

AGREEMENT NO.

AGREEMENT BETWEEN
THE CITY OF LOS ANGELES AND
SUMMIT SECURITY SERVICES, INC.,
DBA SUMMIT OF CALIFORNIA

THIS AGREEMENT ("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 Summit Security Services, Inc., dba Summit of California, 390 RXR Plaza, Uniondale, NY 11556 ("Consultant").

WHEREAS, City requires assistance in administering an effective background investigations program; and

WHEREAS, Consultant possesses the necessary licenses and is familiar with conducting background investigations in accordance with the California Commission on Peace Officer Standards and Training; and

WHEREAS, City requires the professional, expert and technical services of Consultant on a temporary or occasional basis to assist the City in conducting personnel security background investigations on prospective Port Police applicants, civilian employees, and other Harbor Department employees; and

WHEREAS, Consultant possesses extensive experience in dealing with conducting interviews, reviewing personal history statements, confirming educational history, and neighborhood canvassing; and

WHEREAS, Consultant, by virtue of training and experience, is well qualified to provide such services to City; and

WHEREAS, City does not employ personnel with the required expertise nor is it feasible to do so on a temporary or occasional basis;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

I. SERVICES TO BE PERFORMED BY CONSULTANT

A. Consultant hereby agrees to render to City, as an independent contractor, certain professional, technical and expert services of a temporary and occasional character as set forth in Exhibit A ("Scope of Work").

B. Consultant, at its sole cost and expense, shall furnish all services, materials, equipment, subsistence, transportation and all other items necessary to perform the Scope of Work. As between City and Consultant, Consultant is solely responsible for any taxes or fees which may be assessed against it or its employees

resulting from performance of the Scope of Work, whether social security, payroll or other, and regardless of whether assessed by the federal government, any state, the City, or any other governmental entity.

C. Consultant acknowledges and agrees that it lacks authority to perform any services outside the Scope of Work. Consultant further acknowledges and agrees that any services it performs outside the Scope of Work are performed as a volunteer and shall not be compensable under this Agreement.

D. The Scope of Work shall be performed by personnel qualified and competent in the sole reasonable discretion of the Executive Director or his or her designee ("Executive Director"), whether performance is undertaken by Consultant or third-parties with whom Consultant has contracted ("Subconsultants"). Obligations of this Agreement, whether undertaken by Consultant or Subconsultants, are and shall be the responsibility of Consultant. Consultant acknowledges and agrees that this Agreement creates no rights in Subconsultants with respect to City and that obligations that may be owed to Subconsultants, including, but not limited to, the obligation to pay Subconsultants for services performed, are those of Consultant alone. Upon Executive Director's written request, Consultant shall supply City's Harbor Department ("Department") with all agreements between it and its Subconsultants.

II. SERVICES TO BE PERFORMED BY CITY

A. City shall furnish Consultant, upon its request, all documents and papers in possession of City which may lawfully be supplied to Consultant and which are necessary for it to perform its obligations.

B. The Executive Director or his or her designee is designated as the contract administrator for City and shall also decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the interpretation of instructions to Consultant and the acceptable completion of this Agreement and the amount of compensation due. Notwithstanding the preceding, the termination of this Agreement shall be governed by the provisions of Article X (Termination) hereof.

C. Consultant shall provide Executive Director with reasonable advance written notice if it requires access to premises of Department. Subsequent access rights, if any, shall be granted to Consultant at the sole reasonable discretion of Executive Director, specifying conditions Consultant must satisfy in connection with such access. Consultant acknowledges that such areas may be occupied or used by tenants or contractors of City and that access rights granted by Department to Consultant shall be consistent with any such occupancy or use.

III. EFFECTIVE DATE AND TERM OF 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. Consultant 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 the sixth Council meeting day after Board action or the City Council's approval of the Agreement.

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

1. One (1) year has lapsed from the effective date of this Agreement; however, City has two (2) options of one (1) year each to extend this Agreement on the same terms, such options to be exercisable by Executive Director or his/her designee prior to expiration of Agreement; in no event shall term exceed three (3) years.

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 Consultant ten (10) days' notice in writing of its election to cancel and terminate this Agreement.

IV. TERMINATION DUE TO NON-APPROPRIATION OF FUNDS

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. The Consultant is not entitled to any compensation in any fiscal year in which funds have not been appropriated for the Agreement by the Board.

Although the Consultant is not obligated to perform any work under the Agreement in any fiscal year in which no appropriation for the Agreement has been made, the Consultant 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. The Consultant 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.

V. COMPENSATION AND PAYMENT

A. As compensation for the satisfactory performance of the services required by this Agreement, City shall pay and reimburse Consultant at the rates set forth in Exhibit B.

B. The maximum payable under this Agreement, including reimbursable expenses (see Exhibit B), shall be One Hundred Fifty Thousand Dollars (\$150,000).

C. Consultant shall submit invoices in quadruplicate to City monthly following the effective date of this Agreement for services performed during the preceding month. Each such invoice shall be signed by the Consultant and shall include the following certification:

"I certify under penalty of perjury that the above bill is just and correct according to the terms of Agreement No. _____ and that payment has not been received. I further certify that I have complied with the provisions of the City's Living Wage Ordinance.

(Consultant's Signature)

D. Consultant must include on the face of each itemized invoice submitted for payment its Business Tax Registration Certificate number, as required at Article VIII of this Agreement. 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.

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

Further, where the Consultant employs Subconsultants under this Agreement, the Consultant shall submit to City, with each monthly invoice, a Monthly Subconsultant Monitoring Report Form (Exhibit C) listing SBE/VSBE/MBE/WBE/DVBE/OBE amounts. Consultant shall provide an explanation for any item that does not meet or exceed the anticipated participation levels for this Agreement, with specific plans and

recommendations for improved Subconsultant utilization. Invoices will not be paid without a completed Monthly Subconsultant Monitoring Report Form. All invoices are subject to audit. Consultant is not required to submit support for direct costs items of \$25 or less.

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

VI. RECORDKEEPING AND AUDIT RIGHTS

A. Consultant shall keep and maintain full, complete and accurate books of accounts and records of the services performed under this Agreement in accordance with generally accepted accounting principles consistently applied, which books and records shall be readily accessible to and open for inspection and copying at the premises by City, its auditors or other authorized representatives. Notwithstanding any other provision of this Agreement, failure to do so shall constitute a conclusive waiver of any right to compensation for such services as are otherwise compensable hereunder. Such books and records shall be maintained by Consultant for a period of three (3) years after completion of services to be performed under this Agreement or until all disputes, appeals, litigation or claims arising from this Agreement have been resolved.

B. During the term of this Agreement, City may audit, review and copy any and all writings (as that term is defined in Section 250 of the California Evidence Code) of Consultant and Subconsultants arising from or related to this Agreement or performance of the Scope of Work, whether such writings are (a) in final form or not, (b) prepared by Consultant, Subconsultants or any individual or entity acting for or on behalf of Consultant or a Subconsultant, and (c) without regard to whether such writings have previously been provided to City. Consultant shall be responsible for obtaining access to and providing writings of Subconsultants. Consultant shall provide City at Consultant's sole cost and expense a copy of all such writings within fourteen (14) calendar days of a written request by City. City's right shall also include inspection at reasonable times of the Consultant's office or facilities which are engaged in the performance of the Scope of Work. Consultant shall, at no cost to City, furnish reasonable facilities and assistance for such review and audit. Consultant's failure to comply with this Article VI shall constitute a material breach of this Agreement and shall entitle City to withhold any payment due under this Agreement until such breach is cured.

VII. INDEPENDENT CONTRACTOR

Consultant, in the performance of the work required by this Agreement, is an independent contractor and not an agent or employee of City. Consultant 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.

VIII. 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 Code 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 Department. See Exhibit D.

IX. INDEMNIFICATION AND INSURANCE

A. Indemnification

Except for the sole negligence or willful misconduct of the City, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, Consultant 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, 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 Consultant's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement by Consultant 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. Acceptable Evidence and Approval of Insurance

Electronic submission is the required method of submitting Consultant's insurance documents. Consultant's insurance broker or agent shall register with the City's online insurance compliance system **Track4LA**™ at <http://track4la.lacity.org/> and submit the appropriate proof of insurance on Consultant's behalf.

C. General Liability Insurance

Consultant shall procure and maintain in effect throughout the term of this Agreement, without requiring additional compensation from the City, 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 Consultant'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 Consultant. The retention or self-insurance provided shall provide that any other insurance maintained by the Harbor Department shall be excess of Consultant'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. Additionally, each policy shall include an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds, a 10-days notice of cancellation for nonpayment of premium, and a 30-days notice of cancellation for any other reasons.

D. Professional Liability Insurance

Consultant is required to provide Professional Liability insurance with respect to negligent or wrongful acts, errors or omissions, or failure to render services in connection with the professional services to be provided under this Agreement. This insurance shall protect against claims arising from professional services of the insured, or by its employees, agents, or contractors, and include coverage (or no exclusion) for contractual liability.

Consultant certifies that it now has professional liability insurance in the amount of One Million Dollars (\$ 1,000,000), which covers work to be performed pursuant to this Agreement and that it will keep such insurance or its equivalent in effect at all times during performance of said Agreement and until two (2) years following acceptance of the completed project by Board.

Each policy shall include a 10-days notice of cancellation for nonpayment of premium, and a 30-days notice of cancellation for any other reasons.

Notice of occurrences of claims under the policy shall be made to the City Attorney's office with copies to Risk Management.

E. Carrier Requirements

All insurance which Consultant 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.

F. Notice of Cancellation

Each insurance policy described above shall provide that it will not be canceled or reduced in coverage until after the Board of Harbor Commissioners, Attention: Risk Manager and the City Attorney of City have each been given thirty (30) days' prior written notice by registered mail addressed to 425 S. Palos Verdes Street, San Pedro, California 90731.

G. Modification of Coverage

Executive Director, at his or her 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 Consultant.

H. Renewal of Policies

At least thirty (30) days prior to the expiration of each policy, Consultant shall direct their insurance broker or agent to submit to the City's online insurance compliance system **Track4LA**™ at <http://track4la.lacity.org/> a renewal endorsement or renewal certificate showing that the policy has been renewed or extended or, if new insurance has been obtained, evidence of insurance as specified above. If Consultant 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 will be deducted from the next payment due Consultant.

I. Right to Self-Insure

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

1. Consultant has a formal self-insurance program in place prior to execution of this Agreement. If a corporation, Consultant must have a formal resolution of its board of directors authorizing self-insurance.

2. Consultant 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. Consultant agrees to defend the City, its boards, officers, agents and employees in any lawsuit that would otherwise be defended by an insurance carrier.
4. Consultant agrees that any insurance carried by Department is excess of Consultant's self-insurance and will not contribute to it.
5. Consultant provides the name and address of its claims administrator.
6. Consultant submits its most recently filed 10-Q and its 10-K 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. Consultant agrees to inform Department in writing immediately of any change in its status or policy which would materially affect the protection afforded Department by this self-insurance.
8. Consultant has complied with all laws pertaining to self-insurance.

J. Accident Reports

Consultant 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 Consultant'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 Consultant, its officers or managing agents.

X. TERMINATION PROVISION

The Board of Harbor Commissioners, in its sole discretion, shall have the right to terminate and cancel all or any part of this Agreement for any reason upon giving the Consultant ten (10) days' advance, written notice of the Board's election to cancel and terminate this Agreement. It is agreed that any Agreement entered into shall not limit

the right of the City to hire additional consultants or perform the services described in this Agreement either during or after the term of this Agreement.

XI. PERSONAL SERVICE AGREEMENT

A. During the term hereof, Consultant agrees that it will not enter into other contracts or perform any work without the written permission of the Executive Director where the work may conflict with the interests of the Department.

B. Consultant acknowledges that it has been selected to perform the Scope of Work because of its experience, qualifications and expertise. Any assignment or other transfer of this Agreement or any part hereof shall be void provided, however, that Consultant may permit Subconsultant(s) to perform portions of the Scope of Work in accordance with Article I. All Subconsultants whom Consultant utilizes, however, shall be deemed to be its agents. Subconsultants' performance of the Scope of Work shall not be deemed to release Consultant from its obligations under this Agreement or to impose any obligation on the City to such Subconsultant(s) or give the Subconsultant(s) any rights against the City.

XII. AFFIRMATIVE ACTION

The Consultant, during the performance of this Agreement, shall not discriminate in its employment practices against any employee or applicant for employment because of employee's or applicant's race, religion, national 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 this Agreement. All subcontracts awarded shall contain a like nondiscrimination provision. See Exhibit E.

XIII. SMALL/VERY SMALL BUSINESS DEVELOPMENT PROGRAM

It is the policy of the Department to provide Small Business Enterprises (SBE), Very Small Business Enterprises (VSBE) and Minority-Owned, Women-Owned, Disabled Veteran Business Enterprises and all Other Business Enterprises (MBE/WBE/DVBE/OBE) an equal opportunity to participate in the performance of all City contracts in all areas where such contracts afford such participation opportunities. Consultant shall assist the City in implementing this policy and shall use its best efforts to afford the opportunity for SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs to achieve participation in subcontracts where such participation opportunities present themselves and attempt to ensure that all available business enterprises, including SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs, have equal participation opportunity which might be presented under this Agreement. See Exhibit F.

NOTE: Prior to being awarded a contract with the City, Consultant and all Subconsultants must be registered on the City's Contracts Management and

Opportunities Database, Los Angeles Business Assistance Virtual Network (LABAVN), at <http://www.labavn.org>.

XIV. 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 California 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 the Department. All parties hereto 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.

XV. COMPLIANCE WITH APPLICABLE LAWS

Consultant shall at all times in the performance of its obligations comply with all applicable laws, statutes, ordinances, rules and regulations, and with the reasonable requests and directions of Executive Director.

XVI. GOVERNING LAW / 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.

XVII. TRADEMARKS, COPYRIGHTS, AND PATENTS

Consultant agrees to save, keep, hold harmless, protect and indemnify the City and any of its officers or agents from any damages, cost, or expenses in law or equity from infringement of any patent, trademark, service mark or copyright of any person or persons, or corporations in consequence of the use by City of any materials supplied by Consultant in the performance of this Agreement.

XVIII. PROPRIETARY INFORMATION

A. Writings, as that term is defined in Section 250 of the California Evidence Code (including, without limitation, drawings, specifications, estimates, reports, records, reference material, data, charts, documents, renderings, computations, computer tapes or disks, submittals and other items of any type whatsoever, whether in the form of

writing, figures or delineations), which are obtained, generated, compiled or derived in connection with this Agreement (collectively hereafter referred to as "property"), are owned by City as soon as they are developed, whether in draft or final form. City has the right to use or permit the use of property and any ideas or methods represented by such property for any purpose and at any time without compensation other than that provided in this Agreement. Consultant hereby warrants and represents that City at all times owns rights provided for in this section free and clear of all third-party claims whether presently existing or arising in the future, whether or not presently known. Consultant need not obtain for City the right to use any idea, design, method, material, equipment or other matter which is the subject of a valid patent, unless such patent is owned by Consultant or one of its employees, or its Subconsultant or the Subconsultant's employees, in which case such right shall be obtained without additional compensation. Whether or not Consultant's initial proposal or proposals made during this Agreement are accepted by City, it is agreed that all information of any nature whatsoever connected with the Scope of Work, regardless of the form of communication, which has been or may be given by Consultant, its Subconsultants or on either's behalf, whether prior or subsequent to this Agreement becoming effective, to the City, its boards, officers, agents or employees, is not given in confidence. Accordingly, City or its designees may use or disclose such information without liability of any kind, except as may arise under valid patents.

B. If research or development is furnished in connection with this Agreement and if, in the course of such research or development, patentable work product is produced by Consultant, its officers, agents, employees, or Subconsultants, the City shall have, without cost or expense to it, an irrevocable, non-exclusive royalty-free license to make and use, itself or by anyone on its behalf, such work product in connection with any activity now or hereafter engaged in or permitted by City. Upon City's request, Consultant, at its sole cost and expense, shall promptly furnish or obtain from the appropriate person a form of license satisfactory to the City. It is expressly understood and agreed that, as between City and Consultant, the referenced license shall arise for City's benefit immediately upon the production of the work product, and is not dependent on the written license specified above. City may transfer such license to its successors in the operation or ownership of any real or personal property now or hereafter owned or operated by City.

XIX. CONFIDENTIALITY

The data, documents, reports, or other materials which contain information relating to the review, documentation, analysis and evaluation of the work described in this Agreement and any recommendations made by Consultant relative thereto shall be considered confidential and shall not be reproduced, altered, used or disseminated by Consultant or its employees or agents in any manner except and only to the extent necessary in the performance of the work under this Agreement. In addition, Consultant is required to safeguard such information from access by unauthorized personnel.

XX. NOTICES

In all cases where written notice is to be given under this Agreement, service shall be deemed sufficient if said notice is deposited in the United States mail, postage prepaid. When so given, such notice shall be effective from the date of mailing of the same. For the purposes hereof, unless otherwise provided by notice in writing from the respective parties, notice to the Department shall be addressed to Director of Port Police, Los Angeles Harbor Department, P.O. Box 151, San Pedro, California 90733-0151, and notice to Consultant shall be addressed to it at the address set forth above. Nothing herein contained shall preclude or render inoperative service of such notice in the manner provided by law.

XXI. 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. Consultant declares that its authorized TIN is 13-2896421. No payments will be made under this Agreement without a valid TIN.

XXII. 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 13, 1999, agreeing to adopt the provisions of 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. Consultant shall comply with the policy wherever applicable. Violation of this provision, where applicable, shall entitle the City to terminate this Agreement and otherwise pursue legal remedies that may be available.

XXIII. WAGE AND EARNINGS ASSIGNMENT ORDERS / NOTICES OF ASSIGNMENTS

The Consultant and/or any Subconsultant are obligated to fully comply with all applicable state and federal employment reporting requirements for the Consultant and/or Subconsultant's employees.

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

XXIV. 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 No. 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. Consultant shall comply with the policy wherever applicable. Violation of this policy shall entitle the City to terminate any Agreement with Consultant and pursue any and all other legal remedies that may be available. See Exhibit G.

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

The Consultant, 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, Consultant is required to provide and update certain information to the City as specified by law. Any Consultant 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 Consultant 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 Consultant 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.

Consultant, 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.

XXVI. STATE TIDELANDS GRANTS

This Agreement is entered into in furtherance of and as a benefit to the State Tidelands 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. Consultant agrees that any interpretation of this Agreement and the terms contained herein must be consistent with such limitations, conditions, restrictions and reservations.

XXVII. 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.**

XXVIII. 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.

XXIX. 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.

XXX. 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.

XXXI. 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.

XXXII. 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.

XXXIII. 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.

XXXIV. 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.

/////

/////

/////

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: _____

By _____
Executive Director

Attest: _____
Secretary

SUMMIT SECURITY SERVICES, INC.
Dba SUMMIT OF CALIFORNIA

Dated: 7/2/2012

By *Nicholas M. Auletta*
Nicholas M. Auletta
CO-President
(Print/type name and title)

Attest *Lee Tan*
Lee Tan
Pricing and Contract Manager
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

7/13, 2012
CARMEN A. TRUTANICH, City Attorney
Thomas A. Russell, General Counsel

By *Simon M. Kann*
SIMON M. KANN, Deputy/Assistant

Account #	54290	W.O. #	
Ctr/Div #	0412	Job Acc. #	
Proj/Prog #	641		
Budget FY:		Amount:	
	12-13		\$60,000
	13-14		\$45,000
	14-15		\$45,000
	TOTAL		\$150,000

For Acct/Budget Div. Use Only:

Verified by: *Simon M. Kann*

Verified Funds Available: *11/10/12*

Date Approved: *7/10/12*

See revised funds available on next page

REVISED FUNDS AVAILABLE


AGREEMENT NO.


AGREEMENT BETWEEN

THE CITY OF LOS ANGELES AND
SUMMIT SECURITY SERVICES, INC.,
DBA SUMMIT OF CALIFORNIA

Account#	54290	W.O. #	
Ctr/Div#	0412	Job Fac.#	
Proj/Prog#	641		
	Budget FY:	Amount:	
	12/13	50,000	
	13/14	50,000	
	14/15	50,000	
	TOTAL	\$150,000	

For Acct/Budget Div. Use Only

Verified by: 

Verified Funds Available: 

Date Approved: 07.13.12

EXHIBIT A

Scope of Work

The Consultant shall provide services to the Port Police as described herein which includes, but is not necessarily limited to, the provision of background investigation procedures and reports for the Port Police and Harbor Department positions of Port Police Officer, Reserve Port Police Officer, Port Security Officer, Port Civilian Employee, and Private Contractors to the Port Police or Harbor Department. With the exception of those tasks to be performed by Port Police background investigation personnel, the Consultant shall be solely responsible for the background investigation procedures as outlined in the Required Tasks to Perform (Attachment A). This task list may be expanded to meet future needs and/or legal requirements or standards. Each task shall be as directed, in writing, using Projective Directives, issued by the Harbor Department Project Manager or their designee.

It is anticipated that tasks numbered 1 through 7, 9 through 12, 15 through 17, and 30, on the Required Tasks to Perform (Attachment A), will be handled by Port Police with the resulting documents/photographs provided to the Consultant in a timely manner. However, the Consultant may be asked to perform any of the tasks listed in Attachment A with the exception of medical examinations as the Port Police Division will contract separately for this service. Work performed by the Consultant will not be used in lieu of the City of Los Angeles Personnel Department's Background Unit for full-time sworn Police Officer positions.

The following items will be part of the scope of work for this project. It should be noted this list may not be exhaustive and could be expanded to meet future needs and/or legal requirements or standards.

1. Review of Personal History Form and a determination made as to whether any conflicts exist with any other information provided by either the candidate or developed in the course of the background investigation;
2. Conduct introductory interviews with each assigned candidate prior to commencement of the formal background investigation. Before each interview, Port Police will provide Consultant with background data on each candidate;
3. Review of the Pre-Investigative Questionnaire (PIQ) and the follow-up deemed necessary in response to candidate answers to PIQ questions;
4. Confirmation of educational history and education documents provided by candidate;
5. Receipt and review of Citizenship documents (if relevant) provided by candidate;
6. Employment history verifications, including review of personnel files and Internal Affairs files (if relevant);
7. Residential canvassing;

8. Receipt and review of marriage and divorce documents;
9. Spousal interviews;
10. Local law enforcement agency inquiries relevant to each candidate;
11. Perform investigations with respect to applicants' online lives and history via social networking sites, blogs, and similar internet-based services;
12. Conduct a "clarification interview" with candidate in response to any significant information developed as a result of the background investigation which is in conflict with information provided by the candidate;
13. Explore and investigate any concerns uncovered during the introductory interview, as well as any information developed during the course of the formal background investigation;
14. Notify the Port Police when significant information or concerns are found which cast a serious question as to the suitability of a candidate, assist in the determination as to whether to proceed with the background investigation, and prepare Summary Investigative Reports when a candidate is deemed "disqualified" based on POST background investigation standards;
15. At the conclusion of each background investigation, prepare a Background Investigation Narrative Report, using Microsoft Word, structured in the format shown in Attachment B;
16. When required by summons or other legal processes, or at the request of the Port Police, provide legal testimony on the background investigation services provided under the agreement;
17. Be available for and participate in meetings, trainings, and presentations as deemed necessary by the Port Police; and
18. Provide other tasks deemed necessary and requested by the Port Police and in conformance with the scope of work of the agreement.

All work shall be completed in conformance with the guidelines and standards as set out in the California POST Background Investigation Manual and Background Investigation Course (POST.TDB.01002). Additional information can be found on the following websites:

<http://www.post.ca.gov/background-investigation-manual-guidelines-for-the-investigator.aspx>

<http://www.post.ca.gov/publication-list.aspx>

The Consultant shall be able to provide background investigative services after normal business hours and on weekends and holidays. Background Investigation services shall not include medical or psychological examinations, as the Port Police Division will contract separately for these services with experts in the respective fields.

ATTACHMENT A

REQUIRED TASKS TO PERFORM CHART AS REQUIRED BY POST AGENCY REQUEST

**LA Port Police Background Investigations
Required Tasks to Perform
Background Investigations Unit**

Type of Background Investigation to be Performed	Police Officer / Reserve Officer / Dispatcher	Port Police Security Officer	Port Police Civilian	Consultants
✓ = Required	POST Approved – Full Scope	Listed & Discretionary	Listed & Discretionary	Listed & Discretionary

Tasks and Documents	Police & Reserve Officer / Dispatcher	Port Police Security Officer	Port Police Civilian	Consultant
1 Employment Status	Police & Reserve Officer Sworn & FT Dispatcher	FT Security Officer – Non-Sworn	Full & Part Time Civilian	Full & Part Time Civilian
2 Personal History Form (PHF)	✓	✓	✓	✓
3 Pre-Investigative Questionnaire/Interview with Investigator	✓	✓	✓	✓
4 Notarized Affidavit	✓	As Needed	As Needed	N/A
5 Lateral Acknowledgement Form (if employed by other PD/City)	✓			
6 Statement and/or Background Completion	✓	✓	✓	✓
7 Candidate Photograph	✓	✓	✓	✓
8 Certified Birth Certificate	✓	✓	✓	✓
9 DOJ State Criminal History (Livescan)	✓	✓	✓	✓
10 FBI Federal Criminal History (Livescan)	✓	✓	✓	✓
11 FBI Federal Criminal History (Livescan)	✓	✓	✓	✓
12 Child Abuse Investigation Response (Livescan)	✓	✓	✓	✓
13 Local Law Enforcement Agency Contact Information	✓	✓	✓	✓
14 County Law Enforcement Agency Contact Information	✓	✓	✓	✓
15 Printout from DMV	✓	✓	✓	✓
16 Driver's License Copy	✓	✓	✓	✓
17 Social Security Card Copy	✓	✓	✓	✓
18 Credit Report/Debt Resolution	✓	✓	✓	✓
19 Bankruptcy Research	✓	✓	✓	✓
20 Proof of Education	✓	✓	✓	✓
22 Education Transcripts/Degrees/Certificates	✓	✓	✓	✓
23 Citizenship Documents	✓	✓	✓	✓
24 Military Verification Reports	✓	✓	✓	✓
25 Employment History – 10 yrs Verification (Including Review of Personnel / A Files)	Face to Face or Letters if not able	Face to Face or Letters if not able	Current and Like: Face to Face Prior 5 Years: Letters	Current / Last Prior: Face to Face
26 Residential canvassing with current contact & previous neighbors (When Practical)	Face to Face or Letters if not able	Face to Face or Letters if not able	N/A	N/A
27 Reference Checks	✓	✓	✓	✓
28 Marriage/Divorce Documents	✓	As Needed	N/A	N/A
29 Spousal Interview (Current/former)	✓	As Needed	N/A	N/A
30 Fingerprint(s) Examination & Photographing	✓	As Needed	N/A	N/A
31 Polygraph / Voice Stress Analysis	Sworn – Required Dispatcher – Dependent on Background Results	Dependent on Background Results	Dependent on Position	N/A
32 Medical Exam	✓	✓	✓	N/A

ATTACHMENT B
BACKGROUND INVESTIGATION NARRATIVE FORMAT

CONFIDENTIAL

To: Ronald J. Boyd, Chief of Police

From: _____, Background Investigator

Date: Date Typed and submitted

Subject: Background Investigation – Police Officer Candidate _____

BACKGROUND INVESTIGATION:

PERSONAL:

No/ negative or disqualifying material developed.

MARITAL STATUS:

No/negative or disqualifying material developed.

EDUCATION:

No/Negative or disqualifying material could be determined.

RESIDENCES:

No/ negative or disqualifying material developed.

EXPERIENCE AND EMPLOYMENT:

No/Negative and disqualifying material developed.

REFERENCES:

No/ negative or disqualifying material developed.

MOTOR VEHICLE OPERATION:

No/Negative or disqualifying material developed.

LEGAL:

No/ negative or disqualifying material developed.

FINANCIAL RESPONSIBILITY:

No/Negative or disqualifying material developed.

MILITARY SERVICE:

No/ negative or disqualifying material developed.

ADDITIONAL INFORMATION:

No/Negative or disqualifying material developed.

BACKGROUND SUMMARY:



EXHIBIT B

Fee Schedule

Supervisory/Scoping of Investigation	\$85 Per Hour
Field Investigation	\$75 Per Hour
Database and In-Office Investigation	\$55 Per Hour
Mileage	Per City of Los Angeles Travel Policy
Source Information	\$10 - \$100 Per Search
Parking, Service/Government Agency Record Fees and International Telephone Calls	Direct Cost
Travel Expenses for Requested In-Person Interviews Outside of California	Per City of Los Angeles Travel Policy (Only with prior Port authorization)
Videotapes, DVDs and CD-Rom Discs	\$7.50 Each
Total Cost Per Background Investigation	\$4,000 (Not to Exceed)
Option Year Rate Increases	2% per year

All travel to be reimbursed according to the City of Los Angeles Travel Policy. See Attachment C.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: February 27, 2012 **MEMORANDUM NO. 12-003**
TO: All City Department Heads
FROM: Claire Bartels, Chief Deputy Controller *Claire Bartels*
SUBJECT: TRAVEL PAYMENT POLICY

The expenditure of City funds are governed by the City Charter, the Los Angeles Administrative Code (LAAC), federal and State rules and regulations. The Controller, as auditor and general accountant of the City, publishes and updates policies and procedures to ensure compliance with the City Charter, the LAAC, federal and State requirements.

Attached are the updated policies and procedures relative to travel reimbursement. This memorandum supersedes all previous memoranda on travel, and where applicable, the Controller User Department Manual. The Controller User Department Manual is currently being updated to reflect these changes.

If you have any questions regarding this memorandum, please contact Faith Mok, Principal Deputy Controller at 213-978-7200 or Veronica Salumbides at 213-978-7239.

cc: Department Chief Accounting Employees
Department Travel Coordinators

TRAVEL

City Policy

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

Controller Guidelines on Travel

Charter Section 262 requires the Controller, among other things, to have adequate evidence that (1) the appropriation for the goods or services has been made, (2) the prices charged are reasonable and (3) any additional criteria established by ordinance have been satisfied BEFORE approving payment of demands drawn upon the City Treasury. The Controller sets the following guidelines to facilitate travel reimbursement for City employees and elected officials:

DEFINITION OF TRAVEL

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

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

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

PURPOSE OF TRAVEL AND APPROVALS

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

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

LAAC Reporting Requirement

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

Travel Authority

The City Financial Management System (FMS) includes "*encumbrance processing for payment creation*" to ensure compliance with the Charter requirement for adequate evidence that appropriation for goods or services has been made prior to payment of demands upon the City Treasury.

An encumbering document, General Accounting Encumbrance Travel Document or GAETL, is required for all City travel. A completed GAETL document must be submitted to the Controller **prior to the commencement of travel** and may be submitted as early as 12 months prior to travel in the same fiscal year. Instructions on creating GAETL documents are described under FMS Procedure No. AP-301-5. An interactive GAETL form may be accessed at <http://ctr.ci.la.ca.us/documents/DemandAudit/Travel/TravelAuthority.xfd>.

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

1. Brief description of the purpose of the business meeting/trip; and,
2. Brochures, flyers, pamphlets or agenda for professional conferences and/or training programs; or
3. Correspondence between City employee(s) and individual(s) attending planned business meeting(s) other than professional conferences or training programs.

Travel to Sacramento or Washington DC

The LAAC requires all non-elected City officials and all other City employees to notify the Mayor, the Chair of the Intergovernmental Relations Committee and the Chief Legislative Analyst prior to *any travel on City business* to Sacramento or to Washington, D.C.

Mayor's Executive Directive No. 2000-3 Intergovernmental Relations

The Mayor's Executive Directive No. 2000-3 and its accompanying "Procedures Manual for the Development and Representation of the City of Los Angeles' Policy and Legislative Positions" require that "all travel to Sacramento and Washington, D.C. by City employees and non-elected officials for the purposes of legislative advocacy on behalf of the City is subject to the approval of the Mayor. This also includes any travel done performed by any City employee for the purpose of conducting official City business with any other government entity, commission, agency or department outside of the State of California." It is the responsibility of each City employee to adhere to the Mayor's procedures manual.

Travel to Arizona

In May 2010, the City Council suspended all City travel to the State of Arizona to conduct City business unless special circumstances can be demonstrated to the Council that the failure to authorize such travel would seriously harm City interests. The travel ban would be lifted upon the repeal of SB 1070 and HB 2162 in the State of Arizona. It is the responsibility of each City employee to obtain prior Council approval for travel on City business to the State of Arizona.

Foreign Travel involving more than one City commissioner

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

Travel Blanket Authorities

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

To request a travel blanket authority, City Departments must submit a GAETL document for the total estimated dollar amount needed to cover the recurring and same purpose trips for the entire fiscal year. City Departments must include a *written* justification explaining the recurring and same purpose nature of the requested trip. Once approved by the Controller, travel blanket authorities remain valid through the end of the fiscal year.

TRANSPORTATION

City Authorized Business Travel Service Provider

To the extent possible, all City travelers should utilize the City authorized business travel service provider for all City-related travel. Currently, the City is using the State of California Department of General Services (State) travel agency contract with TravelStore to maximize savings. The State, in conjunction with TravelStore, has established a website dedicated for government travel, www.caltravelstore.net. Additionally, dedicated TravelStore agents can be reached at 1-877-454-TRVL (8785).

City travelers may use other travel service providers under the following conditions:

1. The City traveler is willing to use his or her personal credit card to book the flight; and,
2. Sufficient proof is provided that the airfare is equal to or lower than airfare available at Caltravelstore, at the time of GAETL approval by the Controller's Office.

Airline Travel

LAAC Section 2.242.3(a) states that, except in case of official necessity, air travel expenses are allowable only for the lowest regular fare available for regularly scheduled airlines for the date and time selected. It further states that claims for reimbursement of higher fare or extra charges for transportation by scheduled airlines are allowable only if certified by the Department Head that he or she has reviewed and concurs with the facts constituting the official necessity.

Coach or economy class fare is presumed to be the lowest regular fare available for regularly scheduled airlines. City travelers are required to only incur expenses that a reasonable and prudent person would incur if traveling on personal business and, therefore should consider the least expensive class of travel that meets their needs.

While the determination of "official necessity" falls under the purview of Department Heads, the City Charter requires the Controller to have adequate evidence that the prices charged are reasonable before approving payment of

demands on the City Treasury. Consistent with federal guidelines and best practice of other governmental entities, the Controller will consider the cost of business-class accommodations "reasonable" if any of the following applies:

1. When use of other than coach-class is necessary to accommodate a medical disability or other special need. A written certification of the disability and a recommended suitable class of transportation from a competent medical authority must be submitted.
2. When exceptional security circumstances require other than coach-class accommodations.
3. Where the origin and/or destination are outside the Continental United States and the scheduled flight time, including non-overnight stopovers and change of planes, is in excess of 14 hours; and the City traveler is required to report to duty the following day or sooner. Scheduled flight time is the flight time between the originating departure point and the ultimate arrival point including scheduled non-overnight time spent at airports during plane changes. Scheduled flight time does not include time spent at the originating or ultimate arrival airports.
4. When no coach-class accommodations are available on an airline that is scheduled to leave within 24 hours of the proposed departure time, or scheduled to arrive within 24 hours of the proposed arrival time.
5. When the use of other than coach-class accommodations results in overall cost savings to the City. Sufficient proof of cost savings must be provided.

Seating Upgrade Programs

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

Checked Baggage Fees

Recent changes to airline policies include charging of fees related to checked baggage. In cases where the traveler is charged for the first checked bag, the City will reimburse for the fee. Fees for additional checked bags will not be reimbursed unless justification is provided for a business need (for example, the need for special equipment or the length of travel justifies additional bags).

Promotional materials and Frequent Traveler Programs

Consistent with the current federal guidelines, any promotional benefits or materials received from a travel service provider in connection with official travel may be retained for personal use, if such items are obtained under the same conditions as those offered to the general public and at no additional cost to the City. City travelers may use frequent traveler benefits earned on official travel to obtain services for a subsequent City travel or retain such benefits for personal use, including upgrading to a higher service class while on official travel. City travelers may NOT select a travel service provider other than an authorized City travel service provider in order to maximize frequent travel benefits.

Alternate Mode of Transportation (Other than airline travel)

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

The use of private automobile must be authorized in advance by the Department Head. The reimbursement for the use of private automobile shall be in accordance with the mileage provisions under the LAAC Division 4, Chapter 5, Article 2 *Use of Privately Owned Automobiles on City Business and Reimbursement Therefor*. Additionally; the LAAC requires that the City traveler must obtain a satisfactory policy of public liability insurance covering the full use and operation of the private automobile. For complete insurance requirements, see LAAC Section 4.232 or the Risk Management Procedure Manual for City Departments at <http://caodocs.ci.la.ca.us/riskmgmt/CAORiskMgmtManual.pdf>.

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

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

PER DIEM

In accordance with Council policy (C.F. 82-0944), advances and reimbursements for per diem (lodging and meals and incidental expenses), shall not exceed the per diem limits detailed in the "Travel Allowances – Air Fare and Per Diem Rates" of the City Budget Manual. The City Administrative Officer (CAO) publishes the City Budget Manual annually. The City Budget Manual can be accessed at http://caodocs.ci.la.ca.us/budget/2012-13_BudgetManual.pdf.

For travel to countries not listed in the City Budget Manual, the federal per diem rates apply. The federal per diem rates are available at http://aoprals.state.gov/content.asp?content_id=184&menu_id=78.

Exceptions to Per Diem (Requires Controller Pre-approval)

When a conference or event is held in a particular hotel, the City traveler is not precluded from staying in the same hotel if such expenses would exceed the per diem limits. Proper documentation such as brochure or literature indicating the event is being held in a particular hotel must be submitted and approved.

The LAAC does not specifically address instances where the conference or convention is held at a convention center or location other than a hotel. However, it appears that it can be reasonably concluded that the intent is to also exempt such instances from the per diem limits. In such instances, the Controller will allow reimbursements exceeding the per diem limits if:

1. The selected hotel is one of the "authorized" or "sponsor" hotels of the conference or convention; and
2. The selected hotel offers the most economical rate among the "authorized" or "sponsor" hotels.

International travelers must provide justification for expenses exceeding the individual federal limits on lodging and/or meals and incidental expenses.

MEALS AND LODGING

Under the LAAC, it is expected that, in the selection of restaurants and hotel rooms, City travelers will seek moderately-priced establishments of acceptable quality. The LAAC requires City travelers to consider transportation costs, time and other relevant factors in selecting the most economical and practical accommodations. City travelers are not precluded from staying at the hotel where the meeting or convention will be held.

The LAAC allows the reimbursement of a maximum of three meals a day. For travel within the Continental US, the City provides a **meal allowance rate of \$60 per day**. The City meal allowance rate is based on the average federal per diem rates for meals and incidental expenses in major cities frequented by City travelers. The meal allowance rate includes incidental expenses as defined by the Internal Revenue Service (IRS). Fees and tips to porters, baggage carriers, bellhops, hotel maids, stewards as well as transportation in acquiring meals are considered incidental expenses by the IRS. For travel outside the Continental US, the meal allowance is provided according to the federal per diem rate guidelines.

The meal allowance is for a full 24-hour day of travel and will be prorated at 75 percent as follows:

- On the first day of travel, if flight leaves after 2 p.m.
- On the last day of travel, if flight arrives before 2 p.m.
- When some meals are provided as part of the conference

Additionally, the meal allowance will not be provided when meals are provided by the host throughout the day or included in the registration fee. Certain exceptions apply such as in cases where the City traveler is unable to consume the furnished meals due to medical requirements or religious beliefs.

Hosting While Traveling

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

Alcoholic drinks are NOT reimbursable expenses. Consistent with federal guidelines, the LAAC provision on food and beverage is interpreted to exclude alcoholic drinks. Further, it is the responsibility of City employees to comply with the Personnel Department policy regarding consumption of alcoholic beverages while on duty.

OTHER EXPENSES

Ground Transportation

The LAAC mandates that the least expensive and most practical form of public transportation shall be used, taking into consideration such factors as time, availability and personal safety or health. *Whenever possible, City travelers should take advantage of free or courtesy shuttle services offered by airports and hotels to keep costs to a minimum.*

Automobile Rental

Automobile rental expenses are allowable if traveling by car is less expensive or more appropriate for the efficient conduct of City business than by taxi or bus. A cost comparison should be provided as proof that automobile rental expenses are less expensive than taxi or bus. If proof cannot be provided, the City traveler must provide a written justification approved by the Department Head that clearly demonstrates the need for an automobile rental for the efficient conduct of City business.

Laundry Service

Under the LAAC, expenses for laundry service are allowable if the duration of the trip, traveling conditions or some other special circumstances dictate. As a reference, the federal guidelines require a minimum of four consecutive nights lodging on official travel to qualify for laundry service reimbursement.

Telephone Calls

Under the LAAC, the costs of City business telephone calls are fully reimbursable. One personal telephone call to the employee's immediate family in the locale of the residence of the employee is allowed if travel is in excess of three days. One such call is permitted for each successive three days thereafter. For reference, a ten-minute telephone call is considered reasonable.

Gratuities

Under the LAAC, gratuities not exceeding 15 percent are allowable where reasonable and customary. Fees and tips given to waiters (up to 15 percent of the restaurant bill exclusive of taxes), porters (\$2 per bag), bell hops (\$1 to \$2 per bag), housekeeping (\$1 to \$2 per day), taxicab drivers (up to 15 percent of the fare) and other service personnel are considered customary. Gratuities are included in the IRS definition of "incidental" expenses and are therefore subject to per diem limits.

Registration, Seminar or Meeting Fees

The LAAC allows the reimbursement of registration, seminar or meeting fees where required.

Expenses Not Specifically Set Forth in the LAAC

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

NON-REIMBURSABLE TRAVEL COSTS

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

Under the LAAC, the City will not reimburse expenses of a purely personal nature. The following travel costs are NOT reimbursable:

1. auto repairs, replacement or towage to personal vehicle when such use has been authorized;
2. flight insurance;
3. personal telephone calls;
4. expenses for persons other than the employee or elected official.

SPECIAL CIRCUMSTANCES

Interrupted and Indirect Travel

Where there is an interruption or deviation from the direct travel route, whether for the City traveler's personal leave or convenience, expenses allowable will not exceed those that would have been incurred for uninterrupted travel utilizing the usual route.

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

City Contractor Travel

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

Non-City Staff Travel

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

DOCUMENTATION OF EXPENSES

The LAAC requires that completed travel expense forms be forwarded to the Controller within 30 days of the conclusion of the trip. The Department Head shall certify that all expenditures were incurred in pursuit of City business. Falsification of such certification shall be grounds for appropriate disciplinary action and such other sanctions provided by law.

The LAAC further requires that receipts be provided for transportation costs, lodging, and for any single item of expenditure in excess of \$25. Per Internal Revenue Code 274, the Internal Revenue Service requires adequate records or sufficient evidence corroborating the traveler's own statement to substantiate traveling expenses. Sufficient evidence must be presented as to the amount of travel expense, the time and place of the travel and the business purpose of the expense. For grant-funded travel, it is the City traveler's responsibility to comply with the grant requirements relative to receipt documentation.

Form Gen. 16, Personal Expense Statement (PES) may be accessed and filled out interactively at <http://ctr.ci.la.ca.us/forms/PES.xfd>.

The following are examples of acceptable documentation to be submitted with the completed PES:

<u>Description of Expense</u>	<u>Acceptable Documentation</u>
Airfare	<p>Airfare receipt such as passenger ticket, invoice, itinerary, "e-ticket", confirmation notice or other documentation reflecting the dates of travel.</p> <p>Proof of payment such as credit card receipt or statement. For "e-ticket", a screen print of the confirmation notice indicating payment by credit card is acceptable.</p>
Personal Automobile	<p>When used in lieu of airfare, the number of miles at the current mileage rate is reflected under the Miscellaneous column. The total costs may <i>not</i> exceed the lowest regular fare available for regularly scheduled airlines for the date and time of travel.</p> <p>The use of a personal automobile for travel may not be reimbursable in cases where the City traveler receives a car allowance or any type of vehicle subsidy from the City on a regular basis.</p>
Registration	<p>Original or copy of the registration form, reflecting form of payment.</p>
Lodging	<p>Hotel/motel invoice reflecting zero balance, or that the balance is subject to credit card payment. The invoice must provide a breakdown of daily expenses.</p>

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

Meals & Incidentals

In accordance with the LAAC, receipts for expenses in excess of \$25 must be provided.

Total daily expenses for meals must not exceed the daily meal allowance and the per diem requirements.

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

Telephone

Hotel invoice and on a separate attachment, *detailing* the name(s) of persons called, title(s), the affiliated department or business, and subjects discussed.

Ground Transportation

In accordance with the LAAC, receipts for expenses in excess of \$25 must be provided.

Laundry

In accordance with the LAAC, receipts for expenses in excess of \$25 must be provided.

Other

Other expenses are allowable where deemed necessary in the conduct of City business. The expenses require *review* and *certification* by the Department Head as reasonable and proper and incurred in pursuit of City business. Details of the charges must be included in the completed PES.

It should be noted that completed PES and receipts submitted to the Controller, electronically or otherwise, become part of the City official travel records and the official property of the City of Los Angeles. Therefore, City travelers are advised to black out/redact any personal information contained in any documents submitted to the Controller. City Departments are required to maintain original support documentation for five years.

FMS TRAVEL EXPENDITURE (TEX) DOCUMENT

To process the reimbursement of travel expenditures under FMS, the Controller requires a TEX document. The TEX document must be submitted together with the completed PES. Instructions on creating TEX documents are described under FMS Procedure No. AP-401-5.

Foreign Currency

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

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

Travel Reimbursement through Petty Cash

Under certain circumstances, the Controller may allow the reimbursement of travel expenses through Petty Cash (see Section 1.4.10 of the Controller User Department Manual).

TRAVEL ADVANCES

The LAAC authorizes the Controller to advance the amount of funds for travel purposes upon certification by the Department Head that they will be incurred for City business. Requests for travel advance must be submitted at least ten (10) days in advance of the beginning of the planned expenditure of funds and such request shall include the persons traveling, period covered, and the destination. Additionally, the request should state the purpose of the trip, the nature of the City business to be conducted on the trip, and the proposed total estimated expenditure.

As a matter of policy, the Controller will not accept travel advance requests more than thirty (30) calendar days prior to commencement of travel. The travel advance will be released to the traveler no more than one week prior to travel except where advance deposits and registration fees are required. Advance travel checks are released by the Controller Paymaster Section on will-call basis only. Questions regarding will-call policies and procedures should be directed to the Paymaster Section at 213-978-7480.

To expedite the processing of travel advances, the Controller requires the submission of a statement certifying that the traveler has no outstanding cash advance.

Travel advances must be resolved through the submission of a completed PES within 30 days after the conclusion of the trip. A travel advance is considered delinquent if not resolved within 30 days after the conclusion of travel. Travelers

with a delinquent travel advance cannot receive another travel advance until the prior travel advance is resolved. As required by the IRS, the Controller reports all delinquent travel advances over 120 calendar days old as employee income. Outstanding travel advances not accounted for within 120 calendar days will be included as part of the employee's wages on the first payroll period of the subsequent calendar quarter following the end of 120 calendar days. This amount will be subject to income and employment taxes for the period (per IRS Publication 463).

Refund on Travel Advances

City travelers may need to return money to the City after completion of travel due to excess travel advance or disallowed travel expenses. Refund checks or money orders must be made payable to the City of Los Angeles. City Departments are responsible for depositing any refund check immediately upon receipt by submitting a cash receipt (CR) together with the refund check to the Office of the Treasurer. The City traveler should attach a copy of the CR with the Office of Treasurer stamp (or other receipt verification) to the completed PES for Controller approval. A sample CR document and instructions for completion are available at http://ctr.ci.la.ca.us/documents/cash_receipt.pdf. Questions regarding the preparation and submission of CR documents should be directed to the Office of the Treasurer.

EXHIBIT C - MONTHLY SUBCONTRACTOR MONITORING REPORT

Instructions: Please indicate the SBE/MBE/WBE/OBE/DVBE participation levels achieved for the month of _____ covered by the referenced contract number.

Contract No. _____ Spec. No. _____ Division _____ Contractor Administrator _____

Contractor _____ Contract Title/Project _____

Original Contract Amount _____ Contract Start Date _____ Contract End Date _____

Total Earned Value to Date _____

Original Proposed Subcontractor Percentages _____ WBE 0.00% OBE 0.00% DVBE 0.00%

Required percentage (in parentheses) (XX%) _____

	Name of Subcontractor	Type of Work Performed	*Group SBE/MBE/WBE/OBE/DVBE	PROPOSED			ACTUALS		
				Original Proposed Amount	Original Proposed Percentage	Earned Value to Date	Earned Value to Date Percentage	Total Earned Value Percentage	
1					#DIV/0!		#DIV/0!		#DIV/0!
2					#DIV/0!		#DIV/0!		#DIV/0!
3					#DIV/0!		#DIV/0!		#DIV/0!
4					#DIV/0!		#DIV/0!		#DIV/0!
5					#DIV/0!		#DIV/0!		#DIV/0!
Subtotal (SBE):				\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!
6					#DIV/0!		#DIV/0!		#DIV/0!
7					#DIV/0!		#DIV/0!		#DIV/0!
8					#DIV/0!		#DIV/0!		#DIV/0!
9					#DIV/0!		#DIV/0!		#DIV/0!
10					#DIV/0!		#DIV/0!		#DIV/0!
Subtotal (non-SBE):				\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!

Directions:
 Original Proposed Percentage = _____
 Earned Value to Date Percentage = _____
 Total Earned Value Percentage = _____

Original Proposed Amount / Original Contract Amount
 Earned Value to Date / Original Proposed Amount
 Total Earned Value to Date / Total Earned Value to Date

EXHIBIT D

BUSINESS TAX REGISTRATION CERTIFICATE (BTRC) NUMBER

The City of Los Angeles Office of Finance requires all firms that engage in any business activity within the City of Los Angeles to pay City business taxes. Each firm or individual (other than a municipal employee) is required to obtain the necessary Business Tax Registration Certification (BTRC) and pay business tax. (Los Angeles Municipal Code Section 21.09 et seq.)

All firms and individuals that do business with the City of Los Angeles will be required to provide a BTRC number or an exemption number as proof of compliance with Los Angeles City business tax requirements in order to receive payment for goods or services. Beginning October 14, 1987, payments for goods or services will be withheld unless proof of tax compliance is provided to the City.

The Tax and Permit Division of Los Angeles Office of Finance has the sole authority to determine whether a firm is covered by business tax requirements. Those firms not required to pay will be given an exemption number.

If you do NOT have a BTRC number contact the Tax and Permit Division at the office listed below, or log on to www.lacity.org/finance to download the business tax registration application.

MAIN OFFICE

LA City Hall

201 N. Main Street, Rm. 101 (213) 473-5901

EXHIBIT E - AFFIRMATIVE ACTION PROGRAM PROVISIONS

Sec. 10.8.4 Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 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 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, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner 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. 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 will, 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, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner 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, 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, religion, ancestry, national origin, 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 Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

EXHIBIT E - AFFIRMATIVE ACTION PROGRAM PROVISIONS

- 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 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, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the 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 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 (\$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 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 Office of Contract Compliance 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. The Contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it

EXHIBIT E - AFFIRMATIVE ACTION PROGRAM PROVISIONS

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, the 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, the 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. A 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 the 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;

EXHIBIT E - AFFIRMATIVE ACTION PROGRAM PROVISIONS

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.
- N. Any adjustments which may be made in the contractor's or supplier's workforce 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. 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 or suppliers engaged in the performance of City contracts.
- 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 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 F – SMALL BUSINESS ENTERPRISE PROGRAM

The City of Los Angeles Harbor Department is committed to creating an environment that provides all individuals and businesses open access to the business opportunities available at the Harbor Department in a manner that reflects the diversity of the City of Los Angeles. The Harbor Department's Small Business Enterprise (SBE) Program was created to provide additional opportunities for small businesses to participate in professional service and construction contracts. An overall Department goal of 25% SBE participation, including 5% Very Small Business Enterprise (VSBE) participation, has been established for the Program. The specific goal or requirement for each contract opportunity may be higher or lower based on the scope of work.

It is the policy of the Harbor Department to solicit participation in the performance of all service contracts by all individuals and businesses, including, but not limited to, SBEs, VSBEs, women-owned business enterprises (WBEs), minority-owned business enterprises (MBEs), and disabled veteran business enterprises (DVBEs). The SBE Program allows the Harbor Department to target small business participation, including MBEs, WBEs, and DVBEs, more effectively. It is the intent of the Harbor Department to make it easier for small businesses to participate in contracts by providing education and assistance on how to do business with the City, and ensuring that payments to small businesses are processed in a timely manner. **In order to ensure the highest participation of SBE/VSBE/MBE/WBE/DVBEs, all proposers shall utilize the City's contracts management and opportunities database, the Los Angeles Business Assistance Virtual Network (LABAVN), at <http://www.labavn.org>, to outreach to potential subcontractors.**

The Harbor Department defines a SBE as an independently owned and operated business that is not dominant in its field and meets criteria set forth by the Small Business Administration in Title 13, Code of Federal Regulations, Part 121. Go to www.sba.gov for more information. The Harbor Department defines a VSBE based on the State of California's Micro-business definition which is 1) a small business that has average annual gross receipts of \$3,500,000 or less within the previous three years, or (2) a small business manufacturer with 25 or fewer employees.

The SBE Program is a results-oriented program, requiring consultants who receive contracts from the Harbor Department to perform outreach and utilize certified small businesses. **Based on the work to be performed, it has been determined that the percentage of small business participation will be 25%, including 5% VSBE participation.** The North American Industry Classification System (NAICS) Code for the scope of services is _____. This NAICS Code is the industry code that corresponds to at least 51% of the scope of services and will be used to determine the size standard for SBE participation of the Prime Consultant. The maximum SBE size standard for this NAICS Code is \$__ million.

Consultant shall be responsible for determining the SBE status of its subconsultants for purposes of meeting the small business requirement. Subconsultants must qualify as an SBE based on the type of services that they will be performing under the Agreement. All business participation will be determined by the percentage of the total amount of compensation under the agreement paid to SBEs. The Consultant shall not substitute an SBE firm without obtaining prior approval of the City. A request for substitution must be based upon demonstrated good cause. If substitution is permitted, Consultant shall endeavor to make an in-kind substitution for the substituted SBE.

In the event of Consultant's noncompliance during the performance of the Agreement, Consultant shall be considered in material breach of contract. In addition to any other remedy available to City under this Agreement or by operation of law, the City may withhold invoice payments to Consultant until noncompliance is corrected, and assess the costs of City's audit of books and records of Consultant and its subconsultants. In the event the Consultant falsifies or misrepresents information contained in any form or other willful noncompliance as determined by City, City may disqualify the Consultant from participation in City contracts for a period of up to five (5) years.

Consultant shall complete, sign, notarize (where applicable) and submit as part of the executed agreement the attached Affidavit and Contractor Description Form. The Contractor Description Form, when signed, will signify the Consultant's intent to comply with the SBE requirement. Prior to contract award, the Harbor Department will verify the status of all SBEs. In addition, prior to being awarded a contract with the Harbor Department, all contractors and subcontractors must be registered on LABAVN.

AFFIDAVIT OF COMPANY STATUS

"The undersigned declares under penalty of perjury pursuant to the laws of the State of California that the following information and information contained on the attached Contractor Description Form is true and correct and include all material information necessary to identify and explain the operations of

Summit Security Services, Inc. d/b/a Summit of California

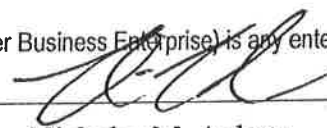
Name of Firm

as well as the ownership thereof. Further, the undersigned agrees to provide either through the prime consultant or, directly to the Harbor Department, complete and accurate information regarding ownership in the named firm, any proposed changes of the ownership and to permit the audit and examination of firm ownership documents in association with this agreement."

Please indicate the ownership of your company: SBE VSBE MBE WBE DVBE OBE

- A Small Business Enterprise (SBE) is an independently owned and operated business that is not dominant in its field and meets criteria set forth by the Small Business Administration in Title 13, Code of Federal Regulations, Part 121.
- A Very Small Business Enterprise (VSBE) is 1) a small business that has average annual gross receipts of \$3,500,000 or less within the previous three years, or (2) a small business manufacturer with 25 or fewer employees.
- A Minority Business Enterprise (MBE) is defined as a business in which a minority owns and controls at least 51% of the business. A Woman Business (WBE) is defined as a business in which a woman owns and controls at least 51% of the business. For the purpose of this project, a minority includes:
 - (1) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
 - (2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);
 - (3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands); and
 - (4) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).
- A Disabled Veteran Business Enterprise (DVBE) is defined as a business in which a disabled veteran owns at least 51% of the business, and the daily business operations are managed and controlled by one or more disabled veterans.

▪ An OBE (Other Business Enterprise) is any enterprise that is neither an SBE, VSBE, MBE, WBE, or DVBE.

Signature  Title Vice President

Printed Name Nicholas M. Auletta Date Signed 23 February 2012

NOTARY

On this 23rd day of February 2012, before me appeared NICHOLAS M. AULETTA to me personally known, who being duly sworn, did execute the


Name

foregoing affidavit, and did state that he/she was properly authorized by Summit Security Services, Inc.

Name of Firm

to execute the affidavit and did so as his or he free act and deed.

SEAL

Notary Public  DEBRA MARTINEZ
 Commission Expires _____ Notary Public, State Of New York
 No. 01MA6081360
 Qualified In Nassau County
 Commission Expires October 7, 2014

Contractor Description Form

PRIME CONTRACTOR

Contract #: _____ Award Date: _____ Contract Term: _____
Contract Title: Port Police Background Investigation Services
Business Name: Summit Security Services, Inc. Award Total: \$ #112,500 *or 75% of contract value*
Owner's Ethnicity: Cauc Gender M Group: SBE VSBE MBE WBE DVBE OBE (Check all that apply)
Primary NAICS Code: 561611 Average Three Year Gross Revenue: \$ \$74,000,000 / year
Address: 390 RXR Plaza
City/State/Zip: Uniondale, NY 11556
Telephone: (516) 240-2400 FAX: (516) 240-2424
Contact Person/Title: Nicholas M. Auletta / Vice President
Email Address: nmauletta@summitsecurity.com

SUBCONTRACTOR

Business Name: Glen Willett Investigative Services Award Total: \$ 37,500 *or 25% of contract value*
Services to be provided: Port Police Background Investigations
Owner's Ethnicity: Cauc Gender M Group: SBE VSBE MBE WBE DVBE OBE (Check all that apply)
Primary NAICS Code: 561611 Average Three Year Gross Revenue: \$ 38,000
Address: 8816 Foothill Blvd. #103, PMB 207
City/State/Zip: Rancho Cucamonga, CA 91730
Telephone: (909) 948-1534 FAX: () _____
Contact Person/Title: Glen Willett, Principal
Email Address: ssagmw@aol.com

SUBCONTRACTOR

Business Name: _____ Award Total: \$ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE (Check all that apply)
Primary NAICS Code: _____ Average Three Year Gross Revenue: \$ _____
Address: _____
City/State/Zip: _____
Telephone: () _____ FAX: () _____
Contact Person/Title: _____
Email address: _____

Contractor Description Form

SUBCONTRACTOR

Business Name: _____ Award Total: \$ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Check all that apply)
Primary NAICS Code: _____ Average Three Year Gross Revenue: \$ _____
Address: _____
City/State/Zip: _____
Telephone: () _____ FAX: () _____
Contact Person/Title: _____
Email Address: _____

SUBCONTRACTOR

Business Name: _____ Award Total: \$ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Check all that apply)
Primary NAICS Code: _____ Average Three Year Gross Revenue: \$ _____
Address: _____
City/State/Zip: _____
Telephone: () _____ FAX: () _____
Contact Person/Title: _____
Email address: _____

SUBCONTRACTOR

Business Name: _____ Award Total: \$ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Check all that apply)
Primary NAICS Code: _____ Average Three Year Gross Revenue: \$ _____
Address: _____
City/State/Zip: _____
Telephone: () _____ FAX: () _____
Contact Person/Title: _____
Email address: _____

EXHIBIT G

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.