AGREEMENT NO. 13-3137

AGREEMENT BETWEEN
THE CITY OF LOS ANGELES AND
CONVERGINT TECHNOLOGIES LP

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 CONVERGINT TECHNOLOGIES LP, a Delaware corporation, 1667 North Batavia Street, Orange, California, 92867 ("Consultant").

WHEREAS, City requires assistance with the maintenance and repair of the software and hardware of the Harbor Department's Closed Circuit Television, access control and networking systems; and

WHEREAS, City requires the availability of technical support for these systems on a 24-hour day, seven day a week basis; and

WHEREAS, City requires the professional, expert and technical services of Consultant on a temporary or occasional basis to assist the City in conducting preventative maintenance and repair, as well as installation and integration services, for the Harbor Department's Closed Circuit Television, access control and networking systems; and

WHEREAS, Consultant possesses extensive experience in dealing with security system maintenance, repair, replacement, installation and integration for similar, large entities within and outside the maritime industry; 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 by the Executive Director and shall be for an initial period of one (1) year, subject to the following:

1. The Executive Director has the option to renew the term of the Agreement for two (2) consecutive renewal periods of one (1) year each, for a total Agreement term not to exceed three (3) years from the effective date. Exercise of the option to renew shall be by written notice from the Executive Director to Consultant prior to the end of the current term of the Agreement; or

2. The Board of Harbor Commissioners, in its sole discretion, terminates and cancels all or part of this Agreement for any reason upon giving to 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. Consultant shall comply with the City of Los Angeles City travel policy and the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, 44 C.F.R. §§ 13.1 et seq. See Exhibit B.

B. The maximum payable under this Agreement, including reimbursable expenses (see Exhibit B), shall be Four Million Dollars ($4,000,000).

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

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

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

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

Further, where the Consultant employs Subconsultants under this Agreement, the Consultant shall submit to City, with each monthly invoice, a Monthly Subconsultant Monitoring Report Form (Exhibit C) listing SBE/VSBE/MBE/WBE/DVBE/OBE amounts.

Consultant shall provide an explanation for any item that does not meet or exceed the anticipated participation levels for this Agreement, with specific plans and recommendations for improved Subconsultant utilization. Invoices will not be paid without a completed Monthly Subconsultant Monitoring Report Form. All invoices are subject to audit. Consultant is not required to submit support for direct costs items of $25 or less.

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

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

VI. RECORDKEEPING AND AUDIT RIGHTS

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

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

VII. INDEPENDENT CONTRACTOR

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

VIII. BUSINESS TAX REGISTRATION CERTIFICATE

The City of Los Angeles Office of Finance requires the implementation and enforcement of Los Angeles Municipal Code Section 21.09 et seq. This Code Section provides that every person, other than a municipal employee, who engages in any business within the City of Los Angeles, is required to obtain the necessary Business Tax Registration Certificate and pay business taxes. The City Controller has determined that this Code Section applies to consulting firms that are doing work for the Department. See Exhibit D.

IX. INDEMNIFICATION AND INSURANCE

A. Indemnification

Except for the sole negligence or willful misconduct of the City, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, Consultant undertakes and agrees to defend, indemnify and hold harmless the City and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including Consultant's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement by Consultant or its subcontractors of any tier. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this Agreement and those allowed under the laws of the United States, the State of California, and the City.

B. Acceptable Evidence and Approval of Insurance

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

C. General Liability Insurance

Consultant shall procure and maintain in effect throughout the term of this Agreement, without requiring additional compensation from the City, commercial general liability insurance covering personal and advertising injury, bodily injury, and property damage providing contractual liability, independent contractors, products and completed operations, and premises/operations coverage written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's is not available) within Consultant's normal limits of liability but not less than One Million Dollars ($1,000,000) combined single limit for injury or claim. Said limits shall provide first dollar coverage except that Executive Director may permit a self-insured retention or self-insurance in those cases where, in his or her judgment, such retention or self-insurance is justified by the net worth of Consultant. The retention or self-insurance provided shall provide that any other insurance maintained by the Harbor Department shall be excess of Consultant's insurance and shall not contribute to it. In all cases, regardless of any deductible or retention, said insurance shall contain a defense of suits provision and a severability of interest clause. Additionally, each policy shall include an additional insured endorsement (CG 2010 07/04 with CG 20 37 07/04 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents and employees as additional insureds, a 10-days notice of cancellation for nonpayment of premium, and a 30-days notice of cancellation for any other reasons.

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 07/04 with CG 20 37 07/04 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents and employees as additional insureds, a 10-days notice of cancellation for nonpayment of premium, and a 30-days notice of cancellation for any other reasons.

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.

F. Professional Liability Insurance

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

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

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

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

G. Railroad Protective Liability Insurance

Consultant shall provide a policy of Railroad Protective Liability insurance in which Pacific Harbor Line (PHL) acting for itself and its railroad users are named insureds and the City of Los Angeles, its boards, officers, agents and employees are included as additional insureds with Consultant. The minimum limits of Railroad Protective Liability insurance shall be the limits normally carried by Consultant but not less than Two Million Dollars ($2,000,000) combined single limit for property damage and bodily injury including death. If the submitted policies contain aggregate limits, Consultant shall provide evidence of insurance protection for such limits so that the required coverage is not diminished in the event that the aggregate limits become exhausted. Said limit shall be without deduction, provided that the Executive Director or designee may permit a deductible amount when it is justified by the financial capacity of

Consultant. Any deductible amount permitted by the Executive Director shall be paid solely by Consultant.

Consultant's Comprehensive General Liability coverage shall also have the railroad exclusion deleted.

H. 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.

I. 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 mail addressed to 425 S. Palos Verdes Street, San Pedro, California 90731.

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 direct their insurance broker or agent to submit to the City's online insurance compliance system**Track4LA** ™ at http://track4la.lacity.org/ a renewal endorsement or renewal certificate showing that the policy has been renewed or extended or, if new insurance has been obtained, evidence of insurance as specified above. If Consultant neglects or fails to secure or maintain the insurance required above, Executive Director may, at his or her own option but without any obligation, obtain such insurance to protect City's interests. The cost of such insurance will be deducted from the next payment due Consultant.

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 its most recently filed 10-Q and its 10-K or audited annual financial statements for the three most recent fiscal years prior to Executive Director's consideration of approval of self-insurance and annually thereafter.

7. Consultant agrees to inform Department in writing immediately of any change in its status or policy which would materially affect the protection afforded Department by this self-insurance.

8. Consultant has complied with all laws pertaining to self-insurance.

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/VERY SMALL BUSINESS ENTERPRISE PROGRAM AND LOCAL BUSINESS PREFERENCE PROGRAM

It is the policy of the Department to provide Small Business Enterprises (SBE), Very Small Business Enterprises (VSBE) and Minority-Owned, Women-Owned, Disabled Veteran Business Enterprises and all Other Business Enterprises (MBE/WBE/DVBE/OBE) an equal opportunity to participate in the performance of all City contracts in all areas where such contracts afford such participation opportunities. Consultant shall assist the City in implementing this policy and shall use its best efforts to afford the opportunity for SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs to achieve participation in subcontracts where such participation opportunities present themselves

and attempt to ensure that all available business enterprises, including SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs, have equal participation opportunity which might be presented under this Agreement. See Exhibit F.

It is also the policy of the Department to support an increase in local and regional jobs. The Department's Local Business Preference Program aims to benefit the Southern California region by increasing jobs and expenditures within the local and regional private sector. Consultant shall assist the City in implementing this policy and shall use its best efforts to afford the opportunity for Local Business Enterprises to achieve participation in subcontracts where such participation opportunities present themselves.

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 the Executive Director, 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 03-0455919. No payments will be made under this Agreement without a valid TIN.

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

The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 5771 on January 13, 1999, agreeing to adopt the provisions of Los Angeles City Ordinance No. 171004 relating to Service Contractor Worker Retention (SCWR), Section 10.36 et seq. of the Los Angeles Administrative Code, as the policy of the Department. Further, Charter Section 378 requires compliance with the City's Living Wage requirements as set forth by ordinance, Section 10.37 et seq. of the Los Angeles Administrative Code. Consultant shall comply with the policy wherever applicable. Violation of this provision, where applicable, shall entitle the City to terminate this Agreement and otherwise pursue legal remedies that may be available.

XXIII. WAGE AND EARNINGS ASSIGNMENT ORDERS / NOTICES OF ASSIGNMENTS

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

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

XXIV. EQUAL BENEFITS POLICY

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

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

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

> Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions
>
> As provided in Charter Section 470(c)(12) and related ordinances, you are a subconsultant on Harbor Department Agreement No. _____. Pursuant to City Charter Section 470(c)(12), subconsultant and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the Agreement is signed. Subconsultant is

required to provide to Consultant names and addresses of the subconsultant's principals and contact information and shall update that information if it changes during the 12 month time period. Subconsultant's information must be provided to Consultant within 10 business days. Failure to comply may result in termination of the Agreement or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at http://ethics.lacity.org/ or by calling 213-978-1960.

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

XXVI. STATE TIDELANDS GRANTS

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

XXVII. INTEGRATION

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

XXVIII. SEVERABILITY

Should any part, term, condition or provision of this Agreement be declared or determined by any court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law, public policy, or city charter, the validity of the remaining parts, terms, conditions or provisions of this Agreement shall not be affected thereby, and such invalid, illegal or unenforceable part, term, condition or provision shall

be treated as follows: (a) if such part, term, condition or provision is immaterial to this Agreement, then such part, term, condition or provision shall be deemed not to be a part of this Agreement; or (b) if such part, term, condition or provision is material to this Agreement, then the parties shall revise the part, term, condition or provision so as to comply with the applicable law or public policy and to effect the original intent of the parties as closely as possible.

XXIX. CONSTRUCTION OF AGREEMENT

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

XXX. TITLES AND CAPTIONS

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

XXXI. MODIFICATION IN WRITING

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

XXXII. WAIVER

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

XXXIII. EXHIBITS; ARTICLES

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

XXXIV. COUNTERPARTS

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

/ / / / /

/ / / / /

/ / / / /

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

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

Dated: 6/18/13

By _____
Executive Director

Attest: _____
Secretary

CONVERGINT TECHNOLOGIES LP

Dated: 5/15/13

By _____
Walter W. Winkel III
Vice President / CFO
(Print/type name and title)

Attest _____
Dan Moceri, CEO
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

May 21, 2013
CARMEN A. TRUTANICH, City Attorney
JANNA B. SIDLEY, General Counsel

By _____
Heather M. McCloskey, Deputy

Account #	54286	W.O. #	6831200
Ctr/Div #	0412	Job Fac. #	636-000
Proj/Prog #	640		

Budget FY:	Amount:
2013-14	2,000,000
2014-15	1,500,000
2015-16	500,000
TOTAL	4,000,000

For Accr Budget Div. Use Only

Verified by

Verified Funds Available

Date Approved

Rev. 03/13/13

EXHIBIT A

Scope of Work

Consultant shall perform professional, expert and technical services utilizing a combination of time-and-material and fixed price Project Directives (PD). Emergency corrective maintenance shall be performed when authorized in writing by the Homeland Security Manager (POLA HSM) or their designee on a time-and-material basis utilizing the labor rates provided in Exhibit B. All other tasks shall be performed as authorized in writing by the POLA HSM or their designee on a fixed price Project Directive basis.

Definitions

1. Port of Los Angeles – Homeland Security Manager (POLA HSM).
2. Prime Contractor – Convergint Technologies (Consultant).
3. Prime Contractor's subcontractors including, but not limited to – Birdi and Associates, Endeavor Advanced Solutions, Servitek Solutions (Consultant's Team).
4. CCTV, Access Control, and Networking Hardware and Software Repair and Maintenance (Maintenance Contract).
5. Scope of Work (SOW).
6. Firm Fixed Price (FFP).
7. Project Directive (PD).
8. A PD shall result from a request for work by the POLA HSM or their designee; a written FFP quote submitted by the Consultant; and a final fixed price and schedule negotiated between POLA and the Consultant resulting.

Tasks

The project requirements generally described in the following tasks are to be performed by the Consultant when authorized by POLA HSM by written PD. PDs may include a scope of work that differs from the general descriptions that follow – in those cases the PDs shall take precedence:

Task One – Customer Support Program

Consultant

a. When authorized by POLA HSM PD, Consultant shall provide a 24/7/365 voice call center. The call center will generate trouble tickets, dispatch personnel, track ticket progress, and provide reports. The call center shall utilize an escalation process to apply additional resources to resolve those problems requiring greater technical expertise.

b. The Consultant shall: provide the POLA with an account with a call center contact phone number; define the call center standard operating procedures and escalation lists; provide a call center web-accessible database; and train the customer service representatives on the POLA specific policies and procedures. The escalation process allows key personnel to involve themselves only as required. Should the on-call service technician be unable to satisfactorily resolve

the trouble ticket, the Consultant shall engage additional resources to offer technical assistance. Larger problems involving system-level issues or the inability of one of the Consultant's Team members to quickly resolve the problem shall result in escalation to the Consultant's Project Manager. The call center shall be made available upon contract execution.

c. The web-based system shall provide the venue for tracking all service requests on the system, maintaining a complete maintenance history for each component and full asset tracking. The web-based system requires one-time development and shall be made available within four weeks after contract execution. Daily backup of the call center database shall be scheduled. The web-based system is composed of and provides the following:

- Configuration Management – electronically maintains software version updates; firmware version updates; equipment serial numbers; device passwords; drawing package additions and redlined revisions; and device unique configuration parameters.

- Spare Parts and Logistics – electronically maintains spare parts inventory and status in the asset database; RMA status; and shipping and asset tracking.

- Documentation Management – electronically maintains As-Built drawings; operator's manuals; maintenance manuals; training manuals and materials; new design drawings; document updates; drawing updates; and configuration management.

- Asset Management – record asset properties (description, purchase date, price, and serial number); track maintenance performed and changes (e.g., firmware updates) to each asset; create reports of missing or discarded assets; create "to do" lists for required future asset maintenance; enable authorized maintenance personnel to "sign out" assets; track the location of each asset; generate reports (e.g., all assets from a particular vendor). All data shall be fully integrated, so it will not generally be necessary to make entries in multiple places.

- The web-based database shall permit periodic monitoring of the completion status of all maintenance actions and will quickly reveal when the deference of preventative (or corrective) maintenance actions is becoming an issue, thereby allowing the consultant to reassign tasks or temporarily assign additional resources to resolve the pending maintenance action delinquencies.

- Reports from the web-based system shall be provided to the POLA HSM in both electronic and hard copy formats on a frequency to be determined by POLA.

Task Two – Program, Project, Technical and Field Support

Consultant's Program Manager shall:

a. Plan, monitor, and control technical, cost and schedule performance.

b. Develop Program Management Guide and Service Playbook.

c. Provide project management oversight of the Consultant's Team and the On-site Support Manager.

d. Assist in the development of, and ensure adherence to, area-wide procedural/policy changes, including preventive maintenance procedures.

e. Make recommendations on adaptation of new technologies to enhance support services.

f. Provide roving site support to backfill for vacations, illnesses, or during peak workload conditions.

g. Act as technical advisor to ensure compliance with all agency/customer requirements.

h. Interface with Consultant's support staff, POLA staff, and others regarding technical issues.

i. When authorized by POLA HSM PD, the Consultant's PM, the POLA HSM or their designee to set maintenance procedures and policies. As much as possible these procedures and policies will be developed to meet the problem resolution and the emergency and routine response times as outlined below to reduce the amount of discussion necessary between the POLA HSM PM and the Consultant before taking actions to restore the system

   Emergency Call – Calls that warrant immediate repair, as determined by the POLA HSM or their designee will require that a qualified service representative arrive on site within two hours from the time the call is acknowledged by the service representative via telephone.

   Routine Call – Routine calls, as determined by the POLA HSM or their designee, shall be acknowledged by phone within one hour and, at the discretion of the POLA HSM or their designee, response may be deferred to the start of the following business day.

Consultant's On-Site Support Manager

a. The Consultant's On-Site Support Manager shall provide the following services on a Monday-Friday, 7am-5pm basis:

   - CCTV System and Access Control System: Manage user accounts for System Administrator's access to all security system operating

software/hardware components (add, delete, modify), add components to system, modify system parameters if required; create and maintain component maps; perform software upgrades when required; delete components from system (only if required); modify fixed camera field of view (only if required); create and maintain Analytic rules and monitor systems logs and database backups; resolve operational issues (troubleshooting), and schedule and maintain tape backup system.

b. Consulting, oversight and integration support of existing hardware, software, network configurations, and new system initiatives for all sites within area of responsibility.

c. Installation of software/firmware maintenance releases for Verint, Genetec, AMAG, Cisco, components, and other systems.

d. Technical support to the POLA and acts as a knowledge resource for complex system issues.

e. A technical escalation point for POLA staff in resolving and troubleshooting system problems.

f. Research on technical issues to provide guidance and/or recommendations for problem resolution.

g. Recommendations on adaptation of new technologies to enhance support services.

h. Maintenance of a database of site hardware, software and network configurations for use in designing optimal solutions for system upgrades. Provide assistance to sites in maintaining site inventories and training on inventory procedures.

i. Remote diagnostic support services to sites within area of responsibility.

j. Assistance to each site within area of responsibility in database administration activities including resolving database integrity issues, constructing difficult data retrievals, and configuring databases.

k. Technical advice to ensure compliance with all agency/customer requirements.

l. Assistance in oversight of on-site activities by Consultant's Team.

m. Periodic (periodicity to be determined by the POLA) backup of the security system application preferences and hardware configurations shall be scheduled and stored off-site (off-site location to be determined).

n. A complete asset inventory of all systems and components to be maintained.

o. Once the asset inventory is completed, the Consultant's On-site Support Manager shall ensure that the manufacturer's recommended maintenance

and intervals for each item is researched and kept in a master procedure database and made available to all personnel.

p. Consolidated recommendations for preventative maintenance plans that have been or will be developed, modify the consolidated plan based on knowledge and experience of consultant's subcontractors, and develop a Master Maintenance Schedule for submission by Consultant's PM to POLA HSM for approval. Once approved, the schedule will be maintained and updated monthly for a record of maintenance accomplished and planned.

q. When authorized by POLA HSM PD, the Consultant's PM shall review all maintenance activities with POLA on a periodicity to be determined by POLA HSM with the goal of identifying opportunities to both reduce the number of failures as well as control costs. Reports shall be provided in both electronic and soft copy formats.

Consultant's Network Administrator

a. Network: Maintain routing table; configure additional switches/routers as required; backup switch/router configurations; IP address management; add/configure/modify wireless radios and network components as required; monitor network performance using tools such as SNMP and Cisco Works; perform network troubleshooting when required; and provide network and computer security.

b. Install software/firmware maintenance releases for Verint, Genetec, AMAG, Cisco, components, and other systems.

c. Provide remote diagnostic support services to sites within area of responsibility.

d. Act as technical advisor to ensure compliance with all agency/customer requirements.

e. Interface with Consultant's support staff, POLA staff, and others regarding technical issues.

f. Periodic (periodicity to be determined by the POLA) backup of the security system application preferences and hardware configurations shall be scheduled and stored off-site (off-site location to be determined).

g. Network Administrator shall ensure that a complete asset inventory of all systems and components to be compiled and maintained.

h. Once the asset inventory is completed, the Network Administrator shall ensure that the manufacturer's recommended maintenance and intervals for each item is researched and kept in a master procedure database and made available to all personnel.

i. Network Administrator shall consolidate the recommended preventative maintenance plans that have been or will be developed, modify the consolidated plan based on knowledge and experience of consultant's subcontractors, and develop a Master Maintenance Schedule for submission by Consultant's PM to POLA HSM for approval. Once approved, the schedule will be maintained and updated monthly for a record of maintenance accomplished and planned.

Task Three – Provide Preventative Maintenance

a. Preventative maintenance shall be logged with the call center for inclusion in the database. The logging will provide the visibility, scheduling, tracking, recordkeeping, and reporting necessary for an effective maintenance program. Preventative maintenance shall be scheduled for off peak hours (as defined by the POLA HSM with input from the tenants) at offices, terminals, and other facilities. Preventative maintenance items that are deferred, whether by higher priority needs or site access issues, will be reported as incomplete. Incomplete or late trouble tickets shall be tracked and reported in the call center database. The need for special lifts, cranes or scaffolding to reach elevated equipment, special events, and changes in the threat level may interfere with planned maintenance activities. Planned preventative maintenance activities that are postponed shall be rescheduled as soon as practicable and in any case not so long as to risk equipment failure. A list of facility points of contact and special access requirements has been or will be generated. The Consultant will consolidate and distribute copies to the Consultant's Team.

b. When authorized by POLA HSM, the Consultant shall provide preventative maintenance for the following installed systems on a frequency to be determined by the POLA HSM or their designee and shall be responsible for logging the maintenance activity in with the call center:

- CCTV – Pelco, FLIR, and Axis
- VidSys
- Video Control and Management (Verint software and hardware components; Verint Nextiva, Genetec, and Vbrick MPEG4 decoders)
- Networking system – wired (switches, routers and copper and fiber LAN) and wireless (licensed and unlicensed)
- Uninterruptible power supplies and solar panels
- Workstations/Servers at various sites

c. When authorized by PD, the Consultant shall provide preventative maintenance for the following installed system on a periodicity to be determined and shall be responsible for logging the maintenance activity with the call center:

- Access Controller: Access Control System (software and hardware components)

d. When authorized by PD, the Consultant shall provide preventative maintenance for the following installed systems on a periodicity to be determined and shall be responsible for logging in the maintenance activity with the call center:

- Storage device (tape library Sun Microsystem and Nexsan SATAbeasts)
- Operating system – Microsoft Windows
- Diesel generator maintenance on a periodicity to be determined of System Technical Hub (STH) and 300 Water Street (diesel specialist contract) – when authorized by the POLA HSM PD
- Onsite support from vendors and manufacturers shall be provided as necessary to resolve any issue that cannot be resolved by telephone

Task Four – Provide Corrective Maintenance

a. Corrective maintenance shall be performed on a time and material basis. Corrective maintenance actions shall be entered into the call center database and scheduled for the appropriate service technician. Response times for corrective maintenance actions shall be as follows:

Emergency – calls that warrant immediate repair, as determined by the POLA HSM or their designee shall require that a qualified service representative arrive on site within two hours from the time the call is acknowledged by the service representative via telephone.

Routine – calls as determined by the POLA HSM or their designee shall be acknowledged by phone within one hour from the time the call is received by the service representative and, at the discretion of the POLA HSM, response may be deferred to the start of the following business day.

The Consultant shall coordinate site access with tenants, Port Police, Caltrans, and other entities as required in order to access security system equipment. In the event that a defective piece of equipment cannot be repaired onsite, it shall be replaced with a part from the ready spares. If a repair part is not available, the required part shall be procured. The maintenance procedures and policies developed and pre-approved by the POLA HSM will guide both the corrective maintenance actions and the use of ready spares and their replacement by the Consultant. Emergency and Routine response times shall be followed for corrective maintenance to accomplish system restoration as soon as possible. In some cases, where a spare part is required but not available for the corrective maintenance action, the corrective action time to repair will be impacted. In the case of an Emergency that warrants immediate repair, extraordinary action shall be utilized to procure the required parts and to affect the repair. Those extraordinary actions shall be governed by the POLA HSM pre-approved response scenarios.

b. The Consultant shall provide corrective maintenance for the following installed systems and shall be responsible for logging completion of the maintenance activity with the call center:

- CCTV – Pelco, FLIR, and Axis
- VidSys
- Video Control and Management (Verint software and hardware components; Verint Nextiva, Genetec, and Vbrick MPEG4 decoders)
- Networking system – wired (switches, routers and copper and fiber LAN) and wireless (licensed and unlicensed)
- Uninterruptible power supplies and solar panels
- Workstations/Servers
- Access Control System (software and hardware components)

c. Consultant shall provide corrective maintenance for the following installed systems and shall be responsible for logging completion of the maintenance activity with the call center:

- Storage device (tape library Sun Microsystem and Nexsan SATAbeasts).
- Operating system – Microsoft Windows.

Task Five – Maintain Ready Spares

a. Spares purchased under previous contracts shall be used by POLA to provision an initial set of spare parts for this Agreement.

b. When authorized by POLA HSM, Consultant shall inventory the spare parts and add the consolidated list to the database maintained by the call center.

c. CCTV, Video Control and Management, Networking System, Uninterrupted Power Supply spare parts shall be stored and maintained by the Consultant in a secure storage area to be determined by POLA.

d. Access Control System spare parts shall be stored and maintained in a secure storage area to be determined by the POLA

e. It is anticipated that the consolidated spare parts provided by previous contracts will be insufficient to meet the system availability and time-to-repair goals of POLA. The Consultant, after receiving input from the Consultant's Team and the POLA HSM or their designee, shall propose a priced list of additional spare parts to be procured for POLA's purchase consideration.

f. Spare parts procurement authorized by the POLA HSM shall be placed on order by the Consultant. Spare parts procured shall be placed into the secure spare parts storage and the asset database updated.

g. When authorized by POLA HSM, the Consultant shall coordinate and facilitate any required off-site factory service of failed components. With POLA HSM or their designee's concurrence, a decision will be made to discard the failed equipment and procure a new part to restock the ready spares or to send the failed equipment to the factory for repair or refurbishment, and upon return placed in the ready spares for future use. The Consultant shall obtain a Returned Merchandise Authorization (RMA) from

the factory if repair of the part/equipment is the agreed disposition. The Consultant shall prepare the part/equipment for shipping, ship it, track and confirm receipt at the factory, return to stock, and maintain status in the asset database.

Task 6 – Provide Configuration and Documentation Control

a. The POLA HSM shall provide the Consultant with the following documents and drawings 60 days in advance of the start of maintenance activity on installed systems:

- Operations and Maintenance Manuals – electronic versions.
- Operations and Maintenance training syllabus and slides suitable for reproduction.
- List of cameras, types, installation locations; Access Control System sites and equipment procured and installed; and transmission equipment and sites.
- 100% Drawing package; As-Built Drawings; and Red-lines.
- Equipment/vendor manuals for installed equipment.
- Preventative maintenance schedules/plans.
- List of software and version numbers and licenses installed.
- Keys for all locks and security screws installed.
- List of site contacts and special access requirements.
- Final list of equipment installed; where purchased (vendors); and warranty expiration dates.

Task Seven – Provide Training

a. It is anticipated that training will be required for new operators, new system capabilities, and significant system configuration changes.

b. When authorized by POLA HSM, the Consultant shall consolidate the existing training manuals and materials submitted for each project.

c. When authorized by POLA HSM, the Consultant shall develop new training materials as required by new system capabilities and significant system configuration changes.

d. When authorized by POLA HSM, the Consultant shall provide training to operators or other POLA staff as designated by the POLA HSM. Training venue and equipment necessary to conduct the training shall be provided by POLA.

Task Eight – Equipment Replacements, Enhancements and Warranty

a. Eventually the current system may become obsolete. When authorized by POLA HSM, the Consultant shall facilitate the implementation of any new technological hardware updates or changes required as a result of the need

to enhance the system's performance or add to the system's overall capabilities.

b. Whenever upgrades are authorized, by written PD from the POLA HSM or their designee, the Consultant shall:

- Evaluate the need for any system software or hardware changes and determine the advantages, disadvantages, and risks the upgrade will have on the system. This approach shall be applied to all upgrades or changes where obsolescence, version, maintenance, additions, improvements, and modifications are involved
- Provide and install any hardware or software changes once it is determined that the upgrades or enhancements are of value to POLA and authorized by the POLA HSM
- Document configuration changes
- Warrant all newly purchased and installed hardware and software materials and workmanship for a period of one year
- Warrant all workmanship and materials for additional work for one year. The start of the warranty period for additional work shall be as agreed and defined in the PD provided by POLA

Task Nine – Technology Refresh Working Group

a. This group may meet on a periodicity to be determined by the POLA HSM or their designee. It may be attended by representatives from POLA and the Consultant's Team, when authorized by PD. Discussion topics may include, but not be limited to:

- Communication issues, maintenance performance issues; tenant issues with regard to access or cooperation – both POLA and Consultant open forum for discussions on how to improve the maintenance product and correct any shortfalls noted
- Recommend upgrades, software releases and new technology
- End of life notification
- End of support notification
- Capability evaluations and tradeoffs

Task Ten – Extension or Expansion of Security Systems

a. During the period of this agreement, POLA may construct new or expand existing facilities, which will require additional security components, such as cameras and access doors or gates; the Consultant shall be responsible for adding these components and ensuring they successfully interoperate with and are integrated into POLA's existing security and command systems.

b. Whenever additions are authorized by the POLA HSM or their designee, the Consultant shall, when authorized by PD:

- Create Standardization Documents and Build Plans to ensure future systems are compatible with the Enterprise System
- Recommend additional hardware or software to satisfy the security requirements of the new or expanded facility; determine the impact these additional components will have on the system, and prepare design documentation for installation and implementation of the additional components.
- Procure the approved hardware and/or software.
- Install, implement, and integrate the new components into the security system.
- Demonstrate that the new component(s) perform as designed by acceptance testing, which the POLA HSM or their designee, shall witness.
- Will document all system configuration changes including updating CAD drawings.
- Warrant all workmanship and materials for additional work for one year. The start of the warranty period for additional work shall be as agreed and defined in the PD.

Task Eleven – Procurement of Hardware and Software

a. POLA may desire to purchase security-related hardware or software, or materials that needs to interoperate and integrate into the existing security system.

b. Whenever purchases are authorized by the POLA HSM or their designee, the Consultant shall procure security related hardware or software or materials.

c. Whenever additions are authorized by the POLA HSM or their designee, the Consultant shall:

   - Install, implement, and integrate the new components into the security system.
   - Demonstrate that the new component(s) perform as designed by acceptance testing, which the POLA HSM or their designee shall witness
   - Upon acceptance, document all system configuration changes including updating CAD drawings
   - Warrant all workmanship and materials for additional work for one year. The start of the warranty period for additional work shall be as agreed and defined in the PD provided by POLA.

Port of Los Angeles

Exhibit B - Labor Rates

Position	2013 Hourly Rate ($/Hr)	2014 Hourly Rate ($/Hr)	2015 Hourly Rate ($/Hr)	2016 Hourly Rate ($/Hr)	2017 Hourly Rate ($/Hr)
CAD Drafting	$ 90.72	$ 93.44	$ 96.25	$ 99.13	$ 102.11
Engineer, Application	$ 140.21	$ 144.41	$ 148.74	$ 153.21	$ 157.80
Engineer, Project	$ 140.21	$ 144.41	$ 148.74	$ 153.21	$ 157.80
Engineer, Software	$ 162.66	$ 167.54	$ 172.56	$ 177.74	$ 183.07
Engineer, Software, Senior	$ 192.62	$ 198.40	$ 204.35	$ 210.48	$ 216.80
Installer A/C Lead	$ 102.06	$ 105.12	$ 108.28	$ 111.53	$ 114.87
Installer A/C Staff	$ 83.51	$ 86.01	$ 88.59	$ 91.25	$ 93.99
Installer Cable Lead	$ 102.06	$ 105.12	$ 108.28	$ 111.53	$ 114.87
Installer Cable Staff	$ 83.51	$ 86.01	$ 88.59	$ 91.25	$ 93.99
Installer VMS Lead	$ 102.06	$ 105.12	$ 108.28	$ 111.53	$ 114.87
Installer VMS Staff	$ 83.51	$ 86.01	$ 88.59	$ 91.25	$ 93.99
IT Engineer	$ 162.66	$ 167.54	$ 172.56	$ 177.74	$ 183.07
IT Engineer, Senior	$ 192.62	$ 198.40	$ 204.35	$ 210.48	$ 216.80
Network Architect	$ 196.13	$ 202.01	$ 208.07	$ 214.31	$ 220.74
Network Administrator	$ 140.21	$ 144.41	$ 148.74	$ 153.21	$ 157.80
On-Site Support Manager	$ 140.21	$ 144.41	$ 148.74	$ 153.21	$ 157.80
Program Manager	$ 198.99	$ 204.96	$ 211.11	$ 217.45	$ 223.97
Project Manager	$ 160.82	$ 165.65	$ 170.62	$ 175.74	$ 181.01
Service/Billing Coordinator	$ 76.00	$ 78.28	$ 80.63	$ 83.05	$ 85.54
Specialist, Database	$ 162.66	$ 167.54	$ 172.56	$ 177.74	$ 183.07
Specialist, Project	$ 162.66	$ 167.54	$ 172.56	$ 177.74	$ 183.07
Testing Lead	$ 102.06	$ 105.12	$ 108.28	$ 111.53	$ 114.87
Testing Staff	$ 83.51	$ 86.01	$ 88.59	$ 91.25	$ 93.99
Trainer Lead	$ 162.66	$ 167.54	$ 172.56	$ 177.74	$ 183.07
Trainer Staff	$ 140.21	$ 144.41	$ 148.74	$ 153.21	$ 157.80
Birdi and Associates*					
Access Control Systems Engineer	$122.10	$ 125.76	$ 129.54	$ 133.42	$ 137.42
Access Control Systems Engineer - Assoc.	$97.90	$ 100.84	$ 103.86	$ 106.98	$ 110.19
Access Control Systems Engineer - Senior	$141.90	$ 146.16	$ 150.54	$ 155.06	$ 159.71
Access Control Technician	$88.00	$ 90.64	$ 93.36	$ 96.16	$ 99.04
Access Control Technician - Senior (Foreman)	$102.30	$ 105.37	$ 108.53	$ 111.79	$ 115.14
CAD Systems Engineer	$110.00	$ 113.30	$ 116.70	$ 120.20	$ 123.81
CAD Systems Engineer - Assoc.	$85.80	$ 88.37	$ 91.03	$ 93.76	$ 96.57
CADD (drafting - Senior	$96.80	$ 99.70	$ 102.70	$ 105.78	$ 108.95
CADD (drafting)	$78.10	$ 80.44	$ 82.86	$ 85.34	$ 87.90
CCTV Systems Engineer	$147.40	$ 151.82	$ 156.38	$ 161.07	$ 165.90
CCTV Systems Engineer - Assoc.	$132.00	$ 135.96	$ 140.04	$ 144.24	$ 148.57
CCTV Technician	$78.10	$ 80.44	$ 82.86	$ 85.34	$ 87.90
CCTV Technician - Senior (Foreman)	$96.80	$ 99.70	$ 102.70	$ 105.78	$ 108.95
Discipline Engineer (MEP, Structural)	$176.00	$ 181.28	$ 186.72	$ 192.32	$ 198.09
Implementation Inspector Field QA/QC	$78.10	$ 80.44	$ 82.86	$ 85.34	$ 87.90
Network Engineer	$160.60	$ 165.42	$ 170.38	$ 175.49	$ 180.76
Network Engineer - Assoc.	$115.50	$ 118.97	$ 122.53	$ 126.21	$ 130.00
Network Engineer - Senior	$200.20	$ 206.21	$ 212.39	$ 218.76	$ 225.33
Project Manager	$140.80	$ 145.02	$ 149.37	$ 153.86	$ 158.47
Project Manager, Senior	$176.00	$ 181.28	$ 186.72	$ 192.32	$ 198.09

Radio System Engineer	$176.00	$ 181.28	$ 186.72	$ 192.32	$ 198.09
Radio System Engineer - Assoc.	$160.60	$ 165.42	$ 170.38	$ 175.49	$ 180.76
Radio Systems Technician	$96.80	$ 99.70	$ 102.70	$ 105.78	$ 108.95
Radio Systems Technician - Senior	$124.30	$ 128.03	$ 131.87	$ 135.83	$ 139.90
Senior Advisor (SME)	$195.80	$ 201.67	$ 207.72	$ 213.96	$ 220.37
Software Development Engineer	$155.10	$ 159.75	$ 164.55	$ 169.48	$ 174.57
Software Development Engineer - Assoc.	$123.20	$ 126.90	$ 130.70	$ 134.62	$ 138.66
Support Staff (Tech.Wrtr, Sched, Controls)	$88.00	$ 90.64	$ 93.36	$ 96.16	$ 99.04
Systems Analyst	$115.50	$ 118.97	$ 122.53	$ 126.21	$ 130.00
Systems Analyst - Assoc.	$88.00	$ 90.64	$ 93.36	$ 96.16	$ 99.04
Systems Integration Engineer	$145.20	$ 149.56	$ 154.04	$ 158.66	$ 163.42
Systems Integration Engineer - Assoc.	$123.20	$ 126.90	$ 130.70	$ 134.62	$ 138.66
Systems Integration Engineer - Senior	$185.90	$ 191.48	$ 197.22	$ 203.14	$ 209.23
Systems Support Specialist	$91.30	$ 94.04	$ 96.86	$ 99.77	$ 102.76
Systems Support Specialist - Senior	$105.60	$ 108.77	$ 112.03	$ 115.39	$ 118.85
Endeavor Advanced Solutions*					
Principal Engineer	$203.50	$ 209.61	$ 215.89	$ 222.37	$ 229.04
Senior Systems Engineer	$181.50	$ 186.95	$ 192.55	$ 198.33	$ 204.28
IT Systems Engineer	$159.50	$ 164.29	$ 169.21	$ 174.29	$ 179.52
Administration	$99.00	$ 101.97	$ 105.03	$ 108.18	$ 111.43
Servitek Solutions*					
Jr. Level Eninеer	$71.25	$ 73.38	$ 75.59	$ 77.85	$ 80.19
Mid-Level Engineer	$82.25	$ 84.71	$ 87.26	$ 89.87	$ 92.57
Sr. Level Engineer	$93.25	$ 96.04	$ 98.93	$ 101.89	$ 104.95
Low Voltage Technician	$65.75	$ 67.72	$ 69.75	$ 71.84	$ 74.00
Journeyman Wireman	$93.25	$ 96.04	$ 98.93	$ 101.89	$ 104.95
Foreman	$104.25	$ 107.37	$ 110.60	$ 113.91	$ 117.33
Apprentice Wireman	$82.25	$ 84.71	$ 87.26	$ 89.87	$ 92.57

Overtime/After Hours Rates	150%	Applied to utilized Labor Category.
Holiday and Double Time	200%	Applied to utilized Labor Category.

Port of Los Angeles

Material Rates

Manufacturer	Discount Range
ALPHA	0- 20%
AMAG	0- 20%
Axis	0- 20%
Cisco	0- 20%
Dell	0- 20%
Falcon	0- 20%
Flir	0- 20%
DragonWave	0- 20%
Nexsan	0- 20%
Pelco	0- 20%
Sun Microsystem	0- 20%
Verint	0- 20%
Genetec	0- 20%
VidSys	0- 20%
FireTide	0- 20%
Barco	0- 20%
All others	0-30%

FORM GEN. 160 (REV. 6-80)

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: February 27, 2012 **MEMORANDUM NO. 12-003**

TO: All City Department Heads

FROM: Claire Bartels, Chief Deputy Controller Claire Bartels

SUBJECT: TRAVEL PAYMENT POLICY

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

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

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

cc: Department Chief Accounting Employees
Department Travel Coordinators

TRAVEL

City Policy

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

Controller Guidelines on Travel

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

DEFINITION OF TRAVEL

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

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

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

PURPOSE OF TRAVEL AND APPROVALS

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

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

LAAC Reporting Requirement

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

Travel Authority

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

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

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

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

Travel to Sacramento or Washington DC

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

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

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

Travel to Arizona

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

Foreign Travel involving more than one City commissioner

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

Travel Blanket Authorities

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

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

TRANSPORTATION

City Authorized Business Travel Service Provider

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

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

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

Airline Travel

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

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

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

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

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

Seating Upgrade Programs

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

Checked Baggage Fees

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

Promotional materials and Frequent Traveler Programs

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

Alternate Mode of Transportation (Other than airline travel)

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

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

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

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

PER DIEM

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

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

Exceptions to Per Diem (Requires Controller Pre-approval)

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

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

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

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

MEALS AND LODGING

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

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

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

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

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

Hosting While Traveling

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

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

OTHER EXPENSES

Ground Transportation

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

Automobile Rental

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

Laundry Service

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

Telephone Calls

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

Gratuities

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

Registration, Seminar or Meeting Fees

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

Expenses Not Specifically Set Forth in the LAAC

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

NON-REIMBURSABLE TRAVEL COSTS

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

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

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

SPECIAL CIRCUMSTANCES

Interrupted and Indirect Travel

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

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

City Contractor Travel

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

Non-City Staff Travel

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

DOCUMENTATION OF EXPENSES

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

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

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

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

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

	When lodging rates for persons other than the traveler are charged, single occupancy rate documented on hotel/motel letterhead must be provided.
Meals & Incidentals	In accordance with the LAAC, receipts for expenses in excess of $25 must be provided. Total daily expenses for meals must not exceed the daily meal allowance and the per diem requirements. Receipts for meals for other than the City traveler must include the guest(s) names and affiliated organizations and a statement of the event attended or sponsored and business discussed.
Telephone	Hotel invoice and on a separate attachment, *detailing* the name(s) of persons called, title(s), the affiliated department or business, and subjects discussed.
Ground Transportation	In accordance with the LAAC, receipts for expenses in excess of $25 must be provided.
Laundry	In accordance with the LAAC, receipts for expenses in excess of $25 must be provided.
Other	Other expenses are allowable where deemed necessary in the conduct of City business. The expenses require *review* and *certification* by the Department Head as reasonable and proper and incurred in pursuit of City business. Details of the charges must be included in the completed PES.

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

FMS TRAVEL EXPENDITURE (TEX) DOCUMENT

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

Foreign Currency

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

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

Travel Reimbursement through Petty Cash

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

TRAVEL ADVANCES

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

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

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

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

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

Refund on Travel Advances

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

ALLOWABLE COSTS FOR GRANTEE AND SUB-GRANTEE'S and HANDLING OF SSI INFORMATION

Maintenance and Sustainment

The use of FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable under all active and future grant awards, unless otherwise noted.

FY 2012 grant funds are intended to support the NPG and fund projects that build and sustain the core capabilities necessary to prevent, protect against, mitigate the effects of, respond to, and recover from those threats that pose the greatest risk to the security of the Nation. In order to provide grantees the ability to meet this objective, the policy set forth in GPD's IB 336 (Maintenance and Sustainment) expands the allowability for the support of equipment that has previously been purchased with both Federal grant and non-Federal grant funding. The eligible costs for maintenance and sustainment however needs to be an otherwise allowable expenditure under the applicable grant programs, and be tied to one of the core capabilities in the five mission areas contained within the NPG.

Grantees must comply with all the requirements in 44 CFR Part 13 and 2 CFR Part 215.

Sensitive Security Information (SSI) Requirements

Information submitted in the course of applying for funding or reporting under certain programs or provided in the course of an entity's grant management activities under those programs which is under Federal control is subject to protection under SSI, and must be properly identified and marked. SSI is a control designation used by DHS related to protecting information related to transportation security. It is applied to information about security programs, vulnerability and threat assessments, screening processes, technical specifications of certain screening equipment and objects used to test screening equipment, and equipment used for communicating security information relating to air, land, or maritime transportation. The applicable information is spelled out in greater detail in 49 CFR 1520.7.

PART 13— UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

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AUTHORITY: Reorganization Plan No. 3 of 1978; 43 FR 41943,3 CFR, 1978 Comp, p. 329; E. O. 12148, 44 FR 43239,3 CFR, 1979 Comp, p. 412.

SOURCE: 53 FR 8078, 8087, Mar. 11, 1988, unless otherwise noted.

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Subpart A— General

§ 13.1 Purpose and scope of this part.
This part establishes uniform administrative rules for Federal grants and cooperative agreements and subawards to State, local and Indian tribal governments.

§ 13.2 Scope of subpart.
This subpart contains general rules pertaining to this part and procedures for control of exceptions from this part.

§ 13.3 Definitions.
As used in this part:

Accrued expenditures mean the charges incurred by the grantee during a given period requiring the provision of funds for: (1) Goods and other tangible property received; (2) Services performed by employees, contractors, subgrantees, subcontractors, and other payees; and (3) Other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

Accrued income means the sum of: (1) Earnings during a given period from services performed by the grantee and goods and other tangible property delivered to purchasers, and (2) amounts becoming owed to the grantee for which no current services or performance is required by the grantee.

Acquisition cost of an item of purchased equipment means the net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in- transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the grantee's regular accounting practices.

Administrative requirements mean those matters common to grants in general, such as financial management, kinds and frequency of reports, and retention of records. These are distinguished from " programmatic' requirements, which concern matters that can be treated only on a program- by- program or grant- by- grant basis, such as kinds of activities that can be supported by grants under a particular program.

Awarding agency means (1) with respect to a grant, the Federal agency, and (2) with respect to a subgrant, the party that awarded the subgrant.

Cash contributions means the grantee's cash outlay, including the outlay of money contributed to the grantee or subgrantee by other public agencies and institutions, and private organizations and individuals. When authorized by Federal legislation, Federal funds received from other assistance agreements may be considered as grantee or subgrantee cash contributions.

Contract means (except as used in the definitions for grant and subgrant in this section and except where qualified by Federal) a procurement contract under a grant or subgrant, and means a procurement subcontract under a contract.

Cost sharing or matching means the value of the third party in- kind contributions and the portion of the costs of a federally assisted project or program not borne by the Federal Government.

Cost- type contract means a contract or subcontract under a grant in which the contractor or subcontractor is paid on the basis of the costs it incurs, with or without a fee.

Equipment means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

Expenditure report means: (1) For nonconstruction grants, the SF– 269 " Financial Status Report' (or other equivalent report; (2) for construction grants, the SF– 271 " Outlay Report and Request for Reimbursement' (or other equivalent report.

Federally recognized Indian tribal government means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in section 3 of the Alaska Native Claims Settlement Act, 85 Stat 688) certified by the Secretary of the Interior as eligible for the special programs and services provided by him through the Bureau of Indian Affairs.

Government means a State or local government or a federally recognized Indian tribal government.

Grant means an award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee. The term does not include technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Also, the term does not include assistance, such as a fellowship or other lump sum award, which the grantee is not required to account for.

Grantee means the government to which a grant is awarded and which is accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

Local government means a county, municipality, city, town, township, local public authority (including any public and Indian housing agency under the United States Housing Act of 1937) school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same ora future period.

OMB means the United States Office of Management and Budget.

Outlays (expenditures) mean charges made to the project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred, the value of in- kind contributions applied, and the amount of cash advances and payments made to contractors and subgrantees. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in kind contributions applied, and the new increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, subgrantees, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments.

Percentage of completion method refers to a system under which payments are made for construction work according to the percentage of completion of the work, rather than to the grantee's cost incurred.

Prior approval means documentation evidencing consent prior to incurring specific cost.

Real property means land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.

Share, when referring to the awarding agency's portion of real property, equipment or supplies, means the same percentage as the awarding agency's portion of the acquiring party's total costs under the grant to which the acquisition costs under the grant to which the acquisition cost of the property was charged. Only costs are to be counted— not the value of third- party in- kind contributions.

State means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments. The term does not include any public and Indian housing agency under United States Housing Act of 1937.

Subgrant means an award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subgrantee. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases, nor does it include any form of assistance which is excluded

from the definition of grant in this part.

Subgrantee means the government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided.

Supplies means all tangible personal property other than equipment as defined in this part.

Suspension means depending on the context, either (1) temporary withdrawal of the authority to obligate grant funds pending corrective action by the grantee or subgrantee ora decision to terminate the grant, or (2) an action taken by a suspending official in accordance with agency regulations implementing E. O. 12549 to immediately exclude a person from participating in grant transactions for a period, pending completion of an investigation and such legal or debarment proceedings as may ensue.

Termination means permanent withdrawal of the authority to obligate previously awarded grant funds before that authority would otherwise expire. It also means the voluntary relinquishment of that authority by the grantee or subgrantee. " Termination' does not include: (1) Withdrawal of funds awarded on the basis of the grantee's underestimate of the unobligated balance in a prior period; (2) Withdrawal of the unobligated balance as of the expiration of a grant; (3) Refusal to extend a grant or award additional funds, to make a competing or noncompeting continuation, renewal, extension, or supplemental award; or (4) voiding of a grant upon determination that the award was obtained fraudulently, or was otherwise illegal or invalid from inception.

Terms of a grant or subgrant mean all requirements of the grant or subgrant, whether in statute, regulations, or the award document.

Third party in- kind contributions mean property or services which benefit a federally assisted project or program and which are contributed by non- Federal third parties without charge to the grantee, or a cost- type contractor under the grant agreement.

Unliquidated obligations for reports prepared on a cash basis mean the amount of obligations incurred by the grantee that has not been paid. For reports prepared on an accrued expenditure basis, they represent the amount of obligations incurred by the grantee for which an outlay has not been recorded.

Unobligated balance means the portion of the funds authorized by the Federal agency that has not been obligated by the grantee and is determined by deducting the cumulative obligations from the cumulative funds authorized.

§ 13.4 Applicability.

(a) General. Subparts A through D of this part apply to all grants and subgrants to governments, except where inconsistent with Federal statutes or with regulations authorized in accordance with the exception provision of section 13.6, or:

(1) Grants and subgrants to State and local institutions of higher education or State and local hospitals.

(2) The block grants authorized by the Omnibus Budget Reconciliation Act of 1981 (Community Services; Preventive Health and Health Services; Alcohol, Drug Abuse, and Mental Health Services; Maternal and Child Health Services; Social Services; Low- Income Home Energy Assistance; States' Program of Community Development Block Grants for Small Cities; and Elementary and Secondary Education other than programs administered by the Secretary of Education under title V, subtitle D, Chapter 2, Section 583— the Secretary's discretionary grant program) and titles I–III of the Job Training Partnership Act of 1982 and under the Public Health Services Act (section 1921), Alcohol and Drug Abuse Treatment and Rehabilitation Block Grant and Part C of title V, Mental Health Service for the Homeless Block Grant.

(3) Entitlement grants to carry out the following programs of the Social Security Act:

(i) Aid to Needy Families with Dependent Children (Title IV–A of the Act, not including the Work Incentive Program (WIN) authorized by section 402(a) 19(G); HHS grants for WIN are subject to this part);

(ii) Child Support Enforcement and Establishment of Paternity (Title IV–D of the Act;

(iii) Foster Care and Adoption Assistance (Title IV–E of the Act;

(iv) Aid to the Aged, Blind, and Disabled (Titles I, X, XIV, and XVI– AABD of the Act; and

(v) Medical Assistance (Medicaid) (Title XIX of the Act) not including the State Medicaid Fraud Control program authorized by section 1903(a)(6)(B).

(4) Entitlement grants under the following programs of The National School Lunch Act:

(i) School Lunch (section 4 of the Act),
(ii) Commodity Assistance (section 6 of the Act),
(iii) Special Meal Assistance (section 11 of the Act,
(iv) Summer Food Service for Children (section 13 of the Act), and
(v) Child Care Food Program (section 17 of the Act).

(5) Entitlement grants under the following programs of The Child Nutrition Act of 1966:
(i) Special Milk (section 3 of the Act), and
(ii) School Breakfast (section 4 of the Act).

(6) Entitlement grants for State Administrative expenses under The Food Stamp Act of 1977 (section 16 of the Act).

(7) A grant for an experimental, pilot, or demonstration project that is also supported by a grant listed in paragraph (a)(3) of this section;

(8) Grant funds awarded under subsection 412 (e) of the Immigration and Nationality Act (8 U. S. C. 1522(e) and subsection 501(a) of the Refugee Education Assistance Act of 1980) (Pub. L. 96– 422, 94 Stat. 1809, for cash assistance, medical assistance, and supplemental security income benefits to refugees and entrants and the administrative costs of providing the assistance and benefits;

(9) Grants to local education agencies under 20 U. S. C. 236 through 241–1(a), and 242 through 244 (portions of the Impact Aid program, except for 20 U. S. C. 238(d(2(c) and 240(f) (Entitlement Increase for Handicapped Children; and

(10) Payments under the Veterans Administration's State Home Per Diem Program (38 U. S. C. 641(a)).

(b) Entitlement programs. Entitlement programs enumerated above in § 13.4(a)(3) through (8) are subject to subpart E.

§ 13.5 Effect on other issuances.

All other grants administration provisions of codified program regulations, program manuals, handbooks and other nonregulatory materials which are inconsistent with this part are superseded, except to the extent they are required by statute, or authorized in accordance with the exception provision in § 13.6.

§ 13.6 Additions and exceptions.

(a) For classes of grants and grantees subject to this part, Federal agencies may not impose additional administrative requirements except in codified regulations published in the FEDERAL REGISTER.

(b) Exceptions for classes of grants or grantees may be authorized only by OMB.

(c) Exceptions on a case- by- case basis and for subgrantees may be authorized by the affected Federal agencies.

Subpart B— Pre- Award Requirements

§ 13.10 Forms for applying for grants.

(a) Scope.

(1) This section prescribes forms and instructions to be used by governmental organizations (except hospitals and institutions of higher education operated by a government) in applying for grants. This section is not applicable, however, to formula grant programs which do not require applicants to apply for funds on a project basis.

(2) This section applies only to applications to Federal agencies for grants, and is not required to be applied by grantees in dealing with applicants for subgrants. However, grantees are encouraged to avoid more detailed or burdensome application requirements for subgrants.

(b) Authorized forms and instructions for governmental organizations.

(1) In applying for grants, applicants shall only use standard application forms or those prescribed by the granting agency with the approval of OMB under the Paperwork Reduction Act of 1980.

(2) Applicants are not required to submit more than the original and two copies of pre-applications or applications.

(3) Applicants must follow all applicable instructions that bear OMB clearance numbers. Federal agencies may specify and describe the programs, functions, or activities that will be used to plan, budget, and evaluate the work under a grant. Other supplementary instructions may be issued only with the approval of OMB to the extent required under the Paperwork Reduction Act of 1980. For any standard form, except the SF– 424 facesheet, Federal agencies may shade out or instruct the applicant to disregard any line item that is not needed.

(4) When a grantee applies for additional funding (such as a continuation or supplemental award) or amends a previously submitted application, only the affected pages need be submitted. Previously submitted pages with information that is still current need not be resubmitted.

§ 13.11 State plans.

(a) *Scope.* The statutes for some programs require States to submit plans before receiving grants. Under regulations

implementing Executive Order 12372, " Intergovernmental Review of Federal Programs," States are allowed to simplify, consolidate and substitute plans. This section contains additional provisions for plans that are subject to regulations implementing the Executive Order.

(b) *Requirements.* A State need meet only Federal administrative or programmatic requirements for a plan that are in statutes or codified regulations.

(c) *Assurances.* In each plan the State will include an assurance that the State shall comply with all applicable Federal statutes and regulations in effect with respect to the periods for which it receives grant funding. For this assurance and other assurances required in the plan, the State may:

(1) Cite by number the statutory or regulatory provisions requiring the assurances and affirm that it gives the assurances required by those provisions,

(2) Repeat the assurance language in the statutes or regulations, or

(3) Develop its own language to the extent permitted by law.

(c) *Amendments.* A State will amend a plan whenever necessary to reflect:

(1) New or revised Federal statutes or regulations or

(2) a material change in any State law, organization, policy, or State agency operation. The State will obtain approval for the amendment and its effective date but need submit for approval only the amended portions of the plan.

§ 13.12 Special grant or subgrant conditions for" high- risk' grantees.

(a) A grantee or subgrantee may be considered " high risk' if an awarding agency determines that a grantee or subgrantee:

(1) Has a history of unsatisfactory performance, or

(2) Is not financially stable, or

(3) Has a management system which does not meet the management standards set forth in this part, or

(4) Has not conformed to terms and conditions of previous awards, or

(5) Is otherwise not responsible; and if the awarding agency determines that an award will be made, special conditions and/or restrictions shall correspond to the high-risk condition and shall be included in the award.

(b) Special conditions or restrictions may include:

(1) Payment on a reimbursement basis;

(2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;

(3) Requiring additional, more detailed financial reports;

(4) Additional project monitoring;

(5) Requiring the grantee or subgrantee to obtain technical or management assistance; or

(6) Establishing additional prior approvals.

(c) If an awarding agency decides to impose such conditions, the awarding official will notify the grantee or subgrantee as early as possible, in writing, of:

(1) The nature of the special conditions/restrictions;

(2) The reason(s) for imposing them;

(3) The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions and

(4) The method of requesting reconsideration of the conditions/restrictions imposed.

Subpart C— Post- Award Requirements

FINANCIAL ADMINISTRATION

§ 13.20 Standards for financial management systems.

(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to—

(1) Permit preparation of reports required by this part and the statutes authorizing the grant, and

(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

(1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

(2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and

application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

(3) *Internal control.* Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

(4) *Budget control.* Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.

(5) *Allowable cost.* Applicable OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allowability, and allocability of costs.

(6) *Source documentation.* Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

(7) *Cash management.* Procedures for minimizing the time elapsing between the transfer of funds from the U. S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transaction reports to the awarding agency. When advances are made by letter of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees.

(d) An awarding agency may review the adequacy of the financial management system of any applicant for financial assistance as part of a preaward review or at any time subsequent to award.

§ 13.21 Payment.

(a) Scope. This section prescribes the basic standard and the methods under which a Federal agency will make payments to grantees, and grantees will make payments to subgrantees and contractors.

(b) Basic standard. Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205.

(c) Advances. Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee.

(d) Reimbursement. Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement.

(e) Working capital advances. If a grantee cannot meet the criteria for advance payments described in paragraph (c) of this section, and the Federal agency has determined that reimbursement is not feasible because the grantee lacks sufficient working capital, the awarding agency may provide cash or a working capital advance basis. Under this procedure the awarding agency shall advance cash to the grantee to cover its estimated disbursement needs for an initial period generally geared to the grantee's disbursing cycle. Thereafter, the awarding agency shall reimburse the grantee for its actual cash disbursements. The working capital advance method of payment shall not be used by grantees or subgrantees if the reason for using such method is the unwillingness or inability of the grantee to provide timely advances to the subgrantee to meet the subgrantee's actual cash disbursements.

(e) Effect of program income, refunds, and audit recoveries on payment.

(1) Grantees and subgrantees shall disburse repayments to and interest earned on a revolving fund before requesting additional cash payments for the same activity.

(2) Except as provided in paragraph (f)(1) of this section, grantees and subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

(f) Withholding payments.

(1) Unless otherwise required by Federal statute, awarding agencies shall not withhold payments for proper charges incurred by grantees or subgrantees unless—

(i) The grantee or subgrantee has failed to comply with grant award conditions or

(ii) The grantee or subgrantee is indebted to the United States.

(2) Cash withheld for failure to comply with grant award condition, but without suspension of the grant, shall be released to the grantee upon subsequent compliance. When a grant is suspended, payment adjustments will be made in accordance with § 13.43(c).

(3) A Federal agency shall not make payment to grantees for amounts that are withheld by grantees or subgrantees from payment to contractors to assure satisfactory completion of work. Payments shall be made by the Federal agency when the grantees or subgrantees actually disburse the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

(g) Cash depositories.

(1) Consistent with the national goal of expanding the opportunities for minority business enterprises, grantees and subgrantees are encouraged to use minority banks (a bank which is owned at least 50 percent by minority group members). A list of minority owned banks can be obtained from the Minority Business Development Agency, Department of Commerce, Washington, DC 20230.

(2) A grantee or subgrantee shall maintain a separate bank account only when required by Federal-State agreement.

(h) Interest earned on advances. Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 U. S. C. 6501 et seq.) and the Indian Self-Determination Act (23 U. S. C. 450, grantees and subgrantees shall promptly, but at least quarterly, remit interest earned on advances to the Federal agency. The grantee or subgrantee may keep interest amounts up to $100 per year for administrative expenses.

§ 13.22 Allowable costs.

(a) Limitation on use of funds. Grant funds may be used only for:

(1) The allowable costs of the grantees, subgrantees and cost- type contractors, including allowable costs in the form of payments to fixed- price contractors; and

(2) Reasonable fees or profit to cost type contractors but not any fee or profit (or other increment above allowable costs) to the grantee or subgrantee.

(b) Applicable cost principles. For each kind of organization, there is a set of Federal principles for determining allowable costs. Allowable costs will be determined in accordance with the cost principles applicable to the organization incurring the costs. The following chart lists the kinds of organizations and the applicable cost principles.

For the costs of a— State, local or Indian tribal government. Use the principles in—OMB Circular A– 87.

For the costs of a— Private nonprofit organization other than an (1) institution of higher education, (2) hospital, or (3) organization named in OMB Circular A–122 as not subject to that circular. Use the principles in—OBM Circular A–122.

For the costs of a—Educational institutions. Use the principles in— OMB Circular A– 21.

For the costs of a—For- profit organization other than a hospital and an organization named in OBM Circular A– 122 as not subject to that circular. Use the principles in—48 CFR part 31. Contract Cost Principles and Procedures, or uniform cost accounting standards that comply with cost principles acceptable to the Federal agency.

§ 13.23 Period of availability of funds.

(a) General. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) Liquidation of obligations. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period(or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report(SF– 269). The Federal agency may extend this deadline at the request of the grantee.

§ 13.24 Matching or cost sharing.

(a) Basic rule: Costs and contributions acceptable. With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following:

(1) Allowable costs incurred by the grantee, subgrantee or a cost- type contractor under the assistance agreement. This includes allowable costs borne by non- Federal grants or by others cash donations from non- Federal third parties.

(2) The value of third party in- kind contributions applicable to the period to which the cost sharing or matching requirements applies.

(b) Qualifications and exceptions

(1)Costs borne by other Federal grant agreements. Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant.

(2) General revenue sharing. For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.

(3) Cost or contributions counted towards other Federal costs- sharing requirements. Neither costs nor the values of third party in- kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost sharing or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.

(4) Costs financed by program income. Costs financed by program income, as defined in § 13.25, shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistance agreement. (This use of general program income is described in § 13.25 (g).

(5) Services or property financed by income earned by contractors. Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement.

(6) Records. Costs and third party in kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost- type contractors. These records must show how the value placed on third party in- kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.

(7) Special standards for third party in kind contributions.

(i) Third party in kind contributions count towards satisfying a cost sharing or matching requirement only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs.

(ii) Some third party in- kind contributions are goods and services that, if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect costs. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.

(iii) A third party in- kind contribution to a fixed- price contract may count towards satisfying a cost sharing or matching requirement only if it results in:

(A) An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee) or

(B) A cost savings to the grantee or subgrantee.

(iv) The values placed on third party in kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in- kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

(c) Valuation of donated services

(1) Volunteer services. Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

(2) Employees of other organizations. When an employer other than a grantee, subgrantee, or cost- type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph(c)(1) of this section applies.

(d) Valuation of third party donated supplies and loaned equipment or space.

(1) If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.

(2) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.

(e) Valuation of third party donated equipment, buildings, and land. If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

(1) Awards for capital expenditures. If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching,

(2) Other awards. If assisting in the acquisition of property is not the purpose of the grant or subgrant, paragraphs

(e)(2) (i) and (ii) of this section apply:

(i) If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non- Federal share of the property may be counted as cost sharing or matching.

(ii) If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in- kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in § 13.22, in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated.

(f) Valuation of grantee or subgrantee donated real property for construction/ acquisition. If a grantee or subgrantee donates real property for a construction or facilities acquisition project, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-Federal share of the property may be counted as cost sharing or matching.

(g) Appraisal of real property. In some cases under paragraphs (d), (e) and (f) of this section, it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rate be certified by the grantee. This requirement will also be imposed by the grantee on subgrantees.

§ 13.25 Program income.

(a) General. Grantees are encouraged to earn income to defray program costs. Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of principal and interest on loans made with grant funds. Except as otherwise provided in regulations of the Federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them.

(b) Definition of program income. Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. During the grant period is the time between the effective date of the award and the ending date of the award reflected in the final financial report.

(c) Cost of generating program income. If authorized by Federal regulations or the grant agreement, costs incident to the generation of program income may be deducted from gross income to determine program income.

(d) Governmental revenues. Taxes, special assessments, levies, fines, and other such revenues raised by a grantee or subgrantee are not program income unless the revenues are specifically identified in the grant agreement or Federal agency regulations as program income.

(e) Royalties. Income from royalties and license fees for copyrighted material, patents, and inventions developed by a grantee or subgrantee is program income only if the revenues are specifically identified in the grant agreement or Federal agency regulations as program income. (See § 13.34)

(f) Property. Proceeds from the sale of real property or equipment will be handled in accordance with the requirements of §§ 13.31 and 13.32.

(g) Use of program income. Program income shall be deducted from outlays which may be both Federal and non-Federal as described below, unless the Federal agency regulations or the grant agreement specify another alternative (or a combination of the alternatives.) In specifying alternatives, the Federal agency may distinguish between income earned by the grantee and income earned by subgrantees and between the sources, kinds, or amounts of income. When Federal agencies authorize the alternatives in paragraphs (g) (2) and (3) of this section, program income in excess of any limits stipulated shall also be deducted from outlays.

(1) Deduction. Ordinarily program income shall be deducted from total allowable costs to determine the net allowable costs. Program income shall be used for current costs unless the Federal agency authorizes otherwise. Program income which the grantee did not anticipate at the time of the award shall be used to reduce the Federal agency and grantee contributions rather than to increase the funds committed to the project.

(2) Addition. When authorized, program income may be added to the funds committed to the grant agreement by the Federal agency and the grantee. The program income shall be used for the purposes and under the conditions of the grant agreement.

(3) Cost sharing or matching. When authorized, program income may be used to meet the cost sharing or matching requirement of the grant agreement. The amount of the Federal grant award remains the same.

(i) Income after the award period. There are no Federal requirements governing the disposition of program income earned after the end of the award period (i. e, until the ending date of the final financial report, see paragraph (a) of this section), unless the terms of the agreement or the Federal agency regulations provide otherwise.

§ 13.26 Non- Federal audit.

(a) Basic rule. Grantees and subgrantees are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U. S. C. 7501– 7507) and revised OMB Circular A– 133, " Audits of States, Local Governments, and Non- Profit Organizations." The audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits.

(b) Subgrantees. State or local governments, as those terms are defined for purposes of the Single Audit Act Amendments of 1996, that provide Federal awards to a subgrantee, which expends $300,000 or more (or other amount as specified by OMB) in Federal awards in a fiscal year, shall:

(1) Determine whether State or local subgrantees have met the audit requirements of the Act and whether subgrantees covered by OMB Circular A–110, " Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non- Profit Organizations," have met the audit requirements of the Act. Commercial contractors (private for- profit and private and governmental organizations) providing goods and services to State and local governments are not required to have a single audit performed. State and local governments should use their own procedures to ensure that the contractor has complied with laws and regulations affecting the expenditure of Federal funds;

(2) Determine whether the subgrantee spent Federal assistance funds provided in accordance with applicable laws and regulations. This may be accomplished by reviewing an audit of the subgrantee made in accordance with the Act, Circular A– 110, or through other means (e. g, program reviews) if the subgrantee has not had such an audit;

(3) Ensure that appropriate corrective action is taken within six months after receipt of the audit report in instance of noncompliance with Federal laws and regulations;

(4) Consider whether subgrantee audits necessitate adjustment of the grantee's own records; and

(5) Require each subgrantee to permit independent auditors to have access to the records and financial statements.

(c) Auditor selection. In arranging for audit services, § 13.36 shall be followed.

[53 FR 8079, 887, Mar. 11, 1988, as amended at 62 FR 45939, 45945, Aug. 29, 1997]

CHANGES, PROPERTY, AND SUBAWARDS

§ 13.30 Changes.

(a) General. Grantees and subgrantees are permitted to rebudget within the approved direct cost budget to meet unanticipated requirements and may make limited program changes to the approved project. However, unless waived by the awarding agency, certain types of post- award changes in budgets and projects shall require the prior written approval of the awarding agency.

(b) Relation to cost principles. The applicable cost principles (see § 13.22) contain requirements for prior approval of certain types of costs. Except where waived, those requirements apply to all grants and subgrants even if paragraphs (c) through (f) of this section do not.

(c) Budget changes

(1) Nonconstruction projects. Except as stated in other regulations or an award document, grantees or subgrantees shall obtain the prior approval of the awarding agency whenever any of the following changes is anticipated under a nonconstruction award:

(i) Any revision which would result in the need for additional funding.

(ii) Unless waived by the awarding agency, cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent of the current total approved budget, whenever the awarding agency's share exceeds $100,000.

(iii) Transfer of funds allotted for training allowances (i. e, from direct payments to trainees to other expense categories.)

(2) Construction projects. Grantees and subgrantees shall obtain prior written approval for any budget revision which would result in the need for additional funds.

(3) Combined construction and nonconstruction projects. When a grant or subgrant provides funding for both construction and nonconstruction activities, the grantee or subgrantee must obtain prior written approval from the

awarding agency before making any fund or budget transfer from nonconstruction to construction or vice versa.

(d) Programmatic changes. Grantees or subgrantees must obtain the prior approval of the awarding agency whenever any of the following actions is anticipated:

(1) Any revision of the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval.)

(2) Need to extend the period of availability of funds.

(3) Changes in key persons in cases where specified in an application or a grant award. In research projects, a change in the project director or principal investigator shall always require approval unless waived by the awarding agency.

(4) Under nonconstruction projects, contracting out, subgranting (if authorized by law) or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award. This approval requirement is in addition to the approval requirements of § 13.36 but does not apply to the procurement of equipment, supplies, and general support services.

(e) Additional prior approval requirements. The awarding agency may not require prior approval for any budget revision which is not described in paragraph (c) of this section.

(f) Requesting prior approval.

(1) A request for prior approval of any budget revision will be in the same budget formal the grantee used in its application and shall be accompanied by a narrative justification for the proposed revision.

(2) A request for a prior approval under the applicable Federal cost principles (see § 13.22) may be made by letter.

(3) A request by a subgrantee for prior approval will be addressed in writing to the grantee. The grantee will promptly review such request and shall approve or disapprove the request in writing. A grantee will not approve any budget or project revision which is inconsistent with the purpose or terms and conditions of the Federal grant to the grantee. If the revision, requested by the subgrantee would result in a change to the grantee's approved project which requires Federal prior approval, the grantee will obtain the Federal agency's approval before approving the subgrantee's request.

§ 13.31 Real property.

(a) Title. Subject to the obligations and conditions set forth in this section, title to real property acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

(b) Use. Except as otherwise provided by Federal statutes, real property will be used for the originally authorized purposes as long as needed for that purpose, and the grantee or subgrantee shall not dispose of or encumber its title or other interests.

(c) Disposition. When real property is no longer needed for the originally authorized purpose, the grantee or subgrantee will request disposition instructions from the awarding agency. The instructions will provide for one of the following alternatives:

(1) Retention of title. Retain title after compensating the awarding agency. The amount paid to the awarding agency will be computed by applying the awarding agency's percentage of participation in the cost of the original purchase to the fair market value of the property. However, in those situations where a grantee or subgrantee is disposing of real property acquired with grant funds and acquiring replacement real property under the same program, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.

(2) Sale of property. Sell the property and compensate the awarding agency. The amount due to the awarding agency
will be calculated by applying the awarding agency's percentage of participation in the cost of the original purchase to the proceeds of the sale after deduction of any actual and reasonable selling and fixing- up expenses. If the grant is still active, the net proceeds from sale may be offset against the original cost of the property. When a grantee or subgrantee is directed to sell property, sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return.

(3) Transfer of title. Transfer title to the awarding agency or to a third party designated/approved by the awarding agency. The grantee or subgrantee shall be paid an amount calculated by applying the grantee or subgrantee's percentage of participation in the purchase of the real property to the current fair market value of the property.

§ 13.32 Equipment.

(a) Title. Subject to the obligations and conditions set forth in this section, title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

(b) States. A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees will follow paragraphs (c) through (e) of this section.

(c) Use.

(1) Equipment shall be used by the grantee or subgrantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

(2) The grantee or subgrantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency. User fees should be considered if appropriate.

(3) Notwithstanding the encouragement in § 13.25 (a) to earn program income, the grantee or subgrantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute.

(4) When acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade- in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency.

(d) Management requirements. Procedures for managing equipment (including replacement equipment, whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

(4) Adequate maintenance procedures must be developed to keep the property in good condition.

(5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

(e) Disposition. When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

(1) Items of equipment with a current per- unit fair market value of less than $5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.

(2) Items of equipment with a current per unit fair market value in excess of $5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.

(3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions.

(f) Federal equipment. In the event a grantee or subgrantee is provided federally-owned equipment:

(1) Title will remain vested in the Federal Government.

(2) Grantees or subgrantees will manage the equipment in accordance with Federal agency rules and procedures, and submit an annual inventory listing.

(3) When the equipment is no longer needed, the grantee or subgrantee will request disposition instructions from the Federal agency.

(g) Right to transfer title. The Federal awarding agency may reserve the right to transfer title to the Federal Government or a third part named by the awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards:

(1) The property shall be identified in the grant or otherwise made known to the grantee in writing.

(2) The Federal awarding agency shall issue disposition instruction within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar- day period the grantee shall follow § 13.32(e).

(3) When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

§ 13.33 Supplies.

MONTHLY SUBCONSULTANT MONITORING REPORT

Instructions: Please indicate the SBE/MBE/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

SBE Mandated Participation Percentage | SBE | VSBE

Proposed Subcontractor Percentage | MBE | WBE | OBE | DVBE

				PROPOSED		ACTUALS		
	Name of Subcontractor	Type of Work Performed	Group SBE/VSBE/MBE/WBE/OBE/DVBE	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 C

* Group = (SBE/VSBE/MBE/WBE/OBE/DVBE/DBE)

Rev 09/21/11

EXHIBIT D

BUSINESS TAX REGISTRATION CERTIFICATE (BTRC) NUMBER

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

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

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

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

MAIN OFFICE

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

EXHIBIT E - AFFIRMATIVE ACTION PROGRAM PROVISIONS

Sec. 10.8.4 Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is $100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is $5,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM provisions of such contract:

A. During the performance of City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.

1. This provision applies to work or services performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

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

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

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

EXHIBIT E - AFFIRMATIVE ACTION PROGRAM PROVISIONS

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

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

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS ($10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.

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

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

J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. The Contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it

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;

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/VERY SMALL BUSINESS ENTERPRISE PROGRAM AND LOCAL BUSINESS PREFERENCE PROGRAM

(1) SMALL/VERY SMALL BUSINESS ENTERPRISE PROGRAM

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

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

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

The SBE Program is a results-oriented program, requiring consultants who receive contracts from the Harbor Department to perform outreach and utilize certified small businesses. **Based on the work to be performed, it has been determined that the percentage of small business participation will be 25%, including 5% VSBE participation**. The North American Industry Classification System (NAICS) Code for the scope of services is 561621. This NAICS Code is the industry code that corresponds to at least 51% of the scope of services and will be used to determine the size standard for SBE participation of the Prime Consultant. The maximum SBE size standard for this NAICS Code is $n/a million.

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

(2) LOCAL BUSINESS PREFERENCE PROGRAM:

The Harbor Department is committed to maximizing opportunities for local and regional businesses, as well as encouraging local and regional businesses to locate and operate within the Southern California region. It is the policy of the Harbor Department to support an increase in local and regional jobs. The Harbor Department's Local Business Preference Program (LBPP) aims to benefit the Southern California region by increasing jobs and expenditures within the local and regional private sector.

The Harbor Department defines a LBE as:

(a) A business headquartered within Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties; or
(b) A business that has at least 50 full-time employees, or 25 full-time employees for specialty marine contracting firms, working in Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties.

In order for Harbor Department staff to determine the appropriate LBE preference, Consultant shall complete, sign, notarize (where applicable) and submit the attached Affidavit and Contractor Description Form. The Affidavit and Contractor Description Form will signify the LBE status of the Consultant and subconsultants. Prior to contract award, the Harbor Department will verify the status of all LBEs.

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 and LBPP requirements. Prior to contract award, the Harbor Department will verify the status of all SBEs. In addition, prior to being awarded a contract with the Harbor Department, all contractors and subcontractors must be registered on LABAVN.

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.

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."

(1) **Small/Very Small Business Enterprise Program:** Please indicate the ownership of your company. Please check all that apply. At least one box must be checked:

☐SBE ☐VSBE ☐MBE ☐WBE ☐DVBE ☐OBE

- A Small Business Enterprise (SBE) is an independently owned and operated business that is not dominant in its field and meets criteria set forth by the Small Business Administration in Title 13, Code of Federal Regulations, Part 121.
- A Very Small Business Enterprise (VSBE) is 1) a small business that has average annual gross receipts of $3,500,000 or less within the previous three years, or (2) a small business manufacturer with 25 or fewer employees.
- A Minority Business Enterprise (MBE) is defined as a business in which a minority owns and controls at least 51% of the business. A Woman Business (WBE) is defined as a business in which a woman owns and controls at least 51% of the business. For the purpose of this project, a minority includes:
  (1) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
  (2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);
  (3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands); and
  (4) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).
- A Disabled Veteran Business Enterprise (DVBE) is defined as a business in which a disabled veteran owns at least 51% of the business, and the daily business operations are managed and controlled by one or more disabled veterans.
- An OBE (Other Business Enterprise) is any enterprise that is neither an SBE, VSBE, MBE, WBE, or DVBE.

(2) **Local Business Preference Program:** Please indicate the Local Business Enterprise status of your company. Only one box must be checked:

☐LBE ☐Non-LBE

- A Local Business Enterprise (LBE) is: (a) a business headquartered within Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties; or (b) a business that has at least 50 full-time employees, or 25 full-time employees for specialty marine contracting firms, working in Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties.
- A Non-LBE is any business that does not meet the definition of a LBE

Signature _____ Title _____
Printed Name _____ 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 DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES_____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: $_____
Address: _____
City/State/Zip: _____
Telephone: ( ) _____ FAX: ( ) _____
Contact Person/Title: _____
Email Address: _____

SUBCONTRACTOR

Business Name: _____ Award Total: $ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES_____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: $_____
Address: _____
City/State/Zip: _____
Telephone: ( ) _____ FAX: ( ) _____
Contact Person/Title: _____
Email Address: _____

SUBCONTRACTOR

Business Name: _____ Award Total: $ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES_____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: $_____
Address: _____
City/State/Zip: _____
Telephone: ( ) _____ FAX: ( ) _____
Contact Person/Title: _____
Email address: _____

Contractor Description Form

SUBCONTRACTOR

Business Name: _____ Award Total: $ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES_____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: $_____
Address: _____
City/State/Zip: _____
Telephone: ( ) _____ FAX: ( ) _____
Contact Person/Title: _____
Email Address: _____

SUBCONTRACTOR

Business Name: _____ Award Total: $ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES_____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: $_____
Address: _____
City/State/Zip: _____
Telephone: ( ) _____ FAX: ( ) _____
Contact Person/Title: _____
Email address: _____

SUBCONTRACTOR

Business Name: _____ Award Total: $ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES_____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: $_____
Address: _____
City/State/Zip: _____
Telephone: ( ) _____ FAX: ( ) _____
Contact Person/Title: _____
Email address: _____

EXHIBIT G

Sec. 10.8.2.1. Equal Benefits Ordinance.

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

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

(c) Equal Benefits Requirements.

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

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

(3) A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment: "During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners." The posted statement must also include a City contact telephone number which will be provided each Contractor when the Contract is executed.

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

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

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

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

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

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

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

(e) Applicability.

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

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

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

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

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

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

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

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

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

(3) If the Contractor fails to comply with the Equal Benefits Ordinance the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.

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

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