

## DEALER AGREEMENT

**THIS DEALER AGREEMENT** (this “*Agreement*”), dated as of [\_\_\_\_\_], 2015, is entered into by and between the **CITY OF LOS ANGELES**, a municipal corporation, acting by and through its **BOARD OF HARBOR COMMISSIONERS OF THE HARBOR DEPARTMENT** (the “*Department*”) and [DEALER] (the “*Dealer*”):

## RECITALS:

A. The Dealer wishes to purchase for its own account or sell for the account of the Department Commercial Paper Notes of the Department issued by the Department under and pursuant to the provisions of Section 609 of the Los Angeles City Charter, the Charter implementation ordinance related to the procedures for issuance and sale of revenue bonds and other obligations by the Department, adding Sections 11.28.1 through 11.28.9 of Division 11, Chapter 1, Article 6.5 of the Los Angeles Administrative Code (collectively, the “*Authorizing Act*”), and Resolution No. 6021, adopted by the of the Board of Harbor Commissioners of the City of Los Angeles (the “*Board*”) on August 22, 2001, Resolution No. 09-6753 adopted by the Board on June 4, 2009, Resolution Nos. 10-6946 and 10-6958 adopted by the Board on June 3, 2010, Resolution Nos. 12-7319 and 12-7320 adopted by the Board on June 7, 2012, and Resolution Nos. 15-[\_\_\_\_\_] and 15-[\_\_\_\_\_] adopted by the Board on [\_\_\_\_\_], 2015 (collectively, the “*Resolutions*”).

B. The Department wishes to have the Dealer perform such services.

NOW THEREFORE, the Department and the Dealer agree as follows:

**Section 1. Definitions.** Capitalized terms used but not defined herein shall have the meanings set forth with respect thereto in the hereinafter defined Issuing and Paying Agent Agreement.

“*Bank*” has the meaning assigned to such term in Section 1.01 of the Issuing and Paying Agent Agreement.

“*Business Day*” has the meaning assigned to such term in Section 1.01 of the Issuing and Paying Agent Agreement.

“*CP Notes*” means the Commercial Paper Notes (as defined in the Issuing and Paying Agent Agreement), in the form contemplated by the Resolutions and the Issuing and Paying Agent Agreement, maturing on any Business Day not later than 270 days from their respective dates of issuance (and in any event not later than the Business Day immediately preceding the Termination Date of the Liquidity Facility supporting such CP Notes), to be issued by the Department from time to time pursuant to the terms of the Resolutions and the Issuing and Paying Agreement, each in the denomination of \$100,000 and in integral multiples of \$1,000 in excess thereof.

“*Credit Agreement*” has the meaning assigned to such term in Section 1.01 of the Issuing and Paying Agent Agreement. [**Notice Requirement**].

“*Issuing and Paying Agent*” means U.S. Bank National Association, New York, New York, or any successor thereto, as party to the Issuing and Paying Agent Agreement.

“*Issuing and Paying Agent Agreement*” means the Amended and Restated Issuing and Paying Agent Agreement, dated as of July 1, 2012, as amended, by and between the Department and the Issuing and Paying Agent, and any amendment or supplement to the Issuing and Paying Agent Agreement, provided such amendment or supplement has been furnished to the Dealer in accordance with Section 9(c) hereof. **[Notice Requirement]**

“*Offering Materials*” means any offering memorandum or offering materials which may be provided to purchasers and prospective purchasers of the CP Notes, and shall include amendments and supplements thereto which may be prepared from time to time in accordance with this Agreement (other than any amendment or supplement that has been completely superseded by a later supplement or amendment).

“*Series A Notes*” has the meaning assigned to such term in Section 1.01 of the Issuing and Paying Agent Agreement.

“*Series B Notes*” has the meaning assigned to such term in Section 1.01 of the Issuing and Paying Agent Agreement.

“*Series C Notes*” has the meaning assigned to such term in Section 1.01 of the Issuing and Paying Agent Agreement.

“*Tax-Exempt CP Notes*” means the Series A Notes, the Series B Notes and the Series C Notes.

“*Termination Date*” has the meaning assigned to such term in Section 1.01 of the Issuing and Paying Agent Agreement.

## **Section 2. Appointment of Dealer: Responsibilities of Dealer.**

(a) The Department’s commercial paper program authorizes the issuance of CP Notes in an aggregate principal amount such that the aggregate principal amount of CP Notes outstanding at any one time shall not exceed the lesser of (i) \$375 million (which amount the Department may decrease, from time to time, pursuant to the provisions of the Issuing and Paying Agent Agreement), and (ii) the combined Principal Components of the then-effective Liquidity Facilities, to be allocated among dealers as the Department shall from time to time and in its sole discretion determine. Subject to the terms and conditions contained in this Agreement, the Department appoints the Dealer and the Dealer accepts such appointment, as a dealer for the Department in connection with the offering and sale of the CP Notes in such amount as may be allocated to the Dealer from time to time, not to exceed the lesser of (A) \$375 million, and (B) the combined Principal Components of the then-effective Liquidity Facilities, and which allocation shall at any time equal the amount specified in writing from time to time by any Authorized Representative delivered to the Dealer and the Issuing and Paying Agent. The Dealer acknowledges that the Department may enter into agreements with other

dealers in connection with the offering and sale of the CP Notes and may allocate and reallocate CP Notes among dealers at any time in its sole discretion.

(b) In its capacity as a dealer, the Dealer will exercise its best efforts to solicit purchases of the CP Notes, on such terms and conditions, including maturity dates and interest rates, as may prevail from time to time in the commercial paper market. While (i) the Department has and shall have no obligation to sell CP Notes to the Dealer or to permit the Dealer to arrange any sale of CP Notes for the account of the Department, and (ii) the Dealer has no obligation and shall not have any obligation to purchase CP Notes from the Department or to arrange any sale of CP Notes for the account of the Department, the Department and the Dealer agree that any CP Notes which the Dealer may purchase or for which the Dealer may arrange the sale, will be purchased or sold on the terms and conditions and in the manner provided in the Resolutions, the Issuing and Paying Agent Agreement and this Agreement. Nothing in this Agreement shall be deemed to constitute the Dealer as an underwriter of the CP Notes.

(c) On or before 12:00 noon, New York time, on each day on which CP Notes, the purchase of which has been solicited by the Dealer, are to be issued, the Dealer will notify the Department and the Issuing and Paying Agent of the amounts and terms and conditions of such CP Notes with respect to which the Dealer has received indications of interest from potential purchasers. The receipt by the Dealer of such indications of interest from potential purchasers of CP Notes shall not constitute legal and binding commitments of such purchasers. The giving by the Dealer of notice of such indications of interest from potential purchasers of CP Notes pursuant to this paragraph shall not constitute, or be construed as constituting, notice of the receipt by the Dealer of legal and binding commitments of such purchasers. Such amounts and terms and conditions shall be subject to the approval of the Department; provided, however, that if the Department does not provide notice to the Dealer of disapproval prior to 12:30 p.m., New York time, on the same day, then the Department shall be deemed to have approved such amounts, terms and conditions.

(d) If the Department shall approve (or be deemed to have approved) the sale of any CP Notes to or through the Dealer (including, but not limited to, approval with respect to the price, principal amount, maturity and interest or discount rate), the Dealer will provide the Department and the Issuing and Paying Agent with all other information, which is in the possession of the Dealer or which the Dealer can reasonably obtain, as required for delivery of such CP Notes. All transactions in CP Notes shall be in accordance with the Resolutions, the Issuing and Paying Agent Agreement, this Agreement, and with the procedures of The Depository Trust Company (“DTC”) regarding settlement and delivery. Notices pursuant to, or contemplated by this Section 2 are to be given by telephonic or other electronic communications between or among authorized representatives of the parties to this Agreement and are to be confirmed in writing and mailed, facsimiled or delivered to such parties on the later of the Business Day following the settlement, if any, of the respective transactions to which such notices relate or the Business Day following the telephonic or other electronic communications. The Dealer hereby agrees that it will comply with all statutes and regulations applicable to it, including, without limitation, all applicable securities laws and requirements of the

Municipal Securities Rulemaking Board or any regulatory body having jurisdiction over the Dealer, non-compliance with which would adversely affect the CP Notes or the Department's CP Note program.

(e) The Department acknowledges and agrees that (i) the execution and delivery of this Agreement is an arm's length, commercial transaction between the Department and the Dealer, (ii) in connection with the execution and delivery of this Agreement and the responsibilities and duties of the Dealer set forth herein, the Dealer is and will be acting solely as a principal and is not and will not be acting as a municipal advisor (as defined in Section 15B(e)(4) of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*")), or agent, advisor or fiduciary of the Department, (iii) the Dealer has not assumed an advisory or fiduciary responsibility in favor of the Department with respect to the offering, from time to time, of the CP Notes contemplated hereby and by the Resolutions and the Issuing and Paying Agent Agreement or the discussions, undertakings and procedures leading thereto (irrespective of whether the Dealer, or any affiliates of the Dealer, have provided other services or are currently providing other services to the Department on other matters) and the Dealer has no obligation to the Department with respect to the offering, from time to time, of the CP Notes contemplated hereby except the obligations expressly set forth in this Agreement, (iii) the Department has consulted with its own legal, financial and other advisors to the extent it deemed appropriate in connection with the offering, from time to time, of the CP Notes, and (iv) the Dealer has financial and other interests that differ from those of the Department.

### **Section 3. Payment and Delivery.**

(a) Payment for CP Notes sold to the Dealer pursuant to this Agreement is to be made by the Dealer by bank wire or by a certified or bank cashier's check or checks in immediately available funds payable to the Issuing and Paying Agent for the account of the Department in such manner and at such time as provided in the Issuing and Paying Agent Agreement, at the office of the Issuing and Paying Agent in New York, New York. In the case of CP Notes sold through the Dealer pursuant to this Agreement, payment is to be made as agreed between the Dealer and the Department. The CP Notes are to be delivered through DTC in accordance with the book-entry-only procedures established by DTC and in such denominations as may be requested by the Dealer, by 3:00 p.m., New York time, on the date agreed upon for delivery. Except as otherwise agreed, in the event that the Dealer is acting as an agent, and a purchaser shall either fail to accept delivery of or make payment for a CP Note on the date fixed for settlement, the Dealer shall promptly notify the Department, and if the Dealer has theretofore paid the Department for the CP Note, the Department will promptly return such funds to the Dealer against its return of the CP Note to the Department, in the case of a certificated CP Note, and upon notice of such failure in the case of a book-entry CP Note. If such failure occurred for any reason other than default by the Dealer, the Department shall reimburse the Dealer on an equitable basis for the Dealer's loss of the use of such funds for the period such funds were credited to the Department's account.

(b) If the Department directs the Issuing and Paying Agent to cease issuing CP Notes, the Issuing and Paying Agent shall be instructed by the Department to issue such CP Notes as the Dealer shall certify were sold within sixty (60) minutes after the Dealer's receipt of written notice of such cessation. The Dealer agrees upon receipt of any such cessation notice to use its best efforts immediately to cease effecting transactions in CP Notes. With respect to Non-Issuance Instructions from the Agent or any Bank, see Section 3.01 of the Issuing and Paying Agent Agreement.

**Section 4. Representation and Warranties of the Department.** The Department represents and warrants to the Dealer that:

(a) it is duly organized and validly existing under the laws of the State of California and has full power and authority to execute and deliver this Agreement, the Credit Agreement, and the Issuing and Paying Agent Agreement and to adopt the Resolutions (collectively, the "*CP Documents*") [**Ongoing Obligation**];

(b) it is empowered to issue the CP Notes and to perform its obligations under the CP Notes and the CP Documents [**Ongoing Obligation**];

(c) the CP Notes will be duly authorized, executed, and issued, and the CP Notes and CP Documents will constitute valid and legally binding obligations of the Department enforceable against the Department in accordance with their respective terms [**Ongoing Obligation**];

(d) the issuance and sale of the CP Notes under the circumstances contemplated by this Agreement and by the Resolutions and the Issuing and Paying Agent Agreement do not require registration of the CP Notes under the Securities Act of 1933, as amended, or compliance with any provision of the Trust Indenture Act of 1939, as amended, and no orders of or filing with any regulatory body are required to authorize such issuance and sale; the CP Notes are not subject to the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Exchange Act; the Department is not an "investment company" or any entity "controlled" by any "investment company" within the meaning of the Investment Company Act of 1940, as amended [**Ongoing Obligation**];

(e) the Department will apply the proceeds from the sale of the CP Notes for the purposes specified in the Resolutions and the Issuing and Paying Agent Agreement [**Ongoing Obligation**];

(f) the Offering Materials prepared by the Department, when delivered, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading [(it being understood and agreed that as of the date of this Agreement, the Department has not yet delivered any Offering Materials to the Dealer)];

(g) there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Department, threatened against or affecting the Department which is likely to

(i) result in a material adverse change in the condition (financial or otherwise) of the Department; or (ii) adversely affect the validity of the CP Notes and the CP Documents, or any other agreement or instrument to which the Department is a party and which has been or will be executed in connection with the issuance of the CP Notes;

(h) there are no consents, authorizations or approvals of, or filings with, any federal or state government authority (other than the Department) required in connection with the issuance or sale by the Department of the CP Notes or the adoption or execution and delivery of the CP Documents or the performance of its obligations hereunder or thereunder except as may be required by state securities laws and those which have already been obtained or made;

(i) adoption of the Resolutions and the execution, delivery and performance by the Department of the CP Notes and the other CP Documents and any other documents issued in conjunction with the CP Notes have not and will not result in a breach or violation of, conflict with, or constitute a default under any law, regulation, order, judgment, agreement or instrument to which the Department is a party or by which the Department or any of its property is bound;

(j) nothing has come to the attention of any officer of the Department that would lead said officer to believe that payments of interest or discount (i) on the Tax-Exempt CP Notes are not exempt from gross income of the owners thereof for purposes of federal income taxation; and (ii) on the CP Notes are not exempt from personal income taxes imposed by the State of California or any political subdivision thereof, and the issuance and sale of the CP Notes to or as arranged by the Dealer are not subject to any transfer or other documentary or stamp taxes of the State of California or any political subdivision thereof; and

(k) each (i) issuance of CP Notes by the Department under the CP Documents, and (ii) amendment or supplement of the Offering Materials shall be deemed a representation and warranty by the Department to the Dealer, as of the date thereof, that, both before and after giving effect to such issuance, and after giving effect to such amendment or supplement, (A) the representations and warranties given by the Department set forth above in this Section 4 remain true and correct on and as of such date as if made on and as of such date; (B) in the case of an issuance of CP Notes, the CP Notes being issued on such date have been duly and validly issued and constitute legal, valid and binding obligations of the Department, enforceable against the Department in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law); (C) in the case of an issuance of CP Notes, since the date of the most recent Offering Materials, there has been no material adverse change in the condition (financial or otherwise), of the Department which has not been disclosed to the Dealer in writing; and (D) the Department is not in default of any of its obligations under the CP Notes or under any CP Document.

Notwithstanding the representations and warranties set forth above, as of the date of this Agreement, the Department does not currently have the authority to issue Series B Notes. Prior to issuing any Series B Notes, the Department shall provide the Dealer an opinion of Note Counsel in substantially the form of the opinion of Note Counsel with respect to the Series A Bonds and the Series C Bonds delivered on the date of this Agreement. **[Ongoing Obligation]**

**Section 5. Covenants of the Department.** The Department hereby covenants to the Dealer that:

(a) it will promptly deliver to the Dealer copies of all (i) preliminary and final official statements published by it with respect to the sale of its bonds or other evidence of indebtedness **[Notice Requirement]**; (ii) mailings to Department bondholders **[Notice Requirement]**; (iii) reports filed with rating agencies regarding commercial bank credit facilities and the amount of commercial paper outstanding **[Notice Requirement]**; (iv) filings made by it under any continuing disclosure undertaking pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Exchange Act **[Notice Requirement]**; and (v) information generally supplied by the Department in writing to security analysts **[Notice Requirement]**;

(b) it will respond fully and promptly to all requests for information concerning the Department made from time to time by the Dealer and determined by the Department, in its sole discretion, to be reasonable **[Ongoing Obligation]**;

(c) prior to the first issuance of CP Notes, it will provide to the Dealer as soon as practicable Offering Materials containing business and financial information concerning the Department, financial information concerning the Bank, and a description of the CP Notes which (with any amendments and supplements provided by the Department) may be used by the Dealer in connection with the sale of the CP Notes until the Department provides the Dealer with updated or revised Offering Materials; it being understood that the Dealer shall not be responsible for the preparation of the Offering Materials or the determination as to the content of such Offering Materials, such content to be determined by the Department in consultation with its counsel; and the Department shall be responsible for retaining such counsel or advisors as it believes necessary to assure itself that the Offering Materials contain all material information necessary to comply with the disclosure requirements of federal and state securities laws;

(d) if, at any time when the Dealer is offering CP Notes or any CP Notes are outstanding, any event occurs or any circumstances exist as a result of which the Offering Materials would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements in such offering memorandum, in the light of the circumstances under which they were made, not misleading, the Department promptly will prepare and furnish to the Dealer a revision or supplement to such Offering Materials which will correct such untrue statement or include such omitted material fact **[Ongoing Obligation]**;

(e) the Department shall, whenever there shall occur any change in the Department's condition (financial or otherwise), that would be material to holders of the

CP Notes or potential holders of the CP Notes (including any downgrading or receipt of any notice of intended or potential downgrading or any review for potential change in the rating accorded any of the Department's debt securities by any nationally recognized statistical rating organization which has published a rating of the CP Notes), promptly, and in any event prior to any subsequent issuance of CP Notes hereunder, notify the Dealer (by telephone, confirmed in writing) of such change, development or occurrence **[Notice Requirement]**;

(f) the Department shall immediately notify the Dealer by telephone (which shall promptly be confirmed in writing) of (i) any adverse change in the federal income tax treatment of interest on the Tax-Exempt CP Notes under the Internal Revenue Code of 1986, as amended (the "Code"); (ii) the need for an opinion of Note Counsel as to the tax status of any of the Tax-Exempt CP Notes; or (iii) any Event of Default (as defined in the respective CP Documents) under any such CP Document, or any event which, with notice or lapse of time or both, would constitute such an Event of Default **[Notice Requirement]**;

(g) the Department will cooperate with the Dealer to ensure that each offer and each sale of the CP Notes will comply with any applicable state Blue Sky laws; provided, however, that the Department shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject; and

(h) the Department will take all action within its control necessary to maintain the exclusion of interest (i) on the Tax-Exempt CP Notes from the gross income of the holders thereof for federal income tax purposes, and (ii) on the CP Notes from the gross income of the holders thereof for California personal income tax purposes; the Department shall promptly furnish to the Dealer a copy of each written or electronic communication and a summary of each oral communication received by it from the Internal Revenue Service and related to the exclusion of interest on the Tax-Exempt CP Notes from the gross income of the owners thereof for federal income tax purposes.

**Section 6. Conditions Precedent to the Issuance of CP Notes.** At or prior to the first date on which CP Notes are to be sold pursuant to this Agreement and as a condition precedent to any obligations of the Dealer under this Agreement, the Department will furnish to the Dealer the following documents, in form and substance satisfactory to the Dealer:

(a) an executed copy of the Credit Agreement and the Issuing and Paying Agent Agreement;

(b) certified copies of the Resolutions authorizing the execution and delivery of this Agreement;

(c) opinions dated as of such date of (i) Note Counsel to the Department; and (ii) counsel to the Bank (each such opinion to be in form and substance as previously agreed to by each such counsel and the Dealer);



(d) a certificate of the Bank, executed by a duly authorized representative of the Bank, dated as of such date, as to the correctness of information concerning the Bank which is contained in the Offering Materials;

(e) a certificate of the Department executed by any duly authorized official of the Department, dated as of or prior to such date, as to the correctness of information concerning the Department which is contained in the Offering Materials;

(f) copies of all documents required by, and delivered pursuant to [Section 5.01] of the Credit Agreement;

(g) evidence that the CP Notes will be rated as “prime quality” commercial paper by at least one nationally recognized rating agency;

(h) all other pertinent legal documents supporting this transaction;

(i) a certificate signed by an Authorized Representative of the Department stating that the representations and warranties set forth in this Agreement and the other CP Documents are true and accurate as of the date of initial issuance of the CP Notes;

(j) a certificate setting forth the names and specimen signatures of the officers or employees of the Department authorized to give instructions or approve transactions hereunder, and the Dealer shall act hereunder only upon instructions of such officers or employees. The Dealer shall be entitled to rely for all purposes hereunder on instructions given by an authorized officer of the Department named in the most recent certificate delivered to the Dealer by the Department; and

(k) copies of such other documents, certificates and opinions as the Dealer shall have reasonably requested.

## **Section 7. Terms and Termination of Dealer Agreement.**

(a) Unless otherwise terminated, this Agreement will have an initial term of [three] years; provided, however, that the Executive Director of the Department can extend the term of this Agreement on the same terms and conditions by letter agreement for one successive period thereafter, such successive period may up to two years in length. **[Ongoing Obligation]**.

(b) This Agreement may be terminated at any time by the Department upon thirty (30) days’ notice to the Dealer; no such termination shall affect the rights and obligations of the Dealer that have accrued under this Agreement prior to termination. **[Notice Requirement]**.

(c) This Agreement may be terminated at any time by the Dealer upon sixty (60) days’ notice; no such termination shall affect the rights and obligations of the Dealer that have accrued under this Agreement prior to termination. **[Notice Requirement]** Upon the request of the Dealer, if the Dealer has delivered a notice of termination, the Department shall use its reasonable efforts to provide for a commercial paper dealer

(other than the other commercial paper dealers then serving as dealers for the CP Notes) which is reasonably satisfactory to the Department and the Bank to assume the obligations of the Dealer under this Agreement.

(d) The Dealer may at any time suspend its obligation to market or remarket the CP Notes if it determines, in its reasonable judgment, that the marketability of the CP Notes has been materially adversely affected by (i) a pending or proposed change in applicable tax or securities laws; (ii) a material adverse change in the financial condition of the Department; (iii) a banking moratorium; (iv) the declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government of or the financial community in the United States; (v) a down-rating below “P-1” by Moody’s Investors Service, Inc. or “A-1” by Standard & Poor’s Ratings Service or withdrawal of any rating in effect on the CP Notes; (vi) an imposition of material restrictions on the CP Notes or similar obligations; (vii) a suspension of trading on the New York Stock Exchange or any other major national stock exchange; or (viii) any event which in the reasonable judgment of the Dealer either makes untrue or incorrect in any material respect any statement or information contained in the Offering Materials or is not reflected in the Offering Materials but should be reflected therein in order to make the statements and information contained therein, under the circumstances in which they were made, not misleading in any material respect.

#### **Section 8. Payments of Fees and Expenses.**

(a) For services performed pursuant to this Agreement, the Dealer will receive from the Department a fee computed at the rate of 0.045% per annum on the average daily principal amount of CP Notes purchased by the Dealer or for which the Dealer arranged the sale that was outstanding in the three-month period ending on the day before the date payment is due **[Ongoing Obligation]**. It is understood and agreed that (i) payment of such fee will be made by the Department quarterly in arrears in January, April, July and October within fifteen (15) days of receipt of an invoice from the Dealer **[Ongoing Obligation]**; and (ii) the obligation of the Department to pay such fee will survive the termination or cancellation of this Agreement to the extent that such obligation relates to CP Notes outstanding prior to such termination or cancellation. **[Ongoing Obligation]**

(b) The Department shall reimburse the Dealer for all of the Dealer’s out-of-pocket expenses related to this Agreement, including expenses incurred in connection with its preparation and negotiation, and the transactions contemplated hereby (including, but not limited to, the printing and distribution of the Offering Materials and any advertising expense), and, if applicable, for the reasonable fees and out-of-pocket expenses of the Dealers’ counsel, in an amount not to exceed, in the aggregate for all Dealers, \$15,000.

**Section 9. Amendments; Successors.**

(a) The terms of this Agreement shall not be altered, modified, amended, supplemented or terminated in any manner whatsoever, except by written instrument signed by all of the parties to this Agreement [**Ongoing Obligation**]. This Agreement is not assignable by any party without the written consent of the other parties [**Ongoing Obligation**].

(b) This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns [**Ongoing Obligation**].

(c) The Department will not permit to become effective any amendment to or modification of the CP Documents which could reasonably be expected to adversely affect the interest of the holder of any CP Notes then outstanding. The Department will give the Dealer notice of any proposed cancellation, amendment, supplement, waiver or consent to or under any CP Document at least seven (7) days prior to the effective date thereof, unless a longer notice period is required in such CP Document, in which case the Department shall comply with such longer notice requirement [**Notice Requirement**].

**Section 10. Miscellaneous.**

(a) Except as otherwise specifically provided in this Agreement, all notices, demands and formal actions under this Agreement are to be in writing and mailed, telegraphed or delivered to [**Ongoing Obligation**]:

Dealer: [DEALER]  
[ADDRESS]

The Department: Port of Los Angeles  
425 South Palos Verdes Street  
San Pedro, CA 90731  
Attn: [Chief Financial Officer]

with a copy to: Port of Los Angeles  
425 South Palos Verdes Street  
San Pedro, CA 90731  
Attn: [Director, Debt and Treasury Division]

The Dealer and the Department may, by notice given under this Agreement, designate other addresses to which subsequent notices, requests, reports or other communications are to be directed [**Notice Requirement**].

(b) This Agreement will inure to the benefit of and be binding upon the Department and Dealer and their respective successors and assigns, and will not confer any rights upon any other person, partnership, association or corporation. The terms “successors” and “assigns” do not include any purchaser of any of the CP Notes merely because of such purchase.

(c) All of the representations, warranties and covenants of the Department and the Dealer in this Agreement will remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Dealer; or (ii) delivery of and any payment for any CP Notes delivered as provided in this Agreement.

(d) If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because of conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not render the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision of this Agreement invalid, inoperative or unenforceable to any extent whatever.

(e) 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.

(f) This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) The duties and obligations of the Department under this Agreement shall be governed by and construed in accordance with the laws of the State of California. The duties and obligations of the Dealer under this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(h) The heading subtitles of the several sections, paragraphs or other subdivisions of this Agreement are solely for convenience of reference and do not affect the meaning, construction or effect of this Agreement. References to “[**Ongoing Obligation**]” or “[**Notice Requirement**]” are included for administrative convenience only and do not affect the meaning, construction or effect of this Agreement.

(i) The Standard Provisions for City Personal Services Contracts applicable to this transaction as specifically enumerated in Appendix A hereto are incorporated herein by reference as though fully set forth herein.

(j) All appendices and 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 appendix or 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.

(k) No member of the Board, or any officer, agent, representative or employee of the Department or Authorized Representative of the Department shall be charged

personally by the Dealer or held contractually liable to it under any term or provision of this Agreement, or because of the execution or attempted execution of this Agreement, or because of any breach of this Agreement, or because of any act or omission in connection with the construction, acquisition, effectuation, operation or maintenance of any facility of the Department, or because of any act or omission in connection with the investment or management of the revenues, funds or moneys of the Department, or otherwise in connection with the management of its affairs, excepting solely for things willfully done by such person with an intent to defraud or willfully omitted to be done by such person with an intent to defraud.

(1) 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.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Dealer Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CITY OF LOS ANGELES, acting by and through  
its BOARD OF HARBOR COMMISSIONERS OF  
THE HARBOR DEPARTMENT

By \_\_\_\_\_  
[\_\_\_\_\_]

Attest:

By \_\_\_\_\_  
Secretary, Harbor Department of the  
City of Los Angeles, California

APPROVED AS TO FORM AND LEGALITY

\_\_\_\_\_, 2015  
MICHAEL N. FEUER, City Attorney  
Janna B. Sidley, General Counsel

By \_\_\_\_\_  
Heather M. McCloskey, Deputy

[DEALER], as Dealer

By \_\_\_\_\_  
[\_\_\_\_\_]

**APPENDIX A**

The Dealer agrees to comply with the City of Los Angeles requirements listed below.

**A. Inspections and Audits**

The Department of the City of Los Angeles or any of its duly authorized representatives, upon reasonable written notice, shall receive access, for the purposes of audit and investigation, to any and all books, documents, papers and records of the Dealer which pertain to the Dealer Agreement. Said books, documents, papers and records must be retained by the Dealer for three years following final payment under the Dealer Agreement. The Department agrees and acknowledges that the Dealer shall only be required to retain a copy of the final closing transcript for a period of no less than three years following final payment made by the Department hereunder.

**B. Business Tax Registration Certificate**

The Dealer represents that it has obtained and presently holds the Business Tax Registration Certificate required by the City’s Business Tax Ordinance (Sections 21.09 et seq. of the Los Angeles Municipal Code). The Dealer will provide the Chief Financial Officer evidence that said Certificate has been obtained. The Dealer shall maintain, or obtain as necessary, all such Certificates required of them under said Ordinance and shall not allow any such Certificate to be revoked or suspended. The Dealer shall continue to remain in compliance with the City Business Tax Ordinance as it may be amended from time to time.

**C. Taxpayer Identification Number (“TIN”)**

The Dealer declares that its authorized TIN is \_\_\_\_\_. No payments will be made under the Dealer Agreement without a valid TIN.

**D. Prohibition Against Assignment or Delegation**

The Dealer may not, unless it has first obtained written permission of the Department:

1. assign or otherwise alienate any of its rights under the Dealer Agreement, including the right to payment; or
2. delegate, subcontract or otherwise transfer any of its obligations or duties under the Dealer Agreement.

**E. Independent Contractor**

The Dealer shall act under the Dealer Agreement as an independent contractor and not as agents or employees of the City. The Dealer shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, subcontractors or agent to be agents or employees of the City.

## **F. Affirmative Action**

The Dealer, 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 A of this Appendix A.

## **G. 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 B of this Appendix A.

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>.

## **H. Living Wage Policy**

The Dealer is aware of and agrees to comply with Los Angeles Charter Section 378 which requires that a living wage be provided to employees employed in the City of those doing business with the City and to comply with Los Angeles Administrative Code ("LAAC") Section 10.37 et seq. The Dealer is also aware of the City's worker retention policy set forth in LAAC Section 10.36 et seq. which requires payment of a minimum initial wage rate to employees employed in the City. The Dealer 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.



## **I. Insurance**

### **1. 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.

### **2. Professional Liability Insurance**

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

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

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

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

### **3. 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.

### **4. 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.

5. 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.

6. 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.

7. Right to Self-Insure

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

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

**J. 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 the Dealer relative thereto shall be considered confidential and shall not be reproduced, altered, used or disseminated by the Dealer 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, the Dealer is required to safeguard such information from access by unauthorized personnel.

**K. 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 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.

**L. Compliance With Applicable Laws**

The Dealer 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.

**M. Venue**

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.

**N. Trademarks, Copyrights, and Patents**

The Dealer 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 the Dealer in the performance of this Agreement

**O. Proprietary Information**

The Dealer may not disclose to any party without City's permission any information developed pursuant to this Agreement. The Department will, however, have the right to disclose the information as it determines appropriate considering the nature of the information, its use and the laws applicable to the Department.

**P. 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. The Dealer shall comply with the policy wherever applicable. Violation of this policy shall entitle the City to terminate any Agreement with the Dealer and pursue any and all other legal remedies that may be available.

**Q. Notices**

In all cases where written notice is to be given under this Agreement, service shall be deemed sufficient if said notice is deposited in the United States mail, postage prepaid. When so given, such notice shall be effective from the date of mailing of the same. For the purposes hereof, unless otherwise provided by notice in writing from the respective parties, notice to the Department shall be addressed to Director of Debt Management, Los Angeles Harbor Department, P.O. Box 151, San Pedro, California 90733-0151, and notice to the Dealer 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.

**R. 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. The Dealer agrees that any interpretation of this Agreement and the terms contained herein must be consistent with such limitations, conditions, restrictions and reservations.

**S. 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.**

**T. 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.

**U. 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 Dealer thirty (30) days' advanced 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 dealers or perform the services described in this Agreement either during or after the term of this Agreement.

**V. Compliance with Los Angeles City Charter Section 470(c)(12)**

The Dealer, 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.

**W. Wage and Earnings Assignment Orders/Notices of Assignments**

The Dealer (and any subcontractor of the Dealer providing services to the Department under this Agreement) are obligated to fully comply with all applicable state and federal employment reporting requirements for the Dealer and/or subcontractor's employees.

The Dealer and/or subcontractor 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 Dealer and/or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with Cal. Family Code Sections 5230 et seq. The Dealer and/or subcontractor will maintain such compliance throughout the term of this Agreement.

**EXHIBITS**

- A AFFIRMATIVE ACTION PROGRAM PROVISIONS  
LOS ANGELES ADMINISTRATIVE CODE, SECTION 10.8.4
- B SMALL/VERY SMALL BUSINESS ENTERPRISE PROGRAM AND LOCAL  
BUSINESS PREFERENCE PROGRAM
  - AFFIDAVIT OF COMPANY STATUS
  - CONTRACT DESCRIPTION FORM
- C BUSINESS TAX REGISTRATION CERTIFICATES (BTRC) NUMBER
- D CEC FORM 56
- E EQUAL BENEFITS ORDINANCE, SECTION 10.8.2.1

**EXHIBIT A**

**AFFIRMATIVE ACTION PROGRAM PROVISIONS: SEC. 10.8.4**

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 Contractor 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 \$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 12 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 12 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 B****SMALL BUSINESS DEVELOPMENT PROGRAM****(1) SMALL/VERY SMALL BUSINESS ENTERPRISE PROGRAM**

The Department is committed to creating an environment that provides all individuals and businesses open access to the business opportunities available at the Department in a manner that reflects the diversity of the City of Los Angeles. The 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 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 Department to target small business participation, including MBEs, WBEs, and DVBES, more effectively. It is the intent of the 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 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](http://www.sba.gov) for more information. The 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 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 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 Department to support an increase in local and regional jobs. The 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 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 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 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 Department will verify the status of all SBEs. In addition, prior to being awarded a contract with the Department, all contractors and subcontractors must be registered on LABAVN.

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

**AFFIDAVIT OF COMPANY STATUS**

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

\_\_\_\_\_  
Name of Firm

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

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

SBE    VSBE    MBE    WBE    DVBE    OBE

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

- A Disabled Veteran Business Enterprise (DVBE) is defined as a business in which a disabled veteran owns at least 51% of the business, and the daily business operations are managed and controlled by one or more disabled veterans.
- An OBE (Other Business Enterprise) is any enterprise that is neither an SBE, VSBE, MBE, WBE, or DVBE.

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

LBE    Non-LBE

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

Signature \_\_\_\_\_

Title \_\_\_\_\_

Printed Name \_\_\_\_\_

Date Signed \_\_\_\_\_

**NOTARY**

On this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_, before me appeared  
 \_\_\_\_\_ to me personally known, who being duly sworn, did  
Name  
 execute the foregoing affidavit, and did state that he/she was properly authorized by  
 \_\_\_\_\_ to execute the affidavit and did so as his or  
Name of Firm  
 her free act and deed.

**SEAL**

**Notary Public** \_\_\_\_\_

**Commission Expires** \_\_\_\_\_

**Contractor Description Form**

**PRIME CONTRACTOR**

Contract #: \_\_\_\_\_ Award Date: \_\_\_\_\_ Contract Term: \_\_\_\_\_  
Contract Title: \_\_\_\_\_  
Business Name: \_\_\_\_\_ Award Total: \$ \_\_\_\_\_  
Owner's Ethnicity: \_\_\_\_\_ Gender \_\_\_\_\_ Group: SBE VSBE MBE WBE DVBE OBE  
(Circle all that apply)  
Local Business Enterprise: YES \_\_\_\_\_ No \_\_\_\_\_ (Check only one)  
Primary NAICS Code: \_\_\_\_\_ Average Three Year Gross Revenue: \$ \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_  
Contact Person/Title: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**SUBCONTRACTOR**

Contract #: \_\_\_\_\_ Award Date: \_\_\_\_\_ Contract Term: \_\_\_\_\_  
Contract Title: \_\_\_\_\_  
Business Name: \_\_\_\_\_ Award Total: \$ \_\_\_\_\_  
Owner's Ethnicity: \_\_\_\_\_ Gender \_\_\_\_\_ Group: SBE VSBE MBE WBE DVBE OBE  
(Circle all that apply)  
Local Business Enterprise: YES \_\_\_\_\_ No \_\_\_\_\_ (Check only one)  
Primary NAICS Code: \_\_\_\_\_ Average Three Year Gross Revenue: \$ \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_  
Contact Person/Title: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**SUBCONTRACTOR**

Contract #: \_\_\_\_\_ Award Date: \_\_\_\_\_ Contract Term: \_\_\_\_\_  
Contract Title: \_\_\_\_\_  
Business Name: \_\_\_\_\_ Award Total: \$ \_\_\_\_\_  
Owner's Ethnicity: \_\_\_\_\_ Gender \_\_\_\_\_ Group: SBE VSBE MBE WBE DVBE OBE  
(Circle all that apply)  
Local Business Enterprise: YES \_\_\_\_\_ No \_\_\_\_\_ (Check only one)  
Primary NAICS Code: \_\_\_\_\_ Average Three Year Gross Revenue: \$ \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_  
Contact Person/Title: \_\_\_\_\_  
Email Address: \_\_\_\_\_



**SUBCONTRACTOR**

Contract #: \_\_\_\_\_ Award Date: \_\_\_\_\_ Contract Term: \_\_\_\_\_  
Contract Title: \_\_\_\_\_  
Business Name: \_\_\_\_\_ Award Total: \$ \_\_\_\_\_  
Owner's Ethnicity: \_\_\_\_\_ Gender \_\_\_\_\_ Group: SBE VSBE MBE WBE DVBE OBE  
(Circle all that apply)  
Local Business Enterprise: YES \_\_\_\_\_ No \_\_\_\_\_ (Check only one)  
Primary NAICS Code: \_\_\_\_\_ Average Three Year Gross Revenue: \$ \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_  
Contact Person/Title: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**SUBCONTRACTOR**

Contract #: \_\_\_\_\_ Award Date: \_\_\_\_\_ Contract Term: \_\_\_\_\_  
Contract Title: \_\_\_\_\_  
Business Name: \_\_\_\_\_ Award Total: \$ \_\_\_\_\_  
Owner's Ethnicity: \_\_\_\_\_ Gender \_\_\_\_\_ Group: SBE VSBE MBE WBE DVBE OBE  
(Circle all that apply)  
Local Business Enterprise: YES \_\_\_\_\_ No \_\_\_\_\_ (Check only one)  
Primary NAICS Code: \_\_\_\_\_ Average Three Year Gross Revenue: \$ \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_  
Contact Person/Title: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**SUBCONTRACTOR**

Contract #: \_\_\_\_\_ Award Date: \_\_\_\_\_ Contract Term: \_\_\_\_\_  
Contract Title: \_\_\_\_\_  
Business Name: \_\_\_\_\_ Award Total: \$ \_\_\_\_\_  
Owner's Ethnicity: \_\_\_\_\_ Gender \_\_\_\_\_ Group: SBE VSBE MBE WBE DVBE OBE  
(Circle all that apply)  
Local Business Enterprise: YES \_\_\_\_\_ No \_\_\_\_\_ (Check only one)  
Primary NAICS Code: \_\_\_\_\_ Average Three Year Gross Revenue: \$ \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_  
Contact Person/Title: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**EXHIBIT C**

**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](http://www.lacity.org/finance) to download the business tax registration application.

**Main Office**

LA City Hall

201 North Main Street, Room 101

(213) 473-5901

**EXHIBIT D**  
**CEC FORM 56**

[See Attached]

**EXHIBIT F****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.

**1. Equal Benefits Requirements.**

(a) 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.

(b) 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.

(c) 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.

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

**2. 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:

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

(i) the Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or

(ii) under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable);

(b) allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent Benefits; and

(c) provide Benefits neither to employees' spouses nor to employees' Domestic Partners.

### 3. **Applicability.**

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

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

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

(ii) 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; and

(iii) 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.

(c) 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.

4. **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:

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

(b) 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.

(c) 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 moneys 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.

(d) 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.

(e) 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.