

AGREEMENT NO.

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

THIS AGREEMENT ("Agreement") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board") and SUMMIT SECURITY SERVICES, INC., DBA SUMMIT OF CALIFORNIA, 390 RXR Plaza, Uniondale NY 11556 ("Consultant").

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

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

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

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

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

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

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

I. SERVICES TO BE PERFORMED BY CONSULTANT

A. Consultant hereby agrees to render to City, on an as-needed basis, 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 (collectively referred to as "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 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 continue until the earlier of the following occurs:

1. One (1)-year from the date of execution of this Agreement ("Term"), with two (2) one (1)-year options to be exercised in writing by the Executive Director under the same terms and conditions at the Executive Director's sole discretion;

or

2. The Board of Harbor Commissioners, in its sole discretion, terminates and cancels all or part of this Agreement for any reason upon giving to Consultant ten (10) days' notice in writing of its election to cancel and terminate this Agreement.

IV. TERMINATION DUE TO NON-APPROPRIATION OF FUNDS

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

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

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

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

during this 60-day period until the appropriation is made; however, such extension of time is not compensable.

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

V. COMPENSATION AND PAYMENT

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

B. The maximum payable under this Agreement, including reimbursable expenses (see Exhibit B), shall be Eighty Four Thousand Dollars (\$84,000).

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

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

(Consultant's Signature)

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

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

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

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

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

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

VI. RECORDKEEPING AND AUDIT RIGHTS

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

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

VII. INDEPENDENT CONTRACTOR

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

VIII. BUSINESS TAX REGISTRATION CERTIFICATE

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

IX. INDEMNIFICATION AND INSURANCE

A. Indemnification

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

B. Acceptable Evidence and Approval of Insurance

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

C. General Liability Insurance

Consultant shall procure and maintain in effect throughout the term of this Agreement, without requiring additional compensation from the City, commercial general liability insurance covering personal and advertising injury, bodily injury, and

property damage providing contractual liability, independent contractors, products and completed operations, and premises/operations coverage written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's is not available) within Consultant's normal limits of liability but not less than One Million Dollars (\$1,000,000) combined single limit for injury or claim. Said limits shall provide first dollar coverage except that Executive Director may permit a self-insured retention or self-insurance in those cases where, in his or her judgment, such retention or self-insurance is justified by the net worth of Consultant. The retention or self-insurance provided shall provide that any other insurance maintained by the Harbor Department shall be excess of Consultant's insurance and shall not contribute to it. In all cases, regardless of any deductible or retention, said insurance shall contain a defense of suits provision and a severability of interest clause. Additionally, each policy shall include an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds, a 10-days notice of cancellation for nonpayment of premium, and a 30-days notice of cancellation for any other reasons.

D. Automobile Liability Insurance

Consultant shall procure and maintain at its expense and keep in force at all times during the term of this Agreement, automobile liability insurance written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's is not available) within Consultant's normal limits of liability but not less than One Million Dollars (\$1,000,000) covering damages, injuries or death resulting from each accident or claim arising out of any one claim or accident. Said insurance shall protect against claims arising from actions or operations of the insured, or by its employees. Coverage shall contain a defense of suits provision and a severability of interest clause. Additionally, each policy shall include an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds, a 10-days notice of cancellation for nonpayment of premium, and a 30-days notice of cancellation for any other reasons.

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. 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.

G. Notice of Cancellation

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

H. 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.

I. 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.

J. 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.

K. 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 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 13-2896421. No payments will be made under this Agreement without a valid TIN.

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

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

XXIII. WAGE AND EARNINGS ASSIGNMENT ORDERS / NOTICES OF ASSIGNMENTS

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

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

XXIV. EQUAL BENEFITS POLICY

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

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

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

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are a subconsultant on Harbor Department Agreement No. _____. Pursuant to City Charter Section 470(c)(12), subconsultant and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the Agreement is signed. Subconsultant is required to provide to Consultant names and addresses of the subconsultant's principals and contact information and shall update that information if it changes during the 12 month time period. Subconsultant's

information must be provided to Consultant within 10 business days. Failure to comply may result in termination of the Agreement or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213-978-1960.

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

XXVI. STATE TIDELANDS GRANTS

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

XXVII. INTEGRATION

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

XXVIII. SEVERABILITY

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

Agreement, then the parties shall revise the part, term, condition or provision so as to comply with the applicable law or public policy and to effect the original intent of the parties as closely as possible.

XXIX. CONSTRUCTION OF AGREEMENT

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

XXX. TITLES AND CAPTIONS

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

XXXI. MODIFICATION IN WRITING

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

XXXII. WAIVER

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

XXXIII. EXHIBITS; ARTICLES

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

XXXIV. COUNTERPARTS

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

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

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

Dated: _____

By _____
EUGENE D. SEROKA
Executive Director

Attest: _____
Secretary

SUMMIT OF SECURITY SERVICES, INC. DBA SUMMIT OF CALIFORNIA

Dated: 6/1/15

By _____

NICHOLAS M. AULETTA, VICE PRESIDENT
(Print/type name and title)

Attest Kimberly Klimiuk

Kimberly Klimiuk, Coordinator
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

June 17, 2015
MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By [Signature]
HELEN J. SOK, Deputy/Assistant

Account #	54290	W.O. #	_____
Ctr/Div #	0412	Job Fac. #	_____
Proj/Prog #	641		_____

Budget FY:	Amount:
15-16	\$28,000
16-17	\$28,000
17-18	\$28,000
TOTAL	\$84,000

For Acct/Budget Div. Use Only:

Verified by: [Signature]

Verified Funds Available: [Signature]

Date Approved: 6/5/15

EXHIBIT A

Scope of Work

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

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

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

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

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

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

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

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

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



EXHIBIT B

Fee Schedule

Supervisory/Scoping of Investigation	\$80 Per Hour
Field Investigation	\$70 Per Hour
Database and In-Office Investigation	\$55 Per Hour
Mileage	Per City of Los Angeles Travel Policy
Parking, Service/Government Agency Record Fees, International Telephone Calls, and Source Information	Direct Cost
Travel Expenses for Requested In-Person Interviews Outside of California - Only with prior written authorization from the Background Investigations Manager	Per City of Los Angeles Travel Policy
Total Cost Per Background Investigation (not including polygraph/voice stress analysis examination)	Not to Exceed \$1,500 per person with the exception of *Executives which will not exceed \$3,000 per person

*Executive Background Investigations are to be defined as any background investigation for applicants for positions in the rank of Sergeant or above, to include Lieutenants, Captains, and Chiefs.

If any change in any law, rule, regulation or otherwise or introduction of any new law, rule, regulation or otherwise which comes into force after the date of this Agreement results in actual and documented additional costs to Consultant in connection with this Agreement, Consultant shall notify City in writing of such additional costs (the "Notice"), and Consultant and City shall thereafter engage in good faith negotiations to adjust the pricing structure of this Agreement; provided, however, that if the parties are unable to mutually agree as to a reasonable pricing adjustment within thirty (30) days of the date of the Notice, either party may terminate this Agreement upon an additional thirty (30) days written notice, it being understood and agreed that Consultant shall continue providing services under this Agreement for a period of no more than sixty (60) days upon delivery of said termination notice (or such earlier date as instructed in writing by Port Police). Consultant acknowledges any agreement reached with the City resulting in a pricing adjustment modifying the terms and conditions of this Agreement shall require an amendment to this Agreement and prior Board of Harbor Commissioners approval.



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

ATTACHMENT A

**REQUIRED TASKS TO PERFORM CHART
AS REQUIRED BY POST AGENCY STANDARDS**

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

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

Tasks and Documents	Police & Reserve Officer / Dispatcher	Port Police Security Officer	Port Police Civilian	Consultant
1 Employment Status	✓	✓	✓	✓
2 Pre-Investigative Questionnaire/Interview with Investigator	✓	✓	✓	✓
3 Pre-Investigative Questionnaire/Interview with Investigator	✓	✓	✓	✓
4 FBI Fingerprint Submission	✓	✓	✓	✓
5 Lateral Acknowledgment Form (if employed by other PDCDV)	✓	As Needed	As Needed	N/A
6 Statement Pertaining to Background/Completion	✓	✓	✓	✓
7 Candidate Photograph	✓	✓	✓	✓
8 Certificate of Birth	✓	✓	✓	✓
9 DOJ State Criminal History (Livescan)	✓	✓	✓	✓
10 DOJ Firearms Approval (Livescan)	✓	✓	✓	✓
11 FBI Federal Criminal History (Livescan)	✓	✓	✓	✓
12 Child Abuse (Livescan) Responses (Livescan)	✓	✓	✓	✓
13 Local Law Enforcement Agency Contact Information	✓	✓	✓	✓
14 County Jail Employment/Arrest/Conviction Information	✓	✓	✓	✓
15 Printout from DMV	✓	✓	✓	✓
16 Driving History	✓	✓	✓	✓
17 Driver's License Copy	✓	✓	✓	✓
18 Social Security Card Copy	✓	✓	✓	✓
19 Credit Report/Debt Resolution	✓	✓	✓	✓
20 Background Investigation	✓	✓	✓	✓
21 Proof of Education	✓	✓	✓	✓
22 Educational Transcripts/Degrees/Certificates	✓	✓	✓	✓
23 Citizenship Documents	✓	✓	✓	✓
24 Military/Verification Records	✓	✓	✓	✓
25 Employment History - 10 yrs Verification (Including Review of Personnel / IA Files)	✓	✓	✓	✓
26 Residential Commitment (with Current/Former Neighbors (When Practical))	✓	✓	✓	✓
27 Reference Checks	✓	✓	✓	✓
28 Married/Divorced Documents	✓	✓	✓	✓
29 Spousal Interview (Current/Former)	✓	✓	✓	✓
30 Tobacco/Alcohol/Drug/History	✓	✓	✓	✓
31 Polygraph / Voice Stress Analysis	Sworn - Required Dispatcher - Dependent on Background Results	As Needed	N/A	N/A
32 Medical Exam	Dependent on Background Results	Dependent on Background Results	Dependent on Position	N/A

* This document may be expanded to meet future needs and/or legal requirements or standards.

ATTACHMENT B

BACKGROUND INVESTIGATION NARRATIVE SAMPLE

CONFIDENTIAL

SAMPLE*

To: Thomas E. Gazsi, Acting Chief of Police

From: _____, Background Investigator

Date: Date Typed and submitted

Subject: Background Investigation – Police Officer Candidate _____

BACKGROUND INVESTIGATION:

PERSONAL:

No/negative or disqualifying material developed.

MARITAL STATUS:

No/negative or disqualifying material developed.

EDUCATION:

No/Negative or disqualifying material could be determined.

RESIDENCES:

No/negative or disqualifying material developed.

EXPERIENCE AND EMPLOYMENT:

No/Negative and disqualifying material developed.

REFERENCES:

No/ negative or disqualifying material developed.

MOTOR VEHICLE OPERATION:

No/Negative or disqualifying material developed.

LEGAL:

No/ negative or disqualifying material developed.

FINANCIAL RESPONSIBILITY:

No/Negative or disqualifying material developed.

MILITARY SERVICE:

No/negative or disqualifying material developed.

ADDITIONAL INFORMATION:

No/Negative or disqualifying material developed.

BACKGROUND SUMMARY:

*This document may be expanded to meet future needs and/or legal requirements or standards.

Attachment C
Travel Policies and Procedures

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1.8 TRAVEL

1.8.1 Overview

City employees and elected officials may be required to travel on City business in the performance of their duties and responsibilities. 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.

The City's Travel Policy discussed in the sections below provides guidelines and procedures to be followed by City employees traveling on City business. The Policy, to the extent possible, takes into consideration the range of travel costs and the unpredictable realities of travel. The Policy also applies to anyone whose travel expenses are paid by the City. Departments should use this Policy when developing their own internal policies and procedures for reimbursing travel expenses. Individual departments may, at their discretion, impose greater restrictions and/or controls beyond what is required by this Policy. Departments should provide the Controller's Office with their travel policies.

Departments should be mindful that documents related to City travel expenditures are public records and may be subject to disclosure under the California Public Records Act.

1.8.2 Purpose of Policy

The purpose of the City's Travel Policy is to:

- Provide guidance to Department Heads, City Travelers (herein referred to as Travelers), Departmental Travel Coordinators, and Authorized Approvers for managing travel expenses;
- Provide a uniform process to approve and control travel expenses that take into consideration the LAAC, the prudent use of public monies, and the Internal

Revenue Service (IRS) rules on taxable income consequences for Travelers as well as reporting obligations on the part of the City;

- Provide guidance on reimbursable and non-reimbursable expenses; and,
- Streamline the encumbrance and reimbursement processes.

1.8.3 IRS Taxable Income Reporting Requirements

The City's Travel Policy and reimbursement procedures are designed to conform to the "Accountable Plan" rules of the IRS to avoid the administrative burden of reporting reimbursements as taxable income subject to withholding and payment of employment taxes. Therefore, the reimbursement guidelines for travel expenses are not meant to result in additional taxable income to the Traveler if the rules herein are followed. To comply with the Accountable Plan, the City and Travelers must meet all three of the following IRS rules:

- There is a business connection to the expenditures.
- There must be "adequate" accounting of the expenditures by Travelers within a reasonable period of time. Adequate accounting means that the Traveler must provide the date, time, place, amount, and business purpose of expenses along with documentary evidence such as receipts.
- Excess reimbursements or advances must be returned to the City within a reasonable period of time. Failure to return excess reimbursements or in the case of advances, amounts paid in excess of the substantiated expenses are required to be reported to the IRS as taxable income.

Note that there are other circumstances that would trigger taxable income reporting requirements, which are discussed in Sections 1.8.13 and 1.8.15 of this document.

Although being in travel status in excess of one year is uncommon for City travelers, Departments are advised that taxable income reporting is also required when reimbursements are for expenses incurred at a single location when the job assignment is expected to last in excess of one year, or does in fact exceed one year.

1.8.4 Controller Responsibilities

Charter Section 262 requires the Controller to, among other things, 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. In addition, the Charter authorizes the Controller to delegate payment functions to Departments and charges the Controller with the responsibility to regularly review the accounting practices of Departments. To streamline the payment approval process, departments certified under the Certification and Fiscal Monitoring Program (CFMP) (Certified Departments) is not required to obtain Controller approval. Travel advances and City's travel credit card payments are processed by the Controller's Office.

1.8.5 Controller Compliance Review

The Controller's Office will review Departments' compliance with this Travel Policy. If findings from the reviews are not corrected, the delegated authority to the Department for travel may be rescinded and the Department will then have to obtain the Controller's Office approval of travel encumbrances and payments until the delegated authority is reinstated.

Review of Fire and Police Pensions and City Employees' Retirement System Departments will be in accordance with their Boards' adopted travel policies since under the City Charter, the Boards have control over their respective trust fund assets, including independent contracting authority for administrative expenditures such as travel.

1.8.6 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 needs 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 City follows 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, unless one of the circumstances below applies.

"50-mile" Rule Exceptions

Reimbursement may be allowed for lodging, and meal and incidental expenses when the travel destination does not meet the "50-mile" rule under any one of the circumstances listed below with documentation of the specific circumstance and pre-approval of the travel and estimated expenses by the Department Head. Also see Section 1.8.13 for lodging, and meals and incidental reimbursement amounts. *Use of this rule should be noted as an exception on the General Accounting Encumbrance Travel (GAETL) and Personal Expense Statement (PES) documents.*

- Conference/meeting start (not check-in) time is before 8 a.m. or end time is after 6 p.m.
- Traveler does not drive and public transportation is not available to arrive in time for, or leave after conference/meeting.
- Traveler needs to arrive before 8 a.m. to host the event, or setup for the event (e.g., exhibit booth), or leave after 6 p.m. to pack up.

1.8.7 Purpose of Travel and Required Authorizations

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:

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

A. Travel Authority

The 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, the GAETL document, is required for all City travel. A completed travel authority document must be approved by the Department Head (or Authorized Approver) 10 business days prior to the commencement of travel. Also see Section 1.8.8.A on required approvals from the Office the Mayor.

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

- Brief description of the purpose of the business meeting/trip; and,
- Brochures, flyers, pamphlets or agenda for professional conferences and/or training programs; or
- Correspondence between City employee/s and individual/s responsible for planning or scheduling business meeting/s (other than professional conferences or training programs).

B. Travel Blanket Authorities

In cases where 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 regularly travel to various locations to perform auditing functions; City Attorneys may often travel to various locations to participate in depositions; and police officers frequently travel for investigation and extradition purposes.

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. Departments must include a written justification explaining the recurring and same purpose nature of the requested trips.

C. Travel to Sacramento or Washington D.C.

The LAAC requires all non-elected City officials and all other City employees to notify the Mayor, the Chair of the Committee that oversees the Intergovernmental Relations function, and the Chief Legislative Analyst *prior to traveling on official City business* to Sacramento or to Washington, D.C. Effective March 25, 2013, employees of the City Council or Office of the Mayor are exempt from this requirement.

D. 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.

E. Mayor's Executive Directive No. 4 Intergovernmental Relations

The Mayor's Executive Directive No. 4 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 advocacy on behalf of the City is subject to the approval of the Mayor. This also includes any travel by any City employee outside of the State of California for the purpose of conducting official City business with any other government entity, commission, agency or department." It is the responsibility of each City employee to adhere to the Mayor's procedures manual. Elected officials and their staff are exempt from this requirement.

F. Travel to Arizona

In May 2010, the 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. The travel ban does not apply to proprietary departments, Fire and Police Pensions, and Los Angeles City Employee Retirement System unless their respective Boards have adopted the same or a similar policy.

1.8.8 Approval of Travel Documents

A. Office of the Mayor Approval

Travel authority documents (i.e., GAETL) for all Department Heads and Commissioners, including proprietary departments require approval by the Mayor's Office. In addition, Department Heads' and Commissioners' PES that have exceptions to the City's Travel Policy require approval by the Mayor's Office. The Department Heads and Commissioners for Fire and Police Pensions and Los Angeles City Employees' Retirement System are exempt from the requirements since their Boards have sole and exclusive authority over their respective trust fund assets.

B. Department Approval

For the purpose of the City's Travel Policy, "approval by the Department Head" generally refers to the General Manager. Department Heads are responsible for approving their staff's travel authority and PES documents. Department Heads may designate other Authorized Approver(s) for travel. For the following departments with Board of Commissioners, approval authority for their staff's travel documents is the General Manager unless otherwise stated in the Board's adopted policy: Fire and Police Pensions, Los Angeles City Employees' Retirement System, Airports, Harbor, and Water and Power.

Department Heads' and Board members' travel authority documents require Mayor's Office approval. Furthermore, Department Heads and Board members should not approve their own PES documents. If there are no expenditure exceptions to the City's Travel Policy, the Department Head's PES documents can be approved by an Authorized Approver and in the case of a Board adopted policy, in accordance with the policy. If not specified in the Board adopted policy, the Board President's PES documents that do not include exceptions to the City's Travel Policy can be approved by the Board Vice President. Mayor's Office approval is required on Department Heads' and Board members' PES documents with exceptions.

1.8.9 Required Receipts and Documentation

Department Head approvals of GAETL, PES, Travel Expenditure (TEX) documents, and travel advance (if applicable) must be in the Financial Management System (FMS). In addition, all required receipts, exceptions and documentation supporting exceptions, and approvals of exceptions to the Travel Policy must be scanned and posted in the FMS for audit purposes. Departments should also retain original receipts and documents for at least five years. Also see Section 1.8.27 for further guidance on documentation of expenses.

The City's Travel Policy includes exception provisions. The following are required to be noted as "exceptions" on the GAETL and/or PES documents and Traveler must provide justification:

- Travel under "50-mile" Rule Exceptions
- Airfare other than for coach class
- Fees for more than one checked bag
- Airport parking rate more than 25 percent of the applicable airport lot rate

- Non-conference lodging rate that is more than federal per diem rate for destination
- Full reimbursement for meals on travel day(s)
- Full reimbursement for meals when meal is provided by conference
- Transportation to procure meal (Note: limit is \$5 per day)
- Rental car other than mid-size or smaller
- Laundry service when travel is for less than four consecutive nights

1.8.10 LAAC Reporting Requirements

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.

1.8.11 Department Travel Coordinator

Department Head shall designate a Department Travel Coordinator (DTC) who will:

- Serve as the primary contact for travel coordination and processing;
- Ensure that Travelers have read and understood the Travel Policy;
- Review GAETL and PES documents and identify exceptions to the Travel Policy, obtain written justification and the supporting documentation for the exceptions, and provide the exceptions and documentation with the GAETL and/or PES to the Department Head for approval;
- Ensure that unallowable and/or unapproved expenses are not on final PES documents;
- Track credits from canceled airline reservations; and,
- Provide on-time response to Controller's Demand Audit Section regarding charges on City's travel credit card.

1.8.12 Transportation to Destination

A. City Authorized Business Travel Service Provider

To the extent possible, all Travelers should utilize the City authorized business travel service provider for all City business-related travel. Currently, the City is using the State of California Department of General Services (State) travel agency contract

with TravelStore to maximize savings on air travel. The State, in conjunction with TravelStore, has established a website dedicated for government travel, www.caltravelstore.net. Dedicated TravelStore agents can also be reached at 1-877-454-TRVL (8785). Travelers should use the self-service online system to make travel reservations whenever possible since the transaction fee is less than agent-assisted reservations. Agents are available for more complex travel arrangements.

Air travels booked through TravelStore are charged to the City's credit card. The Controller's Office will provide departments with monthly reports of their airfare expenditures with TravelStore for verification and approval of their charges.

Travelers may use other travel service providers under the following conditions:

- The Traveler is willing to use his or her personal credit card to book the flight or other mode of transportation; and,
- Sufficient proof is provided that the airfare is equal to or lower than airfare or fare available at TravelStore, at the time of GAETL approval.

Travelers are responsible for canceling airline reservations if the trip is canceled or postponed and obtaining a copy of their non-transferable credit for future use with TravelStore. Similar steps should be taken when flights are not booked with TravelStore.

B. 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. 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. Travelers are expected to make reservations as far in advance as possible to avoid paying higher fares. Purchase of a refundable ticket, which is usually more

expensive than a nonrefundable ticket, should be pre-approved by Department Head. The benefit of booking a non-refundable ticket should be weighed against the risk of changes in travel plans before purchasing the ticket.

While the determination of "official necessity" falls under the purview of Department Heads, below are guidelines in determining whether the cost of business-class accommodations is "reasonable". The guidelines are consistent with federal guidelines and best practices of other government entities. *Use of any of the reasons below should be documented and noted as exceptions to the Travel Policy on the GAETL and PES documents.*

- When use of other than coach-class is necessary to accommodate a medical necessity. A written certification of the medical necessity and a recommended suitable class of transportation from a competent medical authority must be submitted.
- When exceptional security circumstances require other than coach-class accommodations.
- Where the origin and/or destination are outside the Continental United States and the scheduled flight time, including non-overnight stopovers (e.g., layovers) and change of planes, is in excess of 14 hours; and the 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. Direct flights must be selected except when flights with stopovers are more economical.
- When no coach-class accommodations are available on any 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.
- 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.

Travelers should select an arrival/departure airport that is closest to the destination unless flights are not available or airfare is more expensive than the additional ground transportation costs to reach the destination. Travelers should document why the closest airport to the destination was not selected. Traveling within and between foreign countries should also be by the most economical and direct transportation mode unless savings can be achieved otherwise.

Exceptions to the Policy (including Reasons 1 to 5 above) must be justified in writing and approved in advance by Department Head. Receipt is required to be reimbursed for actual cost of airfare (note: flight insurance is not reimbursable).

1) Seating Upgrade Programs

Some airlines have 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.

2) Checked Baggage Fees

Some airlines charge fees for 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, such as when the Traveler needs to carry special equipment or the length of travel justifies additional bags. *Fees for additional checked bags should be noted as exception on GAETL and PES documents.*

3) Promotional Materials and Frequent Traveler Programs

Consistent with current federal practice, the City will only reimburse for actual out-of-pocket expenses incurred. Therefore, the City will not reimburse for any promotional benefits used in connection with City travel. Travelers may use frequent Traveler benefits, earned on official or personal travel, for a subsequent City travel but will not receive reimbursement for City-related use of such benefits.

4) Airport Parking

Travelers should use the most economical self-parking option at or near the airport and obtain pre-approval for airport parking. Receipt is required for reimbursement. Parking at the airport lots listed below or in other locations that do not exceed 25 percent of the applicable airport's rate (which includes tax) does not require justification. Departments should verify the airport rate since the parking rates noted below are subject to change. For airports not listed below, Traveler should use the lowest airport parking lot rate for that airport.

- Burbank Bob Hope Airport – Lots A (\$10 per day)
- John Wayne International Airport – Main Street Lot (\$14 per day)
- Long Beach Airport – Lot B (\$17 per day)
- Los Angeles International Airport (LAX) – Lot C (\$12 per day)
- Ontario International Airport – Lot 5 (\$9 per day)

If the Traveler knows prior to the travel that an exception is necessary, provide written justification to the Department Head for approval. If the Traveler does not use the most economical self-parking option and did not obtain approval in advance, Department Head approval of the justification is required for reimbursement. *Parking that exceeds the applicable airport rate by more 25 percent should be noted as exception on the GAETL and PES documents.*

C. 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 (including incidental costs such as parking fees) or the cost allowable under a regularly scheduled airline, whichever is less.

Cost comparison is not necessary between air travel and driving a private or rental automobile when the destination is in an adjacent county to Los Angeles since air travel is generally not the most economical or convenient. Adjacent counties include Orange, Riverside, San Diego, San Bernardino, Ventura, Kern, Santa Barbara, and San Luis Obispo.

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. It should be noted that Article 2 prohibits the reimbursement of mileage traveled between the employee's home and headquarters. Mileage reimbursement for City employees will be for the distance in excess of home to headquarters during scheduled work days and for non-scheduled work days, reimbursement will be for miles from home to destination and back (map print-out with the number of miles is required).

Additionally, the LAAC requires the Traveler to obtain a satisfactory policy of public liability insurance covering the full use and operation of the private automobile. A memorandum authorizing the use of private automobile signed by the Department Head must be included with the GAETL. The memorandum must certify that the Traveler has complied with LAAC Section 4.232 and has a valid driver's license. For complete insurance requirements, see LAAC Section 4.232 or the Risk Management Procedure Manual 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 Traveler receives a car allowance or any type of vehicle subsidy from the City on a regular basis through payroll. Travelers on mileage reimbursement should claim mileage associated with travel on the travel expense statement and not on the mileage reimbursement form.

For automobile rental, see Section [1.8.16](#).

1.8.13 Per Diem (Lodging, Meals and Incidentals)

Under the LAAC, it is expected that, in the selection of restaurants and hotel rooms, Travelers will seek moderately-priced establishments of acceptable quality. The LAAC requires Travelers to consider transportation costs, time and other relevant factors in selecting the most economical and practical accommodations.

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 annual City Budget Manual, which can be accessed at <http://caodocs.ci.la.ca.us>.

The City is using the federal destination per diem rates (for the month of travel) as the maximum rates for reimbursements on lodging and meals and incidentals (M&IE) for departments to follow, with noted exceptions. The destination per diem rates Travelers should use are as follows:

- U.S. General Services Administration (GSA) for travel within the Continental U.S. (taxes are not included in the lodging rates). Rates are available on www.gsa.gov. Select "Per Diem Rates" and enter destination to find the daily rate.
- Department of Defense (DOD) for travel outside the Continental U.S., non-foreign such as Hawaii and Alaska (taxes are not included in the lodging rates) – see www.defensetravel.dod.mil/site/perdiemCalc.cfm or go to www.gsa.gov and there is a link below the map to the site. Use the amounts under "Maximum Lodging" and "Local Meals" columns. "Local Meals" is for three meals and incidentals.
- State Department for travel to foreign countries (taxes are included in the lodging rates). Rates are available on www.aoprals.state or go to www.gsa.gov and there is a link below the map to the site. Select "Foreign Per Diem Rates by Location" and enter destination to find the rates. Use "Maximum Lodging Rate" and "M&IE Rate" columns.

A. Lodging/Hotel

Lodging is for single occupancy standard rooms and generally, stay should be limited to the actual dates of the meeting/conference – arrive on the day the official business starts and return on the day the official business concludes. For out-of-state travel, Travelers may arrive the night before, regardless of the time the meeting starts. In addition, Department Heads may authorize extending the stay for any of the reasons discussed below with documentation of the reason. The following are guidelines for Department Heads to follow and therefore are not considered to be exceptions:

- In-state travel that meets the "50-mile" rule, Traveler may arrive the evening prior to the event/conference morning if the Traveler would otherwise have to depart so early in the morning to arrive in time that it would be impossible or constitute a hardship for the Traveler.
- In-state travel that meets the "50-mile" rule, Traveler may stay an additional night and return the following morning if the Traveler would otherwise arrive home so late in the evening that it would be impossible or constitute a hardship for the Traveler.
- Out-of-state travel, Traveler may stay an additional night and return the following morning if the meeting ends too late for the Traveler to make the last available flight or if the Department Head determines the stay to be necessary or in the best interests of the City. For example, conference ends at 2:00 p.m. but conference attendees plan on getting together afterwards to discuss business-related matters.

- Staying an additional night, either before and/or after the meeting, if it results in a net savings to the City when all costs are considered (provide a detailed accounting of the savings).

Travelers should inquire if government rate is available at time of hotel reservation and request that rate if it is less than the federal per diem rate.

Reimbursement will be for actual hotel expenses but not to exceed the total of the applicable federal per diem rate (plus fees and taxes, if applicable) for the destination and length of stay for the individual Traveler. Exceptions to reimbursing at higher than the federal per diem rate for the destination are discussed below. Under IRS rules, Travelers can be reimbursed for actual costs but the costs cannot be "lavish and extravagant", otherwise, the reimbursement becomes taxable income. An itemized original lodging receipt (listing all expenses such as meals, phone calls, services charged to the room) must be provided for reimbursement to be made in all instances. Credit card receipts alone do not satisfy this requirement. Note: reimbursement of meal charges, including room service delivery, on hotel invoices should be in accordance with the M&IE guidelines and within the limits.

IRS Rule – Reimbursement without Receipt

The IRS requires reporting of lodgings that are in excess of the destination per diem rates, which are not supported by receipts, as taxable income on employees' Form W-2. However, Departments should not reimburse for lodging without a receipt since the City is not using the federal per diem rate as an allowance. If a reimbursement was inadvertently provided in excess of the per diem rates without receipt and the Department was unable to get the Traveler to return the excess amount, Departments are responsible for notifying the Controller's Payroll Administration and providing the necessary information for reporting to the IRS.

Travelers can be reimbursed for lodging if any of the exceptions to the "50-mile" rule discussed in Section 1.8.6 is applicable and pre-approved by the Department Head. Reimbursement will be for actual expenses but not to exceed the applicable federal destination per diem rate (200 percent allowance is not applicable) or conference hotel rate. Lodging receipt is required. Traveler should select alternative lodging if conference hotel rate exceeds federal per diem rate by 200 percent.

Travelers are responsible for canceling hotel room when a trip is canceled or postponed, and documenting the cancelation in case of billing disputes.

Exceptions to Federal Per Diem Rate

1) Conference Travel

a) Conference Hotel

When a conference or event is held in a particular hotel, the Traveler is not precluded from staying at that conference or event hotel if such expenses would exceed the federal destination per diem limit under the LAAC. In addition, Federal Travel Regulations Section 301-11.300 provides for circumstances when actual expenses are warranted, including when "lodging and/or meals are procured at a prearranged place, such as a hotel where a meeting, conference or training session is held ..." Proper documentation such as brochure or literature indicating the event is being held in a particular hotel must be submitted and approved since the Department Head can require the Traveler to stay at a hotel with a lower rate. In addition, if the conference hotel rate exceeds the federal rate by 200 percent, the Traveler should select alternative lodging.

b) "Authorized" or "Sponsor" Hotels

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, a reasonable conclusion is that the intent is to allow for staying at "authorized" or "sponsor" hotels of conference or convention. *To the extent feasible, Travelers should try to select the most economical among the "authorized" or "sponsor" hotels. However, it is not necessary to demonstrate that the selected hotel's rate is the most economical rate of all the hotels.* Reimbursements for actual costs that do not exceed 200 percent of the federal destination per diem rate will be allowed if:

- i) The sponsor hotel rate does not exceed the conference hotel rate, which is within the 200 percent cap, with documentation of the conference hotel rate; or,
- ii) There is not a designated hotel or the Traveler does not have documentation of the conference hotel rate. Traveler must obtain two quotes from hotels within a reasonable walking distance (i.e., ½ mile or less) and one quote from a hotel farther away with free shuttle service to the conference, and select the most economical hotel. If none of the hotels have free shuttle service, the Traveler must obtain three quotes

from hotels within a reasonable walking distance and select the most economical.

c) Other Hotels

If a room is not available at the conference hotel or one of the "authorized/sponsor" hotels, the reimbursement for a hotel near the conference site can be based on:

- i) Actual expenses up to the total of the federal per diem (plus fees and taxes, if applicable) for the length of stay. For example, different rates for three nights stay but the total for the three nights does not exceed the total of the federal per diem rate for three nights; or,
- ii) Actual expenses but not to exceed the conference hotel rate (which is within the 200 percent cap) with documentation of the conference hotel rate (Note: cannot use sponsor hotel rates for this exception).

Reimbursements for hotel rates in accordance with the above guidelines for conference lodgings are not considered to be exceptions to the Travel Policy; therefore, exception notation on the GAETL and PES documents is not required.

2) Non-Conference Travel

If lodging is not available at the federal destination per diem rate or lodging options at the per diem rate are not practical and travel is not for a conference, the Traveler must provide justification to the Department Head and obtain approval to be reimbursed for a higher rate but not to exceed 200 percent of the federal per diem rate for the destination. *If the Department Head approves the higher hotel rate, this exception should be noted on the GAETL and PES documents.* Traveler will be reimbursed at the federal destination per diem rate if the Department Head does not approve the higher rate.

The cap at 200 percent is not meant to condone selection of a more expensive room or hotel when a less costly practical option is available. The cap is meant to mitigate the Traveler from having to personally cover ordinary, reasonable and/or necessary costs as a result of travel for City business.

Department Heads should not approve a rate higher than the 200 percent cap since a higher percentage may be deemed by the IRS as "lavish and

extravagant" and not ordinary, necessary and reasonable. "Lavish and extravagant" expenses are subject to taxable income reporting and are treated as paid under a non-accountable plan. In addition, the public may perceive the expenses as not a prudent use of public funds.

B. Meals and Incidentals (M&IE)

The LAAC allows the reimbursement of a maximum of three meals a day. M&IE will be reimbursed at claimed amount but not to exceed the applicable federal per diem rate for the destination with noted exceptions. Note: reimbursement for M&IE should reflect adjustments for meal charges on a hotel invoice, including room service delivery charges that are within the per diem limit.

Expense Substantiation Methods

Reimbursements may be for actual costs with receipts (Actual Costs Method) not exceeding the federal per diem limit, or for the federal per diem rate without receipts (Per Diem Substantiation Method) but only one method of reimbursement may be used for the entire trip. The Per Diem Substantiation Method is an acceptable alternative to the Actual Costs Method and satisfies the IRS requirements of an accountable reimbursement plan. Both methods require that the date, time, place, amount and business purpose of the expense be noted.

Reimbursement Limits

Meal expenses in excess of the federal per diem rate may be perceived as "lavish and extravagant". Therefore to avoid any issue, reimbursement is capped at the federal destination per diem rate except for destinations with rates less than \$60 per day as discussed below. Meal allowance will not be provided when meals are provided by the host throughout the day. Complimentary breakfast provided by hotel does not constitute a meal. Alcoholic drinks are NOT reimbursable expenses.

Exception to the cap at the federal destination per diem rate is when the rate is less than \$60 per day in which case, the Traveler may request reimbursement for actual costs, not to exceed \$60 per day, with receipts. This provision does not allow the use of the per diem substantiation method and receipts are required. This is not considered to be an exception to the policy.

The meal allowance, which is for a full 24-hour day, will be prorated at 75 percent:

- On travel days regardless of departure and/or arrival times.
- When a meal is provided as part of the conference (i.e., included in the registration fee).
- For travel under the "50-mile" rule exceptions with overnight lodging and pre-approval.

Certain exceptions to the proration can be requested by the Traveler such as:

- Unable to consume the furnished meals due to medical reasons or religious beliefs. Whenever possible, Travelers with special meal requirements are encouraged to contact the host to obtain reasonable meal accommodation.
- Full M&IE rate is necessary because of long travel day(s). Traveler must provide receipts for all the days (i.e., the entire trip) for actual costs reimbursement up to the federal per diem rate for the destination, or up to \$60 per day for destinations with rates less than \$60. Reimbursement will be for the actual costs for each day but not to exceed the daily per diem rate (i.e., no cost in excess of the daily per diem rate can be offset by another day claimed at less than the daily per diem rate). Traveler cannot use the per diem substantiation method for the entire trip.

Reason for the exception must be documented and approved by the Department Head for reimbursement and the exception should be noted on the GAETL and PES documents.

(continued on next page)

Summary of M&IE Reimbursements

Selected Reimbursement Option (1,2 or 3) must be used for the entire trip ⁽¹⁾

Methodology	Receipts Required	Reimbursement Cap at Destination	Prorated Reimbursement Cap for Travel Day/Conference Provided Meal/"50-mile" Rule Exceptions	Exception: Full Reimbursement Cap for Travel Day/Conference Provided Meal ⁽²⁾
Option 1: Federal Per Diem	No	Reimburse at federal per diem amount for destination	75% proration of federal per diem amount	No exceptions allowed
Option 2: Actual costs capped at federal per diem	Yes	Reimburse actual costs <i>up to</i> federal per diem amount for destination	Reimburse actual costs <i>up to</i> 75% of federal per diem amount for destination	Reimburse actual costs <i>up to</i> full federal per diem amount for destination
Option 3: Actual costs capped at \$60/day	Yes	Reimburse actual costs <i>up to</i> \$60 per day	Reimburse actual costs <i>up to</i> \$45 per day	Reimburse actual costs <i>up to</i> \$60 per day

(1) Traveler must use actual costs reimbursement methodology if the trip's funding source requires actual receipts. Submittal of receipt for any single meal that costs more than \$25 in accordance with the LAAC does not preclude the Traveler from using the federal per diem reimbursement methodology.

(2) Exceptions for prorated travel days will be made for full days spent at destination and in transit. Exceptions for prorated meals will be made for conference meals that cannot accommodate medical or religious restrictions.

(continued on next page)

IRS Rule – Meal Reimbursement without Lodging

Departments should not reimburse for meals for day trips or travel without lodging since the reimbursement will have to be reported as taxable income. Tracking and reporting these reimbursements to the IRS is labor intensive. If meals were inadvertently reimbursed and Department was unable to get the Traveler to return the reimbursement, the Department is responsible for notifying the Controller's Payroll Administration and providing the necessary information for reporting to the IRS.

Gratuities for restaurant service (e.g., waiters) are included in the per diem rates (also see Section 1.8.20 for gratuity limits). The per diem rates also include incidental expenses as defined by the IRS such as fees and tips to porters, baggage carriers, hotel staff and staff on ships.

Transportation between places of lodging and places where meals are taken are no longer included in the definition of incidental expenses (IRS Bulletin 2013-44). If transportation is necessary to procure meals, transportation reimbursement will not exceed \$5 per day with receipts and Department Head approval is required. *This should be noted as an exception on the GAETL and PES documents.*

Receipts are not required except when the cost for any single meal exceeds \$25 in accordance with LAAC or when Traveler is requesting reimbursement by the Actual Costs Method. Receipt requirement is also contingent on the funding source for the travel. If the funding source requires receipts, Traveler must submit receipts and will be reimbursed for actual costs but not to exceed the applicable federal per diem rate unless the funding source/grantor specifically authorizes in writing that a different policy shall apply.

1.8.14 Hosting While Traveling

In addition to the lodging and meals requirements, 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.

The provisions for lodging and M&IE reimbursements also apply to persons hosted by City officials or employees. 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.

1.8.15 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, Travelers should take advantage of free or courtesy shuttle services offered by airports and hotels to keep costs to a minimum. Receipt is required for reimbursement of ground transportation costs. If a receipt is not available for public transportation, provide documentation of the fare (e.g., print the fare from the official website). Tips for driver of taxi and shuttle are reimbursed for up to 15 percent of the fare if reflected on the receipt. Tips in excess of 15 percent will not be reimbursed.

IRS Rule – Reimbursement without Receipt

If the ground transportation receipt does not include the tip amount, the Traveler will not be reimbursed for the tip since a reimbursement that exceeds the receipt amount may be deemed as taxable income, which creates an administrative burden for the City to track and report to the IRS.

See Section 1.8.13.B for guidance on transportation to and from restaurants.

1.8.16 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, bus, or plane. A cost comparison, unless the destination is to a county adjacent to Los Angeles (see Section 1.8.12.C), should be provided as proof that automobile rental expenses (including incidental costs such as parking fees) are less expensive than train, bus, taxi or plane. If proof cannot be provided, the Traveler must provide a written justification pre-approved by the Department Head that clearly demonstrates the need for an automobile rental for the efficient conduct of City business. Travelers must fill the gas tank before returning a

rental vehicle to avoid fuel surcharges. Receipts are required for reimbursement of rental car, gasoline, parking and toll expenses. If receipts for toll and/or parking meter expenses are not available, provide printouts from official websites. Fees for GPS are not reimbursable expenses. Parking tickets, traffic violations or other penalties for infractions of any law are also not reimbursable.

When traveling alone, mid-size or smaller car is the car type within policy. Travelers may upgrade to a car type other than mid-size or smaller under any of the conditions discussed below or for other reasons. *An upgrade is considered to be an exception to the policy; therefore, Travelers should document the specific reason for the upgrade and obtain approval.*

- Insufficient space for the number of City employees traveling together;
- Insufficient space to accommodate work-related equipment;
- Terrain of destination requires a type of vehicle;
- Medical necessity (i.e., driver with disability); or,
- Upgrade is at no extra cost.

Travelers are responsible for canceling rental car reservations if no longer necessary and documenting the cancelation in case of billing disputes.

Automobile Rental Insurance

In accordance with the City of Los Angeles Risk Management Procedure Manual, the City self-insures property losses and will neither authorize nor reimburse the cost of the Collision Damage Waiver. As a result, if an employee were to have an accident while traveling on City business, the car rental companies could demand immediate payment and could charge the amount of the loss to the employee's personal credit card to ensure payment. The employee would be reimbursed for the expense by the City upon his/her return. In addition, an employee's personal auto coverage would provide primary coverage if a rental vehicle is rented in the employee's own name and if the policy provides full coverage (including comprehensive and collision) that is specifically extended to rental cars. Therefore, employees will not be reimbursed for rental vehicle insurance for travel to a non-foreign country.

For foreign travel, employees should purchase that country's liability insurance (e.g., for Mexico, it is sold at the border) from a reliable source if the employee's own policy does not provide coverage. An employee should check with his or her insurance beforehand to determine if the employee has appropriate coverage. If coverage is not applicable, the employee should also ask their carrier to provide appropriate coverage and limits to

purchase while on foreign travel. If the employee does not have such coverage, the employee will be reimbursed for the expense. Employees should document the advice provided by their carrier on the appropriate coverage and limits to purchase in case of questions regarding the expense amount.

1.8.17 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. *Otherwise, explanation should be provided on the special circumstances requiring laundry service and reimbursement requires Department Head approval of the exception.*

1.8.18 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.

1.8.19 Internet Connection Services

If free internet connection service is not available to conduct City business, the cost is reimbursable with Department Head approval.

1.8.20 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. Note: Gratuities to porters, bell hops and housekeeping are included in the IRS definition of "incidental expenses" and are therefore included in the M&IE limit and not reimbursed separately.

Exception to exceeding the 15 percent is when there is a required gratuity and the amount is added on the bill by the service provider (e.g., gratuity added by a restaurant for a large party). In 2012, the IRS clarified the difference between a tip and service charge for tax purposes and ruled that automatic gratuities are service charges, rather than tips. However, a Traveler that chose to tip more than 15 percent of the restaurant bill will be reimbursed only for 15 percent.

1.8.21 Registration, Seminar or Meeting Fees

The LAAC allows the reimbursement of registration, seminar or meeting fees where required. Whenever time permits, registration fees should be paid directly to the conference sponsor.

1.8.22 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 the reasons for such expenses have been reviewed and certified by the Department Head as reasonable and proper and incurred in pursuit of City business. For example, costs of visa and/or passport are reimbursable when directly related to City travel and approved by Department Head. All reimbursements require receipts.

1.8.23 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 also not reimburse expenses of a purely personal nature. The following are examples (not an all-inclusive list) of travel costs NOT reimbursable:

- Auto repairs, replacement or towage to personal vehicle when such use has been authorized
- Parking ticket
- Traffic ticket
- Travel Insurance
- Personal telephone calls (unless in accordance with Section 1.8.18)
- Fuel expenses for personal and City vehicles

- Expenses for persons other than the employee, elected official or City approved Travelers who accompanies the Traveler (e.g., companion's transportation, lodging, and/or meals)
- Entertainment costs such as in-room movies or games
- Spa and personal grooming services

1.8.24 Interrupted and Indirect Travel

Where there is an interruption or deviation from the direct travel route, whether for the Traveler's personal leave or convenience, expenses allowable will not exceed those that would have been incurred for uninterrupted travel utilizing the usual route. Travelers who combine personal travel with business travel must identify and pay for the personal segment of the trip. The City will not reimburse a Traveler for expenses incurred when the Traveler chooses to extend time at the destination for personal reasons (e.g., the Traveler takes vacation or stays through the weekend). Traveler must provide a quote from the air travel service provider showing the cost of the roundtrip ticket for the most economical and direct travel to/from the business destination for the dates of official business. This quote will be used for comparison and reimbursement purposes. Traveler must pay for the personal portion of the airfare expense. Hotel, car rental and parking expenses must also be prorated, and only the portion related to City travel will be reimbursed.

If a City employee 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 employee, when able, must notify his or her Department Personnel Officer, who will then notify the City Workers' Compensation Section.

1.8.25 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.

1.8.26 Non-City Employee 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 employee.

1.8.27 Personal Expense Statement and 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. To adhere to the LAAC requirement, Departments should post the Personal Expense Statement (PES) in the FMS within 30 days. Form Gen. 16, Personal Expense Statement (PES) may be accessed and filled out interactively at <http://ctr.ci.la.ca.us/forms.htm>. All expenses claimed for reimbursement should be itemized on the PES. Note: payment transaction fees charged by Traveler's personal credit card providers and/or payment service providers are not reimbursable except for foreign transaction fees for City business related expenses (e.g., lodging, meals, transportation).

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. Internal Revenue Code 274 requires adequate records or sufficient evidence corroborating the Traveler's own statement to substantiate traveling expenses and in order to determine tax liability. 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. Departments should certify expenses, and maintain copies of receipts for expenses regardless of amount when deemed necessary in these guidelines. For grant-funded and special-funded travel, it is the Traveler's responsibility to comply with the grant/special fund requirements relative to receipt documentation.

Note: Completed PES and receipts submitted, electronically or otherwise, become part of the City official travel records and the official property of the City. Therefore, Travelers are advised to black out/redact any personal information contained in any documents submitted. Departments are required to maintain original support documentation for five years.

Below are examples of acceptable documentation to be submitted with the completed PES.

Description of Expense and 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.

Ground Transportation Proof of fare amount is required. If a receipt is not available for public transportation, provide a printout from the official website on the fare amount.

Laundry Itemized on hotel bill or provide separate receipt from serviced provider.

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 Section 4.242.7, receipts for any single meal in excess of \$25 must be provided.

Receipts are required for reimbursements under Actual Costs Method.

Traveler must submit receipts if required by the trip's funding source (e.g., grant funds).

Receipts for meals for other than the Traveler must include the guest(s) names and affiliated organizations and a

statement of the event attended or sponsored and business discussed.

Personal Automobile

When used in-lieu of airfare, the number of miles at the current mileage rate is reflected under the PES Miscellaneous Expense 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 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.

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. Travelers are encouraged to consider the most economical option for telephone calls. In some cases, the use of pre-paid phone cards may be more economical than hotel or cellular phones.

Miscellaneous

Other miscellaneous expenses are reimbursable when they are actual and 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 and receipts attached.

1.8.28 FMS Travel Expenditure (TEX) Document

To process the reimbursement of travel expenditures under FMS, a TEX document is required. The TEX document must be submitted together with the completed PES.

1.8.29 Foreign Currency

The PES must indicate values in US dollars (USD). It is the 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:

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

1.8.30 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. Because processing travel advances is labor intensive and may result in overpayments, departments can reduce the need for an advance by booking flights with TravelStore when feasible, paying registration fee directly, and processing reimbursements in a timely manner.

Employees may request a travel advance for approved travel when the estimated expenses, excluding airfare costs and other expenses are at least \$500. Department Heads may approve travel advances for lesser amounts, if necessary. Travel advance requests must be forwarded to the Controller's Office for processing. Travel advances are generally for lodging, meals and incidentals and the advanced amount is 90 percent of the estimate. Advances at 90 percent minimize instances of overpayment to Travelers. Collection of overpayments creates additional work for the City and when overpayments are not returned by the Traveler, the City must report to the IRS as taxable income to the Traveler.

Requests for travel advance must be submitted at least ten (10) business days in advance of the beginning of the planned expenditure of funds and such request shall include the following information:

- GAETL number
 - name of Traveler
 - traveling period covered
 - destination
-

- purpose of the trip
- nature of the City business to be conducted on the trip
- proposed total estimated expenditure
- a statement certifying that the Traveler has no outstanding cash advance.

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.

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. Departments should notify and remind Travelers in writing to resolve outstanding advances until the advance is over 120 days old. However, ultimately, it is the Traveler's responsibility to remember to resolve travel advances regardless if he/she received reminders.

The Controller's Office will report all delinquent travel advances over 120 calendar days old as employee income as required by the IRS. 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. When the unresolved travel advance amount is reported in an employee's Wage and Tax Statement will depend on when the 120 days expires:

- Before last pay day of the calendar year – on Form W-2
- Between last pay day of the calendar year to March 31 of the following year – on Corrected Form W-2
- After March 31 of the following year – on Form W-2c

For non-City employees, IRS Form 1099-Misc will be issued per IRS Federal, State, Local Government Taxable Fringe Benefit Guide.

Refund of Travel Advances

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. 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 Finance. The Traveler should attach a copy of the CR with the Office of Finance stamp (or other receipt verification) to the completed PES. Questions regarding the preparation and submission of CR documents should be directed to the Office of the Finance.

1.8.31 Related Resources

Travel forms and additional information and materials regarding travel are available on the Controller website under Guides to Departments at <http://ctr.ci.la.ca.us/guidestodepts.htm>. Questions regarding "Will-Call policies and procedures should be directed to the Paymaster Section (see Controller Directory in Cityfone). Questions regarding this Policy should be directed to the Controller's Demand Audit Section.

MONTHLY SUBCONSULTANT MONITORING REPORT

Instructions: Please indicate the SBE/VSBE/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 _____

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

EXHIBIT C

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)

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.

- 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 __%, including __% VSBE participation.** The North American Industry Classification System (NAICS) Code for the scope of services is _____. This NAICS Code is the industry code that corresponds to at least 51% of the scope of services and will be used to determine the size standard for SBE participation of the Prime Consultant. The maximum SBE size standard for this NAICS Code is \$_ million.

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

(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 Consultant Description Form is true and correct and include all material information necessary to identify and explain the operations of

Summit Security Services, Inc. dba Summit of California
Name of Firm

as well as the ownership and location thereof. Further, the undersigned agrees to provide 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) 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. "Headquartered" shall mean that the business physically conducts and manages all of its operations from a location in the above-named counties.
- A Non-LBE is any business that does not meet the definition of a LBE.

Signature: Lisa Worgull
Printed Name: Lisa Worgull

Title: Senior Manager
Date Signed: 1/26/15

NOTARY:

On this 26TH day of JANUARY, 20 15, before me appeared
LISA WORGULL to me personally known, who being duly sworn, did execute the
Name

foregoing affidavit, and did state that he/she was properly authorized by
Summit Security Services, Inc. dba Summit of California to execute the affidavit and did so as his or he free act and deed.
Name of Firm



SEAL

Notary Public: C. PICKETT
Commission Expires: FEB. 17, 2018

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.