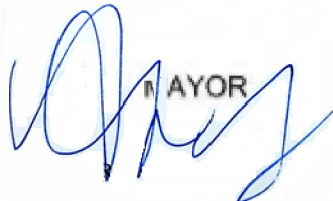


TRANSMITTAL		0150-10006-0001
TO The Council	DATE 8/23/17	COUNCIL FILE NO. 13-1158
FROM The Mayor	COUNCIL DISTRICT All	
Amendment No. 1 to Personal Services Contract, C-123701, with Miron Electric Construction Corporation for the provision of specialized high voltage electrical distribution services at the City's water reclamation plants and sewage pumping plants. Transmitted for your consideration. The Council has 60 days from the date of the receipt to act, otherwise the contract will be deemed approved pursuant to Administrative Code Section 10.5(a). See the City Administrative Officer report attached.  MAYOR (Ana Guerrero)		
RHL:SMC:061800111		

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

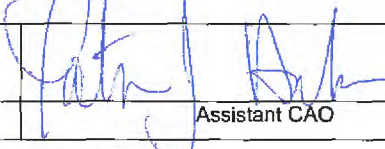
To: The Mayor	Date: 08-18-17	C.D. No. All	CAO File No.: 0150-10006-0001
Contracting Department/Bureau: Bureau of Sanitation		Contact: Efrain Gonzalez, (310) 648-5912	
Reference: Board of Public Works' transmittal dated May 12, 2017; referred for report on May 12, 2017			
Purpose of Contract: To provide specialized high voltage services to modify, modernize, and perform preventive and predictive maintenance of the high voltage electrical distribution infrastructure in the City's wastewater treatment plants, water reclamation plants, and sewage pumping plants			
Type of Contract: () New contract (X) Amendment		Contract Term Dates: Original contract term: March 10, 2014 – March 9, 2017 First Amendment: March 10, 2017 – March 9, 2018	
Contract/Amendment Amount: \$6,000,000			
Proposed amount: \$ 0 + Prior award(s) \$ 6,000,000 = Total \$ 6,000,000			
Source of funds: Sewer Construction and Maintenance Fund No. 760			
Name of Contractor: Miron Electric Construction Corporation			
Address: 9238 Deering Avenue, Chatsworth, CA 91311			
	Yes	No	N/A*
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: 60%			
8. Contractor has complied with:			
a. Equal Employmt. Oppty./Affirm. Action	X		
b. Good Faith Effort Outreach**	X		
c. Equal Benefits Ordinance	X		
d. Contractor Responsibility Ordinance	X		
e. Slavery Disclosure Ordinance	X		
f. Bidder Certification CEC Form 50	X		
*N/A = not applicable ** Contracts over \$100,000			

RECOMMENDATION

That the Mayor authorize the Board of Public Works, on behalf of the Bureau of Sanitation, to execute Amendment No. 1 to Contract C-123701 with Miron Electric Construction Corporation to provide specialized high voltage services in the City's water reclamation plants and sewage pumping plants for an additional year, from March 10, 2017 through March 9, 2018.

SUMMARY

In accordance with Executive Directive No. 3, the Board of Public Works (Board), on behalf of the Bureau of Sanitation (LASAN), is requesting authority to execute the First Amendment to Contract C-123701, with Miron Electric Construction Corporation (Miron) for the repair, modification, alteration, modernization, reconfiguration, and testing of high voltage electrical equipment including, but not be limited to switchgears, transformers, circuit breakers, generators, motors, switches, and variable

 SMC	Analyst	06180011	 Assistant CAO	 City Administrative Officer
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frequency drives. On October 29, 2013, the City Council authorized the Board to execute a contract with Miron for specialized high voltage services for a term of three years with three one-year renewal options and a total cost ceiling amount of \$6 million. The contract, which was executed on March 10, 2014, had expired on March 9, 2017. On April 21, 2017, the Board approved LASAN to exercise the first renewal option, retroactively effective from March 10, 2017 through March 9, 2018. To date, LASAN expended approximately \$1.3 million to the contractor for specialized high voltage services including predictive and preventative maintenance.

The proposed contract amendment exercises the first renewal option to extend the contract for one additional year, retroactively effective from March 10, 2017 through March 9, 2018. In addition, the proposed contract amendment includes updated contact information, the Iran Contracting Act of 2010 provision and modifications to the compensation method as follows:

1. An administrative fee of ten percent will be applied to the cost reimbursement – hourly billing rate instead of it being applied to the subcontract expenses. In addition, a profit of five percent and a bond of one percent will be applied to the cost reimbursement – hourly billing rate; and,
2. LASAN has an option to compensate the contractor on a lump-sum basis or a combination of a lump-sum and cost reimbursement – hourly billing rate basis. The lump-sum basis is a total of the contractor's cost, including hourly rates, overhead, direct costs, subcontract expense, mark up and profit. Compensation on a lump-sum basis will be based on percent completion of specific project milestones.

All other terms and conditions remain the same as the original contract. Since the Board is exercising the first one-year renewal option, the First Amendment does not require Council approval.

FISCAL IMPACT STATEMENT

There is no General Fund impact. Sufficient funds within the Sewer Construction and Maintenance Fund are available to support the cost of the proposed contract. Funding for future years is provided through the City's annual budget process, subject to Mayor and Council approval. The recommendation in this report complies with the City's Financial Policies as ongoing special fund revenues will support ongoing expenditures.

BOARD OF PUBLIC WORKS
MEMBERS

KEVIN JAMES
PRESIDENT

HEATHER MARIE REPENNING
VICE PRESIDENT

MICHAEL R. DAVIS
PRESIDENT PRO-TEMPORE

JOEL F. JACINTO
COMMISSIONER

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE
BOARD OF PUBLIC WORKS

Dr. FERNANDO CAMPOS
EXECUTIVE OFFICER

200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012

GENERAL INFORMATION
TEL: (213) 978-0261 FAX: (213) 978-0278
TDD: (213) 978-2310
<http://bpw.lacity.org>

May 12, 2017

BPW-2017-0450
#1 BOS/BCA

Mayor Eric Garcetti
Room No. 305
City Hall
Attn: Mandy Morales

**Subject: AUTHORITY EXECUTE AMENDMENT NO. 1 TO CONSTRUCTION SERVICES
CONTRACT WITH MIRON ELECTRIC CONSTRUCTION CORPORATION
FOR SPECIALIZED HIGH VOLTAGE SERVICES**

As recommended in the accompanying report of the Directors of the Bureaus of Sanitation and Contract Administration, which this Board has adopted, the Board of Public Works requests approval and forwarding to the City Council for authorization to execute Amendment No. 1 to Construction Services Contract No. C-123701 with Miron Electric Construction Corporation, to provide Specialized High Voltage services to modify, modernize, and perform preventive and predictive maintenance of the high voltage electrical distribution infrastructure of the City of Los Angeles' Water Reclamation Plants and Wastewater Pumping Plants. The contract ceiling and term will remain unchanged.

FISCAL IMPACT

There is no impact to the General Fund. The total funding for this project is not to exceed \$6,000,000. Funding for Fiscal Year 2016-17 in the amount of \$1,000,000 has been encumbered in the Sewer Operation and Maintenance, Fund No. 760, Appropriation Unit No. 50NX82, Object 304.

However, Funds and Appropriations for future fiscal years are not yet identified and existing appropriations may change based on available cash balances. Therefore, Funds and Appropriations, once determined by the Director of the Bureau of Sanitation or designee, will be reviewed and certified by the Director of the Office of Accounting or designee, as to the status and availability of funding.

Respectfully submitted,

Dr. Fernando Campos, Executive Officer
Board of Public Works

FC:mp



DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
May 12, 2017

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE MAYOR

MAY 12 2017


Executive Officer
Board of Public Works

CD: ALL

AUTHORITY TO EXECUTE AMENDMENT NO. 1 TO CONSTRUCTION SERVICES
CONTRACT C-123701 WITH MIRON ELECTRIC CONSTRUCTION CORPORATION
FOR SPECIALIZED HIGH VOLTAGE SERVICES

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and the City Council (Council) with the request that the Board of Public Works (Board) be authorized to execute Amendment No. 1 to Construction Services Contract C-123701 with Miron Electric Construction Corporation, to provide Specialized High Voltage services to modify, modernize, and perform preventative and predictive maintenance of the high voltage electrical distribution infrastructure of the City of Los Angeles' Water Reclamation Plants and Wastewater Pumping Plants. The contract ceiling and term will remain unchanged.
2. Upon the Mayor's and Council's authorization, the President or two members of the Board will execute the contract amendment.
3. Return the executed contract amendment to the Bureau of Sanitation (LASAN) for further processing. Contact the Board Report Section, at (213) 485-4246 for pick up.

TRANSMITTALS

1. Bureau of Sanitation (LASAN) and Bureau of Contract Administration Joint Board Report No. 1, adopted June 3, 2013, for authority to award and execute a construction services contract with Miron for specialized high voltage services.
2. A copy of the original Specialized High Voltage Services Contract (C-123701).
3. Copy of the proposed Amendment No. 1 between the City of Los Angeles (City) and Miron Electric Construction Corporation for Specialized High Voltage Services. Originals will be delivered to the Board Office when the Board Report Section is notified that the contract amendment is ready for execution.
4. Copy of the Letter of Authorization received from RESA Power Solutions regarding acquisition of Transformer Testing & Repairs Inc. effective March 18, 2015.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
May 12, 2017

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SUBCONTRACTORS	Gender/ Ethnicity	MBE/WBE/OBE	Percent of Contract Amount Invoiced	Contract Amount Invoiced
Lee & Ro, Inc.	M/APA	MBE	1.13%	\$15,000.00
Rouch Rebar, Inc.	F/C	WBE	0.33%	\$4,330.00
Inverter Technology		OBE	0.41%	\$5,505.50
RESA Power Solution's Transformer Services, LLC		OBE	2.55%	\$33,992.00
Siemens Industry, Inc./Building Technologies Division		OBE	3.66%	\$48,719.26
Spectrum Geophysics		OBE	0.10%	\$1,307.50
Transformer Testing & Repairs		OBE	1.71%	\$22,822.00
Valley Power Services, Inc.		OBE	3.29%	\$43,822.95
Total MBE Participation			1.13%	\$15,000.00
Total WBE Participation			0.33%	\$4,330.00
Total OBE Participation			11.72%	\$156,169.21
Total MBE/WBE/OBE Participation			13.17%	\$175,499.21
Total Invoiced To-Date Amount				\$1,332,157.48

Effective March 18, 2015, Transformer Testing & Repairs was acquired by a new company, RESA Power Solutions -- Transformer Services LLC. (Transmittal No: 4).

During its review of this Amendment, the Office of Contract Compliance discovered that the following subcontractors were added by the Contractor to perform services not originally anticipated by LASAN were approved without a review of any supplemental outreach:

- Inverter Technology was added by the Contractor to perform repairs on the Toshiba Variable frequency drive.
- Siemens was added to perform repairs to the circuit breakers at the Hyperion Water Reclamation Plant.
- Valley Power Services, Inc. was added to perform upcoming modifications to the standby generator engine and controls at the Donald C. Tillman Water Reclamation Plant.
- Rouch Rebar, Inc. was added as the reinforcing steel subcontractor to this project to assist in the construction of a concrete foundation which wasn't specified in the original project scope.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
May 12, 2017

Page 5

Spectrum Geophysics was added through a subcontractor outreach performed by the Contractor and approved by the LASAN.

Upon approval of this Amendment, the pledged participation levels for Miron are as follows:

SUBCONTRACTORS	Gender/ Ethnicity	MBE/WBE/ OBE	Percent of Contract Amount	Contract Amount Pledged
Lee & Ro, Inc. ^{1,3}	M/APA	MBE	1.06%	\$15,000.00
Rough Rebar ^{2,3}	F/C	WBE	0.30%	\$4,330.00
Inverter Technology		OBE	0.39%	\$5,505.50
RESA Power Solutions Transformer Services, LLC		OBE	2.39%	\$33,992.00
Siemens Industry, Inc./Building Technologies Division		OBE	3.43%	\$48,719.26
Spectrum Geophysics		OBE	0.09%	\$1,307.50
Transformer Testing & Repairs ²		OBE	1.61%	\$22,822.00
Valley Power Services, Inc.		OBE	3.08%	\$43,822.95
Total MBE Participation			1.06%	\$15,000.00
Total WBE Participation			0.30%	\$4,330.00
Total OBE Participation			10.99%	\$156,169.21
Total MBE/WBE/OBE Participation			12.35%	\$175,499.21
Total Orders Approved-To-Date				\$1,421,583.49

1 Certified Small Business Enterprise

2 Certified Small and Emerging Business Enterprise

3 Certified Local Business Enterprise

Other City Requirements:

Miron will continue to be in compliance with the provisions of the following:

- Non-Discrimination, Equal Employment and Affirmative Action Programs
- Living Wage Ordinance and Service Contractor Worker Retention Ordinance
- Prevailing Wage
- Equal Benefits Ordinance
- Slavery Disclosure Ordinance
- Child Support Obligations Policy
- Business Tax Registration Certificate
- Municipal Lobbying Ordinance
- Insurance and Bond Requirements
- Equal Benefits Ordinance
- Americans with Disabilities Act
- Non-Collusion Affidavit

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- Contract History
- Los Angeles Residence Information
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution And Fundraising Restrictions
- Iran Contracting Act of 2010

Peak Hour Construction and Right-of-Way Obstruction Regulations

All contractors must comply with the requirements specified in the Los Angeles Municipal Code Section 62.61 related to peak hour traffic restrictions, unless an exemption from the Peak Traffic Hour Prohibition is approved.

Enhanced Electrical Safety Policy

The contractor will continue to comply with the Enhanced Electrical Safety Policy per section 01412 of the Master General Requirements.

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this construction services contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of the work specified in the terms of the contract.

Contractor Responsibility Ordinance

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles's Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.C.C.]. Failure to comply with the requirements specified in this ordinance will render the contract subject to termination pursuant to the conditions expressed therein.

Notification of Intent to Contract

The required Notification of Intent to Contract was filed on May 17, 2011 with the CAO Clearinghouse.

Compliance with Charter Section 1022

On November 8, 2010, the CAO determined that it was more feasible to contract the project on a very limited basis to address specialized or intermittent needs (such as those requiring unique or proprietary expertise, licenses, equipment and facility needs) and not to supplant work that is within the normal duties of staff.

Headquarters and Workforce Information

The headquarters of Miron is located at 9238 Deering Avenue, Chatsworth, CA 91311-5803. Miron has a total staff of five (5) employees, three (3) of which reside within the City of Los Angeles.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
May 12, 2017

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Contract Administration

LASAN's Hyperion Water Reclamation Division will be responsible for the administration of this contract.

Compliance with California State Senate Bill SB854

Per SB854, Contractors and subcontractors working on a public works project must be registered with the State of California Department of Industrial Relations (DIR) pursuant to Labor Code Section 1725.5. For this contract, LASAN has confirmed that Miron and its subcontractors are registered with the DIR.

City Attorney Review

The City Attorney's Office reviewed the attached Amendment No. 1 and approved it as to form.

STATUS OF FINANCING

There is no impact to the General Fund. The total funding for this project is not to exceed \$6,000,000. Funding for Fiscal Year 2016-17 in the amount of \$1,000,000 has been encumbered in the Sewer Operation and Maintenance, Fund No. 760, Appropriation Unit No. 50NX82, Object 304.

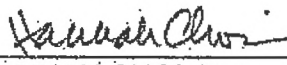
However, Funds and Appropriations for future fiscal years are not yet identified and existing appropriations may change based on available cash balances. Therefore, Funds and Appropriations, once determined by the Director of Sanitation or designee, will be reviewed and certified by the Director of Office of Accounting or designee, as to the status and availability of funding.

The contract contains a "Financial Liability Clause" which states that "the City's liability under this agreement shall only be to the extent of the present City appropriation to fund this agreement. However if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of this agreement."

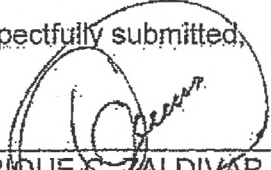
BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
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May 12, 2017

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COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:

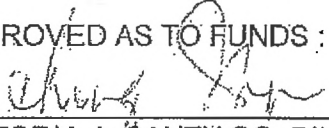

HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

Respectfully submitted,


ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation


JOHN L. REAMER, JR., Director
Bureau of Contract Administration

APPROVED AS TO FUNDS:

 6/3/17
VICTORIA A. SANTIAGO, Director
Office Of Accounting

766/50 NX 82 - \$1,022,072

Prepared by:
Efrain Gonzalez, HWRP
310-648-5912

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION

BUREAU OF CONTRACT ADMINISTRATION

JOINT BOARD REPORT NO. 1

May 12, 2017

CD: ALL

AUTHORITY TO EXECUTE AMENDMENT NO. 1 TO CONSTRUCTION SERVICES
CONTRACT C-123701 WITH MIRON ELECTRIC CONSTRUCTION CORPORATION
FOR SPECIALIZED HIGH VOLTAGE SERVICES

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and the City Council (Council) with the request that the Board of Public Works (Board) be authorized to execute Amendment No. 1 to Construction Services Contract C-123701 with Miron Electric Construction Corporation, to provide Specialized High Voltage services to modify, modernize, and perform preventative and predictive maintenance of the high voltage electrical distribution infrastructure of the City of Los Angeles' Water Reclamation Plants and Wastewater Pumping Plants. The contract ceiling and term will remain unchanged.
2. Upon the Mayor's and Council's authorization, the President or two members of the Board will execute the contract amendment.
3. Return the executed contract amendment to the Bureau of Sanitation (LASAN) for further processing. Contact the Board Report Section, at (213) 485-4246 for pick up.

TRANSMITTALS

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3. Copy of the proposed Amendment No. 1 between the City of Los Angeles (City) and Miron Electric Construction Corporation for Specialized High Voltage Services. Originals will be delivered to the Board Office when the Board Report Section is notified that the contract amendment is ready for execution.
4. Copy of the Letter of Authorization received from RESA Power Solutions regarding acquisition of Transformer Testing & Repairs Inc. effective March 18, 2015.

DISCUSSION

Background

LASAN operates four (4) water reclamation plants and forty-four (44) sewage pumping plants that serve more than four (4) million people within two (2) service areas of 600 square miles. The electrical distribution system of these facilities consists of a vast array of high voltage electrical equipment that includes switchgears, substations, transformers, switchboards, motor control centers, motors, panel boards, and protective relays. Electrical distribution systems are vital to all plant operations, without which the wastewater treatment process would come to a halt, resulting in sewage spills and permit violations.

Modification and modernization of high voltage electrical equipment can only be performed by entities that are certified by the Underwriters Laboratories (UL). LASAN staff cannot modify or modernize high voltage electrical equipment due to lack of certification and expertise. LASAN personnel perform most of the preventive maintenance tasks such as protective relay testing, transformer testing, infrared thermography, high potential testing and high voltage circuit breaker testing. Some predictive maintenance tasks, such as oil analysis, are performed by qualified contractors. LASAN personnel continue to perform preventive maintenance tasks on high voltage electrical equipment; however, it is difficult to keep the preventive maintenance program on schedule due to lack of personnel, training and experience, as well as a high vacancy rate, which is partly due to a high attrition rate to other departments in the City.

The specialized high voltage services contract between the City and Miron Electric Construction Corporation (Miron) enables LASAN to modify and modernize its high voltage electrical equipment and augment its internal workforce capabilities with external expertise to maintain its critical high voltage electrical infrastructure. The services provided by the contractor include repair, modification, alteration, modernization, reconfiguration, and testing of high voltage electrical equipment including, but not limited to, switchgears, transformers, circuit breakers, generators, motors, switches, and variable frequency drives. The services also include specialized studies related to electrical system.

On June 3, 2013, the Board approved the LASAN and Bureau of Contract Administration Joint Board Report No. 1 to execute a construction services contract with Miron for specialized high voltage services for three (3) years with three (3), 1 year renewal options. (Transmittal Nos. 1 and 2) On April 21, 2017, the Board authorized LASAN to exercise the first, one-year renewal option contained in the contract, extending the term to March 10, 2018.

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Amendment No. 1 to Contract C-123701 with Miron Electric Construction Corporation is needed to clarify language contained in Article 10 Compensation, Invoicing and Payment. As written, language in the contract allows for profit to be added on cost charged by the contractor; however, it does not specify the actual percentage profit allowed to be added. Also, the contract did not specify how to compensate the contractor for bonds provided. The proposed Amendment No. 1 includes language that allows the addition by the contractor of five percent profit and one percent cost for bonds provided. This is consistent with the General Requirements of the contract, attached as an exhibit to Contract C-123701. This Amendment No. 1 also includes a provision that allows the City to compensate the contractor on a lump sum basis. (Transmittal No. 3)

Proposed Contract Amendment Term and Cost

The term of the contract and cost ceiling for this Amendment remain unchanged at three (3) years with three (3), 1-year renewal options and \$6,000,000.

MBE/WBE/OBE Subcontractor Outreach Requirement

At the time of distribution of the RFQ for these services, the City had established anticipated MBE and WBE participation levels of four (4) and two (2) percent respectively. Actual pledged participation levels are to be determined when task orders over \$100,000 are assigned. The subcontractors must be listed on Miron's latest approved Schedule A – List of Potential MBE/WBE/OBE Subcontractors.

Work under this contract is assigned on a project-to-project basis. Out of the approved \$6,000,000 for the three-year term and renewal options, the total dollar amount for projects approved to date is \$1,421,583.49, of which \$1,332,157.48 has been expended. The subcontractor utilization tables below are based on those dollar amounts.

The MBE/WBE/OBE subcontractor achieved participation levels for Miron as of April 5, 2017 are as follows:

Gender/Ethnicity Codes:

AA= African American

HA= Hispanic American

SAA=Subcontinent Asian American

APA=Asian Pacific American

C=Caucasian

NA=Native American

M=Male

F=Female

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
May 12, 2017

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SUBCONTRACTORS	Gender/ Ethnicity	MBE/WBE/OBE	Percent of Contract Amount Invoiced	Contract Amount Invoiced
Lee & Ro, Inc.	M/APA	MBE	1.13%	\$15,000.00
Rouch Rebar, Inc.	F/C	WBE	0.33%	\$4,330.00
Inverter Technology		OBE	0.41%	\$5,505.50
RESA Power Solution's Transformer Services, LLC		OBE	2.55%	\$33,992.00
Siemens Industry, Inc./Building Technologies Division		OBE	3.66%	\$48,719.26
Spectrum Geophysics		OBE	0.10%	\$1,307.50
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Valley Power Services, Inc.		OBE	3.29%	\$43,822.95
Total MBE Participation			11.72%	\$156,169.21
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Total OBE Participation			13.17%	\$175,499.21
Total MBE/WBE/OBE Participation				
Total Invoiced To-Date Amount				\$1,332,157.48

Effective March 18, 2015, Transformer Testing & Repairs was acquired by a new company, RESA Power Solutions -- Transformer Services LLC. (Transmittal No. 4).

During its review of this Amendment, the Office of Contract Compliance discovered that the following subcontractors were added by the Contractor to perform services not originally anticipated by LASAN were approved without a review of any supplemental outreach:

- Inverter Technology was added by the Contractor to perform repairs on the Toshiba variable frequency drive.
- Siemens was added to perform repairs to the circuit breakers at the Hyperion Water Reclamation Plant.
- Valley Power Services, Inc. was added to perform upcoming modifications to the standby generator engine and controls at the Donald C. Tillman Water Reclamation Plant.
- Rouch Rebar, Inc. was added as the reinforcing steel subcontractor to this project to assist in the construction of a concrete foundation which wasn't specified in the original project scope.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
May 12, 2017

Page 5

Spectrum Geophysics was added through a subcontractor outreach performed by the Contractor and approved by the LASAN.

Upon approval of this Amendment, the pledged participation levels for Miron are as follows:

SUBCONTRACTORS	Gender/ Ethnicity	MBE/WBE/ OBE	Percent of Contract Amount	Contract Amount Pledged
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Transformer Testing & Repairs ²		OBE	1.61%	\$22,822.00
Valley Power Services, Inc.		OBE	3.08%	\$43,822.95
Total MBE Participation			1.06%	\$15,000.00
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Total OBE Participation			10.99%	\$156,169.21
Total MBE/WBE/OBE Participation			12.35%	\$175,499.21
Total Orders Approved-To-Date				\$1,421,583.49

1 Certified Small Business Enterprise

2 Certified Small and Emerging Business Enterprise

3 Certified Local Business Enterprise

Other City Requirements:

Miron will continue to be in compliance with the provisions of the following:

- Non-Discrimination, Equal Employment and Affirmative Action Programs
- Living Wage Ordinance and Service Contractor Worker Retention Ordinance
- Prevailing Wage
- Equal Benefits Ordinance
- Slavery Disclosure Ordinance
- Child Support Obligations Policy
- Business Tax Registration Certificate
- Municipal Lobbying Ordinance
- Insurance and Bond Requirements
- Equal Benefits Ordinance
- Americans with Disabilities Act
- Non-Collusion Affidavit

- Contract History
- Los Angeles Residence Information
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution And Fundraising Restrictions
- Iran Contracting Act of 2010

Peak Hour Construction and Right-of-Way Obstruction Regulations

All contractors must comply with the requirements specified in the Los Angeles Municipal Code Section 62.61 related to peak hour traffic restrictions, unless an exemption from the Peak Traffic Hour Prohibition is approved.

Enhanced Electrical Safety Policy

The contractor will continue to comply with the Enhanced Electrical Safety Policy per section 01412 of the Master General Requirements.

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this construction services contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of the work specified in the terms of the contract.

Contractor Responsibility Ordinance

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles's Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.C.C.]. Failure to comply with the requirements specified in this ordinance will render the contract subject to termination pursuant to the conditions expressed therein.

Notification of Intent to Contract

The required Notification of Intent to Contract was filed on May 17, 2011 with the CAO Clearinghouse.

Compliance with Charter Section 1022

On November 8, 2010, the CAO determined that it was more feasible to contract the project on a very limited basis to address specialized or intermittent needs (such as those requiring unique or proprietary expertise, licenses, equipment and facility needs) and not to supplant work that is within the normal duties of staff.

Headquarters and Workforce Information

The headquarters of Miron is located at 9238 Deering Avenue, Chatsworth, CA 91311-5803. Miron has a total staff of five (5) employees, three (3) of which reside within the City of Los Angeles.

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Contract Administration

LASAN's Hyperion Water Reclamation Division will be responsible for the administration of this contract.

Compliance with California State Senate Bill SB854

Per SB854, Contractors and subcontractors working on a public works project must be registered with the State of California Department of Industrial Relations (DIR) pursuant to Labor Code Section 1725.5. For this contract, LASAN has confirmed that Miron and its subcontractors are registered with the DIR.

City Attorney Review

The City Attorney's Office reviewed the attached Amendment No. 1 and approved it as to form.

STATUS OF FINANCING

There is no impact to the General Fund. The total funding for this project is not to exceed \$6,000,000. Funding for Fiscal Year 2016-17 in the amount of \$1,000,000 has been encumbered in the Sewer Operation and Maintenance, Fund No. 760, Appropriation Unit No. 50NX82, Object 304.

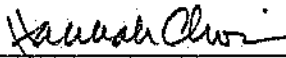
However, Funds and Appropriations for future fiscal years are not yet identified and existing appropriations may change based on available cash balances. Therefore, Funds and Appropriations, once determined by the Director of Sanitation or designee, will be reviewed and certified by the Director of Office of Accounting or designee, as to the status and availability of funding.

The contract contains a "Financial Liability Clause" which states that "the City's liability under this agreement shall only be to the extent of the present City appropriation to fund this agreement. However if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of this agreement."

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BUREAU OF CONTRACT ADMINISTRATION
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May 12, 2017

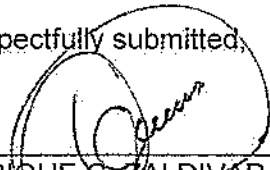
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COMPLIANCE REVIEW PERFORMED
AND APPROVED BY :

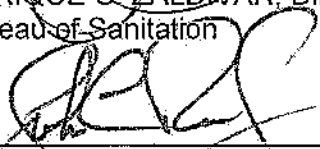


HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

Respectfully submitted,



ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation



JOHN L. REAMER, JR., Director
Bureau of Contract Administration

APPROVED AS TO FUNDS :

for  *6/3/17*

VICTORIA A. SANTIAGO, Director
Office Of Accounting

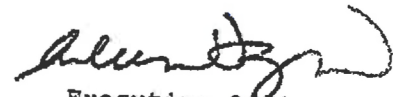
766/50 NX 82 - \$1,000,000

Prepared by:
Efrain Gonzalez, HWRP
310-648-5912

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
June 3, 2013

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE MAYOR
JUN - 3 2013


Executive Officer

CD: ALL

AUTHORITY TO EXECUTE A CONSTRUCTION SERVICES CONTRACT WITH MIRON ELECTRIC CONSTRUCTION CORPORATION FOR SPECIALIZED HIGH VOLTAGE SERVICES AND FIND ONESOURCE DISTRIBUTORS NONRESPONSIVE FOR FAILURE TO ACHIEVE A PASSING SCORE ON THE GOOD FAITH EFFORT EVALUATION

RECOMMENDATIONS

Authorize the Director of the Bureau of Sanitation to:

1. Find OneSource Distributors non-responsive for failing to achieve a passing score of 75 out of 100 points on the Good Faith Effort evaluation as discussed in this report.
2. Approve and forward this report, with transmittals, to the Mayor and the City Council with the request that the Board of Public Works (Board) be authorized to execute a Personal Services Contract with Miron Electric Construction Corporation, to provide Specialized High Voltage services to modify, modernize, and perform preventive and predictive maintenance of the high voltage electrical distribution infrastructure of the City of Los Angeles' Wastewater Treatment Plants, Wastewater Reclamation Plants, and Sewage Pumping Plants.
3. Upon the Mayor's and Council's authorization, the President or two (2) members of the Board will execute the contract;
4. Return the executed contract to the Bureau of Sanitation (Bureau) for further processing. Contact Board Report Section at (213) 485-4246 for pick up.

TRANSMITTALS

1. Copy of proposed contract between the City of Los Angeles and Miron Electric Construction Corporation to provide Specialized High Voltage services to modify, modernize, and perform preventive and predictive maintenance of the high voltage electrical distribution infrastructure of the City of Los Angeles' Wastewater Treatment Plants, Wastewater Reclamation Plants, and Sewage Pumping Plants.
2. Copy of the adopted Bureau of Sanitation (Bureau) and Bureau of Contract Administration Joint Report No. 1, dated June 29, 2011, authorizing the Bureau to distribute a Request for Qualifications (RFQ) for Specialized High Voltage Services.

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3. Copy of the letter from the Bureau's Centralized Contracts Unit to OneSource Distributors, dated December 12, 2011, regarding their Good Faith Effort evaluation.

DISCUSSION

Background

The Bureau operates four (4) treatment and water reclamation plants and forty-four (44) sewage pumping plants that serve over four (4) million people within two (2) service areas containing over 600 square miles. The electrical distribution system of these facilities consists of a vast array of high voltage electrical equipment that includes switchgears, substations, transformers, switchboards, motor control centers, motors, panel boards, protective relays, amongst others.

Electrical distribution systems are vital to all plant operations, without which the wastewater treatment process would come to a halt, resulting in sewage spills and permit violations.

Modification and modernization of high voltage electrical equipment can only be performed by entities who are UL listed. The Bureau cannot modify or modernize high voltage electrical equipment due to lack of certification and expertise. Bureau personnel perform most of the preventive maintenance tasks such as protective relay testing, transformer testing, infrared thermography, high potential testing and high voltage circuit breaker testing. Some predictive maintenance tasks, such as oil analysis, are performed by qualified contractors. The Bureau personnel continue to perform preventive maintenance tasks on high voltage electrical equipment; however, it is becoming increasingly difficult to keep the preventive maintenance program on schedule due to lack of personnel, training and experience, as well as a high vacancy rate, which is partly due to a high attrition rate to other departments in the City

Establishing a specialized high voltage services contract will enable the Bureau to modify and modernize its high voltage electrical equipment and augment its internal workforce capabilities with external expertise to maintain its critical high voltage electrical infrastructure.

Scope of Work

The Bureau intends to establish a construction services contract to maintain its high voltage electrical distribution infrastructure (Transmittal #1). The services to be provided include repair, modification, alteration, modernization, reconfiguration, and testing of high voltage electrical equipment including, but not limited to, switchgears, transformers, circuit breakers, generators, motors, switches, and variable frequency drives. The services also include specialized studies related to electrical system.

Selection Process

On June 29, 2011, the Board approved the Bureau of Sanitation and Bureau of Contract Administration Joint Board Report no. 1, authorizing the Bureau to distribute an RFQ to provide specialized high voltage services (Transmittal No. 2).

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Miron Electric Construction Corp. has demonstrated excellent knowledge and experience in the installation, upgrade, modification, and replacement of high voltage electrical equipment at the Bureau's Wastewater Treatment Facilities, as well as experience working with all of the equipment listed in the RFQ scope of work (section 1.4). Miron Electric Construction Corp. is currently under contract (C-114652) with the City of Los Angeles under "On Call Emergency Repairs and Construction Services at the City's Wastewater Treatment Plants and Other Wastewater Facilities."

The Bureau proposes that Miron Electric Construction Corp. be selected for the services required by the RFQ. Negotiation has been conducted with Miron Electric Construction Corp. and the Bureau now returns to the Board with the recommendation to award and execute the construction services contract (Transmittal #1) and forward it to the Mayor and City Council for approval.

The labor rates for craft workers are based on prevailing wages. Quotations for work will be submitted on an as-needed basis.

Proposed Term of Contract

The term of the contract shall be for three (3) years from the date of contract execution by the Board with three (3) one-year renewal options.

Cost Estimate of Contract

The cost ceiling for the contract(s) shall not exceed a maximum of \$6,000,000.00 for the three (3) year term of the contract plus (3) one-year renewal options.

MBE/WBE/OBE Subcontractor Outreach Program

The MBE/WBE/OBE Subcontractor Outreach Program will be administered in accordance with Mayor's Executive Directive No. 2001-26 which was in effect at the time the RFP was advertised. After reviewing all documentation submitted by Miron Electric Construction Corp. and OneSource Distributors, CCU awarded a total of 100 out of 100, and 74 out of 100 points, respectively for the Specialized High Voltage Services GFE and, as a result, recommends that the Board find Miron Electric Construction Corp. and OneSource Distributors to be responsive and non-responsive respectively. OneSource Distributors would be deemed non-responsive as having failed to achieve the minimum passing score of 75 out of 100 points. OneSource Distributors was notified of this recommendation in a letter dated December 12, 2011 (Transmittal No. 3). In response, OneSource Distributors requested a meeting with CCU and the Project Manager to discuss their score. On December 22, 2011, CCU met with an account manager representing OneSource Distributors and explained the reasoning behind their non-responsive evaluation on the Specialized High Voltage services GFE.. The account manager indicated that he understood the reasoning behind their score and in turn, accepted our evaluation.

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On September 1, 2011 in response to the RFQ, the Bureau received bids from the following two (2) vendors: Miron Electric Construction Services Corp. and OneSource Distributors. As noted in the RFQ, a Good Faith Effort (GFE) evaluation was conducted by the Bureau's Centralized Contracts Unit (CCU). The results are as follows: (1) CCU recommends that OneSource Distributors be deemed non-responsive for failure to achieve a passing score on the Good Faith Effort evaluation and therefore disqualifying them from further evaluation. (2) CCU recommends that Miron Electric Construction Corp. be deemed responsive and the only qualified proposer based on their GFE. As a result of being deemed responsive on the GFE, Bureau staff reviewed, evaluated and rated the technical proposal of Miron Electric Construction Corp. using the criteria set forth in the RFQ (and noted below.) A score of 100% was awarded to Miron Electric Construction Corp. on the technical evaluation. Therefore, the Bureau recommends awarding the contract to **Miron Electric Construction Corp.**

SOQ EVALUATION CRITERIA TABLE

Max Score	Description of Standard	Score for Miron
40%	Technical Qualifications and Past Experience This includes the Proposers' background, experience, and familiarity with high voltage services for this type of project and tasks, and the qualifications of staff personnel.	40%
15%	Record of Past Performance This includes quality of work, timely completion of assigned tasks, safety, record keeping, and the response of references.	15%
5%	Approach to Work This includes project management and coordination methodologies.	5%
40%	Cost Control This includes cost control procedures, preliminary cost estimates, hourly rates, and personnel utilization.	40%
	TOTAL SCORE	100%

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To summarize, OneSource Distributors was awarded points for all of the Good Faith Effort indicators, except No. 9 – Negotiation in Good Faith. Totaled together, OneSource Distributors earned 74 GFE evaluation points. The following explains the staff evaluation at the failed indicator by describing:

- (1) The required documentation for each indicator;
- (2) Proposer submitted documentation;
- (3) Proposer stated reason for protesting; and
- (4) CCU's response

Indicator (9)-Negotiated in Good Faith-26 Points

The requirement for this indicator states that the proposer must submit "copies of all potential MBE/WBE/OBE bids or quotes received whether or not they were received as a result of the outreach efforts; b) Schedule A; and c) Summary sheet organized by work area, listing the bids or quotes received, the name of the subcontractor/ subconsultant who submitted the bid or quote, and a brief reason given for selection/nonselection as a potential subcontractor/subconsultant. If the proposer elects to perform a listed work area with its own forces, an explanation must be provided and included on the summary sheet. Note: For the purposes of this RFQ only, letters of intent acknowledging a potential subcontractors/ subconsultant's interest in being contacted for work and/or hourly rates for their type of work will be considered the "bids or quotes received."

OneSource Distributors submitted seven (7) bids/quotes or LOIs (from WEI QIndustries, The G Crew, Advanced Technology Laboratories, True Power, GE Energy, Herzog Electric, and W. A. Benjamin Electric), a Schedule A (listing JTC Architects), and no summary sheet nor reasons for selection/non-selection.

OneSource Distributors said in their appeal response that "we required the following items to be listed per City of Los Angeles Specifications and OneSource Contract Requirements:

- A. MBE/WBE/OBE documented current certification.
- B. Medium and High Voltage Certification.
- C. Medium and High Voltage Insurance current documentation.
- D. OSHA and NECA training documentation.
- E. Professional Services insurance documentation.
- F. Hourly Rates to be charged tasks to be determined.

Responsive-JTC Architects listed as potential MBE-Met all requirements. Non-Responsive-Did not fulfill all requirements. WEI, Industries-Fax 8/5, The "G" Crew-Fax 8/10, Advance Technology-Fax 8/9, and True Power-Fax 8/5."

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The CCU has the following response. With the RFP, it states "*copies of all potential MBE/WBE/OBE bids or quotes received whether or not they were received as a result of the outreach efforts*" is considered required documentation. However JTC Architects, who was listed as the lone selection on the Schedule A, was not accompanied with a bid/quote or LOI. Similarly, several other subcontractors (such as GE Energy, Herzog Electric, and W. A. Benjamin Electric) who had submitted LOI's and were listed throughout the OneSource proposal as selections, were not sent any outreach materials nor included on the Schedule A as a selection. In addition, numerous other subcontractors also indicated an interest, but there was no follow-up included with any of these subcontractors as well.

The RFP also states that a "*summary sheet organized by work area, listing the bids or quotes received, the name of the subcontractor/ subconsultant who submitted the bid or quote, and a brief reason given for selection/nonselection as a potential subcontractor/subconsultant*" is considered required documentation. However OneSource failed to provide both a summary sheet, and as a result, reasoning to their subcontractor selection/non-selections. This is especially important considering the proposer had the intent, based on the Schedule A and bids/quotes or LOI's received, to select four (4) subcontractors (GE Energy, Herzog Electric, W. A. Benjamin Electric, as well as JTC Architects). Based on these selections (according to the Schedule A) or intended selections (as documented by the bids/quotes or LOIs), it is apparent these subcontractors may have been pre-selected, thus "unjustifiably rejecting" the other subcontractors who also had submitted an LOI. By already having subcontractors selected at the time of RFP, potentially denied other subcontractors, such as WEI Industries, The G Crew, Advanced Technology Laboratories, and/or True Power or according to the telephone log, other interested subcontractors, such as Carter Industrial or Western Utilities, "*an equal opportunity to participate in the performance of a City contract*", and thus violate the MBE/WBE/OBE subcontractor outreach program of Executive Directive 2001-26.

Upon receipt of all the OneSource GFE documentation, CCU inquired further into the lack of any reason or standard applied when evaluating all subconsultants. In response, OneSource listed one of its requirements as having MBE/WBE/OBE certification. This requirement in itself is a direct violation of Proposition 209 or the California Civil Rights Initiative which bans preferences based on race or gender in the public sector education, employment, and contracting. OBEs, MBEs, or WBEs cannot be excluded from a public sector contract whether or not the organization holds an MBE or WBE certification. In addition, there is no such certification available for OBEs.

Therefore, without a bid/quote or LOI, summary sheet listing the subcontractors and reason-provided through clarification or lack thereof, an incomplete Schedule A or list of potential subconsultants to be utilized on this project, a reasonable interpretation would

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indicate that OneSource failed to negotiate in good faith. As a result, the CCU awarded zero (0) points for Indicator (9).

At the time of distribution of the RFQ for these services, the City had established anticipated MBE and WBE participation levels of four (4) and two (2) percent respectively. Actual pledged participation levels are to be determined when task orders over \$100,000 are assigned. The subcontractors must be listed on Miron's Schedule A – List of Potential MBE/WBE/OBE Subcontractors.

The Subcontractor information for Miron Electric Construction Services Corp. is as follows:

Gender/Ethnicity Codes:

AA= African American

HA= Hispanic American

SAA=Subcontinent Asian American

APA=Asian Pacific American

C=Caucasian

NA=Native American

M=Male

F=Female

SUBCONTRACTOR	GENDER/ ETHNICITY	MBE/WBE/OBE
Ballesteros & Associates	M/APA	MBE/OBE
Lee & Ro	M/APA	MBE
Power - Tech Engineering, Inc.	M/HA	MBE
DeYoung Power Systems		OBE
Electrical System/Engineering COMPANY		OBE
Emerson Electrical Reliability Services		OBE
Transformer Testing & Repairs		OBE

Received 2/17/15 541330
OK
(NAICS code 541360)
38210 only
541990 only and 238990

Other City Requirements

Miron Electric Construction Corporation shall comply with all City requirements including, but not limited to:

- Nondiscrimination/Equal Employment Practices/ Affirmative Action Program
- Insurance and Bond
- Child Support Obligation Ordinance
- Municipal Lobbying Ordinance
- Los Angeles Residence Ordinance
- City of Los Angeles Contract History
- Non-Collusion Affidavit
- Americans With Disabilities Act
- Service Contractor Worker Retention and Living Wage Ordinances
- Prevailing Wage
- Equal Benefits Ordinance
- Slavery Disclosure Ordinance

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- Non-Collusion Affidavit
- Business Tax Registration Certificate (BTRC)
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restrictions

Article 14 L.A.A.C./Contractor Responsibility Ordinance

All Contractors participating in this program are subject to compliance with the requirement specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, (Article 14, Chapter 1, Division 10, L.A.A.C.). Failure to comply with all requirements specified in the Ordinance will render the proposer's contract subject to termination pursuant to the conditions expressed therein.

Article 13 L.A.A.C./Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this Construction Services Contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of the work specified in the terms of this contract.

Enhanced Electrical Safety policy

The contractor will comply with Enhanced Electrical safety Policy per section 01412 of Master General Requirements.

Notification of Intent to Contract

The required Notification of Intent to Contract was filed on July 9, 2008 with the CAO Clearinghouse and re-filed on May 17, 2011.

Charter Section 1022

On November 8, 2010, the CAO determined that it was more feasible to contract the project on a very limited basis to address specialized or intermittent needs (such as those requiring unique or proprietary expertise, licenses, equipment and facility needs) and not to supplant work that is within the normal duties of staff.

Contract Administration

The Bureau's Wastewater Division will be responsible for the administration of the contract.

Headquarters and Workforce Information

The headquarters of Miron Electric Construction Corp. is located at 9238 Deering Avenue, Chatsworth, CA 91311-5803. Miron Electric Construction Corp. has a total staff of five (5), three (3) of which reside within the City of Los Angeles.

City Attorney Review

The City Attorney's Office reviewed the attached contract and approved it as to form.

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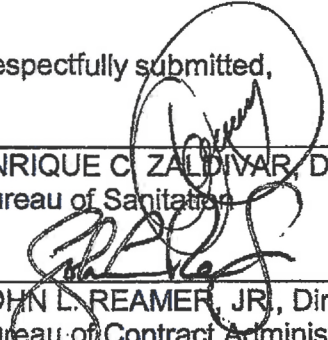
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STATUS OF FINANCING

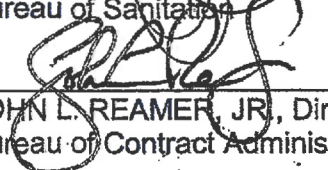
Funding in the amount of \$290,000.00 is available in the Sewer Operations and Maintenance Fund No. 760, Account No. 50JX82. The remaining funding in the amount of \$5,710,000.00 for future fiscal years will be requested through the normal budgeting process. There will be no impact to the General Fund.

The contract includes a "Financial Liability Clause" which states that the City's liability under this contract shall only be to the extent of the present appropriation to fund the Contract. However, if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contract.

Respectfully submitted,

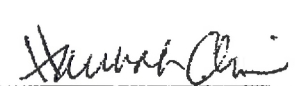


ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation



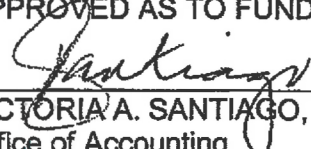
JOHN L. REAMER, JR., Director
Bureau of Contract Administration

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:



HANNAH CHOI, Program Manager II
Office of Contract Compliance
Bureau of Contract Administration

APPROVED AS TO FUNDS:



VICTORIA A. SANTIAGO, Director
Office of Accounting
Date: 6/30/13

Prepared by:
Bahram Roshanian, HTP
(310) 648-5178

CONTRACT SUMMARY SHEET

TO: THE OFFICE OF THE CITY CLERK,
COUNCIL/PUBLIC SERVICES DIVISION
ROOM 395, CITY HALL

DATE: MARCH 11, 2014

FROM (DEPARTMENT): BOARD OF PUBLIC WORKS

CONTACT PERSON: MARY CARTER

PHONE: 213-978-0262

CONTRACT NO.: C123701

COUNCIL FILE NO.: _____

ADOPTED BY COUNCIL: _____

APPROVED BY BPW: 03/10/2014
DATE

- ☒ NEW CONTRACT
☐ AMENDMENT NO. _____
☐ ADDENDUM NO. _____
☐ SUPPLEMENTAL NO. _____
☐ CHANGE ORDER NO. _____

CONTRACTOR NAME: MIRON ELECTRIC CONSTRUCTION CORP

TERM OF CONTRACT: _____ THROUGH: _____

TOTAL AMOUNT: \$6,000,000.00

PURPOSE OF CONTRACT:

FOR SPECIALIZED HIGH VOLTAGE SERVICES - WASTEWATER TREATMENT PLANTS

NOTE: CONTRACTS ARE PUBLIC RECORDS - SCANNED AND UPLOADED TO THE INTERNET

CONTRACT NO. C-123701

CONTRACT
BETWEEN
THE CITY OF LOS ANGELES
AND
MIRON ELECTRIC CONSTRUCTION CORPORATION
FOR
SPECIALIZED HIGH VOLTAGE SERVICES

CONTRACT BETWEEN THE CITY OF LOS ANGELES AND MIRON ELECTRIC
CONSTRUCTION CORPORATION FOR SPECIALIZED HIGH VOLTAGE SERVICES

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APPENDIX II MASTER GENERAL REQUIREMENTS

**CONTRACT BETWEEN THE CITY OF LOS ANGELES AND MIRON ELECTRIC
CONSTRUCTION CORPORATION FOR SPECIALIZED HIGH VOLTAGE SERVICES**

This CONTRACT, made and entered into by and between the City of Los Angeles, a municipal corporation acting by order of and through its Board of Public Works, hereinafter called the "CITY", and "Miron Electric Construction Corporation" hereinafter referred to as the "CONTRACTOR"; is set forth as follows:

W I T N E S S E T H

WHEREAS, the CITY has a need for services to modify, modernize, and perform preventive and predictive maintenance of high voltage electrical distribution infrastructure of its wastewater treatment plants, wastewater reclamation plants, and sewage pumping plants; and

WHEREAS, the CITY is committed to maintaining the high voltage electrical distribution infrastructure of its wastewater treatment plants, wastewater reclamation plants, and sewage pumping plants; and

WHEREAS, the CONTRACTOR'S services are deemed to be vital to meet the CITY'S commitment to maintain the high voltage electrical distribution infrastructure of its wastewater treatment plants, wastewater reclamation plants, and sewage pumping plants; and

WHEREAS, the CITY plans to utilize the CONTRACTOR to provide services to maintain the high voltage electrical distribution infrastructure of its wastewater treatment plants, wastewater reclamation plants; and sewage pumping plants, during the course of a three (3) year period with three (3) additional one (1)-year renewal options; and

WHEREAS, on June 29, 2011, the Board of Public Works authorized the Bureau of Sanitation to distribute a Request For Qualifications (RFQ) for Specialized High Voltage Services and to negotiate contracts with qualified proposers; and

WHEREAS, on September 1, 2011, the Bureau of Sanitation received two (2) proposals in response to the RFQ; and

WHEREAS, Miron Electric Construction Corp. was deemed the only qualified proposer with the requisite experience and expertise to perform said services as determined by CITY staff based on the evaluation criteria set forth in the RFQ; and

WHEREAS, the CONTRACTOR meets the State, Federal, and Local requirements to perform the high voltage services required of this CONTRACT; and

WHEREAS, the services to be provided by the CONTRACTOR are of an expert and technical nature;

NOW, THEREFORE, in consideration of the foregoing and of the benefits which will accrue to the parties hereto in carrying out the terms and conditions of this CONTRACT, it is understood and agreed by and between the parties hereto as follows:

ARTICLE 1 – SECTION HEADINGS AND CONSTRUCTION OF PROVISIONS

AND TITLES HEREIN

All titles, subtitles, and/or section headings appearing herein have been inserted for convenience and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning, intent or construction of any of the terms or provisions hereof. The language of this CONTRACT shall be construed according to its fair meaning and not strictly for or against the CITY or the CONTRACTOR. The singular shall include the plural; use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used. The terms "include" and "including" do not exclude items not enumerated that are in the same general class.

ARTICLE 2 – DEFINITIONS

Definitions in Section 00100 of the General Conditions, hereinafter referred to as the "GC" are used in this CONTRACT; each shall have the meaning set forth therein. In addition, the following definitions shall apply:

BUREAU

Bureau of Sanitation, Department of Public Works, City
of Los Angeles.

CITY PROJECT MANAGER CITY'S designated representative for all issues related to this CONTRACT

CONTRACT This contractual agreement between the CITY and Miron Electric Construction Corp. for Specialized High Voltage Services.

CONTRACTOR Miron Electric Construction Corporation

CONTRACTOR SERVICES All services to be provided by the CONTRACTOR specified in this CONTRACT

DIRECTOR Director of the Bureau of Sanitation or his/her designated representative

HIGH VOLTAGE ELECTRICAL EQUIPMENT Electrical Equipment rated over 600 volts

MBE/WBE/OBE Minority/Women/Other Business Enterprises

ARTICLE 3 – PROJECT DESCRIPTION

The Bureau of Sanitation (BUREAU) operates four (4) treatment and water reclamation plants and forty-four (44) sewage pumping plants that serve over four (4) million people within two (2) service areas containing over 600 square miles. The electrical distribution system of these facilities consists of a vast array of high voltage electrical equipment that includes switchgears, substations, transformers, switchboards, motor control centers, motors, panel boards, protective relays, etc.

Electrical distribution systems are vital to all plant operations, without which the wastewater treatment process would come to a halt, resulting in sewage spills and permit violations.

The Bureau cannot modify or modernize high voltage electrical equipment due to lack of certification and expertise. BUREAU personnel perform most of the preventive maintenance tasks such as protective relay testing, transformer testing, infrared thermography, high potential testing and high voltage circuit breaker testing. Some predictive maintenance tasks, such as oil analysis, are performed by contractors. The BUREAU continues to perform preventive maintenance tasks on HIGH VOLTAGE ELECTRICAL EQUIPMENT with BUREAU personnel; however, it is becoming increasingly difficult to keep the preventive maintenance program on schedule due to lack of personnel, training and experience.

Establishing a specialized high voltage services CONTRACT will enable the BUREAU to modify or modernize its HIGH VOLTAGE ELECTRICAL EQUIPMENT and augment its internal workforce capabilities with external expertise to maintain its critical high voltage electrical infrastructure.

ARTICLE 4 – RESPONSIBILITIES OF AND SERVICES TO BE PERFORMED

BY THE CONTRACTOR

Services shall include, but not be limited to the following:

4.1 CONTRACTOR shall perform the services described in Article 4.4. CONTRACTOR shall perform such work with a degree of skill and diligence normally employed by professional analysts or contractors performing the same or similar services.

4.2 CONTRACTOR warrants that the services will be performed consistent with generally accepted industry standards.

4.3 Maintenance of Records

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this CONTRACT, in their original form, in accordance with requirements prescribed by the CITY. These records shall be retained for a period of no less than three (3) years following final payment made by the CITY hereunder or the expiration date of this CONTRACT, whichever occurs last. Said records shall be subject to examination and audit by authorized CITY personnel or by the CITY PROJECT MANAGER at any time during the term of this CONTRACT and within the three (3) years following final payment made by the CITY hereunder or the expiration date of this CONTRACT, whichever occurs last. CONTRACTOR shall provide any reports requested by the CITY regarding performance of this CONTRACT. Any subcontract entered into by CONTRACTOR as authorized under the terms of this CONTRACT shall include a like provision for work to be performed under this CONTRACT.

4.4 Scope of Services

The scope of services of the CONTRACT is to modify, modernize, and perform preventive and predictive maintenance of the electrical distribution infrastructure of BUREAU wastewater treatment plants, wastewater reclamation plants, and sewage pumping plants. The services to be provided include, but are not limited, to the following:

- Repair, modification, alteration, modernization, reconfiguration, and testing of:
 - High voltage Metal Clad and Metal Enclosed switchgear
 - Gas Insulated high voltage switchgear
- Repair, modification, alteration, modernization, and testing of:
 - High voltage vacuum circuit breakers
 - High voltage Gas Insulated circuit breakers
 - High voltage air circuit breakers
 - High voltage oil filled transformers and load tap changers
 - High voltage dry type transformers
 - High voltage generators
 - High voltage capacitors and reactors
 - High voltage Load interrupter and isolating switches
 - High voltage surge arresters
 - High voltage Variable Frequency Drives
 - High voltage Motor controllers
 - High voltage unit substations
 - High voltage transfer switches

- Protective relays
- Medium and high voltage cables
- Grounding equipment and system
- Perform infrared thermography of electrical distribution system.
- Perform oil sampling and analysis for oil filled transformers.
- Perform power system studies: short circuit study, load flow study, relay coordination, arc flash study, power quality investigation and load measurement survey and other studies upon the CITY'S request.

4.5 The CITY will request quotations from the CONTRACTOR on an "as-needed, job-by-job" basis using a not-to-exceed price approach.

CONTRACTOR'S quotations shall be requested in writing by the CITY and shall require site inspection (job walks) by the CONTRACTOR (except for emergency jobs). Quotations shall include any documents provided by the CITY PROJECT MANAGER, and must include starting date and estimated date of completion. CITY will issue a Notice to Proceed (NTP) for the CONTRACTOR to start the job.

All quotations shall include the following information:

- Class(es) of personnel to be employed on the project (e.g. supervisor, electrician (journeyman), electrical helper, apprentice, etc).
- Hourly labor rate for each job classification, as stated in the CONTRACT.
- The estimated number of hours to complete the job per classification and maximum dollar amount per the job.
- The "not to exceed" total job cost.

Work shall start only after obtaining a signed NTP from the CITY PROJECT

MANAGER.

- 4.6 A job that the CITY PROJECT MANAGER deems to be an emergency or of "Urgent Necessity" may be exempted from the normal process. In such cases, the CITY will instruct the CONTRACTOR to perform the emergency work.

CONTRACTOR must be able to provide emergency services (i.e. must arrive at the affected CITY site, ready to begin work) within four (4) hours of being contacted by the CITY PROJECT MANAGER or his designee. CONTRACTOR must be available to provide emergency services on weekends and CITY HOLIDAYS. CONTRACTOR shall provide the CITY PROJECT MANAGER their company emergency procedures and contact persons (24 hours per day/7 days per week). The CONTRACTOR will notify the CITY PROJECT MANAGER immediately if it is unable to respond or comply with the proposed project schedule.

- 4.7 Work shall be scheduled during normal CITY working hours (6 a.m. PST to 6 p.m. PST), five (5) days per week excluding Saturdays, Sundays, and CITY HOLIDAYS, unless so instructed or agreed upon by the CITY prior to start of the work. Overtime will be paid for non-regular work hours in emergency situations, in accordance with the Federal Fair Labor Standards Act (FLSA) or State of California Department of Industrial Relations (DIR) and only with written approval of the CITY PROJECT MANAGER.

- 4.8 The CONTRACTOR shall initiate non-emergency work within three (3) CALENDAR DAYS of issuance of NTP or when established by the CITY PROJECT MANAGER. Any changes to the Scope of Work must be authorized

in writing by the CITY PROJECT MANAGER. The CITY PROJECT MANAGER has final authority for all aspects of any job or project.

- 4.9 The CONTRACTOR shall provide all tools, supplies, materials, equipment, and all labor necessary for the furnishing, construction, installation, testing and operation of all electrical work and appurtenant work necessary to provide a complete and operable system. Material shall be identified as what goes into the job. Equipment shall be identified as what is used to complete the job.
- 4.10 The CONTRACTOR shall cooperate with CITY inspectors, CITY PROJECT MANAGERS, building occupants, and other contractors who may be working on the job site in order to properly complete the project. Work shall proceed in a progressive manner until completed.
- 4.11 Prior to the start of actual work, the CONTRACTOR is responsible for the verification of all existing conditions. No CITY equipment shall be used as part of the CONTRACTOR'S operation or installation requirements.
- 4.12 All inspection, repairs, modification and tests shall be in accordance with the following codes and standards:
- National Electrical Manufacturer's Associations – NEMA
 - American Society of Testing and Material – ASTM
 - Institute of Electrical and Electronic Engineers – IEEE
 - International Electrical Testing Association – NETA Maintenance Testing Specifications – MTS
 - American National Standards Institute – ANSI C2: National Electricity Safety Code
 - California Electrical Code – CEC
 - Insulated Cable Engineers Association – ICEA

- Association of Edison Illuminating Companies – AEIC
- California Division of Occupational Safety and Health – CAL OSHA
- National Fire Protection Association – NFPA
- Underwriters Laboratories – UL
- CITY OF LOS ANGELES, Bureau of Engineering Master Specifications
- Other codes and standards specified by the CITY

- 4.13 All work shall conform to or exceed the applicable requirements of the California Electrical Code (CEC). Provided that where a local code or ordinance is in conflict with the CEC, the provision of said local code, ordinance and specifications shall take precedence.
- 4.14 The CONTRACTOR shall be responsible for the routing of raceway, subject to the approval of the CITY PROJECT MANAGER.
- 4.15 The CONTRACTOR shall carry out any work involving the shutdown of existing service to any piece of equipment now functioning or the tie-in of equipment to the existing system at such time as to provide the least inconvenience to the CITY. The CONTRACTOR shall perform work required when directed by the CITY PROJECT MANAGER. The CONTRACTOR must be able to service and repair all component parts to the CITY PROJECT MANAGER'S satisfaction.
- 4.16 The CONTRACTOR shall design all systems with maximum consideration for efficiency and energy conservation.
- 4.17 The CONTRACTOR shall provide the instruction to the CITY on the use of all new equipment. The CONTRACTOR shall supply the CITY PROJECT MANAGER

- with all manufacturer/dealer literature for equipment.
- 4.18 The CITY may require CONTRACTOR to provide personnel to perform analysis or testing on as-needed basis for a prescribed amount of time.
- 4.19 CONTRACTOR shall obtain and pay for all permits, licenses, and fees necessary for performance of the work performed under this CONTRACT, including but not limited to, any such permits, licenses, and fees required by the CITY'S Department of Building and Safety and Fire Department,.
- 4.20 Within thirty (30) CALENDAR DAYS after the issuance of a NTP, the CONTRACTOR shall obtain all permits required for the construction and installation of all works required of the project and pay all associated fees and costs, and submit to the CITY PROJECT MANAGER copies of such permits and proof of payment of all required permit fees. The project will not be considered complete until all required permits are received and approved by the issuing body and proof of same is submitted to the CITY PROJECT MANAGER.
- 4.21 All employee certifications and licenses required by this CONTRACT must be kept current and in force during the entire term of the CONTRACT. Failure to do so will result in immediate termination for cause. Copies of all such certifications and licenses and the names of employees must be sent to the CITY annually. CONTRACTOR must obtain prior written approval from the CITY PROJECT MANAGER whenever a job description covered by this CONTRACT is changed.
- 4.22 All workmanship, equipment and material incorporated in the work are to be

of the most suitable quality for the purpose of work performed under this CONTRACT.

- 4.23 All conduit and material shall be installed in such a manner as to avoid all obstruction and to preserve headroom and keep openings and passageways clear. Where the material is installed without the required clearances, it shall be moved without additional cost to the CITY.
- 4.24 All material shall be protected from damages during the delivery, storage, handling, and installation until final acceptance of work.
- 4.25 Material must be new and unused and must bear the label of Underwriters' Laboratories, Incorporated (UL) or of an independent testing laboratory acceptable to the Building and Safety Department of the CITY of Los Angeles and be of contractor's grade.
- 4.26 The construction and installation of all electrical equipment and material shall comply with all applicable provisions of the Cal OSHA Safety orders (Title 8, CCR), State Building Standards, and applicable local codes and regulations.
- 4.27 The CONTRACTOR shall replace or have the manufacturer refurbish all damaged material or equipment, including faceplates of panels and switchboards sections, at no expense to the CITY.
- 4.28 Any test failure shall be corrected by the CONTRACTOR in a manner satisfactory to the CITY PROJECT MANAGER.
- 4.29 During the progress of the work, the CONTRACTOR shall clean the premises and shall leave the premises and all portions of the site free of debris caused by his/her works.

4.30 All work required to be altered or repaired shall be finished to match and be flush with adjoining surfaces, subject to the approval of the CITY PROJECT MANAGER.

4.31 Materials to be installed must have prior written approval from CITY PROJECT MANAGER.

4.32 Enhanced Electrical Safety Policy

4.32.1 The CONTRACTOR shall follow Enhanced Electrical Safety Policy in accordance with Section 01412 of the General Requirements.

ARTICLE 5 – KEY CONTRACTOR PERSONNEL

5.1 CONTRACTOR designates the following person to represent CONTRACTOR in all matters pertaining to this CONTRACT:

Name	Ronald Kaufman
Address	9238 Deering Avenue, Chatsworth, CA 91311
TEL Number	(818) 772-9494
FAX Number	(818) 772-9498

Additional technical specialists may be assigned subject to the CITY PROJECT MANAGER'S approval.

5.2 CONTRACTOR agrees that personnel assigned to these positions at the commencement of services under this CONTRACT shall serve in these positions as long as required by the CONTRACT, and CONTRACTOR shall not change personnel assigned to these positions without the prior consent and approval of CITY'S PROJECT MANAGER, whose consent shall not be withheld unreasonably.

- 5.3 Unless otherwise provided or approved by the CITY, CONTRACTOR shall use its own employees to perform the services described in this CONTRACT. The CITY shall have the right to review and approve any personnel who are assigned to work under this CONTRACT. CONTRACTOR agrees to remove personnel from performing work under this CONTRACT if requested to do so by the CITY.
- 5.4 CONTRACTOR shall not use subcontractors to assist in performance of this CONTRACT without the prior written approval of the CITY. If the CITY permits the use of subcontractors, CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT. The CITY has the right to approve CONTRACTOR'S subcontractors, and the CITY reserves the right to request replacement of subcontractors. The CITY does not have any obligation to pay CONTRACTOR'S subcontractors, and nothing herein creates any privity between the CITY and the subcontractors.

ARTICLE 6 – RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY CITY

CITY designates Bahram Roshanian as its CITY PROJECT MANAGER to represent the CITY in all matters within the scope of the CONTRACT relating to the conduct and approval of the work to be performed. Whenever the term "approval of CITY," "consult with CITY," "confer with CITY," or similar terms are used, they shall refer to the CITY PROJECT MANAGER. The CITY PROJECT MANAGER may designate an assistant to act in his stead. The CITY may designate another CITY employee to succeed Bahram Roshanian as CITY PROJECT MANAGER. The CONTRACTOR will be notified in writing in such event.

The CITY shall furnish, without charge, facilities and resources available to the CONTRACTOR as deemed reasonably necessary and appropriate by CITY.

ARTICLE 7 – TERM OF CONTRACT AND TIME OF EFFECTIVENESS

The term of this CONTRACT shall be for three (3) years from the date of full execution of the CONTRACT unless terminated as provided under Article 8 or extended by amendment or change order to this CONTRACT and signed by the parties, with three (3) additional one-year renewal options at the CITY'S sole discretion. The BOARD shall be the final authority in the renewal of this CONTRACT.

The date of full execution is deemed to be the date when all the following events have occurred:

- This CONTRACT has been signed on behalf of CONTRACTOR by the person or persons authorized to bind CONTRACTOR hereto;
- This CONTRACT has been approved by the City Council or by the board, officer or employee authorized to give such approval;
- The Office of the City Attorney has indicated in writing its approval of this CONTRACT as to form; and
- This CONTRACT has been signed on behalf of the CITY by the person designated by the City Council, or by the board, officer or employee authorized to enter into this CONTRACT.

ARTICLE 8 – TERMINATION

Unless otherwise specified herein, Termination under this CONTRACT shall comply with Section 00404 and 00405 of General Conditions, as set forth in the Appendix, and last revised no less than 30 days prior to issuance of a NTP under which work is to be performed.

ARTICLE 9 – SUBCONTRACT APPROVAL (BUSINESS INCLUSION PROGRAM)

- 9.1 Unless otherwise specified herein, subcontractors performing work under this CONTRACT shall be approved by the Bureau of Contract Administration (BCA) in accordance with Section 00311 of the General Conditions.
- 9.2 The CONTRACTOR shall verify that all subcontractors possess a valid and appropriate contractor's license in California and all necessary certifications and a CITY Business Tax Registration Certificate prior to obtaining BCA approval and performing any work under this CONTRACT.
- 9.3 Based on independent verification of the information required in Article 9, the BCA will approve all subcontractors prior to approval of payment for completed work.

- 9.4 Failure to make timely and complete payments to all subcontractors, bid-listed and/or approved, will result in a penalty of no more than 10 percent of the final subcontract amount and possible sanctions.
- 9.5 The Contractor must submit a Final Subcontracting Report to the BUREAU within fifteen (15) calendar days after issuance of the Statement of Completion by the BUREAU. Failure to comply with result in the assessment of liquidated damages in the amount of \$100 per day by the Board of Public Works.
- 9.6 Any reduction, increase, or other change to any bid-listed or approved Subcontract amount without prior approval of the Inspector is considered an Unauthorized Subcontractor Substitution and is subject to a penalty of ten (10) percent of the Subcontract amount, whether bid-listed or not. A subcontract dollar value increased or reduced as the result of a Change Order issued by the Engineer to add or delete from the original scope of work shall not be subject to a penalty for an Unauthorized Subcontractor Substitution.

ARTICLE 10 - COMPENSATION, INVOICING, AND PAYMENT

Compensation for services provided under this CONTRACT shall be provided on a Cost Reimbursement – Hourly Billing Rate basis. This type of compensation is defined as the sum of: (1) Labor Cost at Hourly Billing Rates; (2) Other Direct Costs as defined in 10.1.1, plus ten percent (10%); and (3) Subcontract Expenses as defined in 10.1.2.

10.1 Cost Reimbursement – Hourly Billing Rate Basis

Cost Reimbursement - Hourly Billing Rate is a method of compensation whereby CONTRACTOR is compensated on an hourly basis pursuant to established Hourly Billing Rates set forth hereunder. The hourly billing rates shall be approved by the CITY PROJECT MANAGER for CONTRACTOR employees' time directly chargeable to their performance of the project work and includes salary, fringe benefits, general and administrative overhead , and other business expenses incurred by CONTRACTOR. Reimbursements for Other Direct Costs and Subcontract Expenses shall be in accordance with Section 10.1.1 and 10.1.2 of this CONTRACT.

Position	Rate (\$/hr)
Wireman - Journeyman	\$105.00
Wireman - Foreman	\$113.30
Wireman – Gen Foreman/Sup	\$122.60
Engineer/Project Manager	\$148.00

Subcontractor Hourly Billing Rates are negotiated by CONTRACTOR and CITY PROJECT MANAGER per project. Except for rates for employees covered under prevailing wage requirements as described in section 10.7, Hourly Billing Rate increases are limited to once per year, per employee, on the anniversary date of the CONTRACTOR'S CONTRACT execution, and are subject to the approval of the CITY PROJECT MANAGER.

Any adjustments to Subcontractor's Hourly Billing Rates shall be reviewed and approved by the CITY PROJECT MANAGER prior to invoicing. Adjustments to Subcontractor's Hourly Billing Rates may be increased one time per year, per employee, on the anniversary date of the CONTRACTOR'S CONTRACT execution, and are subject to approval of the CITY PROJECT MANAGER. Any such increases shall be in accordance with established BUREAU policy existing at the time the adjustment is approved.

10.1.1 "Other Direct Cost" includes those costs of CONTRACTOR directly identifiable to or incurred in the performance of services hereunder, including but not limited to reproduction, freight, messenger service, travel (in accordance with established CITY policies), equipment owned or rented by CONTRACTOR (any equipment purchased and paid for under this project shall become the property of the CITY), auto mileage charges (based on IRS allowable amounts), materials, permits, third party inspection or evaluation fees, sales tax, and supplies used in the work. Communication expenses, cost of office space, equipment, and supplies furnished to CITY personnel at CONTRACTOR'S location shall be paid by the CITY. The CITY shall receive the full benefit of any free travel, frequent flyer mileage, discounts and/or any other advantages which are acquired by the CONTRACTOR as a result of CITY-sponsored travel.

10.1.2 "Subcontract Expenses" shall be the actual amount paid by CONTRACTOR to SUBCONTRACTOR for their services to the CITY, plus an administrative fee of ten percent (10%).

10.2 Costs incurred by the CONTRACTOR prior to the actual date of full execution of this CONTRACT shall only be payable to CONTRACTOR if said costs were incurred in completing any task specifically authorized by this CONTRACT and said costs are reviewed and approved by the CITY and said approval for payment occurs after this CONTRACT is fully executed.

10.3 The CITY will not pay for CONTRACTOR'S nor Subcontractor's personnel for invoice preparation. The CITY will not pay for CONTRACTOR'S nor Subcontractor's communication expenses and computer time charges.

10.4 Compensation

CONTRACTOR agrees to perform the work specified in Article 4.4, and CITY shall compensate CONTRACTOR on a Cost Reimbursement – Hourly Billing Rate basis. The total cost ceiling for this CONTRACT is \$6,000,000.00.

10.4.1 The CONTRACTOR must submit the labor and equipment rates to the CITY PROJECT MANAGER for approval at the beginning of this CONTRACT and every time there is a change. The labor and equipment rates for approval are to be submitted utilizing a CITY PROJECT MANAGER provided electronic format.

10.4.2 The CONTRACTOR and all subcontractors performing work under this CONTRACT are to comply with all provisions of the State's Prevailing Wage Requirements.

10.4.3 The equipment list submitted for rate approval shall clearly identify the name, model, capacity (if any), and code number, as listed in the latest Cal-Trans Labor Surcharge and Equipment Rental Rates for each equipment. Equipment will be paid at Cal Trans rates, as listed in "Labor Surcharge and Equipment Rental Rates". If the equipment is not in the Cal Trans List, the CONTRACTOR is to submit the nearest similar equipment classification at the next higher rate.

10.4.4 Work performed in absence of or contrary to the CITY PROJECT MANAGER'S instructions and consent will not be compensated.

10.4.5 Final Inspection/acceptance

Final inspection and acceptance of work performed under this CONTRACT will be in accordance with Section 00407 of General Condition and Section 01452 of the General Requirement.

10.5 Invoicing and Payment

CONTRACTOR shall, upon completion of work, or on a monthly basis for projects with a duration greater than one month, submit to CITY an original and three (3) copies of an invoice in a format acceptable to the CITY which will include all costs and a proportionate amount of profit due CONTRACTOR for services provided. A Subcontractor Utilization Attachment (Schedule B), Exhibit 2, listing Minority/Women/Other Business Enterprise amounts invoiced shall also be submitted as part of the monthly invoice. CONTRACTOR must provide an

explanation for any item that falls short of the planned utilization, along with specific plans and recommendations for recovering from these shortfalls. No such invoices shall be paid without the Subcontractor Utilization Attachment.

CITY shall review CONTRACTOR'S invoice and notify CONTRACTOR of exceptions or disputed items and their dollar amount. The total invoice amount, less any exceptions or disputed items shall be considered approved for payment by the CITY. CITY shall pay CONTRACTOR all amounts approved for payment after CITY PROJECT MANAGER receives CONTRACTOR'S invoice.

Bahram Roshanian

Hyperion Treatment Plant

12000 Vista Del Mar

Playa Del Rey, CA 90293

10.6 False Claims Act

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the CITY under the California False Claims Act (Cal. Gov. Code 12650 et.seq.), including treble damages, costs of legal actions to recover payments and civil penalties of up to \$10,000 per false claim.

ARTICLE 11- PREVAILING WAGES

For only those workers qualifying for Prevailing Wages, the CONTRACTOR shall comply with the following requirements.

- 11.1 The CONTRACTOR shall comply with all provisions of the Labor Code of the State of California relating to Public Works wages, and in specific, with those requiring the CONTRACTOR: (1) to pay not less than the "General Prevailing Wage Rates" to all workers employed during the work, and (2) to post a copy of the "General Prevailing Wage Rate" at the employee's place of work, in a conspicuous place available to all employees and applicants for employment.
- 11.2 The "General Prevailing Wage Rates" shall be the rates determined by the Director of the Department of Industrial Relations of the State of California. Copies of said rates are on file with the BOARD.
- 11.3 The CONTRACTOR and the CONTRACTOR'S Subcontractors shall pay the full amount due at the time of payment computed at wage rates not less than those contained in the wage determination division applicable to the work regardless of any contractor relationship which may be alleged to exist between the CONTRACTOR and such Subcontractor.
- 11.4 Prevailing Wages set by the State of California can differ depending on the area within the State and may be set outside the anniversary date of the CONTRACTOR'S CONTRACT execution. If Prevailing Wages are adjusted by the State, Billing Salary Rates or Hourly Billing Rates may be adjusted subject to the approval of the CITY PROJECT MANAGER.

- 11.5 Billing Salary Rates or Hourly Billing Rates that include applicable Prevailing Wage rates may vary from the Billing Salary Rates or Hourly Billing Rates that do not include applicable Prevailing Wages Rates.
- 11.6 This project has been identified for submission of certified payrolls through the Department of Public Works Bureau of Contract Administration's Online Certified Payroll System (OCPS). The OCPS is a web based program that will allow contractors to submit certified payrolls electronically. CONTRACTORS (of any tier) will be required to submit their certified payrolls through the OCPS. CONTRACTORS (of any tier) shall be responsible for maintaining certified copies of payroll records as required by law (§ 1776 of the California State Labor Code). The CONTRACTOR shall be responsible for ensuring that all their SUBCONTRACTORS regardless of tier to submit certified payrolls through OCPS. Training for OCPS will be provided by the BCA during the second Wednesday of each month. For further questions, please contact Raoul Mendoza at 213-847-2661, Angela Chang at 213-847-2673, or Jose Ramirez at 213-847-2629.

ARTICLE 12 - AMENDMENTS, CHANGES, OR MODIFICATIONS

Amendments, changes or modifications in the terms of this CONTRACT may be made at any time by mutual written CONTRACT between the parties hereto and shall be signed by the persons authorized to bind the parties thereto.

ARTICLE 13 – INDEMNIFICATION, INSURANCE, AND BONDS

13.1 INDEMNIFICATION

Unless otherwise specified herein, Indemnification under this CONTRACT shall comply with Section 00316 of General Conditions, as set forth in the Appendix, and last revised no less than 30 days prior to issuance of a NTP under which work is to be performed.

13.2 INSURANCE

Unless otherwise specified herein, Insurance requirements under this CONTRACT shall comply with Section 00317 of the General Conditions, as set forth in the appendix, and as last revised no less than 30 days prior to issuance of a NTP under which work is to be performed.

13.3 BONDS

Unless otherwise specified herein, bonding requirements under this CONTRACT shall comply with Section 00317 of the General Conditions, as set forth in the appendix, and as last revised no less than 30 days prior to issuance of a NTP under which work is to be performed.

ARTICLE 14 – INDEPENDENT CONTRACTOR

Unless otherwise specified herein, independent contractors under this CONTRACT shall comply with Section 00316 of the General Conditions, as set forth in the appendix, and as last revised no less than 30 days prior to issuance of a NTP under which work is to be performed.

ARTICLE 15 – WARRANTY AND RESPONSIBILITY OF CONTRACTOR

- 15.1 CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within CONTRACTOR'S profession, doing the same or similar work under the same or similar circumstances.
- 15.2 CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by CONTRACTOR under this CONTRACT. CONTRACTOR shall, at no additional cost to CITY, correct or revise any errors, omissions, or other deficiencies in its designs, drawings, specifications, reports, calculations, and other services. The CONTRACTOR shall initiate corrective action within ten (10) Calendar Days after notification by a CITY PROJECT MANAGER.
- 15.3 The CONTRACTOR shall exhibit proper professional judgment in the use of information furnished by CITY in Article 6. In the event that said information is not delivered timely or that it is discovered to be incorrect or misleading, CONTRACTOR will notify the CITY in a reasonable manner after the discovery of such tardiness or incorrect or misleading information and promptly make a determination of its costs and schedule impact on this CONTRACT, as well as recommendations for the correction of such incorrect or misleading information.

15.4 CONTRACTOR shall perform such professional services as may be necessary to accomplish the work required to be performed under this CONTRACT in accordance with this CONTRACT.

15.5 Except as specified in Article 13 and as otherwise provided in this CONTRACT, the CONTRACTOR shall be and shall remain liable, in accordance with applicable law, for all damages to CITY caused by CONTRACTOR'S negligent performance of any of the services furnished under this CONTRACT, except for errors, omissions, or other deficiencies to the extent attributable to CITY, CITY-furnished data, or any third party.

ARTICLE 16 - INTELLECTUAL PROPERTY INDEMNIFICATION

The CONTRACTOR, at its own expense, 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 arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information right (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by CONTRACTOR, or its Subcontractors of any tier, in

performing the work under this CONTRACT; or (2) as a result of the CITY'S actual or intended use of any Work Product furnished by CONTRACTOR, or its Subcontractors of any tier, under the CONTRACT. Rights and remedies available to the CITY under this provision are cumulative of those provided for elsewhere in this CONTRACT and those allowed under the laws of the United States, the State of California, and the CITY. The provisions of this article shall survive expiration or termination of this CONTRACT.

ARTICLE 17 INTELLECTUAL PROPERTY WARRANTY

The CONTRACTOR represents and warrants that its performance of all obligations under this CONTRACT do not infringe in any way, directly or contributory, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, right of publicity and proprietary information.

ARTICLE 18 – OWNERSHIP AND LICENSE

Unless otherwise provided for herein, all Work Products originated and prepared by CONTRACTOR or its Subcontractors of any tier under this CONTRACT shall be and remain the exclusive property of the CITY for its use in any manner it deems appropriate. Work Products are all works, tangible or not, created under this CONTRACT including, without limitation, documents, material, data, reports, manuals, specifications, artwork, drawings, sketches, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas

matters and combinations thereof, and all forms of intellectual property. CONTRACTOR hereby assigns, and agrees to assign, all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared by CONTRACTOR under this CONTRACT. CONTRACTOR further agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.

For all Work Products delivered to the CITY that are not originated or prepared by CONTRACTOR or its Subcontractors of any tier under this CONTRACT, CONTRACTOR hereby grants a non-exclusive perpetual license to use such Work Products for any CITY purposes.

CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of the CITY.

Any subcontract entered into by CONTRACTOR relating to this CONTRACT, to the extent allowed hereunder, shall include a like provision for work to be performed under this CONTRACT to contractually bind or otherwise oblige its Subcontractors performing work under this CONTRACT such that the CITY'S ownership and license rights of all Work Products are preserved and protected as intended herein. Failure of CONTRACTOR to comply with this requirement or to obtain the compliance of its Subcontractors with such obligations shall subject CONTRACTOR to the imposition of any and all sanctions allowed by law, including but not limited to termination of CONTRACTOR'S CONTRACT with the CITY.

ARTICLE 19 – SUCCESSORS AND ASSIGNS

All of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns provided, however, that no assignment of the CONTRACT shall be made without written consent of the parties to this CONTRACT as required under Article 29.

ARTICLE 20 – CONTACT PERSONS - PROPER ADDRESSES - NOTIFICATION

All notices shall be made in writing and may be given by personal delivery or by mail. Such notices sent by mail should be registered or certified and sent to the designated contact person for each party and addressed as follows:

To The CITY PROJECT MANAGER:

Contact Person: Bahram Roshanian
Telephone No.: (310) 648-5178
E-mail Address: Bahram.Roshanian@lacity.org
Address: Bureau of Sanitation
12000 Vista del Mar
Playa del Rey, CA 90293
Attn: Bahram Roshanian

To CONTRACTOR:

Contact Person: Ronald Kaufman

Address: 9238 Deering Avenue, Chatsworth, CA 9131

To the INSPECTOR:

Contact Person: David Tang, District Manager

Telephone No.: (213) 847-2445

E-Mail Address: David.Tang@lacity.org

Address: Bureau of Contract Administration

Wastewater Construction Division

1149 S. Broadway St. 3rd Fl.

Los Angeles, CA 90015-2213

Attn: David Tang, Principal Construction Inspector

Wastewater Construction Division

To the OFFICE OF CONTRACT COMPLIANCE:

Contact Person: Hannah Choi, Program Manager

Telephone No.: (213) 847-2677

E-Mail Address: Hannah.Choi@lacity.org

Address: Office of Contract Compliance

Bureau of Contract Administration

1149 S. Broadway St., Suite 300

Los Angeles, CA 90015-2213

Attn: Hannah Choi

Contract Compliance Program Manager II

For APPROVAL OF SUBCONTRACTORS & PAYMENT PROCESSING:
(Construction Projects)

Contact Person: Marc Wright

Address: Bureau of Contract Administration

1149 S. Broadway St., Suite 300

Los Angeles, CA 90015-2213

For APPROVAL OF SUBCONTRACTORS & PAYMENT PROCESSING:
(Non Construction Projects)

Contact Person: Bahram Roshanian

Address: Hyperion Treatment Plant

12000 Vista Del Mar

Playa Del Rey, CA 90293

ARTICLE 21 – FORCE MAJEURE

In the event that performance on the part of any party hereto is delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder include, but are not limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local

Government in either sovereign or contractual capacity; fires; floods; earthquakes; epidemics; quarantine restrictions; strikes; freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

ARTICLE 22 – DRUG AND ALCOHOL TESTING

The Federal Department of Transportation (DOT) regulations require drug and alcohol testing of CITY contracted personnel who must maintain a commercial drivers license. Effective January 1, 1995, contractors are required to comply with the DOT mandate (i.e. Federal Motor Carrier Safety Regulations, Parts 382, et al). The CONTRACTOR shall comply with, but not be limited to, the following provisions:

- A. Education and training in accordance with Code of Federal Regulations, hereinafter referred to as CFR, 382.
- B. Arrange for random testing and the other required procedures of CFR 382.
- C. Allow the CITY to access and audit the CONTRACTOR'S property and records relating to random drug/alcohol testing.
- D. Provide the CITY with the documentation verifying compliance with the DOT regulations.

ARTICLE 23 – SEVERABILITY

Should any portion of this CONTRACT be determined to be void or unenforceable, such shall be severed from the whole and the CONTRACT will continue as modified.

ARTICLE 24 – DISPUTES

Should a dispute or controversy arise concerning provisions of this CONTRACT or the performance of work hereunder, the parties may elect to submit such to a court of competent jurisdiction.

ARTICLE 25 – ENTIRE CONTRACT

This CONTRACT contains all of the agreements, representations, and understandings of the parties hereto and supersedes and/or incorporates any previous understandings, proposals, commitments, or agreements, whether oral or written, and may be modified or amended only as herein provided.

ARTICLE 26 – APPLICABLE LAW, INTERPRETATION, AND ENFORCEMENT

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the CITY including but not limited to laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This CONTRACT and its performance shall be enforced and interpreted under the laws of the State of California. All causes of action arising directly

or indirectly from the business relationship evidenced by this CONTRACT must be filed in the appropriate state or federal court located in Los Angeles County, California, and each party agrees to be subject to the jurisdiction of the State of California regardless of their residence. CONTRACTOR shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this CONTRACT.

If any part, term or provision of this CONTRACT is held void, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this CONTRACT, the validity of the remaining parts, terms or provisions of the CONTRACT shall not be affected thereby.

ARTICLE 27 – CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION

CERTIFICATE REQUIRED

If applicable, CONTRACTOR represents that it has obtained and presently holds the Business Tax Registration Certification(s) required by the CITY'S Business Tax Ordinance, section 21.00 *et seq.* of the Los Angeles Municipal Code. For the term covered by this CONTRACT, the CONTRACTOR shall maintain, or obtain as necessary, all such Certificates required of it under Business Tax Ordinance and shall not allow any such Certificate to be revoked or suspended. Should any such certificate(s) become suspended or revoked, it is the CONTRACTOR'S responsibility to report the matter immediately to the CITY PROJECT MANAGER.

ARTICLE 28 – WAIVER

A waiver of a default of any part, term or provision of this CONTRACT shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

ARTICLE 29 – PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

The CONTRACTOR may not, unless it has first obtained the written permission of the CITY:

- a) Assign or otherwise alienate any of its rights hereunder this CONTRACT, including the right of payment; or
- b) Delegate, subcontract, or otherwise transfer any of its duties hereunder.

ARTICLE 30 – PERMITS

The CONTRACTOR and its directors, officers, partners, agents, employees, and Subcontractors, to the extent allowed hereunder, shall obtain and maintain all permits, licenses, certifications, and other documents necessary for the CONTRACTOR'S performance of the services hereunder and shall pay any fees required therefore. CONTRACTOR certifies to immediately notify the CITY of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

ARTICLE 31 – DISCOUNTS

CONTRACTOR agrees to offer the CITY any discount terms that are offered to its best customers for the goods and services to be provided hereunder and apply such discounts to payments made under this CONTRACT which meet the discount terms.

ARTICLE 32 - CLAIMS FOR LABOR AND MATERIALS

The CONTRACTOR shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this CONTRACT, so as to prevent any lien or other claim under any provision of law from arising against any CITY property (including reports, documents, and other tangible or intangible matter produced by the CONTRACTOR hereunder), against the CONTRACTOR'S rights to payments hereunder, or against the CITY, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

ARTICLE 33 – BREACH

Except for Force Majeure, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

ARTICLE 34 - NON-DISCRIMINATION

Unless otherwise exempt, this CONTRACT is subject to the non-discrimination provisions in Sections 10.8 through 10.8.2 of the Los Angeles Administrative Code, as amended from time to time. The CONTRACTOR shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this CONTRACT, CONTRACTOR shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, ^{color,} religion, national origin, ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. Any subcontract entered into by CONTRACTOR, to the extent allowed hereunder, shall include a like provision for work to be performed under this CONTRACT.

Failure of CONTRACTOR to comply with this requirement or to obtain the compliance of its Subcontractors with such obligations shall subject CONTRACTOR to the imposition of any and all sanctions allowed by law, including but not limited to termination of CONTRACTOR'S CONTRACT with the CITY.

ARTICLE 35 - EQUAL EMPLOYMENT PRACTICES

Unless otherwise exempt, this CONTRACT is subject to the equal employment practices provisions in Section 10.8.3 of the Los Angeles Administrative Code, as amended from time to time.

A. During the performance of this CONTRACT, CONTRACTOR agrees and represents

that it will provide equal employment practices and CONTRACTOR and each Subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, ^{color}religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service 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. CONTRACTOR agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to their race, ^{color}religion, ancestry, national origin, sex, sexual orientation, age, disability, marital 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 Board of Public Works, Office of Contract Compliance, CONTRACTOR shall certify in the specified format that he or she has not discriminated in the performance of CITY contracts against any employee or applicant for employment on the basis or because of race, ^{color}religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical

condition.

- D. CONTRACTOR shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of CITY contracts. On their or either of their request CONTRACTOR shall provide evidence that he or she has or will comply therewith.
- E. The failure of any CONTRACTOR to comply with the Equal Employment Practices provisions of this CONTRACT may be deemed to be a material breach of CITY contracts. 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 or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to CONTRACTOR.
- F. Upon a finding duly made that CONTRACTOR has failed to comply with the Equal Employment Practices provisions of a CITY contract, the CONTRACT may be forthwith canceled, 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. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the CONTRACTOR is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, CONTRACTOR shall be

disqualified from being awarded a contract with the CITY for a period of two (2) years, or until CONTRACTOR shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this CONTRACT, the CITY shall have any and all other remedies at law or in equity for any breach hereof.

H. Intentionally blank.

I. Nothing contained in this CONTRACT shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. At the time a supplier registers to do business with the CITY, or when an individual bid or proposal is submitted, CONTRACTOR shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of CITY Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Hiring practices;
2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
3. Training and promotional opportunities; and
4. Reasonable accommodations for persons with disabilities.

L. Any subcontract entered into by CONTRACTOR, to the extent allowed hereunder, shall include a like provision for work to be performed under this CONTRACT.

Failure of CONTRACTOR to comply with this requirement or to obtain the compliance of its Subcontractors with all such obligations shall subject

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.

ARTICLE 36 - AFFIRMATIVE ACTION PROGRAM

Unless otherwise exempt, this CONTRACT is subject to the affirmative action program provisions in Section 10.8.4 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of a CITY contract, CONTRACTOR certifies and represents that 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 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. 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. CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of 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 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, CONTRACTOR shall certify on an electronic or hard copy form to be supplied, that 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 or medical condition.
- D. 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 CONTRACTOR.

- F. Upon a finding duly made that 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. 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 for a period of two (2) 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 CONTRACTOR has been guilty of 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 CONTRACTOR by the CITY 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 shall have any and all other remedies at law or in equity for any breach hereof.
- I. Intentionally blank.

- 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. 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 (12) months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, CONTRACTOR may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve (12) months. If the approval is thirty (30) days or less from expiration, 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. 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 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 work force 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 work force or replacement of those employees who leave the work force 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. Intentionally blank.
- 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.

ARTICLE 37 – CHILD SUPPORT ASSIGNMENT ORDERS

This CONTRACT is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to the Child Support Assignment Orders Ordinance, CONTRACTOR will fully comply with all applicable State and Federal employment reporting requirements for CONTRACTOR'S employees. CONTRACTOR shall also certify (1) that the Principal Owner(s) of CONTRACTOR are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (2) that CONTRACTOR will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with Section 5230, et seq. of the California Family Code; and (3) that CONTRACTOR will maintain such compliance throughout the term of this CONTRACT.

Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, the failure of CONTRACTOR to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders or Notices of Assignment, or the failure of any Principal Owner(s) of CONTRACTOR to comply with any Wage and

Earnings Assignment Orders or Notices of Assignment applicable to them personally, shall constitute a default by the CONTRACTOR under this CONTRACT, subjecting this CONTRACT to termination if such default shall continue for more than ninety (90) days after notice of such default to CONTRACTOR by the CITY.

Any subcontract entered into by CONTRACTOR, to the extent allowed hereunder, shall include a like provision for work to be performed under this CONTRACT. Failure of CONTRACTOR to obtain compliance of its Subcontractors shall constitute a default by CONTRACTOR under this CONTRACT, subjecting this CONTRACT to termination where such default shall continue for more than ninety (90) days after notice of such default to CONTRACTOR by the CITY.

CONTRACTOR certifies that, to the best of its knowledge, it is fully complying with the Earnings Assignment Orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in Section 7110(b) of the California Public Contract Code.

ARTICLE 38 – LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR

WORKER RETENTION ORDINANCE (FOR NON-CONSTRUCTION SERVICES)

- A. Unless otherwise exempt in accordance with the provisions of this Ordinance, this CONTRACT is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 et seq. of the Los Angeles Administrative Code, as amended from time to time, which is attached hereto as Exhibit 7 and

incorporated herein by this reference, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time. These Ordinances require the following:

1. The CONTRACTOR assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits of compensated and uncompensated days off and health benefits, as defined in the LWO.
2. The CONTRACTOR further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. CONTRACTOR shall require each of its Subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. CONTRACTOR shall receive and retain on file the executed pledges from each such Subcontractor within ninety (90) days of the execution of the Subcontract. CONTRACTOR'S evidence of executed pledges from each such Subcontractor shall fully discharge the obligation of the CONTRACTOR to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
3. The CONTRACTOR, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for

complaining to the CITY with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. CONTRACTOR shall post the Notice of Prohibition Against Retaliation provided by the CITY.

4. Any Subcontract entered into by the CONTRACTOR relating to this CONTRACT, to the extent allowed hereunder, shall be subject to the provisions of LWO and the SCWRO, and shall incorporate the LWO and the SCWRO.
 5. The CONTRACTOR shall comply with all rules, regulations and policies promulgated by the CITY'S Designated Administrative Agency, which may be amended from time to time.
- B. Under the provisions of Section 10.36.3(c) and Section 10.37.6(c) of the Los Angeles Administrative Code, the CITY shall have the authority, under appropriate circumstances, to terminate this CONTRACT and otherwise pursue legal remedies that may be available if the CITY determines that the subject CONTRACTOR has violated provisions of the LWO and the SCWRO or both.
- C. Where under the LWO Section 10.37.6(d), the CITY'S Designated Administrative Agency has determined (a) that the CONTRACTOR is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the CITY in such circumstances may impound monies

otherwise due the CONTRACTOR in accordance with the following procedures. Impoundment shall mean that from monies due the CONTRACTOR, the CITY may deduct the amount determined to be due and owing by the CONTRACTOR to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d) (3) and disposed of under procedures there described through final and binding arbitration. Whether the CONTRACTOR is to continue work following an impoundment shall remain in the sole discretion of the CITY. The CONTRACTOR may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

- D. The CONTRACT shall inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit (EIC). CONTRACTOR shall also make available to employees the forms informing them about the EIC and forms required to secure advance EIC payments from CONTRACTOR.

ARTICLE 39 – AMERICANS WITH DISABILITIES ACT

The CONTRACTOR hereby certifies that it will comply with the Americans with Disabilities Act 42 U.S.C. Section 12101 et seq. and its implementing regulations. The CONTRACTOR will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. The CONTRACTOR will not discriminate against persons with disabilities nor against persons

due to their relationship to or association with a person with a disability. Any subcontract entered into by the CONTRACTOR, relating to this CONTRACT, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

ARTICLE 40 – CONTRACTOR RESPONSIBILITY ORDINANCE

Unless otherwise exempt, this CONTRACT is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq., of the Los Angeles Administrative Code, as amended from time to time, which requires CONTRACTOR to update its responses to the responsibility questionnaire within thirty (30) Calendar Days after any change to the responses previously provided if such change would affect CONTRACTOR'S fitness and ability to continue performing this CONTRACT.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this CONTRACT, CONTRACTOR pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this CONTRACT, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. CONTRACTOR further agrees to: (1) notify the CITY within thirty (30) Calendar Days after receiving notification that any government agency has initiated an investigation which may result in a finding that CONTRACTOR is not in compliance with all applicable federal, state and local laws in performance of this CONTRACT; (2) notify the CITY within thirty (30) Calendar Days of all findings by a government agency or court of competent jurisdiction that CONTRACTOR has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its Subcontractor(s), as

defined in the Contractor Responsibility Ordinance, submit a Pledge of Compliance to the CITY; and (4) unless exempt, ensure that its Subcontractor(s), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the CITY within thirty (30) Calendar Days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

ARTICLE 41 – MBE/WBE/OBE SUBCONTRACTOR OUTREACH PROGRAM

CONTRACTOR agrees and obligates itself to utilize the services of Minority, Women, and Other Business Enterprise (MBE/WBE/OBE) firms on a level so designated in its proposal, if any. CONTRACTOR certifies that it has complied with Mayoral Executive Directive 2001-26 regarding the Subcontractor Outreach Program for Personal Services Contracts greater than \$100,000, (if applicable). CONTRACTOR shall not change any of these designated subcontractors, nor shall CONTRACTOR reduce its level of effort, without prior written approval of the CITY, provided that such approval shall not be unreasonably withheld.

Prior to the issuance of a Notice to Proceed, the CONTRACTOR shall submit a Schedule B Subcontractor Utilization Profile (Exhibit 2) for each Task Order awarded.

CONTRACTOR shall only utilize subcontractors listed on Schedule A (Exhibit 1) submitted with proposal, unless and until the CONTRACTOR has performed an outreach to add or substitute subcontractors. Addition of subcontractors requires approval of the Bureau of Sanitation (for all non-construction services) or Bureau of Contract

Administration (for all construction services). Substitution of subcontractors requires approval of the Board of Public Works. CONTRACTOR agrees and obligates itself to submit a signed MBE/WBE/OBE Utilization Profile, provided herein as Exhibit 2, for each invoice as described in Article 10, listing current MBE/WBE/OBE amounts invoiced as part of the invoicing procedures.

ARTICLE 42 – EQUAL BENEFITS ORDINANCE

Unless otherwise exempt, this CONTRACT is subject to the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of the CONTRACT, the CONTRACTOR certifies and represents that the CONTRACTOR will comply with the EBO.
- B. The failure of the CONTRACTOR to comply with the EBO will be deemed to be a material breach of this CONTRACT by the CITY.
- C. If the CONTRACTOR fails to comply with the EBO, the CITY may cancel, terminate or suspend this CONTRACT, in whole or in part, and all monies due or to become due under this 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 EBO may be used as evidence against CONTRACTOR in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

- E. If the CITY'S Designated Administrative Agency determines that a CONTRACTOR has set up or used its contracting entity for the purpose of evading the intent of the EBO, the CITY may terminate the CONTRACT. Violation of this provision may be used as evidence against CONTRACTOR in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

The CONTRACTOR shall post 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. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Office of Contract Compliance at (213) 847-2625."

ARTICLE 43 – SLAVERY DISCLOSURE ORDINANCE

Unless otherwise exempt in accordance with the provisions of this Ordinance, this CONTRACT is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as may be amended from time to time, which is attached hereto as Exhibit 5 and incorporated herein by this reference. CONTRACTOR certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this CONTRACT.

ARTICLE 44 – CONTRACTOR PERFORMANCE EVALUATION ORDINANCE

At the end of this CONTRACT, the CITY will conduct an evaluation of the CONTRACTOR'S performance. The CITY may also conduct evaluations of the CONTRACTOR'S performance during the term of the CONTRACT. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the CONTRACTOR assigns to the CONTRACT. A Contractor who receives a "Marginal" or "Unsatisfactory" rating will be provided with a copy of the final CITY evaluation and allowed fourteen (14) Calendar Days to respond. The CITY will use the final CITY evaluation, and any response from the CONTRACTOR, to evaluate proposals and to conduct reference checks when awarding other service contracts.

ARTICLE 45 – MUNICIPAL LOBBYING ORDINANCE

Any Contractor for the CITY shall submit a certification, on a form prescribed by the City Ethics Commission, that the CONTRACTOR acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance, Exhibit 13, if the CONTRACTOR qualifies as a lobbying entity under the Ordinance. The exemptions contained in Los Angeles Administrative Code Section 10.40.4 shall not apply to this subsection.

ARTICLE 46 - FIRST SOURCE HIRING ORDINANCE

Unless otherwise exempt in accordance with the provisions of this Ordinance, this

CONTRACT is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 et seq. of the Los Angeles Administrative Code, as amended from time to time.

CONTRACTOR shall, prior to the execution of the CONTRACT, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that CONTRACTOR estimate they will need to fill in order to perform the services under the CONTRACT.

CONTRACTOR further pledges that it will, during the term of the CONTRACT, shall a) At least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Community Development Department (CDD), which will refer individuals for interview; b) Interview qualified individuals referred by CDD; and c) Prior to filling any employment opportunity, the CONTRACTOR shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the CONTRACTOR interviewed and the reasons why referred individuals were not hired.

Any Subcontract entered into by the CONTRACTOR relating to this CONTRACT, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.

CONTRACTOR shall comply with all rules, regulations and policies promulgated by the DAA, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the DAA has determined that the CONTRACTOR intentionally violated or used hiring

practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 et seq., and must be documented in each of the CONTRACTOR'S subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 et seq. This measure does not limit the CITY'S authority to act under this article.

Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this CONTRACT and otherwise pursue legal remedies that may be available if the Designated Administrative Agency determines that the subject CONTRACTOR has violated provisions of the FSHO.

ARTICLE 47 - COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12) FOR MEASURE H/CONTRACTOR CONTRIBUTIONS/FUNDRAISING

The CONTRACTOR, Subcontractors, 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 contract is valued at \$100,000 or more and requires approval of a CITY elected official. Additionally, CONTRACTOR is required to provide and update certain information to the CITY as specified by law. Any contractor subject to Charter Section 470(c)(12), shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 for performance under this CONTRACT:

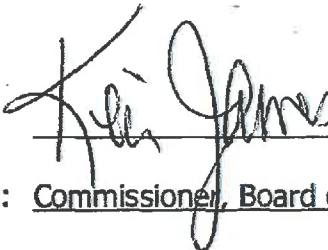
Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are subcontractor on City of Los Angeles contract #_____. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected CITY officials or candidates for elected CITY office for twelve (12) months after the CITY contract is signed. Subcontractor is required to provide to CONTRACTOR names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the twelve (12) month time period. Subcontractor's information included must be provided to CONTRACTOR within five (5) business days. Failure to comply may result in termination of CONTRACT or any other available legal remedies includes 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.

CONTRACTOR, Subcontractors, and their Principals shall comply with these requirements and limitations. Violation of this provision shall entitle the CITY to terminate this CONTRACT and pursue any and all legal remedies that may be available.

IN WITNESS WHEREOF, the parties hereto have executed this CONTRACT on the day and year written below.

CITY OF LOS ANGELES

By: 
Title: Commissioner, Board of Public Works

Date: 3-10-14

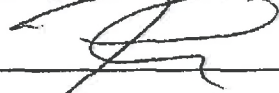
By: _____

Title: Commissioner, Board of Public Works

Date: _____

APPROVED AS TO FORM

MICHAEL N. FEUER, City Attorney

By: 
JOHN A. CARVALHO

Title: Deputy City Attorney

Date: 3/6/14

ATTEST:

HOLLY L. WOLCOTT, Interim City Clerk

By: 
Title: Deputy City Clerk

Date: 3/11/14

C-123701



MIRON ELECTRIC

CONSTRUCTION CORP

By: 
RONALD KAUFMAN

Title: CEO

Date: 3/5/2014

CONTRACT NO. C-123701-1

AMENDMENT NO. 1
TO
CONTRACT C-123701
BETWEEN
THE CITY OF LOS ANGELES
AND
MIRON ELECTRIC CONSTRUCTION CORPORATION
FOR
SPECIALIZED HIGH VOLTAGE SERVICES

AMENDMENT NO. 1 TO CONTRACT C-123701 BETWEEN THE CITY OF LOS ANGELES
AND
MIRON ELECTRICCONSTRUCTION CORPORATION
FOR SPECIALIZED HIGH VOLTAGE SERVICES

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APPENDIX I MASTER GENERAL CONDITIONS

APPENDIX II MASTER GENERAL REQUIREMENTS

AMENDMENT NO. 1 TO CONTRACT C-123701 BETWEEN THE CITY OF LOS ANGELES
AND MIRON ELECTRIC CONSTRUCTION CORPORATION
FOR SPECIALIZED HIGH VOLTAGE SERVICES

This AMENDMENT NO. 1, made and entered into by and between the City of Los Angeles, a municipal corporation acting by order of and through its Board of Public Works, hereinafter called the "CITY", and "Miron Electric Construction Corporation" hereinafter referred to as the "CONTRACTOR"; is set forth as follows:

W I T N E S S E T H

WHEREAS, the CITY has a need for services to modify, modernize, and perform preventive and predictive maintenance of high voltage electrical distribution infrastructure of its wastewater treatment plants, wastewater reclamation plants, and sewage pumping plants; and

WHEREAS, the CITY is committed to maintaining the high voltage electrical distribution infrastructure of its wastewater treatment plants, wastewater reclamation plants, and sewage pumping plants; and

WHEREAS, the CONTRACTOR'S services are deemed to be vital to meet the CITY'S commitment to maintain the high voltage electrical distribution infrastructure of its wastewater treatment plants, wastewater reclamation plants, and sewage pumping plants; and

WHEREAS, the CITY entered into an agreement with the CONTRACTOR on March 10, 2014, to provide services to maintain the high voltage electrical distribution infrastructure of its water reclamation plants and sewage pumping plants, during the course of a three (3) year period with three (3) additional one (1)-year renewal options; and

WHEREAS, this CONTRACT is being amended to clarify language in Article 10 as it relates to compensation and invoicing; and

WHEREAS, the CONTRACTOR meets the State, Federal, and Local requirements to perform the high voltage services required of this CONTRACT; and

WHEREAS, the services provided by the CONTRACTOR are of an expert and technical nature;

NOW, THEREFORE, in consideration of the foregoing and of the benefits which will accrue to the parties hereto in carrying out the terms and conditions of this CONTRACT, it is understood and agreed by and between the parties hereto as follows:

ARTICLE 1 – SECTION HEADINGS AND CONSTRUCTION OF PROVISIONS AND TITLES HEREIN

No change to this Article.

ARTICLE 2 – DEFINITIONS

No change to this Article.

ARTICLE 3 – PROJECT DESCRIPTION

No change to this Article.

ARTICLE 4 – RESPONSIBILITIES OF AND SERVICES TO BE PERFORMED BY THE CONTRACTOR

No change to this Article.

ARTICLE 5 – KEY CONTRACTOR PERSONNEL

No change to this Article.

ARTICLE 6 – RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY CITY

Modify this Article to read as follows:

CITY designates Efrain Gonzalez as its CITY PROJECT MANAGER to represent the CITY in all matters within the scope of the CONTRACT relating to the conduct and approval of the work to be performed. Whenever the term "approval of CITY," "consult with CITY," "confer with CITY," or similar terms are used, they shall refer to the CITY PROJECT MANAGER. The CITY PROJECT MANAGER may designate an assistant to act in his stead. The CITY may designate another CITY employee to succeed Efrain Gonzalez as CITY PROJECT MANAGER. The CONTRACTOR will be notified in writing in such event.

The CITY shall furnish, without charge, facilities and resources available to the

CONTRACTOR as deemed reasonably necessary and appropriate by CITY.

ARTICLE 7 – TERM OF CONTRACT AND TIME OF EFFECTIVENESS

No change to this Article.

ARTICLE 8 – TERMINATION

No change to this Article.

ARTICLE 9 – SUBCONTRACT APPROVAL (BUSINESS INCLUSION PROGRAM)

No change to this Article.

ARTICLE 10 - COMPENSATION, INVOICING, AND PAYMENT

Modify this Article to read as follows:

Compensation for services provided under this CONTRACT shall be provided on a Cost Reimbursement – Hourly Billing Rate basis, Lump Sum basis, or a combination thereof, at the sole discretion of the CITY. For Cost Reimbursement, compensation is defined as the sum of: (1) Labor Cost at Hourly Billing Rates; (2) Other Direct Costs as defined in 10.1.1; (3) Subcontract Expenses as defined in 10.1.2; (4) Profit as defined in 10.1.3; (5) Bonds as defined in 10.1.4; and (5) Administrative Fee as defined in 10.1.5. For the Lump Sum basis, compensation is defined solely as the Lump Sum.

10.1 Cost Reimbursement – Hourly Billing Rate Basis

Cost Reimbursement - Hourly Billing Rate is a method of compensation whereby CONTRACTOR is compensated on an hourly basis pursuant to established Hourly

Billing Rates set forth hereunder. The hourly billing rates shall be approved by the CITY PROJECT MANAGER for CONTRACTOR employees' time directly chargeable to their performance of the project work and includes salary, fringe benefits, general and administrative overhead , and other business expenses incurred by CONTRACTOR. Reimbursements for Other Direct Costs and Subcontract Expenses shall be in accordance with Section 10.1.1 and 10.1.2 of this CONTRACT.

Position	Rate (\$/hr)
Wireman - Journeyman	\$105.00
Wireman - Foreman	\$113.30
Wireman – Gen Foreman/Sup	\$122.60
Engineer/Project Manager	\$148.00

Subcontractor Hourly Billing Rates are negotiated by CONTRACTOR and CITY PROJECT MANAGER per project. Except for rates for employees covered under prevailing wage requirements as described in section 10.7, Hourly Billing Rate increases are limited to once per year, per employee, on the anniversary date of the CONTRACTOR'S CONTRACT execution, and are subject to the approval of the CITY PROJECT MANAGER.

Any adjustments to Subcontractor's Hourly Billing Rates shall be reviewed and approved by the CITY PROJECT MANAGER prior to invoicing. Adjustments to Subcontractor's Hourly Billing Rates may be increased one time per year, per employee, on the anniversary date of the CONTRACTOR'S CONTRACT execution,

and are subject to approval of the CITY PROJECT MANAGER. Any such increases shall be in accordance with established BUREAU policy existing at the time the adjustment is approved.

10.1.1 "Other Direct Cost" includes those costs of CONTRACTOR directly identifiable to or incurred in the performance of services hereunder, including but not limited to reproduction, freight, messenger service, travel (in accordance with established CITY policies), equipment owned or rented by CONTRACTOR (any equipment purchased and paid for under this project shall become the property of the CITY), auto mileage charges (based on IRS allowable amounts), materials, permits, third party inspection or evaluation fees, sales tax, and supplies used in the work. Communication expenses, cost of office space, equipment, and supplies furnished to CITY personnel at CONTRACTOR'S location shall be paid by the CITY. The CITY shall receive the full benefit of any free travel, frequent flyer mileage, discounts and/or any other advantages which are acquired by the CONTRACTOR as a result of CITY-sponsored travel.

10.1.2 "Subcontract Expenses" shall be the actual amount paid by CONTRACTOR to SUBCONTRACTOR for their services to the CITY, .

10.1.3 "Profit" shall be limited to five percent (5%) and shall be applied to summation of "Hourly Billing Rates", "Other Direct Costs" and "Subcontract Expenses".

10.1.4 "Bonds" shall be limited to one percent (1%) and shall be applied to summation of "Hourly Billing Rates", "Other Direct Costs" and "Subcontract Expenses".

10.1.5 "Administrative Fee" shall be limited to ten percent (10%) and shall be applied to summation of "Other Direct Costs" and "Subcontract Expenses".

10.2.0 Lump Sum Basis is a method of compensation whereby CONTRACTOR is compensated for percent completion of designated milestones for a specific project. All of CONTRACTOR's cost including hourly rates, overhead, direct costs, subcontract expense, mark up, and profit are included in the lump sum amount.

10.3 Costs incurred by the CONTRACTOR prior to the actual date of full execution of this CONTRACT shall only be payable to CONTRACTOR if said costs were incurred in completing any task specifically authorized by this CONTRACT and said costs are reviewed and approved by the CITY and said approval for payment occurs after this CONTRACT is fully executed.

10.3.1 The CITY will not pay for CONTRACTOR'S nor Subcontractor's personnel for invoice preparation. The CITY will not pay for CONTRACTOR'S nor Subcontractor's communication expenses and computer time charges.

10.4 Compensation

CONTRACTOR agrees to perform the work specified in Article 4.4, and CITY shall compensate CONTRACTOR on a Cost Reimbursement – Hourly Billing Rate basis, Lump Sum basis, or a combination thereof, at the sole discretion of the CITY.

The total cost ceiling for this CONTRACT is \$6,000,000.00.

10.4.1 The CONTRACTOR must submit the labor and equipment rates to the CITY PROJECT MANAGER for approval at the beginning of this CONTRACT and every time there is a change. The labor and equipment rates for approval are to be submitted utilizing a CITY PROJECT MANAGER provided electronic format.

10.4.2 The CONTRACTOR and all subcontractors performing work under this CONTRACT are to comply with all provisions of the State's Prevailing Wage Requirements.

10.4.3 The equipment list submitted for rate approval shall clearly identify the name, model, capacity (if any), and code number, as listed in the latest Cal-Trans Labor Surcharge and Equipment Rental Rates for each equipment. Equipment will be paid at Cal Trans rates, as listed in "Labor Surcharge and Equipment Rental Rates". If the equipment is not in the Cal Trans List, the CONTRACTOR is to submit the nearest similar equipment classification at the next higher rate.

10.4.4 Work performed in absence of or contrary to the CITY PROJECT MANAGER'S instructions and consent will not be compensated.

10.4.5 Final Inspection/acceptance

Final inspection and acceptance of work performed under this CONTRACT will be in accordance with Section 00407 of General Condition and Section 01452 of the General Requirement.

10.5 Invoicing and Payment

CONTRACTOR shall, upon completion of work, or on a monthly basis for projects with a duration greater than one month, submit to CITY an original and three (3) copies of an invoice in a format acceptable to the CITY which will include all costs for services provided. A Subcontractor Utilization Attachment (Schedule B), Exhibit 2, listing Minority/Women/Other Business Enterprise amounts invoiced shall also be submitted as part of the monthly invoice. CONTRACTOR must

provide an explanation for any item that falls short of the planned utilization, along with specific plans and recommendations for recovering from these shortfalls. No such invoices shall be paid without the Subcontractor Utilization Attachment.

CITY shall review CONTRACTOR'S invoice and notify CONTRACTOR of exceptions or disputed items and their dollar amount. The total invoice amount, less any exceptions or disputed items shall be considered approved for payment by the CITY. CITY shall pay CONTRACTOR all amounts approved for payment after CITY PROJECT MANAGER receives CONTRACTOR'S invoice.

Efrain Gonzalez

Hyperion Water Reclamation Plant

12000 Vista Del Mar

Playa Del Rey, CA 90293

10.6 False Claims Act

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the CITY under the California False Claims Act (Cal. Gov. Code 12650 et.seq.), including treble damages, costs of legal actions to recover payments and civil penalties of up to \$10,000 per false claim.

ARTICLE 11- PREVAILING WAGES

No change in this Article.

ARTICLE 12 - AMENDMENTS, CHANGES, OR MODIFICATIONS

No change to this Article.

ARTICLE 13 – INDEMNIFICATION , INSURANCE, AND BONDS

No change to this Article.

ARTICLE 14 – INDEPENDENT CONTRACTOR

No change to this Article.

ARTICLE 15 – WARRANTY AND RESPONSIBILITY OF CONTRACTOR

No change to this Article.

ARTICLE 16 - INTELLECTUAL PROPERTY INDEMNIFICATION

No change to this Article.

ARTICLE 17 INTELLECTUAL PROPERTY WARRANTY

No change in this Article.

ARTICLE 18 – OWNERSHIP AND LICENSE

No change in this Article.

ARTICLE 19 – SUCCESSORS AND ASSIGNS

No change in this Article.

ARTICLE 20 – CONTACT PERSONS - PROPER ADDRESSES - NOTIFICATION

Modify this Article to read as follows: All notices shall be made in writing and may be given by personal delivery, regular mail, facsimile transmission or electronic mail. Notices sent by regular mail should be registered or certified and sent to the designated contact person for each party and addressed as follows:

To The CITY PROJECT MANAGER:

Contact Person: Efrain Gonzalez
Telephone No.: (310) 648-5912
Email Address: Efrain.Gonzalez@lacity.org
Address: LA Sanitation
12000 Vista del Mar
Playa del Rey, CA 90293
Attn: Efrain Gonzalez

To CONTRACTOR:

Contact Person: Ron Kaufman
Telephone No.: (818) 772-9494
Email Address: rkaufman@mironelectric.com
Address: 9238 Deering Avenue
Chatsworth, CA 91311

To the INSPECTOR:

Contact Person: David Tang, District Manager

Telephone No.: (213) 847-2445

Email Address: David.Tang@lacity.org

Address: Bureau of Contract Administration

Wastewater Construction Division

1149 S. Broadway St., 3rd Fl.

Los Angeles, CA 90015-2213

Attn: David Tang, Principal Construction Inspector

Wastewater Construction Division

ARTICLE 21 – FORCE MAJEURE

No change in this Article.

ARTICLE 22 – DRUG AND ALCOHOL TESTING

No change in this Article.

ARTICLE 23 – SEVERABILITY

No change in this Article.

ARTICLE 24 – DISPUTES

No change in this Article.

ARTICLE 25 – ENTIRE CONTRACT

No change in this Article.

ARTICLE 26 – APPLICABLE LAW, INTERPRETATION, AND ENFORCEMENT

No change in this Article.

ARTICLE 27 – CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

No change in this Article.

ARTICLE 28 – WAIVER

No change in this Article.

ARTICLE 29 – PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

No change in this Article.

ARTICLE 30 – PERMITS

No change in this Article.

ARTICLE 31 – DISCOUNTS

No change in this Article.

ARTICLE 32 - CLAIMS FOR LABOR AND MATERIALS

No change in this Article.

ARTICLE 33 – BREACH

No change in this Article.

ARTICLE 34 - NON-DISCRIMINATION

No changes in this Article.

ARTICLE 35 - EQUAL EMPLOYMENT PRACTICES

No change in this Article.

ARTICLE 36 - AFFIRMATIVE ACTION PROGRAM

No change in this Article.

ARTICLE 37 – CHILD SUPPORT ASSIGNMENT ORDERS

No change in this Article.

ARTICLE 38 – LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR

WORKER RETENTION ORDINANCE (FOR NON-CONSTRUCTION SERVICES)

No change in this Article.

ARTICLE 39 – AMERICANS WITH DISABILITIES ACT

No change in this Article.

ARTICLE 40 – CONTRACTOR RESPONSIBILITY ORDINANCE

No change in this Article.

ARTICLE 41 – MBE/WBE/OBE SUBCONTRACTOR OUTREACH PROGRAM

No change in this Article.

ARTICLE 42 – EQUAL BENEFITS ORDINANCE

No change in this Article.

ARTICLE 43 – SLAVERY DISCLOSURE ORDINANCE

No change in this Article.

ARTICLE 44 – CONTRACTOR PERFORMANCE EVALUATION ORDINANCE

No change in this Article.

ARTICLE 45 – MUNICIPAL LOBBYING ORDINANCE

No change in this Article.

ARTICLE 46 - FIRST SOURCE HIRING ORDINANCE

No change in this Article.

ARTICLE 47 - COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12) FOR MEASURE H/CONTRACTOR CONTRIBUTIONS/FUNDRAISING

No change in this Article.

(ADD) ARTICLE 48 – IRAN CONTRACTING ACT OF 2010

In accordance with California Public Contract Code Sections 2200-2208, all bidders submitting proposals for, entering into, or renewing contracts with the City of Los Angeles for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the Iran Contracting Act of 2010 Compliance Affidavit.

IN WITNESS WHEREOF, the parties hereto have executed this CONTRACT on the day and year written below.

CITY OF LOS ANGELES

By: _____

Title: Commissioner, Board of Public Works

Date: _____

By: _____

Title: Commissioner, Board of Public Works

Date: _____

APPROVED AS TO FORM

MICHAEL N. FEUER, City Attorney

By: _____

ADENA HOPENSTAND

Title: Deputy City Attorney

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____

Title: Deputy City Clerk

Date: _____

MIRON ELECTRIC

CONSTRUCTION CORP

By: _____

RONALD KAUFMAN

Title: CEO

Date: _____

IRAN CONTRACTING ACT OF 2010 COMPLIANCE AFFIDAVIT

(California Public Contract Code Sections 2200-2208)

The California Legislature adopted the Iran Contracting Act of 2010 to respond to policies of Iran in a uniform fashion (PCC § 2201(q)). The Iran Contracting Act prohibits bidders engaged in investment activities in Iran from bidding on, submitting proposals for, or entering into or renewing contracts with public entities for goods and services of one million dollars (\$1,000,000) or more (PCC § 2203(a)). A bidder who "engages in investment activities in Iran" is defined as either:

1. A bidder providing goods or services of twenty million dollars (\$20,000,000) or more in the energy sector of Iran, including provision of oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or
2. A bidder that is a financial institution (as that term is defined in 50 U.S.C. § 1701) that extends twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list created by the California Department of General Services (DGS) pursuant to PCC § 2203(b) as a person engaging in the investment activities in Iran.

The bidder shall certify that at the time of submitting a bid for new contract or renewal of an existing contract, the bidder is **not** identified on the DGS list of ineligible businesses or persons and that the bidder is **not** engaged in investment activities in Iran in violation of the Iran Contracting Act of 2010.

California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts (PCC § 2205).

To comply with the Iran Contracting Act of 2010, the bidder shall provide its vendor or financial institution name, and City Business Tax Registration Certificate (BTRC) if available, in completing **ONE** of the options shown below.

OPTION #1: CERTIFICATION

I, the official named below, certify that I am duly authorized to execute this certification on behalf of the bidder or financial institution identified below, and that the bidder or financial institution identified below is **not** on the current DGS list of persons engaged in investment activities in Iran and is **not** a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person or vendor, for 45 days or more, if that other person or vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current DSG list of persons engaged in investment activities in Iran.

Vendor Name/Financial Institution (printed) Miron Electric Construction Corp.		BTRC (or n/a) 454494-99
By (Authorized Signature) 		
Print Name and Title of Person Signing Ronald Kaufman		
Date Executed 11/03/2015	City Approval (Signature) 	(Print Name) BAHAM ROOTANIAN

OPTION #2: EXEMPTION

Pursuant to PCC § 2203(c) and (d), a public entity may permit a bidder or financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enter into, or renew, a contract for goods and services. If the bidder or financial institution identified below has obtained an exemption from the certification requirement under the Iran Contracting Act of 2010, the bidder or financial institution shall complete and sign below and attach documentation demonstrating the exemption approval.

Vendor Name/Financial Institution (printed)		BTRC (or n/a)
By (Authorized Signature)		
Print Name and Title of Person Signing		
Date Executed	City Approval (Signature)	(Print Name)

RESA Power Solutions – Transformer Services LLC
1180 Horizon Drive, Suite E
Fairfield, CA 94533
707-421-9398 office
707-421-9662 fax



LETTER OF AUTHORIZATION

For Name Change

This is to inform you that Transformer Testing & Repairs Inc has been acquired as of March 18, 2015 and now has a new name. Please change your record to reflect our new name below.

“RESA Power Solutions – Transformer Services LLC”

Our new EIN number is 47-3395270

**Our telephone number remains unchanged. However, please note our billing address is as follows:
1180 Horizon Drive, Suite E, Fairfield, CA 94533**

P. O. Box 2219, Suisun City, CA 94585 (Old company billing address)

RESA Power Solutions with headquarters based in San Jose, CA has multiple operations from coast to coast. This exciting acquisition brings a vast level of services, products, and resources that are important in today's business climate.

All our personnel, equipment, and locations will remain the same but with a far more range of capabilities. Please visit our corporate website to learn more about our expanded capabilities at www.resapower.com. While on the website, visit the "News" tab to learn more.

Thank you for your business and please contact me with any questions.

Best Regards,

Jenny Chai-Caples
Site Controller