

TRANSMITTAL		0150-13027-0000
TO The City Council	DATE 8/13/2025	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT
<p style="text-align: center;">First Supplemental Agreement to the Professional Services Agreement C-133405 with TELUS Health (US) Ltd. (formerly Morneau Shepell, LLC) to provide Third Party Administrator services for the City's Civilian LAwell Benefits Program.</p> <p>Approved and transmitted for further processing. The Council has 60 days from the date of 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.</p> <div style="text-align: center;">  <hr style="width: 40%; margin: 0 auto;"/> <p>MAYOR (Carolyn Webb de Macias for)</p> </div> <p>MWS:KS:11250138t</p>		

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: 07-28-25	C.D. No. All	CAO File No.: 0150-13027-0000
Contracting Department/Bureau: Personnel Department		Contact: Paul Makowski (213) 978-1646	
Reference: Personnel Department transmittal dated May 28, 2025; referred by Mayor for report on July 9, 2025			
Purpose of Contract: To provide Third Party Administrator services for the City's LAwell Civilian Benefits Program.			
Type of Contract: () New contract (X) Amendment, C-133405		Contract Term Dates: Current: April 1, 2019 – March 31, 2024 Proposed: April 1, 2019 – March 31, 2029	
Contract/Amendment Amount: \$10,000,000			
Proposed amount \$10,000,000 + Prior award(s) \$10,000,000 = Total \$20,000,000			
Source of funds: General Fund			
Name of Contractor: TELUS Health (US) Ltd.			
Address: 250 Royall Street, Suite 210W, Canton MA 02021			
	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: 0%			
8. Business Inclusion Program			X
9. Equal Benefits & First Source Hiring Ordinances		X	
10. Contractor Responsibility Ordinance		X	
11. Disclosure Ordinances		X	
12. Bidder Certification CEC Form 50		X	
13. Prohibited Contributors (Bidders) CEC Form 55		X	
14. CA Iran Contracting Act of 2010*		X	


RECOMMENDATION

That the Council approve, and authorize the General Manager of the Personnel Department to execute, the First Supplemental Agreement to the Professional Services Agreement C-133405 with TELUS Health (US) Ltd. (formerly Morneau Shepell, LLC) (i) to increase the expenditure authority by \$10,000,000 resulting in not to exceed compensation of \$20,000,000, and (ii) extend the term by an additional five years for an overall term of ten years effective April 1, 2019 through March 31, 2029, subject to the approval of the City Attorney as to form.

SUMMARY

The Personnel Department (Department), at the direction of the Joint Labor Management Benefits Committee (JLMBC), requests approval to execute the First Supplemental Agreement to the Professional Services Agreement C-133405 (Agreement) with TELUS Health (US) Ltd. (formerly Morneau Shepell) (Contractor) to provide Third Party Administrator (TPA) services for the City's LAwell Civilian Benefits Program (Services).

Approval of the proposed Agreement will increase the expenditure authority by \$10,000,000 resulting in a not to exceed compensation amount of \$20,000,000 and extend the current term by an additional

Kimberly Squire			
KS	Analyst	11250138	City Administrative Officer

five years for a ten-year term effective April 1, 2019 through March 31, 2029. The Agreement includes a ratification clause to allow the Contractor to continue providing Services prior to execution of the proposed Agreement. The Contractor was selected as a result of a Request for Proposals (RFP) process conducted in 2017. On January 4, 2018, the JLMBC approved Personnel's recommendation to award the Agreement to the Contractor. The City has a continuing need for LAwell Program TPA Services beyond the term of the original Agreement, and on June 1, 2023, the JLMBC approved and recommended that the Contractor's Services be extended.

The LAwell Civilian Benefits Program consists of employee benefits including medical insurance, dental insurance, vision insurance, life and accidental death/dismemberment insurance, disability insurance, Employee and Family Assistance Program services, and tax advantaged spending accounts. Personnel utilizes a TPA to administer these benefits on behalf of City employee members. The proposed Agreement provides a total expenditure authority not to exceed \$20,000,000 over the ten-year term. Effective April 1, 2024, the cost of TPA services is increasing from \$3.68 to \$3.79 per month for each employee member with additional costs to accommodate programming changes in the event the City releases new plan rates, tiers, or programs. The actual cost of the TPA services will fluctuate based on changes to enrollment. The City can also procure as-needed services from the Contractor on an hourly rate basis. Actual costs incurred in the first five years of the Agreement totaled \$8.3 million. The Agreement includes various performance guarantees which require the Contractor to reduce its TPA service fees by up to 15 percent if identified performance metrics are not achieved. The performance metrics include ratings for client and customer satisfaction, benefits processing, documents processing, Annual (open) Enrollment, information technology, and implementation of services. The City may terminate the Agreement for any cause with 30 days written notice to the Contractor.

In accordance with Charter Section 1022, this Office determined that the Services can be performed more feasibly by a contractor than by City employees. In accordance with Los Angeles Administrative Code Section 10.5(a)(6), City Council approval is required for contracts relating to the Civilian Flex Benefits program that are over five years in term.

FISCAL IMPACT STATEMENT

Funding is provided by the Employee Benefits Trust Fund from General Fund appropriations to the Human Resources Benefits Fund provided annually in the Adopted Budget. Sufficient funds are included in the 2025-26 Adopted Budget for anticipated current year expenditures, and future year expenditures are subject to the appropriation of funds in accordance with the City's Standard Provisions.

FINANCIAL POLICIES STATEMENT

As budgeted funds are available to support the proposed Agreement and expenditures, and future year expenditures are limited to the appropriation of funds, the recommendation of this report complies with the City's Financial Policies.

**BOARD OF CIVIL SERVICE
COMMISSIONERS**

Room 360, PERSONNEL BUILDING

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PERSONNEL DEPARTMENT

PERSONNEL BUILDING
700 EAST TEMPLE STREET
LOS ANGELES, CA 90012

MALAICA BILLUPS
GENERAL MANAGER

May 27, 2025

The Honorable Karen Bass
Mayor of Los Angeles
City Hall, Room 303
Los Angeles, CA 90012

Attn: Legislative Coordinator

**REQUEST FOR EXEMPTION FROM EXECUTIVE DIRECTIVE NO. 3 CONTRACT
REVIEW FOR PROFESSIONAL SERVICES AGREEMENT WITH TELUS HEALTH
(US), LTD.**

In accordance with Executive Directive No. 3, attached for your review and approval is a draft First Supplemental Agreement to Professional Services Agreement (C-133405) between TELUS Health (US), Ltd., ("Contractor"), and the City of Los Angeles, Personnel Department ("City") to provide administrative services for the City's Civilian LAwell Benefits Program.

Background

The City of Los Angeles has established a modified LAwell Civilian Benefits Program ("LAwell Program") for its eligible civilian employees (excluding employees of the Department of Water and Power) in accordance with Section 125 of the Internal Revenue Code ("Code") and all applicable Federal Regulations and State of California statutes. The City solicited proposals for Third-Party Administrator (TPA) services through the issuance of a Request for Proposals ("RFP") that concluded on June 30, 2017. Five proposals were received and TELUS Health, Ltd. was chosen as the selected vendor. On July 1, 2019, the City and Contractor entered into Professional Services Agreement (Contract No. C-133405) to provide TPA services for the City of Los Angeles LAwell Civilian Benefits Program for a five-year term beginning on April 1, 2019 through March 31, 2024.

Basis of Contract Extension

The original contract expired on March 31, 2024. The Contractor agreed to continue to provide services while the City and Contractor worked to come to a mutual agreement of terms. On June 1, 2023, the Joint Labor-Management Benefits Committee (JLMBC) recommended to the General Manager of the Personnel Department approval of an extension of the agreement with TELUS Health, Ltd. for LAwell Program TPA services, which include enhancements to member communications, direct billing options, and

reporting services for an additional five years beginning April 1, 2024 through March 31, 2029.

Compensation

The City's total obligation shall not exceed \$20,000,000 for the life of the 10-year contract.

Budget

Funding for LAwell TPA services is provided in the Human Resources Benefits budget account 003040 – Contractual Services with no additional impact on the General Fund. The monthly service cost for TPA services is dependent on employee enrollment in the benefit plans.

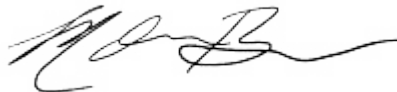
Request for ED-3 Waiver Justification

The Contractor has provided administrative services for the City's Civilian LAwell Benefits Program since April 1, 2019. Prolonged negotiations of the deliverables and enhanced services of the contract extension significantly delayed the Department's ability to timely request contract review and approval. Mutual agreement of contractual terms between the City and Contractor was recently agreed upon.

TELUS Health provided services, without payment, since the expiration of the original contract on March 31, 2024. Performing services without an executed contract increases the City's liability risk. Prompt execution of the contract is required to ensure access to critical benefits services continues without interruption. Thus, the Department is requesting an ED-3 waiver due to the urgent need to execute the contract extension and cover services that have been and continue to be rendered since April 1, 2024.

Please contact Sherry Cox at (213) 473-9122 for any additional questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Billups', with a stylized flourish extending to the right.

Malaika Billups
General Manager

ED-3 Review Department Summary Sheet

Department has confirmed that submission requires [ED-3](#) review? ☐ Yes

Date:	<input type="checkbox"/> Original <input type="checkbox"/> Resubmission		RAMP ID No.	
Contracting Department:		Contact Person:		Contact Information:
Deputy Mayor:		C.D. No(s):		CAO Budget Analyst:
Rush: <input type="checkbox"/> No <input type="checkbox"/> Yes (If yes, answer a-b below.)			Contract Must be Executed by:	
If a rush request, please provide the following justification: a) Explain the importance of the proposed service b) Explain why this request was not submitted earlier.				
Contractor has approved the attached draft contract: <input type="checkbox"/> Yes, and work will not commence until contract approval. <input type="checkbox"/> Yes, and work (has/may have) already commenced. Provide an estimated value of the services rendered at mayoral review submission date. <input type="checkbox"/> No (If no, DO NOT submit for review.)				
City Attorney has approved the attached draft contract: <input type="checkbox"/> Yes <input type="checkbox"/> No (If no, DO NOT submit for review.)				
Contractor(s) has/have complied with all the contract compliance documentation listed below: <input type="checkbox"/> Yes If yes, please submit e-copies of documentation. <input type="checkbox"/> No (If no, DO NOT submit for review.)				
	Yes	No	N/A	
Council has approved the purpose				Contractor Responsibility Ordinance
Charter Section 1022 findings completed				Disclosure Ordinances
Standard Provisions for City Contracts included				Bidder Certification CEC Form 50
Business Inclusion Program				Prohibited Contributors (Bidders) CEC Form 55
Equal Benefits & First Source Hiring Ordinances				California Iran Contracting Act of 2010
Workforce that resides in the City: %	x			
Contractor Names(s) and Address(es):				
Subcontractor Name(s) and Address(es):				
Contract Summary:				
Is this a new contract? <input type="checkbox"/> Yes <input type="checkbox"/> No		Indicate procurement method for the contract: If sole sourced, specify Charter or LAAC authority:		
Is Board approval needed? <input type="checkbox"/> No <input type="checkbox"/> Yes (If yes, provide board approval date(s))				
Is Council approval required? <input type="checkbox"/> No <input type="checkbox"/> Yes				
Contract No(s):			Council File No(s):	
	Current	Cumulative	Notes	
Amended and Restated No.				
Addendum/ Supplemental No.				
Change Order No.				
Amendment No.				

Term of Contract: Original (Including options to renew) Approved amendments (To date) Proposed amendment (If any)	Contract Amounts: <div style="text-align: right;">Base contract term amount including all options to renew</div> <div style="text-align: right;">Approved amendments (To date)</div> <div style="text-align: right;">Proposed amendment (If any)</div>
	Total new contract amount

Is this project fully funded? ☐ Yes (If yes, answer (a-c) below.) ☐ No (If no, answer (a-d) below.)

a) Identify source(s) of funding and amount available in each source of funding.

b) How much has been expended and/or paid to date?

c) How much is currently encumbered?

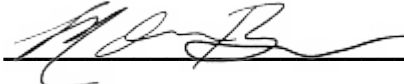
d) If there is insufficient funding, please explain why (1) the contract ceiling exceeds funding availability, and (2) how the funding shortfall will be addressed.

Was the contract awarded away from the lowest bidder or highest ranking proposer because of the Local Business Preference Program? ☐ No ☐ Yes (If yes, provide the following summary.)

Rank	Bidder/ Proposer Name	Bid Amount or Proposal Rating Prior to LBPP	LBPP % Applied	Revised Rank
1				
2				
3				

Indicate additional cost to the City to award away from the lowest bidder.

Additional Notes:

General Manager Signature 

**FIRST SUPPLEMENTAL AGREEMENT TO THE
PROFESSIONAL SERVICES AGREEMENT (CONTRACT C-133405)
BETWEEN
THE CITY OF LOS ANGELES AND
TELUS HEALTH (US) Ltd. (FORMERLY MORNEAU SHEPELL, LLC)**

This First Supplement to that certain Professional Services Agreement (Contract No. C-133405) is made and entered into by and between the City of Los Angeles, a municipal corporation, acting through its Personnel Department (hereinafter collectively referred to as “**City**”), and TELUS Health (US) Ltd., formerly LifeWorks (US) Ltd. (“LifeWorks”), formerly Morneau Shepell Limited (“Morneau Shepell”), a Delaware limited liability corporation (hereinafter collectively referred to as “**Contractor**”), with reference to the following:

RECITALS

1. The City has established a modified LAwell Civilian Benefits Program (“LAwell Program”) for its eligible civilian employees (excluding employees of the Department of Water and Power) in accordance with Section 125 of the Internal Revenue Code (“Code”) and all applicable Federal Regulations and State of California statutes; and
2. The City desires to engage the services of a qualified Third Party Administrator (“TPA”) to provide certain administration services in connection with the LAwell Program; and
3. The City publicly solicited proposals for TPA Services as defined in Article III, Section A through the issuance of a Request for Proposal (“RFP”) and Contractor submitted a proposal dated June 30, 2017, hereinafter referred to as the “Proposal,” and which offers to provide the services as specified in the RFP; and
4. The City’s Joint Labor-Management Benefits Committee (“JLMBC”), at its meeting of January 4, 2018, recommended to the Personnel Department General Manager the selection of Contractor to serve as a TPA for the LAwell Program for the period of April 1, 2019 to March 31, 2024, and the Personnel Department General Manager approved the selection of the Contractor subject to the successful negotiation of all necessary contractual terms and conditions; and
5. On or about July 1, 2019, the City and Contractor entered into that certain Professional Services Agreement (Contract No. C-133405) (“**Original Agreement**”) for Contractor to provide Third-Party Administrator Services for the City of Los Angeles LAwell Civilian Benefits Program (“**LAwell Program TPA Services**”) for the term beginning April 1, 2019 and ending on March 31, 2024; and
6. The City has a continuing need for LAwell Program TPA Services beyond the term of the Original Agreement; and
7. On June 1, 2023, the JLMBC approved and recommended to the Personnel Department General Manager that Contractor’s provision for LAwell Program TPA Services be extended, in the aggregate, for five additional years beginning April 1, 2024 and ending March 31, 2029, subject to the successful negotiation of all necessary contractual terms and conditions; and

8. The Contractor has agreed to extend the term of the Original Agreement subject to the updated terms as more fully described herein; and
9. Any extension of the Original Agreement requires City Council approval; and
10. On _____ the City Council approved the execution of this First Supplemental Agreement for LAwell Program TPA Services; (Council File #__-__); and
11. The contemplated LAwell Program TPA Services to be provided under this First Supplemental Agreement will be funded by the City's Employee Benefits Trust Fund.

NOW, THEREFORE, the City and Contractor, in consideration of the foregoing recitals (which recitals are incorporated into this First Supplemental Agreement by this reference), agreements, the mutual covenants contained herein, and the terms and conditions hereof, the receipt and sufficiency of which are hereby mutually acknowledged, City and Contractor agree as follows:

1. The terms and conditions of the Original Agreement, as amended by this First Supplemental Agreement, shall be read and construed as one document and references to "this Agreement" or "the Agreement" shall, from the commencement date hereof (but not for any purpose prior to this term), incorporate references to this First Supplemental Agreement.
2. Capitalized but undefined terms used in this First Supplemental Agreement will have the meanings ascribed to such terms in the Original Agreement.
3. All references in the Original Agreement to "Morneau Shepell, LLC" are replaced with "TELUS Heath (US) Ltd." as effective May 17, 2021, Morneau Shepell Limited changed its legal name to LifeWorks (US) Ltd.; and effective May 31, 2023, LifeWorks (US) Ltd. changed its legal name to TELUS Health (US) Ltd.;
4. Paragraph (1) of Section A, entitled "Representatives of the Parties and Service of Notices", of Article I of the Original Agreement is hereby deleted in its entirety and replaced with the following:

“(1) The representatives of the respective parties authorized to administer this Agreement, and to whom formal notices, demands, and communications shall be given are as follows:

- a) The representative of the City shall be, unless otherwise stated in the Agreement:

Paul Makowski, Employee Benefits Division Chief
City of Los Angeles, Personnel Department, Employee Benefits Division
200 North Spring Street, Room 867
Los Angeles, CA 90012
Phone: (213) 978-1646
Email: paul.makowski@lacity.org

b) The representative of Contract shall be:

“David Bassin, Senior Vice President
TELUS Health (US) Ltd.
250 Royall Street
Suite 210W, Canton, MA 02021
Phone: (416) 380-2723
Email: david.bassin@telushealth.com

With a copy to:

TELUS Health (US) Ltd.
25 York Street
29th Floor, Toronto, ON M5J 2V5
Attention: General Counsel”

5. Section A - entitled “Time of Performance”, of Article II of the Original Agreement is hereby deleted in its entirety and replaced with the following:

“The term of this Agreement will commence on April 1, 2019 and will end on March 31, 2029 (“Term”), subject to the terms and conditions provided herein”

6. Paragraph (29) of Section A - entitled “Definitions” of Article III of the Original Agreement is hereby deleted in its entirety and replaced with the following:

“**Term** shall mean the term of this Agreement - April 1, 2019 through March 31, 2029.”

7. Paragraph (6) is hereby added to Section E - entitled “ADMINISTRATIVE COMMUNICATION SERVICES” of Article III, of the Original Agreement and to read as follows:

(6) Communication Portal (Member and Administrative) – Member Communication

Contractor shall allow members to elect whether to receive communications concerning the LAwell Program by mail or electronically to a Member provided email address., The election will cover all communications concerning the program, including information concerning cafeteria plan election changes on account of a permitted election event or open enrollment.

Implementation of the communication portal is expected to occur pursuant to the following schedule, subject to amendment by mutual agreement:

Phase	Milestone Date
Project Planning/Kick-off Meetings/Scope Definition	1/26/2026 – 3/30/2026
Requirements	4/1/2026 – 5/29/2026
City Approval	6/12/2026
Configuration	7/7/2026
Testing (Internal)	7/17/2026
Testing (External)	7/31/2026
Reconfiguration/Defect Resolution	8/7/2026
City Sign-off	8/14/2026
Production	8/28/2026

8. Paragraphs (11), (12), (13), (14), (15), (16), and (17) are hereby added to Section H - entitled "MEMBER LEVEL WEBSITE SERVICES of Article III of the Original Agreement and to read as follows:

(11) Communication Portal

Upload Documentation and view capabilities – Contractor shall allow member to have the ability to view uploaded documentation and communications via the member website.

(12) Text Messages–

Contractor shall update the members Communication portal to simplify and streamline the way we communicate with members by giving them more flexibility and control over how they receive important information about their benefits including email, text, in-app notifications and secure messaging.

(13) AVA next generation Chatbot

Contractor shall implement the next generation of AVA which includes expanded questions and answers. The next level of Ava shall include conversational capabilities via chat function to receive answers that summarize plan information. Contractor shall ensure that the AVA tool is trained on the plan information and documents specific to the City information this tool delivers succinct and relevant and relevant responses to requests 24 x 7, excluding maintenance time.

(14) Implementation of Items described under Paragraphs (11), (12) and (13)

Implementation of the enhanced services in paragraphs 11, 12 and 13 shall be delivered pursuant to the following schedule, subject to amendment by mutual agreement:

Phase	Milestone Date
Project Planning/Kick-off Meetings/Scope Definition	1/26/2026 – 3/30/2026
Requirements	4/1/2026 – 5/29/2026
City Approval	6/12/2026
Configuration	7/7/2026
Testing (Internal)	7/17/2026
Testing (External)	7/31/2026
Reconfiguration/Defect Resolution	8/7//2026
City Sign-off	8/14/2026
Production	8/28/2026

(15) Single Sign On (SSO)

Contractor shall setup the ability to have member access the TELUS Health benefits portal directly via single sign on. The City will be responsible for the implementation of their systems to allow this access.

(16) Mobil Application (Android and Apple)

Contractor shall provide the Android and Apple Mobile version of the member portal to members. Members who wish to use the application will be required to download the application and complete the registration/log in process.

(17) Implementation of Items described under Paragraphs 15 and 16

Implementation of the enhanced services in paragraphs (15) and (16) shall be delivered pursuant to the following schedule, subject to amendment by mutual agreement:

Phase	Milestone Date
Project Planning/Kick-off Meetings	5/1/2025
Requirements	5/21/2025
City Approval	5/27/2025
Configuration	6/20/2025
Testing (Internal)	6/27/2025
Testing (External)	7/7/2025
Reconfiguration/Defect Resolution	7/10/2025
City Sign-off	7/25/2025
Production	7/31/2025

9. Paragraph (5) is hereby added to Section M - entitled "DIRECT BILL ADMINISTRATION SERVICES" of Article III of the Original Agreement and to read as follows:

(5) Online Billing and Payment –

Contractor shall provide members who are under direct billing to have the option to make an online ACH payment:

- Implement a billing widget on the member portal
- Implement standard process to accept ACH payments online using TELUS Health standard ACH processes
- Standard reporting as required by the City

Implementation of the Online Billing and Payment services shall be delivered pursuant to the following schedule, subject to amendment by mutual agreement:

Phase	Milestone Date
Project Planning/Kick-off Meetings	5/1/2025
Requirements	5/21/2025
City Approval	5/27/2025
Configuration	6/20/2025
Testing (Internal)	6/27/2025
Testing (External)	7/7/2025
Reconfiguration/Defect Resolution	7/10/2025
City Sign-off	7/25/2025
Production	7/31/2025

10. Paragraph (6) is hereby added to Section N - entitled "REPORTING SERVICES", of Article III of the Original Agreement and to read as follows:

(6) Expansion of reporting

Contractor shall include user interfaces to the Administrator portal so that the City Benefits Office contacts to interact directly with our platform. The member search provides quick access to the detailed member profile where the employer can view member information including demographics, event history, etc.

The reporting portal includes extensive reports and access to the ad-hoc reporting tool where users may build their own reports, charts, and export data using an Excel-like experience and pre-configured data objects removing the need to understand databases.

Implementation of these expanded reporting services shall be delivered pursuant to the following schedule, subject to amendment by mutual agreement:

Phase	Milestone Date
Project Planning/Kick-off Meetings/Scope Definition	1/26/2026 – 3/30/2026
Requirements	4/1/2026 – 5/29/2026
City Approval	6/12/2026
Configuration	7/7/2026
Testing (Internal)	7/17/2026
Testing (External)	7/31/2026
Reconfiguration/Defect Resolution	8/7/2026
City Sign-off	8/14/2026
Production	8/28/2026

11. Paragraph 2 of Section T - entitled "Subcontractors" of Article III of the Original Agreement, is hereby deleted in its entirety and replaced with the following:

"Contractor may utilize subcontractors to assist in performance of this Agreement. Notwithstanding the fact that Contractor may utilize subcontractors, Contractor shall remain responsible for performing all aspects of this Agreement. The City has the right to approve all Contractor's subcontractors, except its Affiliates and the City reserves the right to request replacement of a subcontractor, except its Affiliates. An "Affiliate" means any corporation that is directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with, the Contractor. For purposes of this definition, "Control" shall mean possessing, directly or indirectly, the power to direct or cause the direction of the management, policies, and operations of a corporation whether through ownership of voting securities, by contract, or otherwise. The parties shall mutually agree on the timing of replacement of a subcontractor. The City does not have any obligation to pay subcontractors, and nothing herein creates any privity between the City and the subcontractors.

12. Article IV - entitled "COMPENSATION" of the Original Agreement, is hereby deleted in its entirety and replaced with the following:

A. CONTRACTOR FEES

For the services provided under this Agreement, the City will pay Contractor the following fees:

1. **Fee Index** - Any services, inclusive of optional services, provided under this Agreement, the City will pay Contractor the fees, subject to an annual increase on April 1, with the first

increase effective on April 1, 2025, the lesser of 3% or NAWI (National Average Wage Index) as reported by SSA.

2. **Administrative and Recordkeeping Fee** – The administrative fee payable to Contractor under this Agreement shall be a rate per Member per month. For the purposes of determining the administrative and recordkeeping fee, a Member shall be defined as a LAwell Program Member City employee (not dependents) enrolled in coverage under the LAwell Program, new hires or employees newly eligible for benefits and pending elections, and Members who are enrolled in coverage but changed to a benefits ineligible status (Contractor shall administer the Member's account through the coverage end date) as of the end of every month. Contractor shall provide a summary invoice monthly summarizing all charges and a detailed back-up spreadsheet of all Members and their benefits coverage status for which the per Member per month fee is applied. Effective on April 1, 2019 the fee shall be \$3.68 per Member per month. Effective April 1, 2024, the fee shall be \$3.79 per Member per month.
3. **Direct Bill Administration Services Fee** – The annual direct bill administrative services fee payable to Contractor under this Agreement shall be a rate per unique direct bill participant per month. A unique direct bill participant shall be defined as a LAwell Program Member who is on direct bill at the end of every month. Contractor shall provide a summary invoice monthly summarizing all charges and a detailed back-up spreadsheet of all direct bill participants and their benefits coverage status for which the direct bill administration services fee per month is applied. Effective on April 1, 2019 the fee shall be \$4.00 per unique bill participant per month. Effective April 1, 2024, the fee shall be \$4.12 per unique bill participant per month.
4. **Work Service/Change Order Fees** – In the event that a change in law or regulation governing this Agreement, or in the event of a City-directed change which results in additional revised interface and administration requirements beyond those in this Agreement or as approved in the Requirements, and which imposes different or greater duties on Contractor, requires changes in Contractor's operating procedures, or requires additional resources by Contractor in order to meet its obligations under this Agreement, Contractor shall submit a written request to the City for a one-time fee based on expected costs to implement the requested change subject to mutual agreement by the parties via a work service/change order as to scope and cost. With respect to City-directed changes, changes shall be considered to impose greater duties, require changes in Contractor's operating procedures, or require additional resources by Contractor if requested changes during any year of the Agreement cumulatively require implementation time by Contractor in excess of the annual bank of 400 support hours for systems programming and customization provided to the City at no additional cost. Should work be required beyond the 400 support hours bank, Contractor shall submit to the City written notice via a work service/change order of the estimated number of hours needed to complete each requested change along with an hourly rate from the table below:

Administrative & Call Center	\$185 - \$225
Analyst	\$275 - \$350
Senior Analyst	\$325 - \$400
Associate Client Manager	\$375 - \$450
Senior Client Manager	\$425 - \$500

Upon written approval of the City, Contractor shall perform the work in accordance with the scope and standards outlined in the approved work service/change order.

The parties agree that TELUS Health will provide a one-time discount credit of 20% on all work performed for the City of Los Angeles Work Day transition project from the period of 2022 –2024.

5. **Pass-Through Expenses** – The costs identified in this subsection shall be passed through by Contractor to the City at cost with no administrative markup. Contractor shall provide proof of these pass-through expenses in the form of original invoices, original vouchers, or other documentation to the satisfaction of the City.
 - (a) Language line services other than Spanish
 - (b) Printing charges of documents
 - (c) Custom paper stock or envelopes, if directed by the City
 - (d) Assembly costs associated with bulk mailings
 - (e) Postage fees through the USPS for mailings related to ongoing administration services, COBRA materials, or the annual (open) enrollment period
 - (f) Special shipping, air freight, or other special delivery (including overnight delivery) to Members, to the extent such delivery method is directed by the City.
 - (g) Reasonable travel expenses (lodging, airfare, and any other related items) after April 1, 2019, and required at the request of the City, within the City's written guidelines for such services. Contractor shall provide proof of reimbursable expenses in the form of original invoices, original vouchers, or other documentation to the satisfaction of the City. Reimbursable expenses do not include overage expenses or indirect costs.
6. **Additional In Scope Services** – The parties agree that the following services will be provide to the City at no additional charge:
 - Automate Virtual Assistant (AVA) – expanded scope (valued at \$60K)
 - Payroll & Billing (online billing and payments) - (valued at \$50K)
 - Technology – text messaging & Voice – (valued at \$65K)
 - Plan Sponsor Portal – expanded reporting (standard and custom) – (valued at \$75K)
 - 1 Single Sign on and Mobile App – (valued at \$50K)
7. **Optional Supplementary Service Fees** – The fees identified within this subsection shall be applicable only to the extent that the City requests in writing that Contractor perform the applicable service. The City and Contractor shall mutually agree to start or terminate the provision of any optional service before the service is performed or terminated. If the fee is not identified in this subsection, the parties shall mutually agree on the additional charge for Contractor's provision of the service.
 - a. Partial or full dependent eligibility audit – \$95,000 initial setup fee per audit plus an additional fee per audited Member that shall be mutually agreed upon by the parties, not to exceed \$35 per audited Member
 - b. Annual (open) enrollment educational workshops – \$15,000 one-time fee for design and preparation payable once during the term of this Agreement, plus \$5,000 per workshop

- c. Extended Call Center service hours – \$125 per CSR per hour. This fee shall be applied only to the extent the City requests that Contractor's Call Center be made available outside of the Call Center's standard operating hours set forth in this Agreement
 - d. Enhanced COBRA administration services per Section III – Scope of Services, Subsection P – COBRA Continuation Services – \$0.38 per Member per month
 - e. Closed loop payroll processing – fee to be mutually agreed upon by the parties
 - f. All other service fees shall be mutually agreed to by the parties
8. **Pricing Assumptions** – The administrative and recordkeeping per Member per month fee as outline in Paragraph **1** of **1**, is based on a population count and annual member interaction volume as set forth in this subsection. Should either the total population count change by +15% or higher percentage, or the annual member interaction volume change by +5% from the assumed volume set forth in this subsection, Contractor and the City shall mutually agree to a revised fee to be applied to all Members, if necessary. Contractor shall continue to perform services covered in this Agreement until both parties agree on a revised fee. The administrative and recordkeeping fee shall revert back to the previously billed per Member per month once the population count no longer exceeds the +15% or higher threshold or the annual member interaction volume no longer exceeds the +5% or higher threshold. The following table summarizes the assumed volume of the City's population count and annual member interaction volume upon which the administrative and recordkeeping fee is based:

City of Los Angeles Assumed Population Count:

Category	Population Count
Eligible LAwell Program Members*	28,000
Eligible LAwell Program Member Dependents	35,000
Total Eligible LAwell Program Members plus Dependents	62,000

**Includes sworn employees participating in the LAwell Program and shall be the membership used for billing purposes.*

City of Los Angeles Assumed Annual Member Interaction Volume:

The assumed annual member interaction volumes and vendor staffing is for 19,000 interactions annually (including the annual (open) enrollment period). The following shall be considered a member interaction and included in the assumed annual member interaction volume:

- A call from a member or a call to a member by a Customer Service Representative (i.e. live agent call)
- Member chat with a Customer Service Representative (i.e. live agent chat)
- An email sent to a LAwell Program Member by a Customer Service Representative (i.e. manually produced email)

The following shall not be considered a member interaction and shall be excluded from the assumed annual member interaction volume:

- IVR calls
- Automated emails

- Member interactions with automated Contractor tools such as intelligent HR assistant, AVA
- Usage of the member level website

In the event that there is an anticipated increase in the member interaction volume, the parties shall meet to review the proposed volumes and mutually agree to any fee adjustments that may be required and adjustments to the annual member interaction volumes identified in this subsection.

B. DELIVERABLES AND COMPENSATION

- (1) **Deliverables** – Contractor shall provide to the City any and all deliverables in connection with the provision of Contractor's services pursuant to this Agreement, including without limitation those deliverables set forth in Article II of this Agreement.
- (2) **Limitations on Financial Commitments and Costs** – Contractor understands and agrees that it may not make any financial commitment on behalf of the City, incur any cost or expense on behalf of the City, or obligate the City to make payments for any costs or expenses, unless previously authorized by the City.
- (3) **Limitations of City's Obligation to Make Payments to Contractor** – Notwithstanding any other provision of this Agreement, including any exhibits or attachments incorporated therein, and in order for the City to comply with its governing legal requirements, the City shall have no obligation to make any payments to Contractor unless the City shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in the Agreement. Contractor acknowledges and agrees that any services, purchases, or expenses made or incurred by Contractor in excess of said appropriation(s), such services, purchases, or expenses shall be considered rendered free and without charge to the City and the City shall have no obligation to pay for said services, purchases, or expenses. Notwithstanding, Contractor shall have no obligation to provide any services, provide any equipment, or incur any expenses in excess of the appropriated amount(s) until the City appropriates additional funds for this Agreement.
- (4) **Audit Rights** – The City reserves the right to periodically audit, at its sole expense, Contractor's records relative to the determination and assessment of fees and charges. Contractor shall cooperate in any such audit and make its records and documents available to the City for any such audit at reasonable times and during normal business hours.
- (5) **Compensation** – Contractor's compensation for services performed and for the expenses incurred pursuant to this Agreement shall not exceed \$20,000,000 for the term of the Agreement.

C. INVOICING

- (1) Invoices shall be submitted to:

Paul Makowski, Employee Benefits Division Chief
 City of Los Angeles, Personnel Department, Employee Benefits Division
 200 North Spring Street, Room 867
 Los Angeles, CA 90012

Phone: (213) 978-1646
Email: paul.makowski@lacity.org

- (2) To ensure that services provided are measured against services as detailed in the Agreement, Contractor shall submit invoices that conform to City standards and include, at a minimum, the following information:
 - a. Name and address of Contractor
 - b. Name and address of City department being billed
 - c. Date of invoice and period covered
 - d. Contract number or authority (purchase order) number
 - e. Description of completed task and amount due for task
 - f. Certification by a duly authorized officer
 - g. Discount terms (if applicable)
 - h. Remittance address (if different from company address)
 - i. All supporting documentation necessary to substantiate expenses in accordance with Los Angeles City Charter Section 262
- (3) All invoices shall be submitted on Contractor's letterhead, contain Contractor's official logo, or other unique and identifying information such as the name and address of Contractor. Evidence that tasks have been completed, in the form of a report, brochure, or photograph, shall be attached to all invoices. Invoices shall be submitted within 30 calendar days of service, or monthly, and shall be payable to the Contractor no later than 45 calendar days after acknowledged receipt of a complete invoice, subject to City review and approval of the work performed. Invoices are considered complete when appropriate documentation or services provided are signed off as satisfactory by the City's Fiscal Officer.
- (4) Invoices and supporting documentation shall be prepared at the sole expense and responsibility of Contractor. The City will not compensate Contractor for costs incurred in invoice preparation. The City may request, in writing, changes to the content and format of the invoice and supporting documentation at any time. The City reserves the right to request additional supporting documentation to substantiate costs at any time.
- (5) Tasks that are completed by approved subcontractors as a pass thru expense shall be supported by subcontractor invoices, copies of pages from reports, brochures, photographs, or other unique documentation that substantiates their charges.
- (6) The City reserves the right to contest any charge contained on Contractor's invoice. The City shall inform Contractor of any such contested charge and Contractor shall respond in writing to the contested charge and provide any additional information and/or documentation to support the charge. If Contractor is unable to justify or document the contested charge to the satisfaction of the City, then the contested charge shall be deducted from Contractor's invoice and not paid by the City. If the City is satisfied with Contractor's additional information and/or documentation provided, then the City shall immediately pay Contractor's invoice with the contested charge. Any contested invoice shall not be deemed a complete invoice for the purpose of subsection (C) (2) above.
- (7) Failure to adhere to the provisions set forth in this Article IV may result in nonpayment or non-approval of demands, pursuant to Los Angeles City Charter Section 262(a), which

requires the Controller to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received by any City office or department, and approve demands before they are drawn on the Treasury. The City reserves the right to partially pay or not approve any demand based on its findings pursuant to these provisions. Payment of invoices, or portions thereof, may be withheld if the required findings cannot be made or supporting documentation of charges is insufficient.

D. FEES AND PERFORMANCE GUARANTEES

- (1) **Fees Guarantee** – The fees described in Section A – Contractor Fees shall remain in effect for the term of the Agreement. Any additional services that Contractor agrees to perform which are beyond the scope of services described in this Agreement shall be provided at a mutually agreed upon price negotiated prior to the performance of such services.
- (2) **Performance Guarantees** – Contractor agrees to abide by the Performance Guarantees outlined and incorporated into this Agreement in “Exhibit C – Performance Guarantees.”

13. Section M is hereby added to Article VI entitled “Assignment” of the Original Agreement and to read as follows:

“This Agreement or any rights or benefits hereunder may be assigned by Contractor to any of its Affiliates or the purchaser of all or substantially all of the business or division of the Contractor. The Contractor is responsible for any and all work performed under this agreement, including any and all work performed by any of its Affiliates”

14. In the event of any inconsistency between the provisions of this First Supplemental Agreement and the attachments and exhibits attached thereto, said inconsistency shall be resolved by giving precedence to the documents in the following order, except as required by applicable ordinances and law:

- 1. The body of this First Supplement Agreement;
- 2. The body of the Original Agreement;
- 3. Standard Provisions for City Contracts (Rev. 10/17); and
- 4. The other attachments/exhibits to the Original Agreement

15. This First Supplement Agreement shall be deemed executed upon the occurrence of all of the following events:

- 1. This First Supplement Agreement has been signed on behalf of Contractor by the person or persons authorized to bind Contractor hereto;
- 2. This First Supplement Agreement has been approved by the General Manager of the Personnel Department;
- 3. The Office of the City Attorney has indicated the approval as to form of this First Supplement Agreement; and
- 4. This First Supplement Agreement has been signed on behalf of the City by the person designated to so sign by the City Council or by the board, officer, or employee authorized to enter into this First Supplement Agreement.

16. This Amendment supersedes all prior agreements and understandings, written or oral, among the Parties with respect to the subject matter of this Amendment. This Amendment may be amended or modified only by an instrument in writing executed by Contractor and City.
17. Due to the need for the Contractor's Services to be provided on an ongoing basis and upon the commencement of the Term of this First Supplemental Agreement, Contractor may have provided Services prior to the execution hereof. To the extent that said Services were performed in accordance with the terms and conditions of this First Supplemental Agreement, those Services are hereby accepted by the City and shall be treated as Services performed under the terms and conditions herein
18. All capitalized terms shall have the meaning ascribed to them under the Original Agreement, except as otherwise provided herein.
19. This First Supplement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which together constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.

[Signature Page Follows]

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives as of the Effective Date.

THE CITY OF LOS ANGELES, a Municipal Corporation. By signing below, the signatory attests that they have no personal, financial, beneficial, or familial interest in this contract.

By: _____
MALIKA BILLUPS
General Manager
Personnel Department

Date: _____

TELUS HEALTH (US) LTD.

By: _____
[Name]
[Title]

Date: _____

By: _____
[Name]
[Title]

Date: _____

APPROVED AS TO FORM:

ATTESTED:

HYDEE FELDSTEIN-SOTO, City Attorney

PETTY F. SANTOS, Interim City Clerk

By: _____
[Name]
Deputy City Attorney

By: _____
Deputy City Clerk

Date: _____

Date: _____

***Approved Signature Methods:**

- 1) Two signatures: One of the Chairman of the Board of Directors, President, or Vice-President, and one of the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.
- 2) One signature of a Corporate-designated individual together with a properly attested resolution of the Board of Directors authorizing the individual to sign

City Business License Number _____

Internal Revenue Service Taxpayer Identification Number _____

Agreement Number _____

Exhibit A

**City of Los Angeles Standard Provisions for City Contracts
(revised 9/22[v1][EBD])**

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. Construction of Provisions and Titles Herein

All titles, subtitles, or headings in this Contract have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this Contract. The language of this Contract shall be construed according to its fair meaning and not strictly for or against **CITY** or **CONTRACTOR**. The word "**CONTRACTOR**" includes the party or parties identified in this Contract. The singular shall include the plural and if there is more than one **CONTRACTOR**, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. Applicable Law, Interpretation and Enforcement

Each party's performance shall comply with all applicable laws of the United States of America, the State of California, and **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this Contract with no additional compensation paid to **CONTRACTOR**.

In any action arising out of this Contract, **CONTRACTOR** consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term or provision of this Contract is held void, illegal, unenforceable, or in conflict with any federal, state or local law or regulation, the validity of the remaining parts, terms or provisions of this Contract shall not be affected.

PSC-3. Time of Effectiveness

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

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

PSC-4. Integrated Contract

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter of this Contract, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in the provisions of PSC-5 hereof.

PSC-5. Amendment

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-3.

PSC-6. Excusable Delays

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this Contract, if the delay or failure arises out of fires, floods, earthquakes, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by the party or any of the party's Subcontractors), freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar events to those described above, but in each case the delay or failure to perform must be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a Subcontractor of **CONTRACTOR** shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both **CONTRACTOR** and Subcontractor, and without any fault or negligence of either of them. In such case, **CONTRACTOR** shall not be liable for the delay or failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit **CONTRACTOR** to perform timely. As used in this Contract, the term "Subcontractor" means a subcontractor at any tier.

In the event **CONTRACTOR'S** delay or failure to perform arises out of a Force Majeure Event, **CONTRACTOR** agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

PSC-7. 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.

PSC-8. Suspension

At **CITY'S** sole discretion, **CITY** may suspend any or all services provided under this Contract by providing **CONTRACTOR** with written notice of suspension. Upon receipt of the notice of suspension, **CONTRACTOR** shall immediately cease the services suspended and shall not incur any additional obligations, costs or expenses to **CITY** until **CITY** gives written notice to recommence the services.

PSC-9. Termination

A. Termination for Convenience

CITY may terminate this Contract for **CITY'S** convenience at any time by providing **CONTRACTOR** thirty days written notice. Upon receipt of the notice of termination, **CONTRACTOR** shall immediately take action not to incur any additional obligations, costs or expenses, except as may be necessary to terminate its activities. **CITY** shall pay **CONTRACTOR** its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by **CONTRACTOR** to effect the termination. Thereafter, **CONTRACTOR** shall have no further claims against **CITY** under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights **CITY** is entitled to, shall become **CITY** property upon the date of the termination. **CONTRACTOR** agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY'S** ownership of rights provided herein.

B. Termination for Breach of Contract

1. Except as provided in PSC-6, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, **CITY** may give **CONTRACTOR** written notice of the default. **CITY'S** default notice will indicate whether the default may be cured and the time period to cure the default to the sole satisfaction of **CITY**. Additionally, **CITY'S** default notice may offer **CONTRACTOR** an opportunity to provide **CITY** with a plan to cure the default, which shall be submitted to **CITY** within the time period allowed by **CITY**. At **CITY'S** sole discretion, **CITY** may accept or reject **CONTRACTOR'S** plan. If the default cannot be cured or if **CONTRACTOR** fails to cure within the period allowed by **CITY**, then **CITY** may terminate this Contract due to **CONTRACTOR'S** breach of this Contract.
2. If the default under this Contract is due to **CONTRACTOR'S** failure to maintain the insurance required under this Contract, **CONTRACTOR** shall immediately: (1) suspend performance of any services under this Contract for which insurance was required; and (2) notify its employees and Subcontractors of the loss of insurance coverage and Contractor's obligation to suspend performance of

services. **CONTRACTOR** shall not recommence performance until **CONTRACTOR** is fully insured and in compliance with **CITY'S** requirements.

3. If a federal or state proceeding for relief of debtors is undertaken by or against **CONTRACTOR**, or if **CONTRACTOR** makes an assignment for the benefit of creditors, then **CITY** may immediately terminate this Contract.
4. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates **CITY'S** laws, regulations or policies relating to lobbying, then **CITY** may immediately terminate this Contract.
5. Acts of Moral Turpitude
 - a. **CONTRACTOR** shall immediately notify **CITY** if **CONTRACTOR** or any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").
 - b. If **CONTRACTOR** or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, an Act of Moral Turpitude, **CITY** may immediately terminate this Contract.
 - c. If **CONTRACTOR** or a Key Person is charged with or indicted for an Act of Moral Turpitude, **CITY** may terminate this Contract after providing **CONTRACTOR** an opportunity to present evidence of **CONTRACTOR'S** ability to perform under the terms of this Contract.
 - d. Acts of Moral Turpitude include, but are not limited to: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elderly abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.

- e. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this Contract, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of **CONTRACTOR**.
- 6. In the event **CITY** terminates this Contract as provided in this section, **CITY** may procure, upon such terms and in the manner as **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to **CITY** for all of its costs and damages, including, but not limited to, any excess costs for such services.
- 7. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-9(A) Termination for Convenience.
- 8. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- C. In the event that this Contract is terminated, **CONTRACTOR** shall immediately notify all employees and Subcontractors, and shall notify in writing all other parties contracted with under the terms of this Contract within five working days of the termination.

PSC-10. Independent Contractor

CONTRACTOR is an independent contractor and not an agent or employee of **CITY**. **CONTRACTOR** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **CITY**.

PSC-11. Contractor's Personnel

Unless otherwise approved by **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. **CITY** has the right to review and approve any personnel who are assigned to work under this Contract. **CONTRACTOR** shall remove personnel from performing work under this Contract if requested to do so by **CITY**.

CONTRACTOR shall not use Subcontractors to assist in performance of this Contract without the prior written approval of **CITY**. If **CITY** permits the use of Subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of this Contract and paying all Subcontractors. **CITY** has the right to approve **CONTRACTOR'S** Subcontractors, and **CITY** reserves the right to request replacement of any

Subcontractor. **CITY** does not have any obligation to pay **CONTRACTOR'S** Subcontractors, and nothing herein creates any privity of contract between **CITY** and any Subcontractor.

PSC-12. Assignment and Delegation

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

- A. Assign or otherwise alienate any of its rights under this Contract, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

PSC-13. Permits

CONTRACTOR and its directors, officers, partners, agents, employees, and Subcontractors, shall obtain and maintain all licenses, permits, certifications and other documents necessary for **CONTRACTOR'S** performance of this Contract. **CONTRACTOR** shall immediately notify **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to **CONTRACTOR'S** performance of this Contract.

PSC-14. Claims for Labor and Materials

CONTRACTOR shall promptly pay when due all amounts owed 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 **CONTRACTOR** hereunder), and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this Contract.

PSC-15. Current Los Angeles City Business Tax Registration Certificate Required

For the duration of this Contract, **CONTRACTOR** shall maintain valid Business Tax Registration Certificate(s) as required by **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

PSC-16. Retention of Records, Audit and Reports

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form or as otherwise approved by **CITY**. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by **CITY**, (2) the expiration of this Contract or (3) termination of this Contract. The records will be subject to examination and audit by authorized **CITY** personnel or **CITY'S** representatives at any time. **CONTRACTOR** shall provide any reports requested by **CITY** regarding

performance of this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, **CONTRACTOR** may, upon **CITY'S** written approval, submit the required information to **CITY** in an electronic format, e.g. USB flash drive, at the expiration or termination of this Contract.

PSC-17. Bonds

All bonds required by **CITY** shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Los Angeles Administrative Code ("LAAC") Sections 11.47 *et seq.*, as amended from time to time.

PSC-18. Indemnification

Except for the active negligence or willful misconduct of **CITY**, or any of its boards, officers, agents, employees, assigns and successors in interest, **CONTRACTOR** shall defend, indemnify and hold harmless **CITY** and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits 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 **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for (i) death or injury to any person, including **CONTRACTOR'S** employees and agents, (ii) damage or destruction of any property of either party hereto or of third parties, or (iii) any other damages or losses of any kind or nature arising in any manner by reason of any act, error, omission or willful misconduct by **CONTRACTOR**, Subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-19. Intellectual Property Indemnification

CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the **CITY**, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits 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 **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature 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: (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, in performing the work under this Contract; or (2) as a result of **CITY'S** actual or intended use of any Work Product (as defined in PSC-21) furnished by **CONTRACTOR**, or its Subcontractors, under this Contract. The rights and remedies of **CITY** provided in this section shall not be exclusive

and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-20. Intellectual Property Warranty

CONTRACTOR represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information.

PSC-21. Ownership and License

Unless otherwise provided for herein, all finished and unfinished works, tangible or not, created under this Contract including, without limitation, documents, materials, data, reports, manuals, specifications, artwork, drawings, sketches, blueprints, studies, memoranda, computation sheets, 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 originated and prepared by **CONTRACTOR** or its Subcontractors under this Contract (each a "Work Product"; collectively "Work Products") shall be and remain the exclusive property of **CITY** for its use in any manner **CITY** deems appropriate. **CONTRACTOR** hereby assigns to **CITY** all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared under this Contract. **CONTRACTOR** further agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY'S** ownership of rights provided herein.

CONTRACTOR agrees that a monetary remedy for breach of this Contract may be inadequate, impracticable, or difficult to prove and that a breach may cause **CITY** irreparable harm. **CITY** may therefore enforce this requirement by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not preclude **CITY** from seeking or obtaining any other relief to which **CITY** may be entitled.

For all Work Products delivered to **CITY** that are not originated or prepared by **CONTRACTOR** or its Subcontractors under this Contract, **CONTRACTOR** shall secure a grant, at no cost to **CITY**, for 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 **CITY**.

Any subcontract entered into by **CONTRACTOR** relating to this Contract shall include this provision to contractually bind its Subcontractors performing work under this Contract such that **CITY'S** ownership and license rights of all Work Products are preserved and protected as intended herein.

PSC-22. Data Protection

- A. **CONTRACTOR** shall protect, using the most secure means and technology that is commercially available, **CITY**-provided data or consumer-provided data acquired in the course and scope of this Contract, including but not limited to customer lists and customer credit card or consumer data, (collectively, the "City Data"). **CONTRACTOR** shall notify **CITY** in writing as soon as reasonably feasible, and in any event within twenty-four hours, of **CONTRACTOR'S** discovery or reasonable belief of any unauthorized access of City Data (a "Data Breach"), or of any incident affecting, or potentially affecting City Data related to cyber security (a "Security Incident"), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. **CONTRACTOR** shall begin remediation immediately. **CONTRACTOR** shall provide daily updates, or more frequently if required by **CITY**, regarding findings and actions performed by **CONTRACTOR** until the Data Breach or Security Incident has been effectively resolved to **CITY'S** satisfaction. **CONTRACTOR** shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with **CITY**. At **CITY'S** sole discretion, **CITY** and its authorized agents shall have the right to lead or participate in the investigation. **CONTRACTOR** shall cooperate fully with **CITY**, its agents and law enforcement.
- B. If **CITY** is subject to liability for any Data Breach or Security Incident, then **CONTRACTOR** shall fully indemnify and hold harmless **CITY** and defend against any resulting actions.

PSC-23. Insurance

During the term of this Contract and without limiting **CONTRACTOR'S** obligation to indemnify, hold harmless and defend **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 1 hereto). The insurance must: (1) conform to **CITY'S** requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

PSC-24. Best Terms

Throughout the term of this Contract, **CONTRACTOR**, shall offer **CITY** the best terms, prices, and discounts that are offered to any of **CONTRACTOR'S** customers for similar goods and services provided under this Contract.

PSC-25. Warranty and Responsibility of Contractor

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.

PSC-26. Mandatory Provisions Pertaining to Non-Discrimination in Employment

Unless otherwise exempt, this Contract is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

- A. **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 **CITY**. In performing this Contract, **CONTRACTOR** shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.
- B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this Contract by reference.
- C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Equal Employment Practices" provisions of this Contract.
- D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Affirmative Action Program" provisions of this Contract.

Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-27. Child Support Assignment Orders

CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, **CONTRACTOR** shall fully comply with all applicable State and Federal employment reporting requirements. Failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract. Failure of **CONTRACTOR** or principal owner to cure

the default within 90 days of the notice of default will subject this Contract to termination for breach. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-28. Living Wage Ordinance

CONTRACTOR shall comply with the Living Wage Ordinance, LAAC Section 10.37 *et seq.*, as amended from time to time. **CONTRACTOR** further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-29. Service Contractor Worker Retention Ordinance

CONTRACTOR shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-30. Access and Accommodations

CONTRACTOR represents and certifies that:

- A. **CONTRACTOR** shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 *et seq.*, the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 *et seq.*, the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;
- B. **CONTRACTOR** shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. **CONTRACTOR** shall provide reasonable accommodation upon request to ensure equal access to **CITY**-funded programs, services and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this Contract are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

CONTRACTOR understands that **CITY** is relying upon these certifications and representations as a condition to funding this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-31. Contractor Responsibility Ordinance

CONTRACTOR shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 *et seq.*, as amended from time to time.

PSC-32. Business Inclusion Program

Unless otherwise exempted prior to bid submission, **CONTRACTOR** shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of this Contract. **CONTRACTOR** shall utilize the Business Assistance Virtual Network ("BAVN") at <https://www.labavn.org/>, to perform and document outreach to Minority, Women, and Other Business Enterprises. **CONTRACTOR** shall perform subcontractor outreach activities through BAVN. **CONTRACTOR** shall not change any of its designated Subcontractors or pledged specific items of work to be performed by these Subcontractors, nor shall **CONTRACTOR** reduce their level of effort, without prior written approval of **CITY**.

PSC-33. Slavery Disclosure Ordinance

CONTRACTOR shall comply with the Slavery Disclosure Ordinance, LAAC Section 10.41 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-34. First Source Hiring Ordinance

CONTRACTOR shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-35. Local Business Preference Ordinance

CONTRACTOR shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-36. Iran Contracting Act

In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with **CITY** 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."

PSC-37. Restrictions on Campaign Contributions and Fundraising in City Elections

Unless otherwise exempt, if this Contract is valued at \$100,000 or more and requires approval by an elected **CITY** office, **CONTRACTOR**, **CONTRACTOR'S** principals, and **CONTRACTOR'S** Subcontractors expected to receive at least \$100,000 for performance under the Contract, and the principals of those Subcontractors (the "Restricted Persons")

shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles **CITY** to terminate this Contract and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected **CITY** officials or candidates for elected **CITY** office for twelve months after this Contract is signed. Additionally, a **CONTRACTOR** subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any **CONTRACTOR** subject to Charter Section 470(c)(12) shall include the following notice in any contract with any Subcontractor expected to receive at least \$100,000 for performance under this Contract:

“Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections

You are a subcontractor on City of Los Angeles Contract # _____ . Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles (“**CITY**”) officials and candidates for elected **CITY** office for twelve months after the **CITY** contract is signed. You are required to provide the names and contact information of your principals to the **CONTRACTOR** and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

PSC-38. Contractors’ Use of Criminal History for Consideration of Employment Applications

CONTRACTOR shall comply with the City Contractors’ Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-39. Limitation of City’s Obligation to Make Payment to Contractor

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for **CITY** to comply with its governing legal requirements, **CITY** shall have no obligation to make any payments to **CONTRACTOR** unless **CITY** shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract. **CONTRACTOR** agrees that any services provided by **CONTRACTOR**, purchases made by **CONTRACTOR** or expenses incurred by **CONTRACTOR** in excess of the appropriation(s) shall be free and without charge to **CITY** and **CITY** shall have no obligation to pay for the services, purchases or expenses. **CONTRACTOR** shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) until **CITY** appropriates additional funds for this Contract.

STANDARD PROVISIONS

PSC-40. Compliance with Identity Theft Laws and Payment Card Data Security Standards

CONTRACTOR shall comply with all identity theft laws including without limitation, laws related to: (1) payment devices; (2) credit and debit card fraud; and (3) the Fair and Accurate Credit Transactions Act (“FACTA”), including its requirement relating to the content of transaction receipts provided to Customers. **CONTRACTOR** also shall comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards (“PCI DSS”). During the performance of any service to install, program or update payment devices equipped to conduct credit or debit card transactions, including PCI DSS services, **CONTRACTOR** shall verify proper truncation of receipts in compliance with FACTA.

PSC-41. Compliance with California Public Resources Code Section 5164

California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor, if the person has been convicted of certain crimes as referenced in the Penal Code, and articulated in California Public Resources Code Section 5164(a)(2).

If applicable, **CONTRACTOR** shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been adopted or that may be adopted by **CITY**. **CONTRACTOR** is required to have all employees, volunteers and Subcontractors (including all employees and volunteers of any Subcontractor) of **CONTRACTOR** working on premises to pass a fingerprint and background check through the California Department of Justice at **CONTRACTOR’S** sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

PSC-42. Possessory Interests Tax

Rights granted to **CONTRACTOR** by **CITY** may create a possessory interest. **CONTRACTOR** agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, **CONTRACTOR** shall pay the property tax. **CONTRACTOR** acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

PSC-43. Confidentiality

All documents, information and materials provided to **CONTRACTOR** by **CITY** or developed by **CONTRACTOR** pursuant to this Contract (collectively "Confidential Information") are confidential. **CONTRACTOR** shall not provide or disclose any Confidential Information or their contents or any information therein, either orally or in writing, to any person or entity, except as authorized by **CITY** or as required by law. **CONTRACTOR** shall immediately notify **CITY** of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this Contract.

PSC-44. COVID-19

Employees of Contractor and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, "Contractor Personnel"), while performing services under this Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, "In-Person Services") must be fully vaccinated against the novel coronavirus 2019 ("COVID-19"). "Fully vaccinated" means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated. Contractor shall retain such proof for the document retention period set forth in this Agreement. Contractor shall grant medical or religious exemptions ("Exemptions") to Contractor Personnel as required by law. If Contractor wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Contractor shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Contractor. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Contractor shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

PSC-45. Contractor Data Reporting

If Contractor is a for-profit, privately owned business, Contractor shall, within 30 days of the effective date of the Contract and on an annual basis thereafter (i.e., within 30 days of the annual anniversary of the effective date of the Contract), report the following information to City via the Regional Alliance Marketplace for Procurement ("RAMP") or via another method specified by City: Contractor's and any Subcontractor's annual revenue, number of employees, location, industry, race/ethnicity and gender of majority owner ("Contractor/Subcontractor Information"). Contractor shall further request, on an annual basis, that any Subcontractor input or update its business profile, including the Contractor/Subcontractor Information, on RAMP or via another method prescribed by City.

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

CONTACT For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at www.lacity.org/cao/risk. The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low cost alternative for contractors who are unable to obtain City-required insurance.

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

- 1. Additional Insured/Loss Payee.** The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.
- 2. Notice of Cancellation.** All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.
- 3. Primary Coverage.** CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.
- 4. Modification of Coverage.** The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.
- 5. Failure to Procure Insurance.** All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

CONTRACTOR'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which the CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect the CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from CONTRACTOR.

- 6. Workers' Compensation.** By signing this Contract, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

STANDARD PROVISIONS

self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

7. California Licensee. All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the CITY. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

8. Aggregate Limits/Impairment. If any of the required insurance coverages contain annual aggregate limits, CONTRACTOR must give the CITY written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the CITY'S protection are allowed without the CITY'S prior written consent.

9. Commencement of Work. For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-3, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.