this Agreement for any reason upon giving to GRANTEE ten (10) days' written notice of its election to cancel and terminate this Agreement; or
3. GRANTEE has completed the PROJECT and the City has made final payment pursuant to the requirements of the Agreement.

5. COMPENSATION

A. The grant award is calculated based upon the estimated expenses of the Project as reported by GRANTEE. For the satisfactory performance of the work required by this Agreement, City shall reimburse GRANTEE an amount not-to-exceed Eight Hundred Sixty Thousand Dollars (\$860,000), and in accordance with the payment schedule set forth in Exhibit B.

Expenses incurred above this amount shall not be reimbursed, unless the parties enter into a written amendment to this Agreement and the same is approved in accordance with the Los Angeles City Charter.

B. GRANTEE shall submit itemized invoices in quadruplicate to City upon the completion of each task set corresponding to a payment milestone in Exhibit B. Each such invoice shall be signed by GRANTEE and shall include the following certification:

"I certify under penalty of perjury that the above bill is true and correct according to the terms of Agreement No. \_\_\_\_\_ and that payment has not been received.

\_\_\_\_\_  
(Grantee's Signature)

C. GRANTEE must include on the face of each itemized invoice submitted for payment its Los Angeles Business Tax Registration Certificate number. No invoice will be processed for payment by City without this number shown thereon. All invoices shall be approved by the Executive Director, or his or her designee, prior to payment. All invoices due and payable and found to be in order shall be paid as soon as, in the ordinary course of City business, the same may be approved, audited and paid.

GRANTEE shall submit appropriate supporting documents with each invoice. Such documents may include provider invoices, receipts, payrolls, and time sheets. The City may require, and GRANTEE shall provide, all documents reasonably required to determine whether amounts on the invoice are allowable expenses under this

Agreement. GRANTEE is not required to submit support for direct costs items of \$25 or less.

D. Reimbursement is contingent upon GRANTEE complying with the Scope of Work and submission of reports in accordance with the requirements of this Agreement, and the approval of same by the Executive Director, or his or her designee, in accordance with the requirements of this Agreement.

E. For payment and processing, all invoices should be mailed to the following address:

Accounts Payable Section  
Harbor Department, City of Los Angeles  
P.O. Box 191  
San Pedro, CA 90733-0191

## 6. TERMINATION

A. City in its sole discretion may terminate and cancel all or any part of this Agreement for any reason upon giving to GRANTEE ten (10) days notice in writing of its election to cancel and terminate this Agreement. If such termination and cancellation occurs, GRANTEE shall be entitled to reimbursement for expenses incurred to the date of termination and for which reports and invoices have been submitted in accordance with the terms of this Agreement.

B. In the event that GRANTEE seeks early termination of this Agreement prior to the termination date for any reason, or no reason whatsoever, GRANTEE shall submit a written request to the City. Department staff shall submit GRANTEE's written request for early termination to the Board for review. In the event that City accepts GRANTEE's request for early termination, GRANTEE shall reimburse the City pursuant to Article 6.D of this Agreement.

C. In the event that facts available to the Department indicate that GRANTEE has breached any term of this Agreement prior to the end of the Agreement term, the Executive Director shall submit the reasons for the breach to the Board for its determination and concurrence that GRANTEE has breached the Agreement. In the event that City determines that GRANTEE has breached the Agreement, GRANTEE shall reimburse the City pursuant to Article 6.D of this Agreement.

D. In the event this Agreement is terminated pursuant to Article 6.B or 6.C, GRANTEE shall reimburse City for all monies paid to the GRANTEE. City shall notify GRANTEE in writing the amount of money that GRANTEE owes to City and GRANTEE shall reimburse the City within sixty (60) days of said written notification.

E. This Agreement is subject to the provisions of the Los Angeles City Charter which, among other things, precludes the City from making any expenditure of funds or incurring any liability, including contractual commitments, in excess of the amount appropriated thereof.

The Board, in awarding this Agreement, is expected to appropriate sufficient funds to meet the estimated expenditure of funds through June 30 of the current fiscal year and to make further appropriations in each succeeding fiscal year during the life of the Agreement. However, the Board is under no legal obligation to do so.

The City, its boards, officers, and employees are not bound by the terms of this Agreement or obligated to make payment thereunder in any fiscal year in which the Board does not appropriate funds therefore. GRANTEE is not entitled to any compensation in any fiscal year in which funds have not been appropriated for the Agreement by the Board.

Although GRANTEE is not obligated to perform any work under the Agreement in any fiscal year in which no appropriation for the Agreement has been made, GRANTEE agrees to resume performance of the work required by the Agreement on the same terms and conditions for a period of sixty (60) days after the end of the fiscal year if an appropriation therefore is approved by the Board within that 60 day period. GRANTEE is responsible for maintaining all insurance and bonds during this 60 day period until the appropriation is made; however, such extension of time is not compensable.

If in any subsequent fiscal year funds are not appropriated by the Board for the work required by the Agreement, the Agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligation previously incurred.

#### 7. ACCEPTABILITY OF WORK

The City shall decide any and all questions that may arise as to the quality or acceptability of the work performed by GRANTEE under this Agreement, including errors and omissions, and as to the amount of reimbursement due to GRANTEE. Decisions shall be final, and the City shall have authority to enforce and make effective such decisions and orders with respect to the performance of this Agreement.

GRANTEE understands that no board member, officer, agent or employee of City has the authority to require work outside this Agreement other than is allowed by this Agreement.

#### 8. EMISSION REDUCTION CREDITS (ERCs)

Where any Emission Reduction Credits may be generated by the Project, they shall belong to the City and cannot be used by GRANTEE for any purpose.

#### 9. ASSIGNMENT

GRANTEE shall not assign, sell, license or otherwise transfer this Agreement or any of the rights granted by this Agreement without the prior written consent of the City. Any attempted transfer or assignment without the prior written consent of the Cities shall be void and confer no rights whatsoever upon a transferee or assignee. Any attempted transfer or assignment without the prior written consent of the City shall be considered a

breach of this Agreement and the City may proceed with termination of the agreement under Article 6.

Any request for consent to an assignment shall be made in writing, accompanied by information relevant to the City's determination as to the financial and operational responsibility and appropriateness of the proposed assignee, including but not limited to any modifications to the Project Scope of Work, if any. GRANTEE agrees to provide to the City such other or additional information and/or documentation pertaining to the requested consent as may be reasonably requested by the City.

#### 10. INDEMNIFICATION

A. Except for the sole negligence or willful misconduct of the City, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, GRANTEE undertakes and agrees to defend, indemnify and hold harmless the City and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, reasonable 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, reasonable costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including GRANTEE's employees and agents, or damage or destruction of any property of the City or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement by GRANTEE 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 Agreement and those allowed under the laws of the United States, the State of California, and the City.

B. Except to the extent awarded to a third party in connection with any indemnifiable claim under this Agreement, in no event will either party be liable to the other party for any loss of use, revenue, or profit or for any consequential, incidental, indirect, exemplary, special, or punitive damages whether arising out of breach of contract, tort (including negligence), or otherwise, regardless of whether such damage was foreseeable and whether or not such party has been advised of the possibility of such damages.

#### 11. INSURANCE

A. In addition to and not as a substitute for, or limitation of, any of the indemnity obligations imposed by Article 10, GRANTEE shall procure and maintain at its sole cost and expense and keep in force at all times during the term of this Agreement the following insurance:

(1) Commercial General Liability Insurance

Commercial general liability insurance covering personal and advertising injury, bodily injury, and property damage providing contractual liability,

independent contractors, products and completed operations, and premises/operations coverage written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's is not available) within GRANTEE's normal limits of liability but not less than One Million Dollars (\$1,000,000) combined single limit for injury or claim. Said limits shall provide first dollar coverage except that Executive Director may permit a self-insured retention or self-insurance in those cases where, in his or her judgment, such retention or self-insurance is justified by the net worth of GRANTEE. The retention or self-insurance provided shall provide that any other insurance maintained by the Harbor Department shall be excess of GRANTEE's insurance and shall not contribute to it. In all cases, regardless of any deductible or retention, said insurance shall contain a defense of suits provision and a severability of interest clause. Each policy shall name the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds.

(2) Automobile Liability Insurance

Automobile liability insurance written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's is not available) within GRANTEE's normal limits of liability but not less than One Million Dollars (\$1,000,000) covering damages, injuries or death resulting from each accident or claim arising out of any one claim or accident. Said insurance shall protect against claims arising from actions or operations of the insured, or by its employees. Coverage shall contain a defense of suits provision and a severability of interest clause. Each policy shall name the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds.

(3) Workers' Compensation and Employer's Liability

GRANTEE shall certify that it is aware of the provisions of Section 3700 of the California Labor code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that GRANTEE shall comply with such provisions before commencing the performance of the tasks under this Agreement. Coverage for claims under U.S. Longshore and Harbor Workers' Compensation Act, if required under applicable law, shall be included. GRANTEE shall submit Workers' Compensation policies whether underwritten by the state insurance fund or private carrier, which provide that the public or private carrier waives its right of subrogation against the City in any circumstance in which it is alleged that actions or omissions of the City contributed to the accident. Such Worker's Compensation and occupational disease requirements shall include coverage for all employees of GRANTEE, and for all employees of any subcontractor or other vendor retained by GRANTEE.

B. Insurance Procured by Consultant on Behalf of City

In addition to and not as a substitute for, or limitation of, any of the indemnity obligations imposed by Article 10, and where GRANTEE is required to name the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds on any insurance policy required by this Agreement, GRANTEE shall cause City to be named as an additional insured on all policies it procures in connection with this Article 11. GRANTEE shall cause such additional insured status to be reflected in the original policy or by additional insured endorsement (CG 2010 or equivalent) substantially as follows:

"Notwithstanding any inconsistent statement in the policy to which this endorsement is attached, or any endorsement or certificate now or hereafter attached hereto, it is agreed that City, Board, their officers, agents and employees, are additional insureds hereunder, and that coverage is provided for all contractual obligations, operations, uses, occupations, acts and activities of the insured under Agreement No. \_\_\_, and under any amendments, modifications, extensions or renewals of said Agreement regardless of where such contractual obligations, operations, uses, occupations, acts and activities occur.

"The coverage provided by the policy to which this endorsement is attached is primary coverage and any other insurance carried by City is excess coverage;

"In the event of one of the named insured's incurring liability to any other of the named insureds, this policy shall provide protection for each named insured against whom claim is or may be made, including claims by other named insureds, in the same manner as if separate policies had been issued to each named insured. Nothing contained herein shall operate to increase the company's limit of liability; and

"Notice of occurrences or claims under the policy shall be made to the Risk Manager of City's Harbor Department with copies to the City Attorney's Office."

C. Required Features of Coverages

Insurance procured by GRANTEE in connection with this Article 11 shall include the following features:

(1) Acceptable Evidence and Approval of Insurance

Electronic submission is the required method of submitting GRANTEE's insurance documents. GRANTEE's insurance broker or agent shall register with the City's online insurance compliance system KwikComply at <https://kwikcomply.org/> and submit the appropriate proof of insurance on GRANTEE's behalf.

Upon request by City, GRANTEE shall furnish a copy of the binder of insurance and/or a full certified policy for any insurance policy required herein. This obligation is intended to, and shall, survive the expiration or earlier termination of this Agreement.

(2) Carrier Requirements

All insurance which GRANTEE is required to provide pursuant to this Agreement shall be placed with insurance carriers authorized to do business in the State of California and which are rated A-, VII or better in Best's Insurance Guide. Carriers without a Best's rating shall meet comparable standards in another rating service acceptable to City.

(3) Notice of Cancellation

For each insurance policy described above, GRANTEE shall give a 10-day prior notice of cancellation or reduction in coverage for nonpayment of premium, and a 30-days prior notice of cancellation or reduction in coverage for any other reason, by written notice via registered mail and addressed to the City of Los Angeles Harbor Department, Attn: Risk Manager and the City Attorney's Office, 425 S. Palos Verdes Street, San Pedro, California 90731.

(4) Modification of Coverage

Executive Director, at his or her sole reasonable discretion, based upon recommendation of independent insurance consultants to City, may increase or decrease amounts and types of insurance coverage required hereunder at any time during the term hereof by giving ninety (90) days' prior written notice to GRANTEE.

(5) Renewal of Policies

At least thirty (30) days prior to the expiration of any policy required by this Agreement, GRANTEE shall renew or extend such policy in accordance with the requirements of this Agreement and direct their insurance broker or agent to submit to the City's online insurance compliance system KwikComply at <https://kwikcomply.org/> a renewal endorsement or renewal certificate or, if new insurance has been obtained, evidence of insurance as specified above. If GRANTEE neglects or fails to secure or maintain the insurance required above, Executive Director may, at his or her own option but without any obligation, obtain such insurance to protect City's interests. The cost of such insurance shall be deducted from the next payment due GRANTEE.

(6) Limits of Coverage

If GRANTEE maintains higher limits than the minimums required by this Agreement, City requires and shall be entitled to coverage for the higher limits

maintained by GRANTEE. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

D. Right to Self-Insure

Upon written approval by the Executive Director, GRANTEE may self-insure if the following conditions are met:

1. GRANTEE has a formal self-insurance program in place prior to execution of this Agreement. If a corporation, GRANTEE must have a formal resolution of its board of directors authorizing self-insurance.
2. GRANTEE agrees to protect the City, its boards, officers, agents and employees at the same level as would be provided by full insurance with respect to types of coverage and minimum limits of liability required by this Agreement.
3. GRANTEE agrees to defend the City, its boards, officers, agents and employees in any lawsuit that would otherwise be defended by an insurance carrier.
4. GRANTEE agrees that any insurance carried by Department is excess of GRANTEE's self-insurance and will not contribute to it.
5. GRANTEE provides the name and address of its claims administrator.
6. GRANTEE submits its most recently filed Canadian federal or provincial financial records equivalent to the U.S. Securities and Exchange Commission's 10-Q and 10-K forms, or audited annual financial statements for the three most recent fiscal years, prior to Executive Director's consideration of approval of self-insurance and annually thereafter.
7. GRANTEE agrees to inform the Department in writing immediately of any change in its status or policy which would materially affect the protection afforded the Department by this self-insurance.
8. GRANTEE has complied with all laws pertaining to self-insurance.

E. Accident Reports

GRANTEE shall report in writing to Executive Director within fifteen (15) calendar days after it, its officers or managing agents have knowledge of any accident or occurrence involving death of or injury to any person or persons, or damage in excess of Five Hundred Dollars (\$500.00) to property, occurring upon the premises, or elsewhere within the Port of Los Angeles if GRANTEE's officers, agents or employees

are involved in such an accident or occurrence. Such report shall contain to the extent available (1) the name and address of the persons involved, (2) a general statement as to the nature and extent of injury or damage, (3) the date and hour of occurrence, (4) the names and addresses of known witnesses, and (5) such other information as may be known to GRANTEE, its officers or managing agents.

12. COMPLIANCE WITH APPLICABLE LAWS

GRANTEE shall, at all times, in the performance of its obligations comply with all applicable laws, statutes, ordinances, rules and regulations, enacted and adopted by federal, state, regional, municipal or other governmental bodies, departments or offices thereof. In addition to the foregoing, GRANTEE shall comply immediately with any and all orders or directions issued by the City under authority of any such law, statute, ordinance, rule or regulation.

13. INDEPENDENT CONTRACTOR

GRANTEE in the performance of the work required by this Agreement is an independent contractor and not an agent or employee of the City. GRANTEE shall not represent itself as an agent or employee of the City and shall have no power to bind the City in contract or otherwise.

14. CONFLICT OF INTEREST

It is hereby understood and agreed that the parties to this Agreement have read and are aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees, as well as the Los Angeles Municipal Code (LAMC) Municipal Ethics and Conflict of Interest provisions of Section 49.5.1 et seq. and the Conflict of Interest Codes of the City and Department. The parties agree that they are unaware of any financial or economic interest of any public officer or employee of City relating to this Agreement. Notwithstanding any other provision of this Agreement, it is further understood and agreed that if such financial interest does exist at the inception of this Agreement, City may immediately terminate this Agreement by giving written notice thereof.

During the term of this Agreement, GRANTEE shall inform the Department in writing when GRANTEE, or any of its Subconsultants, employs or hires in any capacity, and for any length of time, a person who has worked for the Department as a Commissioner, officer or employee. Said notice shall include the individual's name and current position and their prior position and years of employment with the Department. Written notice shall be provided by GRANTEE to the Department within thirty (30) days of the employment or hiring of the individual.

15. TRADEMARKS, COPYRIGHTS AND PATENTS

GRANTEE agrees to defend, indemnify, and hold harmless, protect and indemnify the City and any of its officers or agents from any damages, costs, or expenses in law or equity from any third party claim alleging infringement of any patent,

trademark, service mark or copyright of such third party in consequence of the use by City of any materials supplied by GRANTEE in the performance of this Agreement, provided however, that GRANTEE shall have no obligation under this Article 15 with respect to claims to the extent they arise out of: (A) use of such materials in combination with any materials not supplied to the City by GRANTEE, if the infringement would have been avoided by the use of the materials not so combined or (B) any modifications or changes made to such materials by or on behalf of any person other than GRANTEE or its personnel.

16. OWNERSHIP OF DOCUMENTS

All documents, reports or other materials, copies of working papers which contain information relating to the review, documentation, analysis and evaluation of the work described in this Agreement that are submitted to the City as part of this Project shall become the joint property of the City and GRANTEE. The City reserves the right to use, duplicate, disclose in whole or in part in any manner for any purpose whatsoever all said documents, reports or other materials, and to authorize others to do so.

17. TAXPAYER IDENTIFICATION NUMBER (TIN)

The Internal Revenue Service (IRS) requires that all consultants and suppliers of materials and supplies provide a TIN to the party that pays them. GRANTEE declares that it has an authorized TIN which shall be provided to the Department prior to payment under this Agreement. No payments will be made under this Agreement without a valid TIN.

18. BUSINESS TAX REGISTRATION CERTIFICATE

The City of Los Angeles Office of Finance requires the implementation and enforcement of Los Angeles Municipal Code Section 21.09 et seq. This Section provides that every person, other than a municipal employee, who engages in any business within the City of Los Angeles, is required to obtain the necessary Business Tax Registration Certificate and pay business taxes. The City Controller has determined that this Code Section applies to consulting firms that are doing work for the Los Angeles Harbor Department ("Department"). See <https://finance.lacity.org/how-register-btrc>.

19. AFFIRMATIVE ACTION

GRANTEE, during the performance of this Agreement, shall not discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, religion, natural origin, ancestry, sex, age, sexual orientation, disability, marital status, domestic partner status, or medical condition. The provisions of Section 10.8.4 of the Los Angeles Administrative Code shall be incorporated and made a part of the Agreement. All subcontracts awarded shall contain a like nondiscrimination provision. See Exhibit C.

20. PROPRIETARY INFORMATION

The Department shall have the right to disclose the information developed pursuant to this Agreement as it determines appropriate, considering the nature of the information, its use and the laws applicable to the Department.

21. SERVICE CONTRACTOR WORKER RETENTION POLICY AND LIVING WAGE POLICY REQUIREMENTS

The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 5771 on January 3, 1999, agreeing to adopt the provisions of the Los Angeles City Ordinance No. 171004 relating to Service Contractor Worker Retention (SCWR); Section 10.36 et seq. of the Los Angeles Administrative Code, as the policy of the Department. Further, Charter Section 378 requires compliance with the City's Living Wage requirements as set forth by ordinance, Section 10.37 et seq. of the Los Angeles Administrative Code. GRANTEE shall comply with the policy wherever applicable. Violation of this provision, where applicable, shall entitle the City to terminate the Agreement and otherwise pursue legal remedies that may be available.

22. WAGE AND EARNING ASSIGNMENT ORDERS/NOTICES OF ASSIGNMENTS

GRANTEE and/or any subcontractor are obligated to fully comply with all applicable state and federal employment reporting requirements for GRANTEE and/or subcontractor's employees.

GRANTEE and/or subcontractor shall certify that the principal owner(s) are in compliance with any Wage and Earning Assignment Orders and Notices of Assignment applicable to them personally. GRANTEE and/or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with Cal. Family Code § 5230 et seq. GRANTEE or subcontractor will maintain such compliance throughout the term of the Agreement.

23. EQUAL BENEFITS POLICY

The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 6328 on January 12, 2005, agreeing to adopt the provisions of Los Angeles City Ordinance 172,908, as amended, relating to Equal Benefits, Section 10.8.2.1 et seq. of the Los Angeles Administrative Code, as a policy of the Department. GRANTEE shall comply with the policy wherever applicable. Violation of the policy shall entitle the City to terminate any Agreement with GRANTEE and pursue any and all other legal remedies that may be available. See Exhibit D.

24. COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12)

The GRANTEE, Subconsultants, 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 agreement is valued at \$100,000 or more and requires approval of a City elected official. Additionally, GRANTEE is required to provide and update certain information to the City as specified by law. Any GRANTEE subject to Charter Section 470(c)(12), shall include the following notice in any contract with a subconsultant expected to receive at least \$100,000 for performance under this Agreement:

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are a subconsultant on Harbor Department Agreement No. \_\_\_\_\_. Pursuant to City Charter Section 470(c)(12), subconsultant 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 Agreement is signed. Subconsultant is required to provide to GRANTEE names and addresses of the subconsultant's principals and contact information and shall update that information if it changes during the 12 month time period. Subconsultant's information must be provided to GRANTEE within 10 business days. Failure to comply may result in termination of the Agreement 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.

GRANTEE, Subconsultants, 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.

25. STATE TIDELANDS GRANTS

This Agreement is entered into in furtherance of and as a benefit to the State Tideland Grant and the trust created thereby. Therefore, this Agreement is at all times subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City," approved June 3, 1929, (Stats. 1929, Ch. 651), as amended, and provisions of Article VI of the Charter of the City of Los Angeles relating to such lands. GRANTEE agrees that any interpretation of this Agreement and the terms contained herein must be consistent with such limitations, conditions, restrictions and reservations.

26. GOVERNING LAW AND VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to the conflicts of law, rules and principles of such State. The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the State or Federal courts

located in the County of Los Angeles, State of California, in the judicial district required by court rules.

27. INTEGRATION

This Agreement contains the entire understanding and agreement between the parties hereto with respect to the matters referred to herein. No other representations, covenants, undertakings, or prior or contemporaneous agreements, oral or written, regarding such matters which are not specifically contained, referenced, and/or incorporated into this Agreement by reference shall be deemed in any way to exist or bind any of the parties. Each party acknowledges that it has not been induced to enter into the Agreement and has not executed the Agreement in reliance upon any promises, representations, warranties or statements not contained, referenced, and/or incorporated into the Agreement. **THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT IS INTENDED TO BE, AND IS, AN INTEGRATED AGREEMENT.**

28. SEVERABILITY

Should any part, term, condition or provision of this Agreement be declared or determined by any court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law, public policy, or city charter, the validity of the remaining parts, terms, conditions or provisions of this Agreement shall not be affected thereby, and such invalid, illegal or unenforceable part, term, condition or provision shall be treated as follows: (a) if such part, term, condition or provision is immaterial to this Agreement, then such part, term, condition or provision shall be deemed not to be a part of this Agreement; or (b) if such part, term, condition or provision is material to this Agreement, then the parties shall revise the part, term, condition or provision so as to comply with the applicable law or public policy and to effect the original intent of the parties as closely as possible.

29. CONSTRUCTION OF AGREEMENT

This Agreement shall not be construed against the party preparing the same, shall be construed without regard to the identity of the person who drafted such and shall be construed as if all parties had jointly prepared this Agreement and it shall be deemed their joint work product; each and every provision of this Agreement shall be construed as though all of the parties hereto participated equally in the drafting hereof; and any uncertainty or ambiguity shall not be interpreted against any one party. As a result of the foregoing, any rule of construction that a document is to be construed against the drafting party shall not be applicable.

30. TITLES AND CAPTIONS

The parties have inserted the Article titles in this Agreement only as a matter of convenience and for reference, and the Article titles in no way define, limit, extend or describe the scope of this Agreement or the intent of the parties in including any particular provision in this Agreement.

31. MODIFICATION IN WRITING

This Agreement may be modified only by written agreement of all parties. Any such modifications are subject to all applicable approval processes required by, without limitation, City's Charter and City's Administrative Code.

32. WAIVER

A failure of any party to this Agreement to enforce the Agreement upon a breach or default shall not waive the breach or default or any other breach or default. All waivers shall be in writing.

33. EXHIBITS: ARTICLES

All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached. To the extent the terms of an exhibit conflict with or appear to conflict with the terms of the body of the Agreement, the terms of the body of the Agreement shall control. References to Articles are to Articles of this Agreement unless stated otherwise.

34. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute together one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners


Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
EUGENE D. SEROKA  
Executive Director


Attest: \_\_\_\_\_  
AMBER M. KLESGES  
Board Secretary

TOYOTA TSUSHO AMERICA, INC.

Dated: 09/16/2022, 2022

By:   
Naoyuki Hata / President

\_\_\_\_\_  
(Print/type name and title)

Attest:   
Koji Nakagawa / Vice President

\_\_\_\_\_  
(Print/type name and title)


APPROVED AS TO FORM AND LEGALITY

10/20, 2022  
MICHAEL N. FEUER, City Attorney  
STEVEN Y. OTERA, General Counsel

By:   
Heather M. McCloskey, Deputy

AGREEMENT BETWEEN  
THE CITY OF LOS ANGELES AND  
TOYOTA TSUSHO AMERICA, INC.

FUNDS AVAILABLE STAMP  
May 4, 2022

|  |  |           |        |
|--|--|-----------|--------|
| Account#                                   | 59965/ 11225   | W.O. #    | 78085  |
| Ctr/Div#                                   | 0330/ 7000   | Job Fac.# | 637-00 |
| Proj/Prog#                                 | 000  |           |        |
| Budget FY:            0330            7000 |  |           |        |
| FY 22/23                                   | \$415,000  | \$415,000 |        |
| FY 23/24                                   | \$ 15,000  | \$ 15,000 |        |
|  |  |           |        |
| TOTAL                                      | \$430,000  | \$430,000 |        |
| For Acct/Budget Div. Use Only              |  |           |        |
| Verified by:                               | <b>Flora Khaw</b> <small>Digitally signed by Flora Khaw<br/>Date: 2022.05.05 16:34:59 -0700</small>  |           |        |
| Verified Funds Available:                  |  <small>Digitally signed by Frank Liu<br/>Date: 2022.05.05 16:38:01 -0700</small> |           |        |
| Date Approved:                             | <b>5/5/2022</b>  |           |        |

## EXHIBIT A

### SCOPE OF WORK

#### TOYOTA TSUSHO AMERICA, INC. PROJECT

The Project will be performed by a demonstration team led by Toyota Tsusho America, Inc. (Toyota Tsusho), supported by OneH2, Fenix Marine Services (FMS), and US Hybrid (Project Team). The Project will develop an integrated system that will combine zero emission hydrogen (H<sub>2</sub>) fuel cell-powered, port-related cargo handling equipment (CHE)—specifically, a top handler—and a first-of-its-kind, mobile, ultra-high-pressure hydrogen refueler technology. The demonstration of these hydrogen technologies will occur at the FMS marine terminal at the Port of Los Angeles. The Project, if successfully demonstrated, is expected to decrease pollutants emitted from top handlers and prove the viability of mobile fueling solutions for hydrogen fuel-cell powered cargo handling equipment.

#### **TASK 1 – Develop and Build the Hydrogen Mobile Refueler**

The purpose of this task is to develop and build a hydrogen mobile refueler to fuel a top handler with real world operational conditions to minimize the process change from diesel refueling operations.

The Project Team will develop a mobile H<sub>2</sub> refueler that will contain six separate cylinders mounted on a fixed truck chassis. Each cylinder is capable of holding 27.25 kg of H<sub>2</sub> at 13,500 pounds per square inch in gauge (psig) or 931 bar. One truckload can hold approximately 163.5 kg of hydrogen, with a net dispensable amount of approximately 131 kg. This ultra-high pressure refueler tank and an onboard controller will eliminate the need for an onboard compressor and should enable the refueler to deliver hydrogen fuel at a rate of ~2 kg/minute. The Project Team shall deliver the complete hydrogen mobile refueler to FMS.

#### **TASK 2 – Top Handler Fuel Cell Retrofit**

The Project Team shall deliver the completed top handler with the fuel cell system integrated to FMS. The purpose of this task is to verify the operational performance and safe hydrogen refueling process.

In this task, the Project Team will design the integrated top handler and build the test model using a commercially available Toyota fuel cell system. The objectives are to 1) perform benchmark testing of the test model diesel-powered top handler; 2) finalize top handler specifications for the fuel cell top handler; 3) produce preliminary engineering drawings; 4) release completed engineering drawings and simulation models; 5) remove diesel powertrain from the test model top handler; and 6) integrate the proposed fuel cell system into the test equipment. The Project Team shall deliver the complete hydrogen top handler to FMS.

#### **TASK 3 – Hydrogen Fueling Safety Approvals and Permits**

The purpose of this task is to obtain all necessary approvals and permits for operation of the Project equipment.

The Project Team shall obtain all necessary permits and approvals to operate the prototype mobile fueler at FMS. Copies of all such permits shall be provided to the Harbor Department. A Safety Report shall be provided to the Harbor Department detailing the permitting process,

discussions with permitting authorities related to the planned demonstration, and any indication of the potential future permitting of a fully mobile fueling solution,

#### **TASK 4 – Equipment Demonstration and Reporting**

The purpose of this task is to demonstrate the constructed technologies in a marine port terminal and report to the Harbor Department on equipment performance. The Project Team shall demonstrate the mobile fueler and repowered top handler at FMS for a twelve-month period. This demonstration and reports will also include the procurement of hydrogen.

The Project Team will report regularly to the Harbor Department on overall equipment performance, including any maintenance events, time of operation, and utilization of the mobile fueler. A final report will be submitted upon completion summarizing all tasks and provide information on future plans for this technology. The final report will include a summary of the following aspects of the demonstration:

- Operational and technical performance
- Training and safety of operation
- Hydrogen supply process and overall feasibility
- Loading/dispensing time (mobile fueler)
- Economic viability for future commercialization
- Environmental impact, including production and transportation of hydrogen

**EXHIBIT B**  
**PAYMENT SCHEDULE**  
**TOYOTA TSUSHO AMERICA, INC. PROJECT**

| <b>Payment</b>                        | <b>Description</b>   | <b>Estimated Schedule</b> |
|---------------------------------------|--|---------------------------|
| Task #1                               | Develop and Build Hydrogen Mobile Refueler   | 4th Quarter 2022          |
| <b>Payment #1</b><br><b>\$500,000</b> | <b>Deliverables: Hydrogen Mobile Refueler (proof of delivery)</b>                  | 4th Quarter 2022          |
| Task #2                               | Top Handler Fuel Cell Retrofit   | 4th Quarter 2022          |
| <b>Payment #2</b><br><b>\$300,000</b> | <b>Deliverables: A Fuel Cell System integrated top handler (proof of delivery)</b> | 4th Quarter 2022          |
| Task #3<br>Safety Approval            | Hydrogen Fueling Safety Approvals and Permits                                      | 4th Quarter 2022          |
| <b>Payment #3</b><br><b>\$30,000</b>  | <b>Deliverables: Copies of Permits, Safety Report</b>                              | 4th Quarter 2022          |
| Task # 4                              | Equipment Demonstration and Reporting  | 4th Quarter 2023          |
| <b>Payment #4</b><br><b>\$30,000</b>  | <b>Deliverables: Final Report</b>  | 4th Quarter 2023          |

## EXHIBIT C - AFFIRMATIVE ACTION PROGRAM PROVISIONS

### **Sec. 10.8.4 Affirmative Action Program Provisions.**

Every non-construction and construction Contract with, or on behalf of, the City of Los Angeles for which the consideration is \$25,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM provisions of such Contract:

A. During the performance of a City Contract, the Contractor certifies and represents that the 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, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

1. This section 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. The 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. The Contractor shall, in all solicitations or advertisements for employees placed, by or on behalf of, the Contractor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

C. At the request of the Awarding Authority or the DAA, the Contractor shall certify on an electronic or hard copy form to be supplied, that the Contractor has not discriminated in the performance of City Contracts against any employee or applicant for employment on the basis or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

D. The 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 DAA for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City Contracts and, upon request, to provide evidence that it has or will comply therewith.

E. The failure of any Contractor to comply with the Affirmative Action Program provisions of City Contracts may be deemed to be a material breach of a City Contract. The 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 DAA. No finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Contractor.

F. Upon a finding duly made that the 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 of Los Angeles. In addition thereto, the breach may be the basis for a determination by the Awarding Authority or the Board of Public Works that the Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such determination, the Contractor shall be disqualified from being awarded a contract with the City of Los Angeles 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 the 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 the Contractor by the City of Los Angeles under the contract, a penalty of ten dollars for each person for each calendar day on which the person was discriminated against in violation of the provisions of a City Contract.

H. Notwithstanding any other provisions of a City Contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the DAA and provide to the Awarding Authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish this contract compliance program.

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. By affixing its signature to a Contract that is subject to this article, the Contractor shall agree to adhere to the provisions in this article for the duration 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 Program.

1. The Contractor certifies and agrees to immediately implement good faith effort measures to recruit and employ minority, women and other potential employees in

a non-discriminatory manner including, but not limited to, the following actions as appropriate and available to the Contractor's field of work. The Contractor shall:

- (a) Recruit and make efforts to obtain employees through:
  - (i) Advertising employment opportunities in minority and other community news media or other publications.
  - (ii) Notifying minority, women and other community organizations of employment opportunities.
  - (iii) Maintaining contact with schools with diverse populations of students to notify them of employment opportunities.
  - (iv) Encouraging existing employees, including minorities and women, to refer their friends and relatives.
  - (v) Promoting after school and vacation employment opportunities for minority, women and other youth.
  - (vi) Validating all job specifications, selection requirements, tests, etc.
  - (vii) Maintaining a file of the names and addresses of each worker referred to the Contractor and what action was taken concerning the worker.
  - (viii) Notifying the appropriate Awarding Authority and the DAA in writing when a union, with whom the Contractor has a collective bargaining agreement, has failed to refer a minority, woman or other worker.
- (b) Continually evaluate personnel practices to assure that hiring, upgrading, promotions, transfers, demotions and layoffs are made in a non-discriminatory manner so as to achieve and maintain a diverse work force.
- (c) Utilize training programs and assist minority, women and other employees in locating, qualifying for and engaging in the training programs to enhance their skills and advancement.
- (d) Secure cooperation or compliance from the labor referral agency to the Contractor's contractual Affirmative Action Program obligations.
- (e) Establish a person at the management level of the Contractor to be the Equal Employment Practices officer. Such individual shall have the authority to disseminate and enforce the Contractor's Equal Employment and Affirmative Action Program policies.
- (f) Maintain records as are necessary to determine compliance with Equal Employment Practices and Affirmative Action Program obligations and make the records available to City, State and Federal authorities upon request.

(g) Establish written company policies, rules and procedures which shall be encompassed in a company-wide Affirmative Action Program for all its operations and Contracts. The policies shall be provided to all employees, Subcontractors, vendors, unions and all others with whom the Contractor may become involved in fulfilling any of its Contracts.

(h) Document its good faith efforts to correct any deficiencies when problems are experienced by the Contractor in complying with its obligations pursuant to this article. The Contractor shall state:

- (i) What steps were taken, how and on what date.
- (ii) To whom those efforts were directed.
- (iii) The responses received, from whom and when.
- (iv) What other steps were taken or will be taken to comply and when.
- (v) Why the Contractor has been or will be unable to comply.

2. Every contract of \$25,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall also comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

L. The Affirmative Action Program required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Awarding Authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
2. Classroom preparation for the job when not apprenticeable;
3. Pre-apprenticeship education and preparation;
4. Upgrading training and opportunities;
5. Encouraging the use of Contractors, Subcontractors and suppliers of all racial and ethnic groups; provided, however, that any contract subject to this ordinance shall require the Contractor, Subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the Contractor's, Subcontractor's or supplier's geographical area for such work;
6. The entry of qualified women, minority and all other journeymen into the industry; and

7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

M. Any adjustments which may be made in the Contractor's work force to achieve the requirements of the City's Affirmative Action Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

N. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by Contractors engaged in the performance of City Contracts.

O. All Contractors subject to the provisions of this article shall include a similar provision in all subcontracts awarded for work to be performed under the Contract with the City and shall impose the same obligations including, but not limited to, filing and reporting obligations, on the Subcontractors as are applicable to the Contractor. Failure of the Contractor to comply with this requirement or to obtain the compliance of its Subcontractors with all such obligations shall subject the Contractor to the imposition of any and all sanctions allowed by law, including, but not limited to, termination of the Contractor's Contract with the City.

## EXHIBIT D

### Sec. 10.8.2.1. Equal Benefits Ordinance.

Discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work. Los Angeles law prohibits entities doing business with the City from discriminating in employment practices based on marital status and/or sexual orientation. The City's departments and contracting agents are required to place in all City contracts a provision that the company choosing to do business with the City agrees to comply with the City's nondiscrimination laws.

It is the City's intent, through the contracting practices outlined in this Ordinance, to assure that those companies wanting to do business with the City will equalize the total compensation between similarly situated employees with spouses and with domestic partners. The provisions of this Ordinance are designed to ensure that the City's contractors will maintain a competitive advantage in recruiting and retaining capable employees, thereby improving the quality of the goods and services the City and its people receive, and ensuring protection of the City's property.

#### (c) Equal Benefits Requirements.

(1) No Awarding Authority of the City shall execute or amend any Contract with any Contractor that discriminates in the provision of Benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(2) A Contractor must permit access to, and upon request, must provide certified copies of all of its records pertaining to its Benefits policies and its employment policies and practices to the DAA, for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance.

(3) A Contractor must post a copy of 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." The posted statement must also include a City contact telephone number which will be provided each Contractor when the Contract is executed.

(4) A Contractor must not set up or use its contracting entity for the purpose of evading the requirements imposed by the Equal Benefits Ordinance.

(d) Other Options for Compliance. Provided that the Contractor does not discriminate in the provision of Benefits, a Contractor may also comply with the Equal Benefits Ordinance in the following ways:

(1) A Contractor may provide an employee with the Cash Equivalent only if the DAA determines that either:

a. The Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or

b. Under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable).

(2) Allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent Benefits.

(3) Provide Benefits neither to employees' spouses nor to employees' Domestic Partners.

(e) Applicability.

(1) Unless otherwise exempt, a Contractor is subject to and shall comply with all applicable provisions of the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to a Contractor's operations as follows:

a. A Contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the Contract.

b. A Contractor's operations on real property located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the Contractor's presence at or on that property is connected to a Contract with the City.

c. The Contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the City Contract.

(3) The requirements of the Equal Benefits Ordinance do not apply to collective bargaining agreements ("CBA") in effect prior to January 1, 2000. The Contractor must agree to propose to its union that the requirements of the Equal Benefits Ordinance be incorporated into its CBA upon amendment, extension, or other modification of a CBA occurring after January 1, 2000.

(f) Mandatory Contract Provisions Pertaining to Equal Benefits. Unless otherwise exempted, every Contract shall contain language that obligates the Contractor to comply with the applicable provisions of the Equal Benefits Ordinance. The language shall include provisions for the following:

(1) During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the Equal Benefits Ordinance.

(2) The failure of the Contractor to comply with the Equal Benefits Ordinance will be deemed to be a material breach of the Contract by the Awarding Authority.

(3) If the Contractor fails to comply with the Equal Benefits Ordinance the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the 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.

(4) Failure to comply with the Equal Benefits Ordinance may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(5) If the DAA determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the Equal Benefits Ordinance, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.