

AGREEMENT NO.

AGREEMENT BETWEEN
THE CITY OF LOS ANGELES AND
AMERICAN MARINE CORPORATION

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 American Marine Corporation, a California corporation, 1500 S. Barracuda Street, Terminal Island, CA 90731 ("Consultant").

WHEREAS, City requires underwater hard hat diving services to support on-going operations involving maintenance and construction activities at POLA. The activities include underwater pile inspection, pile wrapping, wharf repair and other underwater inspection and construction; and

WHEREAS, POLA does not have any City classification that calls for diving or the ability to perform underwater inspection, repair work on marine facilities; and

WHEREAS, City requires the professional, expert and technical services of Consultant on a temporary or occasional basis to assist the City in performing on-going operations involving underwater maintenance, construction activities and other diving services; and

WHEREAS, Consultant possesses extensive experience in dealing with annual inspection and evaluation of the condition of wharf structure, fender pile, slope and seawall; marine facilities maintenance repair and construction; wharf damage inspection including preparation of written reports; 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, the City shall have two (2) consecutive options, each an option to renew prior to expiration on the same terms and conditions for an additional one (1) year at the sole discretion of the Executive Director;

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 Five Hundred and Fifty Thousand Dollars and No Cents (\$550,000) for each year including option years.

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/MBE/WBE/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. Track4LA[®] is the City's online insurance compliance system and is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used primarily by insurance brokers and agents as they submit client insurance certificates directly to the City. It uses the standard insurance industry form known as the ACORD 25 Certificate of Liability Insurance in electronic format. The advantages of Track4LA[®] include standardized,

universally accepted forms, paperless approval transactions (24 hours, 7 days per week), and security checks and balances. Consultant's insurance broker or agent shall obtain access to Track4LA[®] at <http://track4la.lacity.org/> and follow the instructions to register 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 Five Million Dollars (\$5,000,000) 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. Consultant's insurance broker or agent shall submit for approval on Consultant's behalf said insurance to the City's online insurance compliance system Track4LA[®] at <http://track4la.lacity.org/>.

D. Automobile Liability Insurance

Consultant shall procure and maintain at its expense and keep in force at all times during the term of this Agreement, automobile liability insurance written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's is not available) within Consultant's normal limits of liability but not less than One Million Dollars (\$1,000,000) covering damages, injuries or death resulting from each accident or claim arising out of any one claim or accident. Said insurance shall protect against claims arising from actions or operations of the insured, or by its employees. Coverage shall contain a defense of suits provision and a severability of interest clause. 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. Consultant's insurance broker or agent shall submit for approval on Consultant's behalf

said insurance to the City's online insurance compliance system Track4LA® at <http://track4la.lacity.org/>.

E. Workers' Compensation and Employer's Liability

Consultant shall certify that it is aware of the provisions of Section 3700 of the California Labor code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that Consultant shall comply with such provisions before commencing the performance of the tasks under this Agreement. Coverage for claims under U.S. Longshore and Harbor Workers' Compensation Act, if required under applicable law, shall be included. Consultant shall submit Workers' Compensation policies whether underwritten by the state insurance fund or private carrier, which provide that the public or private carrier waives its right of subrogation against the City in any circumstance in which it is alleged that actions or omissions of the City contributed to the accident. Such Worker's Compensation and occupational disease requirements shall include coverage for all employees of Consultant, and for all employees of any subcontractor or other vendor retained by Consultant. Consultant's insurance broker or agent shall submit for approval on Consultant's behalf said insurance to the City's online insurance compliance system Track4LA® at <http://track4la.lacity.org/>.

F. Ocean Marine Liability

Consultant shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connections with Consultant's operations. The cost of the insurance shall be borne by Consultant. The coverage shall be 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 Rating is not available). Coverage shall include, but not be limited to:

- (i) Hull and machinery coverage up to the value of the vessel(s);
- (ii) Protection and Indemnity coverage with combined single limits of Five Million Dollar (\$5,000,000) per occurrence for bodily injury, illness, death, loss of or damage to the property of another, and Jones Act risks or equivalent thereto internationally.
- (iii) Ship repairers legal liability to cover loss, damage or expenses to any property temporarily in the Consultant's care, custody or control.

Coverage shall contain a defense of suits provision and a severability of interest clause. Each policy shall also contain 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. Consultant's insurance broker or agent shall submit for approval on Consultant's behalf said insurance to the City's online insurance compliance system Track4LA® at <http://track4la.lacity.org/>.

G. 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.

H. 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.

I. Copies of Policies

Two certified copies of each policy containing the additional insured and 30-day cancellation notice language shall be furnished to Executive Director. Alternatively, two duplicate original additional insured endorsements on forms provided by the Department, as indicated above, may be submitted. The form of such policy or endorsement shall be subject to the approval of the Risk Manager of the Department.

J. 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.

K. Renewal of Policies

At least thirty (30) days prior to the expiration of each policy, Consultant shall furnish to Executive Director 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.

L. 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 a Financial Statement or Balance Sheet prior to Executive Director's consideration of approval of self-insurance and annually thereafter evidence of financial capacity to cover the self-insurance.
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.

M. 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 BUSINESS DEVELOPMENT PROGRAM

It is the policy of the Department to provide Small Business Enterprises (SBE) and Minority-Owned, Women-Owned and all Other Business Enterprises (MBE/WBE/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, MBEs, WBEs, and OBEs to achieve participation in

subcontracts where such participation opportunities present themselves and attempt to ensure that all available business enterprises, including SBEs, MBEs, WBEs, 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 Construction and Maintenance, 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 99-0161576. 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. 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.

XXVI. 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.**

XXVII. 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.

XXVIII. 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.

XXIX. 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.

XXX. 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.

XXXI. 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.

XXXII. 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.

XXIII. PREVAILING WAGES

Where labor is required for public work as part of this contract, pursuant to the provisions of the Labor Code of the State of California, Consultant shall pay no less than the general prevailing wages for the area as determined by the Director of Industrial Relations, State of California. Copy of the wage schedule is obtainable from the Office of the Board of Public Works, City Hall, Los Angeles.

XXIV. GUARANTEE

- a. Consultant guarantees all equipment, materials, and work furnished by it against defective material, construction and labor for a period of one year from the date of acceptance of that portion of work by the Executive Director or his/her designee. However, when a longer guarantee is provided by the supplier or manufacturer of the material or equipment, Consultant expressly agrees to act as co-guarantor of such equipment and materials for the longer period of manufacturer warranty. The Contractor shall supply City with all warranty and guarantee documents relevant to equipment and materials incorporated in the work and guaranteed by suppliers or manufacturers.
- b. The Consultant further agrees, that within ten Calendar Days after being notified in writing by the City of any work not in accordance with requirements of Agreement or any defects in the work, the Consultant shall commence and prosecute with due diligence all work necessary to fulfill the terms of this guarantee at Consultant's sole cost, and to complete the work within a reasonable period of time, and in the event the Consultant fails to so comply, the Consultant does hereby authorize the City to proceed to have such work done at the Consultant's expense and the Consultant shall pay the cost thereof upon demand. The City shall be entitled to all costs, including reasonable attorney's fees, necessarily incurred upon the Consultant's refusal to pay the above costs.
- c. Notwithstanding the foregoing subsections, in the event of an emergency constituting an immediate hazard to the health or safety of the City's employees, property or licenses, the City may undertake at the Consultant's expense, without prior notice, all work necessary to correct such hazardous condition when it was caused by the work of the Consultant not being in accordance with the requirements of the Agreement.

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

AMERICAN MARINE CORPORATION

Dated: 26 MAY 2011

By 

GEORGE WITTICH / EXEC V.P. & GEN'L MGR
(Print/type name and title)

Attest Megan C Keane

Megan C Keane / Manager
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

June 9, 2011
CARMEN A. TRUTANICH, City Attorney

By *SM*
for SIMON M. KANN, Deputy

Account #	54040	W.O. #	
Ctr/Div #	0510/1900	Job Fac. #	
Proj/Prog #	000		
Budget FY:		Amount:	
2010-2011			
2011-2012	550,000		
2012-2013	550,000		
2013-2014	550,000		
TOTAL	1,650,000		

For Acct/Budget Use Only

Verified by: *[Signature]*

Verified Amount: *[Signature]*

Date Approved: 6/9/11

Rev. 10/26/10

EXHIBIT A – Scope of Work

Consultant shall provide non-exclusive on-call diving services as requested by the City in order to support on-going operations involving both maintenance and construction activities at the Port of Los Angeles, including pile inspection, pile wrapping, wharf repair and other miscellaneous underwater inspection and construction work. All work is on an as-needed on-call basis. Consultant is not guaranteed any amount of work or compensation. Requirements may also exceed estimates presented in the Request for Proposals from which this Agreement resulted. Multiple agreements with different consultants may be entered into by City for similar or identical scopes of services.

On an as-needed on-call basis, Consultant shall provide two (2) primary hard hat dive teams, fully equipped, each consisting of one (1) skilled hard hat diver, one (1) standby diver/tender and one (1) assistant tender, one of which will serve as the designated person in charge, available Monday through Friday on an eight (8) hour shift. Primary dive teams will provide services on an emergency call-out basis, as required by City. Equipment shall include, but not be limited to, a dive boat, a work punt or float, and hand equipment as set forth in Exhibit C. At City's request, Consultant will provide 2-diver primary team(s) instead of the 1-diver primary team(s) described above.

On an as-needed on-call basis, Consultant shall provide one (1) additional hard hat dive team, fully equipped, consisting of one (1) skilled hard hat diver, one (1) standby diver/tender and one (1) assistant tender, one of which will serve as the designated person in charge, available upon forty-eight (48) hours written or oral notice. Primary dive teams will provide services on an emergency call-out basis, as required by City. Equipment shall include, but not be limited to, a dive boat, a work punt or float, and hand equipment as set forth in Exhibit C. At City's request, Consultant will provide a 2-diver team instead of the 1-diver team described above.

All diver teams must be capable of performing the following services at depths up to seventy-five (75) feet (mean low low water):

- A. Heavy timber, concrete, and steel wharf and structural construction and reconstruction;
- B. Annual inspection and evaluation of the condition of timber fender and bearing piles, concrete bearing piles and dolphin piles, metal sheet piles, wharf structure, wharf slope rat-proofing, and electrolysis protection systems;

- C. Timber wharf maintenance repairs including the installation and replacement of timber jacketing materials (such as plastic wrap) on piles, braces, and structural supports; and stub-pile, barrel, or jacket-pour repairs to bearing piles;
- D. Maintenance repairs in conjunction with Harbor Department surface crew including concrete pouring; installation of bolts, braces, and stub piles; and buoy line replacement;
- E. Wharf damage inspections/surveys including preparation of written reports documenting all observed conditions;
- F. Inspection of new construction for conformance to Harbor Department specifications;
- G. Inspection of plastic pile wrapping and seals to ensure proper installation by others and to ensure the integrity fully meets Harbor Department requirements; and
- H. Application of underwater coatings, paints, and epoxies.
- I. Provide labor and materials to fabricate and provide to Harbor Department with assembled ready-to-use pile wrap, and deliver to sites within Harbor Department;
- J. Other construction and diving services as requested by the Director of Port Construction and Maintenance.

Consultant shall report all information obtained in conducting diving services in a form and manner requested by the Director of Port Construction and Maintenance. Digital camera pictures will be required to document conditions found on inspections and video recordings will be required to document all underwater work performed.



Daily Cost for Diving Services with Breakout for Tool Usage

Each Primary Dive Team(s) (3 man: Diver, St. By Diver/Tender, Asst. Tender), Dive Vessel, Diving Equipment and Punt (as described):

Per 8 hour regular straight time day (Monday-Friday)	\$ 3,210.94
Per overtime hour (Monday-Friday)	\$ 446.29
Per 8 hour overtime day (Saturday)	\$ 4,443.80
Per 8 hour double time day (Sunday & Holidays)	\$ 4,443.80

As Needed Dive Team (3man: Diver, St. By Diver/Tender, Asst. Tender), Dive Vessel, Diving Equipment and Punt (as described):

Per 8 hour regular straight time day (Monday-Friday)	\$ 3,210.94
Per overtime hour (Monday-Friday)	\$ 446.29

Depth Premium – Price per foot/ per day/per diver (Applies to dives deeper than 49ft.) \$ 7.50

Auxiliary On-Board Dive Equipment and Tools:

Cost per day only if used

Saltwater jet pump (12HP min.) with 150ft of discharge hose	\$ 25.00
U/W diver operated hand jet and/or 4"eductor system	\$ 10.00
2,000lbs boat mounted air winch	\$ 25.00
Hydraulic power unit, 150ft hoses	\$ 25.00
U/W hydraulic chainsaw, spares, blades	\$ 10.00
U/W hydraulic drill (1/2" chuck, variety of auger bits/sizes)	\$ 10.00
U/W hydraulic chipping/jack hammer	\$ 10.00
U/W color digital VHS/DVD (video & audio system with topside monitor)	\$ 250.00
Air Lift 8" dia. with 150ft of air supply hose	\$ 25.00
5,000lbs lift bags (assorted sizes to lift 5,000lbs from sea floor)	\$ 25.00
U/W diver operated 8"eductor with 20ft discharge (POLA provided pump)	\$ 25.00
U/W digital wide angle camera with flash (professional quality)	\$ 25.00
High pressure water blaster system 10,000psi (pump, 150ft hose, gun)*	\$ 750.00
U/W burning gear-200ft system all inclusive (rods reimbursed by POLA)	\$ 50.00
300 Amp DC welding unit, leads with O ₂ (for nominal burning ops)	\$ 75.00
Portable generator with 110V output	\$ 25.00

*Three (3) day minimum rental for this item

DISCOUNT:

American Marine Corp. will offer a discount on the above listed items of 20%, if the POLA makes payment in full no later than 30 days after receipt of monthly submitted invoice.

ANNUAL INCREASE:

In anticipation of increased labor, equipment and consumable costs during the 3 year term of the contract, a 3.0 % annual increase in all listed prices will apply. Increases will coincide with contract annual renewal timeline.





All Inclusive Daily Cost for Diving Services (Equipment and Tools Included)

Each Primary Dive Team (3man: Diver, Tender, Asst. Tender), Dive Vessel, Diving Equipment, Punt, AND All Equipment and Tools (listed below):

Per 8 hour regular straight time day (Monday-Friday)	\$ <u>3,242.94</u>
Per overtime hour (Monday-Friday)	\$ <u>446.29</u>
Per 8 hour overtime day (Saturday)	\$ <u>4,475.80</u>
Per 8 hour double time day (Sunday & Holidays)	\$ <u>4,475.80</u>

As Needed Dive Team (3man: Diver, Tender, Asst. Tender), Dive Vessel, Diving Equipment, Punt, Equipment and Tools (listed below):

Per 8 hour regular straight time day (Monday-Friday)	\$ <u>3,242.94</u>
Per overtime hour (Monday-Friday)	\$ <u>446.29</u>

Depth Premium – Applies to dives deeper than 49ft.

Price per foot/ per day/per diver	\$ <u>7.50</u>
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Included Equipment and Tools (Note-Only typically used tools included):

- Saltwater jet pump (12HP min.) with 150ft of discharge hose
- U/W diver operated hand jet and/or 4" eductor system
- 2,000lbs boat mounted air winch
- Hydraulic power unit, 150 hose
 - U/W hydraulic chainsaw, spares, blades
 - U/W hydraulic drill (1/2" chuck, variety of auger bits/sizes)
 - U/W hydraulic chipping/jack hammer
- Air Lift 8" dia with 150 ft of air supply hose
- 5,000lbs lift bags (assorted sizes to lift 5,000lbs from sea floor)
- U/W diver operated 8" eductor with 20ft discharge (POLA provided pump)
- U/W digital wide angle camera with flash (professional quality)
- U/W burning gear-200ft system all inclusive (rods reimbursed by POLA)
- Portable generator with 110V output

DISCOUNT:

American Marine Corp. will offer a discount on the above listed items of 20%, if the POLA makes payment in full no later than 30 days after receipt of monthly submitted invoice.

ANNUAL INCREASE:

In anticipation of increased labor, equipment and consumable costs during the 3 year term of the contract, 3.0 % annual increase in all listed prices will apply. Increases will coincide with contract annual renewal timeline.



**Cost per Pile**

Price per Fender Pile – Complete Wrap Out (per POLA C&M specifications) \$ 1,441.00

Price per Bearing Pile- Complete Wrap Out (per POLA C&M specifications) \$ 1,081.00

DISCOUNT:

American Marine Corp. will offer a discount on the above listed items of 20 %, if the POLA makes payment in full no later than 30 days after receipt of monthly submitted invoice.

ANNUAL INCREASE:

In anticipation of increased labor, equipment and consumable costs during the 3 year term of the contract, 3.0 % annual increase in all listed prices will apply. Increases will coincide with contract annual renewal timeline.

Conditions and Stipulations:

- Fender Pile** Pile is wrapped using standard 3 man dive team no assistance from POLA personnel required
 Piles to be wrapped must be adjacent/contiguous to each other (no travel or down time for relocating dive operation)
 44ft average water depth at pier head main channel for POLA (milw)
 Pile is wrapped from 1 1/2ft below mudline (for a MLS) or 2ft below rock line (for a RLS) to +7.5ft milw
 50ft of linear wrap length = 4-10ft SW's + 1-6ft SW + 1-12ft 150mil (approximately)
 If a RLS is required, minimal excavation/rock removal required - (low estimate)
 Pile is new, unwrapped, clean, and free of any surface growth, anomalies or deformities
 Unobstructed "all around" access to fender pile
 No interference with whalers or sub decking components
 No camel obstruction
 No delay in POLA permanent material deliveries
- Bearing Pile** Pile is wrapped using standard 3 man dive team no assistance from POLA personnel required
 Piles to be wrapped must be adjacent/contiguous to each other (no travel or down time for relocating dive operation)
 25ft average water depth at mid bent point for POLA (milw)
 Pile is wrapped from 1 1/2ft below mudline (for a MLS) or 2ft below rock line (for a RLS) to +7.5ft milw
 33ft of linear wrap length = 2-10ft SW's + 1-8ft SW + 1-10ft TW (approximately)
 No braces
 No "T" strap interference
 Pile is new, unwrapped, clean, and free of any surface growth, anomalies or deformities
 Unobstructed "all around" access to bearing pile
 No interference with sub decking or other Underdecking components
 No oil boom interference
 No delay in POLA permanent material deliveries



AMC TERMINAL ISLAND RATE SHEET

Moorage:**

Small Vessel or Derelict Moorage	\$100.00/day
Barge or vessel up to 150' in length:	\$325.00/day
Barge or vessel between 150' and 200' in length:	\$425.00/day
Barge or vessel between 200' and 250' in length:	\$525.00/day
Barge or vessel between 250' and 300' in length	\$625.00/day
Barge or vessel over 300' in length:	\$725.00/day

AMC facility Utilization (as quoted):

Lockable, private office w/ phone & internet, use of AMC main office fax, scanner, copier
Upland storage area: (Square footage as agreed upon)
Use of restrooms and shipping and receiving address.

Labor*:

Laborer	\$55.00 per hour*
Riggers	\$65.00 per hour*
Welders & Fabricators	\$85.00 per hour*
Mechanic/Machinist	\$85.00 per hour*
Supervisor	\$85.00 per hour*

Equipment:

Pick-up Truck w/ driver	\$90.00/hr plus gas
15 Ton Crane w/ operator	\$255.00/hr. (one hour minimum)
45 Ton Crane w/ certified operator	\$355.00/hr. (two hour minimum)
Forklift w/ operator	\$175.00/hr. (one hour minimum)
1100 HP tugboat	\$450.00/hr. (two hour minimum)***
600 HP tugboat	\$350.00/hr. (two hour minimum)***
Small Crew Boat (<45')	\$250.00/hr. (two hour minimum)***
Medium Crew Boat (45-75')	\$300.00/hr. (two hour minimum)***
Large Crew Boat (>75')	\$375.00/hr. (two hour minimum)***

Misc. Services:

- Line handling will be charged a flat fee of \$200 per docking or undocking;
- Potable Water- \$6.00 per ton plus any labor charge
- Guard service (required when conducting operations on AMC premises after normal business hours)

Weeknights: \$500.00 per overnight shift; Week-ends/Holidays: \$1000.00 per day (Not pro-rated)

Outside Services & Materials:

- 15% will be charged on the cost of all work performed by subcontractors and service providers who require transit or access on AMC premises (Charge does not apply to Customer's own employees);
- 15% will be added to the cost of all materials purchased and provided by AMC plus any labor or equipment required to pick up, deliver, offload, or load-out.

Notes:

- *Labor rates are for straight time labor (Mon through Fri 0730-1600); overtime rates are 1.5 times the straight time rate and apply at all other times except holidays. Holidays are double time and are charged at 2 times the hourly rate.
- ** Vessel moorage is charged per calendar day or any part of a calendar day.
- ***When fuel exceeds \$2.75/gallon a fuel surcharge will be charged in accordance with the attached surcharge formula.

Honolulu	65 N. Nimitz Hwy. Pier 14, Honolulu HI 96817-5021	Phone (808) 545-5190 Fax (808) 538-1703
California	1500 S. Barracuda St., Berth 270/271 L.A., Terminal Island CA 90731-7357	Phone (310) 547-0919 Fax (310) 547-0031
Alaska	6000 "A" Street, Anchorage, AK 99518-1815	Phone (907) 562-5420 Fax (907) 562-5426



Jan 01, 2011

APPLICABLE FUEL SURCHARGE FORMULAS

(FOR VESSELS REFERENCED ON TERMINAL ISLAND RATE SHEET)

Due to the fluctuation in the price of marine diesel fuel, American Marine finds it necessary to implement its standard fuel surcharge for its vessels operating out of Terminal Island.

When the price of marine diesel fuel in Los Angeles Harbor is below \$2.75 per U.S. gallon, American Marine will absorb the added cost of fuel. When the price of fuel equals or exceeds \$2.75 per U.S. gallon, a fuel surcharge percentage will be multiplied to the total vessel(s) hourly charge on our invoice to cover the increase in fuel costs.

The formulae for calculating the surcharge is as follows:

For All Crew boats:

When the price of fuel (for the day of service) reaches \$2.75/gallon, the fuel surcharge will be 10.0%.

For every additional \$0.075 (7.5 cents) fuel cost increase above \$2.75/gallon, the fuel surcharge will increase 1.0%.

Examples: Fuel price: \$2.90/gallon equates to a fuel surcharge of 12.0%;
Fuel price: \$3.10/gallon equates to a fuel surcharge of 14.0%;
Fuel price: \$3.50/gallon equates to a fuel surcharge of 20.0%.

For All Tugboats:

When the price of fuel (for the day of service) reaches \$2.75/gallon, the fuel surcharge will be 3.0%.

For every additional \$0.10 (10 cents) fuel cost increase above \$2.75/gallon, the fuel surcharge will increase 1.0%.

Examples: Fuel price: \$2.90/gallon equates to a fuel surcharge of 4.0%;
Fuel price: \$3.10/gallon equates to a fuel surcharge of 6.0%;
Fuel price: \$3.50/gallon equates to a fuel surcharge of 10.0%.

Honolulu	65 N. Nimitz Hwy. Pier 14, Honolulu HI 96817-5021	Phone (808) 545-5190 Fax (808) 538-1703
California	1500 S. Barracuda St., Berth 270/271 L.A., Terminal Island CA 90731-7357	Phone (310) 547-0919 Fax (310) 547-0031
Alaska	6000 "A" Street, Anchorage, AK 99518-1815	Phone (907) 562-5420 Fax (907) 562-5426

EXHIBIT B – Compensation

The following clarify or add to the compensation terms and in the case of any inconsistencies, the terms on this page shall supersede the terms on the previous pages.

1. For the “Daily Cost for Diving Services with Breakout for Tool Use” and the “All Inclusive Daily Cost for Diving Services”, the following shall apply:

A diving day consists of eight (8) hours of underwater hard hat diving or related activity during a working day, or during shift hours when multiple shifts are worked, Monday through Friday. The Director of Port Construction and Maintenance or an authorized representative must preauthorize any additional time to extend the work beyond a diver day, including work performed on Saturdays, Sundays or holidays. This calculation of hours specifically excludes any loss of time due to unavailability of Consultant-provided equipment or any other performance failure of Consultant. Consultant personnel who report for work in an unfit condition or who are not otherwise qualified to do the work will render the team unsuitable for work and no compensation will be paid to Consultant for that team.

2. For the “All Inclusive Daily Cost for Diving Services”:

- As to each “Primary Dive Team” and/or “As Needed Dive Team”, the “Tender” shall be “St. By Diver/Tender”
- The cost of a 2-diver “Primary Dive Team” or “As Needed Dive Team” shall be:
 - a. \$4,825 per 8-hour regular straight time day (Monday-Friday).
 - b. \$709.87 per overtime hour (Monday-Friday).
 - c. \$6584.30 per 8-hour overtime time (Saturday).
 - d. \$6584.30 per 8-hour double time day (Sunday and Holidays).

3. For all services, the following methodology for calculating diving depth shall be used:

Divers shall use a pneumofathometer to verify depth when charging depth premium to give divers’ actual depth below the surface based on the height of the tide. Contractor shall provide a height of tide calculation for the time the work was conducted when depth premium is included on invoice.

4. For the "Cost per Pile": City may call for services at a cost per pile rate as an alternative to the Day Rates set forth in previous pages of Exhibit B.
5. At City's request, Consultant shall follow the following changes from the Spec. at no additional costs beyond those set forth elsewhere in Exhibit B: (a) changing the wrap material from PVC to EPDM; (b) changing from using Aluminum nails to Stainless nails; (c) changing from using aluminum banding material to "zip-tie" type bands; and (d) experimenting with utilizing battan sticks of a less expensive wood grade.
6. The 20% early pay discount and 3% annual price escalation shall not apply to the items on "AMC TERMINAL ISLAND RATE SHEET"
7. Terms and conditions set forth on the "AMC TERMINAL ISLAND RATE SHEET" shall only apply to the services set forth thereon, and the rates set forth shall apply for the entire term of the Agreement.
8. The following shall apply to provision of pile wrap in Exhibit A, Scope of Work , Subsection I:

- a. **Tidal wrap** package (72" width): 30mil PVC outer material
6mil Polyethylene clear inner liner
3" top and bottom foam seal
1"x 3/4" oak stick (each side)
1" Aluminum/other band top and bottom
4" and 1 1/2" nails provided in bulk.

Tidal wraps assembled in various lengths as directed, stapled and rolled.

Price per linear foot of Tidal Wrap: \$15.⁵⁹/ft (Must be ordered in 1,700 linear ft lots.)

- b. **Sub Wrap** package (72" width): 20mil HDPE outer material
1"x 3/4" oak stick (each side)
4" and 1 1/2" Al nails provided in bulk.

Submerged wraps assembled in various lengths as directed, stapled and rolled.

Price per linear foot of Sub Wrap: \$9.⁹²/ft
(Must be ordered in 1,700 linear ft lots.)

- c. **150 mil** HDPE Tidal Wrap (12' length x 55" width/circumference-flat sheet stock)
2" on center edge/spacing - drilled
Properly rolled and secured
110-3" Al nails

Price per 12 ft long - 150 mil wrap: \$291.⁹¹
(Must be ordered in 600 unit lots)

MONTHLY SUBCONSULTANT MONITORING REPORT

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

Contract No. _____ Division _____ Contractor Administrator _____

Contractor _____ *Group _____ Contract Title/Project _____

Contract Amount _____ Start Date _____ End Date _____

Total Amount Invoiced to Date _____

Original Proposed Subcontractor Percentage SBE _____ MBE _____ WBE _____ OBE _____ DBE _____

	Name of Subcontractor	Type of Work Performed	Group SBEMBE/WBE/OBE/DBE	PROPOSED		ACTUALS		
				Original Proposed Amount	Original Proposed Percentage	Amount Paid to Date	Amount Paid to Date Percentage	Contract Amount Percentage
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Directions:

Original Proposed Percentage: Original Proposed Percentage of Total Contract Amount

Amount Paid to Date Percentage: Percentage of Total Amount Invoiced to Date

Contract Amount Percentage: Percentage Paid to Date of Total Contract Amount

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

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.

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- 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

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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;

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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), and minority-owned business enterprises (MBEs). The SBE Program allows the Harbor Department to target small business participation, including MBEs and WBEs, 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.

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 0%, including 0% VSBE participation.**

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 the City's Contracts Management and Opportunities Database, the Los Angeles Business Assistance Virtual Network (LABAVN), at <http://www.labavn.org>.

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

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

Signature _____
Printed Name _____

Title _____
Date Signed _____

NOTARY

On this _____ day of _____, 20____, before me appeared _____ to me personally known, who being duly sworn, did execute the

Name

foregoing affidavit, and did state that he/she was properly authorized by _____
Name of Firm

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

SEAL

Notary Public _____

Commission Expires _____

Contractor Description Form

PRIME CONTRACTOR

Contract #: _____ Award Date: _____ Contract Term: _____

Contract Title: _____

Business Name: _____ Award Total: \$ _____

Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE OBE (Please check all that apply)

Primary NAICS Code: _____

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 OBE (Please check all that apply)

Primary NAICS Code: _____

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 OBE (Please check all that apply)

Primary NAICS Code: _____

Address: _____

City/State/Zip: _____

Telephone: () _____ FAX: () _____

Contact Person/Title: _____

Email address: _____

Contractor Description Form

SUBCONTRACTOR

Business Name: _____ Award Total: \$ _____

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Address: _____

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Contact Person/Title: _____

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SUBCONTRACTOR

Business Name: _____ Award Total: \$ _____

Services to be provided: _____

Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE OBE (Please check all that apply)

Primary NAICS Code: _____

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 OBE (Please check all that apply)

Primary NAICS Code: _____

Address: _____

City/State/Zip: _____

Telephone: () _____ FAX: () _____

Contact Person/Title: _____

Email address: _____

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.