

CONTRACT NO. C- \_\_\_\_\_

ON-CALL CONSULTANT SERVICES AGREEMENT

BETWEEN

**THE CITY OF LOS ANGELES**

AND

**CONSULTANT'S NAME**

FOR

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION

PLANNING AND TECHNICAL SERVICES FOR

WASTEWATER, STORMWATER, AND SOLID RESOURCES PROGRAMS

## TABLE OF CONTENTS

### PAGE NO.

<b><u>ARTICLE 1 – SECTION HEADINGS AND CONSTRUCTION OF PROVISIONS AND TITLES</u></b>	
<b><u>HEREIN</u></b> .....	<b>1</b>
<b><u>ARTICLE 2 – DEFINITIONS</u></b> .....	<b>2</b>
<b><u>ARTICLE 3 – PROJECT DESCRIPTION</u></b> .....	<b>3</b>
<b><u>ARTICLE 4 – RESPONSIBILITIES OF AND SERVICES TO BE PERFORMED BY THE</u></b>	
<b><u>CONSULTANT</u></b> .....	<b>3</b>
<b><u>ARTICLE 5 – KEY CONSULTANT PERSONNEL</u></b> .....	<b>7</b>
<b><u>ARTICLE 6 – RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY CITY</u></b> .....	<b>7</b>
<b><u>ARTICLE 7 – TERM OF AGREEMENT AND TIME OF EFFECTIVENESS</u></b> .....	<b>8</b>
<b><u>ARTICLE 8 – TERMINATION</u></b> .....	<b>8</b>
<b><u>ARTICLE 9 – SUBCONTRACTORS</u></b> .....	<b>9</b>
<b><u>ARTICLE 10 – COMPENSATION, INVOICING, AND PAYMENT</u></b> .....	<b>10</b>
<b><u>ARTICLE 11 – AMENDMENTS, CHANGES, OR MODIFICATIONS</u></b> .....	<b>16</b>
<b><u>ARTICLE 12 – INDEMNIFICATION AND INSURANCE</u></b> .....	<b>17</b>
<b><u>ARTICLE 13 – INDEPENDENT CONTRACTORS</u></b> .....	<b>18</b>
<b><u>ARTICLE 14 – WARRANTY AND RESPONSIBILITY OF CONSULTANT</u></b> .....	<b>18</b>
<b><u>ARTICLE 15 – INTELLECTUAL PROPERTY INDEMNIFICATION</u></b> .....	<b>19</b>
<b><u>ARTICLE 16 – INTELLECTUAL PROPERTY WARRANTY</u></b> .....	<b>19</b>
<b><u>ARTICLE 17 – OWNERSHIP AND LICENSE</u></b> .....	<b>19</b>
<b><u>ARTICLE 18 – SUCCESSORS AND ASSIGNS</u></b> .....	<b>20</b>
<b><u>ARTICLE 19 – CONTACT PERSONS - PROPER ADDRESSES - NOTIFICATION</u></b> .....	<b>20</b>
<b><u>ARTICLE 20 – FORCE MAJEURE</u></b> .....	<b>20</b>
<b><u>ARTICLE 21 – SEVERABILITY</u></b> .....	<b>21</b>
<b><u>ARTICLE 22 – DISPUTES</u></b> .....	<b>21</b>
<b><u>ARTICLE 23 – ENTIRE AGREEMENT</u></b> .....	<b>21</b>

<b><u>ARTICLE 24 – APPLICABLE LAW, INTERPRETATION, AND ENFORCEMENT</u></b>	<b>21</b>
<b><u>ARTICLE 25 – CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION</u></b>	
<b><u>CERTIFICATE REQUIRED</u></b>	<b>22</b>
<b><u>ARTICLE 26 – WAIVER</u></b>	<b>22</b>
<b><u>ARTICLE 27 – PROHIBITION AGAINST ASSIGNMENT OR DELEGATION</u></b>	<b>22</b>
<b><u>ARTICLE 28 – PERMITS</u></b>	<b>22</b>
<b><u>ARTICLE 29 – DISCOUNTS</u></b>	<b>22</b>
<b><u>ARTICLE 30 – CLAIMS FOR LABOR AND MATERIALS</u></b>	<b>23</b>
<b><u>ARTICLE 31 – BREACH</u></b>	<b>23</b>
<b><u>ARTICLE 32 – NON-DISCRIMINATION</u></b>	<b>23</b>
<b><u>ARTICLE 33 – EQUAL EMPLOYMENT PRACTICES</u></b>	<b>23</b>
<b><u>ARTICLE 34 – AFFIRMATIVE ACTION PROGRAM</u></b>	<b>25</b>
<b><u>ARTICLE 35 – CHILD SUPPORT ASSIGNMENT ORDERS</u></b>	<b>29</b>
<b><u>ARTICLE 36 – LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER</u></b>	
<b><u>RETENTION ORDINANCE</u></b>	<b>30</b>
<b><u>ARTICLE 37 – AMERICANS WITH DISABILITIES ACT</u></b>	<b>32</b>
<b><u>ARTICLE 38 – CONTRACTOR RESPONSIBILITY ORDINANCE</u></b>	<b>32</b>
<b><u>ARTICLE 39 – LOS ANGELES BUSINESS INCLUSION PROGRAM</u></b>	<b>32</b>
<b><u>ARTICLE 40 – EQUAL BENEFITS ORDINANCE</u></b>	<b>33</b>
<b><u>ARTICLE 41 – SLAVERY DISCLOSURE ORDINANCE</u></b>	<b>34</b>
<b><u>ARTICLE 42 – CONTRACTOR PERFORMANCE EVALUATION ORDINANCE</u></b>	<b>34</b>
<b><u>ARTICLE 43 – MUNICIPAL LOBBYING ORDINANCE</u></b>	<b>34</b>
<b><u>ARTICLE 44 – FIRST SOURCE HIRING ORDINANCE</u></b>	<b>34</b>
<b><u>ARTICLE 45 – COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12)</u></b>	
<b><u>FOR MEASURE H/CONTRACTOR CONTRIBUTIONS/FUNDRAISING</u></b>	<b>35</b>

## **EXHIBITS**

<b>EXHIBIT A</b>	<b>SCHEDULE A, LIST OF MBE/WBE/SBE/EBE/DVBE/OBE SUBCONSULTANTS</b>
<b>EXHIBIT B</b>	<b>SCHEDULE B, MBE/WBE/ SBE/EBE/DVBE/OBE UTILIZATION PROFILE FOR TASK/PROJECT WORK</b>
<b>EXHIBIT C</b>	<b>SCHEDULE C, UTILIZATION PROFILE OF SUBCONSULTANTS</b>
<b>EXHIBIT D</b>	<b>SCHEDULE D, SUCONTRACTING FINAL REPORT FORM</b>
<b>EXHIBIT E</b>	<b>TRAVEL AUTHORIZATION</b>
<b>EXHIBIT F</b>	<b>HOURLY BILLING RATES</b>
<b>EXHIBIT G</b>	<b>SAMPLE PROJECT SERVICES COST PROPOSAL WORKSHEET</b>
<b>EXHIBIT H</b>	<b>INSURANCE REQUIREMENTS</b>
<b>EXHIBIT I</b>	<b>DECLARATION OF COMPLIANCE WITH LIVING WAGE ORDINANCE</b>
<b>EXHIBIT J</b>	<b>BUSINESS TAX REGISTRATION CERTIFICATE</b>
<b>EXHIBIT K</b>	<b>LA RESIDENCE INFORMATION</b>
<b>EXHIBIT L</b>	<b>NON-COLLUSION AFFIDAVIT</b>
<b>EXHIBIT M</b>	<b>MUNICIPAL LOBBYING ORDINANCE</b>
<b>EXHIBIT N</b>	<b>CONTRACT HISTORY</b>
<b>EXHIBIT O</b>	<b>FIRST SOURCE HIRING ORDINANCE</b>
<b>EXHIBIT P</b>	<b>CONTRACT BIDDER CAMPAIGN CONTRIBUTION AND FUNDRAISING RESTRICTIONS</b>
<b>EXHIBIT Q</b>	<b>CONTRACTOR RESPONSIBILITY ORDINANCE</b>

## **ON-CALL CONSULTANT SERVICES AGREEMENT**

This AGREEMENT, is made and entered into by and between the City of Los Angeles, a municipal corporation acting by order of and through its Board of Public Works, hereinafter called the "CITY", and "**CONSULTANT'S NAME**" hereinafter referred to as the "CONSULTANT"; is set forth as follows:

### **W I T N E S S E T H**

WHEREAS, the CITY has a need for contracting/consulting services for highly specialized and technical expertise to support the Bureau of Sanitation's projects on an emergency or as-needed basis; and

WHEREAS, the CONSULTANT's services are deemed to be vital to meet the CITY's commitment to protect public health and the environment; and

WHEREAS, the CITY plans to utilize the CONSULTANT to provide services over the course of a 5-year period with an optional 5-year extension; and

WHEREAS, on January 13, 2012, the Board of Public Works authorized the Bureau of Sanitation to distribute a Request for Qualifications (RFQ) for the said services and to negotiate a contract with a qualified proposer; and

WHEREAS, on March 28, 2012, the Bureau of Sanitation received 26 of Statements of Qualifications in response to the RFQ; and

WHEREAS, the CONSULTANT was selected to be placed on the list of pre-qualified proposers to perform said services as determined by CITY staff based on the evaluation criteria set forth in the RFQ; and

WHEREAS, the CONSULTANT meets the State requirements to perform professional engineering work as required in the Professional Engineers Act; and

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

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

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

All titles, subtitles, and/or section headings appearing herein have been inserted for convenience and shall not be deemed to govern, limit, modify or in any manner affect

the scope, meaning, intent or construction of any of the terms or provisions hereof. The language of this CONTRACT shall be construed according to its fair meaning and not strictly for or against the CITY or the CONSULTANT. The singular shall include the plural; use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used. The terms "include" and "including" do not exclude items not enumerated that are in the same general class.

## **ARTICLE 2 – DEFINITIONS**

It is understood that the following words and phrases are used herein; each shall have the meaning set forth opposite the same:

AGREEMENT/CONTRACT	This contractual agreement between the CITY and <b>CONSULTANT'S NAME</b> for planning and technical expertise and services to support Wastewater, Solid Resources, Stormwater, Climate Change Adaptation Programs and other related projects.
BOARD	The Board of Public Works of the City of Los Angeles.
BUREAU	Bureau of Sanitation, Department of Public Works, City of Los Angeles.
CALENDAR DAYS	Each day beginning at 12:01 a.m. and ending twenty-four (24) hours thereafter at 12:00 midnight unless otherwise specified.
CITY	The City of Los Angeles, Board of Public Works or its subordinate Bureaus. Depending on the context in which it is used, the term CITY may also refer to the geographic area known as the City of Los Angeles, the City Council, other Departments of the City of Los Angeles, or any person employed by the City of Los Angeles who is authorized to represent the City of Los Angeles in manners concerning this document.
ON-CALL MANAGER	CITY'S designated representative for all issues related to this AGREEMENT
CONSULTANT	<b>CONSULTANT'S NAME</b>
DIRECTOR	Director of the Bureau of Sanitation or his/her designated representative
MBE/WBE/SBE/EBE/DVBE/ OBE	Minority/Women/Small/Emerging/Disabled Veteran/Other Business Enterprises

NOTICE TO PROCEED	The written notice by the DIRECTOR or his designee to the successful proposer to commence the work.
SUBCONSULTANT	An individual or company having an agreement with CONSULTANT to provide services, equipment, or materials to CONSULTANT
TAF	Task Order Agreement Form
TOS	Task Order Solicitation, a detail description of submittal requirements including scope of services, schedule, and payment.

### **ARTICLE 3 – PROJECT DESCRIPTION**

The BUREAU's mission is to protect the public health and the environment, delivering services through the management and administration of the Wastewater Program, Watershed Protection Program, Solid Resources Program, and the Climate Change Adaptation Programs. To meet these specialized needs, where long term staffing is not feasible and existing staffing is not available or unable to perform the required tasks, the BUREAU seeks to establish a new on-call list of consulting firms to continue providing the supporting services on an as needed basis.

### **ARTICLE 4 – RESPONSIBILITIES OF AND SERVICES TO BE PERFORMED BY THE CONSULTANT**

- 4.1 CONSULTANT shall perform the services described in Article 4.4. CONSULTANT shall perform such work with a degree of skill and diligence normally employed by professional analysts or contractors performing the same or similar services.
- 4.2 CONSULTANT warrants that the services will be performed consistent with generally accepted industry standards.
- 4.3 Maintenance of Records

CONSULTANT shall maintain all records, in their original form, pertaining to the performance of this CONTRACT, including records of financial transactions. These records shall be retained for a period of no less than three (3) years following final payment made by the CITY hereunder or the expiration date of this CONTRACT, whichever occurs last. Said records shall be subject to examination and audit by authorized CITY personnel or by the CITY'S representative at any time during the term of this CONTRACT and within the three (3) years following final payment made by the CITY hereunder or the expiration date of this CONTRACT, whichever occurs last. CONSULTANT shall provide any reports requested by the CITY regarding performance of this

CONTRACT. Any subcontract entered into by CONSULTANT, as authorized under the terms of this CONTRACT, shall include a like provision for work to be performed under this CONTRACT.

#### 4.4 Scope of Services

The proposed scope of work will include but not be limited to:

- Wastewater Program - Planning, Scientific and Technical Issues, Operational Support Services, Plant Optimization, Sewer System Structural and Hydraulic Condition Assessment, Sewer Capacity Plan, Rehabilitation Plan, Development of Industrial Waste Discharge Standards, Fats, Oil and Grease, Regulatory Compliance Requirements, Odor Control Implementation and Testing, amongst other services.
- Biosolids Program – Planning, Scientific and Technical Issues, Maintenance and Operational Support Services, Development of Biomass Alternative Technologies and Management, Regulatory Compliance Requirements, amongst other services.
- Stormwater Program – Planning, Scientific and Technical Issues, Operational Support Services, Evaluation of discharge limits for Santa Monica Bay, Ballona Creek, Los Angeles River and Long Beach Harbors, Total Maximum Daily Loads (TMDLs) Compliance, Regulatory Compliance Requirements, amongst other services.
- Solid Resources Program - Strategic Planning, Scientific and Technical Issues, Operational Support Services, Commercial Recycling Planning, Development of Resource Recovery as an Alternative to the Use of Landfills, Regulatory Compliance Requirements, EPA grant funded for Brownfield sites' assessment Phase I and Phase II, amongst other services.
- Climate Change Adaptation Program, a nascent program that is still under formation.
- Financial Revenue and Bond Program – Financial Analysis, Financial Screening, Funding Sources, review of current rate structure, amongst other services.
- Information Technology (IT) Services – Technical Assistance
- Strategic Planning/Safety and Training Program – Specialized Training and Human Resources Development, support the BUREAU's ongoing labor-management strategic planning effort, amongst other services.
- Quality Assurance/Value Assessment – Review feasibility, constructability and cost-effectiveness of recommended projects and programs.
- Provide services to build support to critically and urgently needed system enhancements, programs and service upgrades or certain pilot projects/programs.
- Public Outreach/Education Program – Including, but not limited to, communicating



and coordinating with community groups; arranging community meetings and public hearings; media outreach, developing or using social media; and preparing printed, digital, or electronic literature for public dissemination.

#### Assignment of Work:

Initially, the selected consultants will be listed in random order. The CITY reserves the right to assign Task Orders under these contracts in any manner the serve the CITY and the project the best and will generally be done in one of the following manners noted below:

- For Large Task Orders with an estimated cost of equal to or more than \$1,000,000. The CITY will issue a Task Order Solicitation (TOS) and will request all consultants on the list to submit proposals on an upcoming project. For each desired Task Order, the project will be awarded to the pre-qualified on-call consultant whose proposal represents the best overall value to the CITY for the requested work. The selected proposer will be moved to the bottom of the list for the purpose of subsequent work assignments.
- For Moderately sized Task Orders greater than \$250,000 but less than \$1,000,000. The CITY will issue a TOS and will request the top three (3) consultant firms on the list to submit a proposal. The project will be awarded to the pre-qualified on-call consultant whose proposal represents the best overall value to the CITY for the requested work. The selected proposer will be moved to the bottom of the list for the purpose of subsequent work assignments.
- For Smaller sized Task Orders equal to or less than \$250,000. The CITY will issue a TOS to the first firm on the list. Negotiations will follow on the terms for the project, specifically on the scope of work, deliverables, schedule, and costs. If an agreement cannot be reached with the first firm, the CITY reserves the right to negotiate with the next firm on the list and so on until an agreement is reached. The successful consultant will then be rotated to the bottom of the list for the purpose of subsequent work assignments.

The CITY reserves the right to advertise any Task Order, regardless of the size, to the entire list. In addition and under special conditions, the CITY may choose to award the Task Order regardless of the size to the first ranked firm on the list subject to the concurrence of the BOARD.

Once an agreement is reached, the CITY will issue a NOTICE TO PROCEED. Cost incurred by the consultant prior to the NOTICE TO PROCEED shall be payable to consultant if said costs were incurred in completing any task specifically authorized by this contract and said costs are reviewed and approved by the CITY and said approval of payment occurs after the contract is fully executed.

#### 4.5 CONSULTANT Schedule of Services

- 4.5.1 The CONSULTANT shall prepare and submit a proposed schedule of the services to be performed as instructed by the TOS Manager, within fifteen (15) calendar days, after receiving the CITY's NOTICE TO PROCEED. The CONSULTANT shall perform the work in accordance with the approved schedule and prepare revisions and updates in a timely manner. The CITY may withhold payment to the CONSULTANT for failure to comply with requirements of this procedure.
- 4.5.2 The CONSULTANT's schedule of services shall show the dates on which each part or division of the work is expected to be started and completed and shall show all submittals associated with each work activity, allowing a minimum of fifteen (15) CALENDAR DAYS for the TOS Manager's review of each submittal unless a longer period of time is specified elsewhere in this CONTRACT or the TAF. The work activities making up the schedule shall be of sufficient detail to assure that adequate planning has been done for proper execution of the work and such that it provides an appropriate basis for monitoring and evaluating the progress of the work. The CONSULTANT shall also submit a separate progress schedule listing all submittals required under the CONTRACT and when it is anticipated that each submittal will be submitted. The ON-CALL MANAGER will review the CONSULTANT's schedules and provide comments relative to overall compliance with requirements of the CONTRACT documents.
- 4.5.3 An updated schedule of services shall be submitted to the ON-CALL MANAGER as specified in the Task Order. The submittal of the updated CONSULTANT's schedule of services, which will satisfy the requirements of this Section, accurately reflects the status of the work and incorporates all changes into the schedule. Updated schedules shall also be submitted at such other times as the ON-CALL MANAGER may direct. Upon approval of an amendment or issuance of a NOTICE TO PROCEED with a change, the approved amendments shall be reflected in the next scheduled update submittal by the CONSULTANT, or other updated submittal approved by the TOS Manager. If specified in the Task Order, as a condition precedent to final payment, the CONSULTANT shall submit to the ON-CALL MANAGER a final schedule of services that accurately reflects the manner in which the services were actually completed.
- 4.5.4 The CONSULTANT shall submit a written explanation with the original schedule submittal and show sufficient detail as to how the work is to be performed to enable the CITY to make an evaluation. If the explanation is not adequate to establish that the schedule is valid and practical, a review conference may be held to reach an understanding on required revisions. The CONSULTANT shall make such revisions in the schedule and narrative and resubmit within ten (10) CALENDAR DAYS after the conference unless granted an extension by the ON-CALL MANAGER.

4.5.5 The CONSULTANT shall submit progress reports as specified in the TAF. This may consist of a monthly narrative progress report and may include an updated schedule of services. The purpose of the report is to provide a brief description of the status of the work and to identify any problems and open issues that may affect timely completion.

4.5.6 As directed in the CONTRACT or the Task Order, the CONSULTANT shall participate in progress meetings with the TOS Manager. These meetings shall be held regularly at the discretion of the TOS Manager. All meetings are to be comprehensively documented by the CONSULTANT and related documentation distributed to attendees.

## **ARTICLE 5 – KEY CONSULTANT PERSONNEL**

5.1 CONSULTANT designates the following person to represent CONSULTANT in all matters pertaining to this AGREEMENT:

Name:  
Address:  
Phone Number:

Additional technical specialists shall be assigned subject to the ON-CALL MANAGER'S approval.

5.2 CONSULTANT agrees that personnel assigned to these positions at the commencement of services under this AGREEMENT shall serve in these positions as long as required by the CONTRACT, and CONSULTANT shall not change personnel assigned to these positions without the prior consent and approval of ON-CALL MANAGER, whose consent shall not be withheld unreasonably.

5.3 The CITY shall have the right to review and approve any personnel who are assigned to work under this CONTRACT. CONSULTANT agrees to remove personnel from performing work under this CONTRACT if requested to do so by the CITY.

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

CITY designates Division Manager of the Wastewater Engineering Services Division as its ON-CALL MANAGER to represent the CITY in all matters within the scope of the AGREEMENT relating to the conduct and approval of the work to be performed. Whenever the term "approval of CITY," "consult with CITY," "confer with CITY," or similar terms are used, they shall refer to the ON-CALL MANAGER. The ON-CALL MANAGER may designate an assistant to act in his/her stead.

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

## **ARTICLE 7 – TERM OF AGREEMENT AND TIME OF EFFECTIVENESS**

The term of this AGREEMENT shall be for five (5) years with a five (5)-year renewal option to be exercised at the CITY's sole discretion, from the date of full execution unless terminated as provided under Article 8 or extended by amendment or change order to this AGREEMENT and signed by the parties.

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

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

## **ARTICLE 8 – TERMINATION**

- 8.1 This AGREEMENT may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this AGREEMENT through no fault of the terminating party, provided that no termination may be effected unless the other party is given (1) not less than ten (10) CALENDAR DAYS' written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination.
- 8.2 This AGREEMENT may be terminated in whole or in part in writing by the CITY for its convenience, provided that the CONSULTANT is given (1) not less than thirty (30) CALENDAR DAYS' written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination. Upon receipt of said written notice, CONSULTANT shall immediately take action not to incur any additional obligations, cost or expense, except as may be reasonably necessary to terminate its activities.
- 8.3 This AGREEMENT may be immediately terminated in writing by the CITY if (1) a federal or state proceeding for relief of debtors is undertaken by or against CONSULTANT, or if CONSULTANT makes an assignment for the benefit of creditors or (2) CONSULTANT engages in any dishonest conduct related to the

performance or administration of this AGREEMENT or violates the CITY'S lobbying policies.

- 8.4 If termination for default is effected by the CITY, an equitable adjustment in the price provided for in this AGREEMENT shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work, and (2) any payment due the CONSULTANT at the time of termination may be adjusted to cover any additional costs to the CITY because of the CONSULTANT'S default.

If termination for default is effected by the CONSULTANT or if termination for convenience is effected by the CITY, the equitable adjustment shall include a reasonable profit for services or other work performed. The equitable adjustment for any termination shall provide for payment to the CONSULTANT for services rendered and expenses incurred prior to the termination, excluding attorney's fees, in addition to termination settlement costs reasonably incurred by the CONSULTANT relating to written commitments that were executed prior to the termination. Thereafter, CONSULTANT shall have no further claims against the CITY under this AGREEMENT.

- 8.5 Upon receipt of a termination action under Articles 8.1, 8.2 or 8.3 above, the CONSULTANT shall (1) promptly discontinue all affected work (unless the notice directs otherwise), and (2) deliver or otherwise make available to the CITY all finished or unfinished documents and materials produced or procured under this CONTRACT, including all intellectual property rights thereto, which shall become CITY property upon date of such termination. CONSULTANT agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.
- 8.6 Upon termination under Articles 8.1, 8.2 or 8.3 above, the CITY may take over the work and may award another party an AGREEMENT to complete the work under this AGREEMENT.
- 8.7 If, after the termination for failure of the CONSULTANT to fulfill contractual obligations, it is determined that the CONSULTANT had not failed to fulfill contractual obligations, the termination shall be deemed to have been for the convenience of the CITY. In such event, adjustment of the AGREEMENT price shall be made as provided in Article 8.4 of this article.
- 8.8 The rights and remedies of the 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.

## **ARTICLE 9 – SUBCONTRACTORS**

CONSULTANT shall not use subconsultants to assist in performance of this AGREEMENT without the prior written approval of the CITY. If the CITY permits the use of subconsultants, CONSULTANT shall remain responsible for performing all aspects of this

AGREEMENT. The CITY has the right to approve CONSULTANT's subconsultants and the CITY reserves the right to request replacement of subconsultants. The CITY does not have any obligation to pay CONSULTANT's subconsultants and nothing herein creates any privities between the CITY and the subconsultants. Wholly-owned subsidiaries of the CONSULTANT shall not be considered subcontractors/subconsultants.

Schedule A, a list of potential MBE/WBE/SBE/EBE/DVBE/OBE Subconsultants, provided herein is referred to as **Exhibit A**. The CONSULTANT shall make every effort to equitably utilize the subconsultants listed on **Exhibit A**.

This listing, **Exhibit A**, is not exclusive and upon written requested by the CONSULTANT, additional subcontractors/subconsultants may be added with the approval of the DIRECTOR or designee. Substitution of any subconsultant requires approval from the BOARD for Task Order greater than \$250,000.

The CONSULTANT shall provide the Task Order List of Subconsultants (Schedule B, **Exhibit B**). The Schedule B is required prior to commencement of the work. The CONSULTANT shall provide an overall contract summary of the utilization profile of subconsultants as part of the monthly invoice (Schedule C, **Exhibit C**). The summary shall include all tasks completed to date or underway. Upon completion of each Task Work Order, the CONSULTANT shall prepare and submit the "Final Report of Subcontracting" Form (Schedule D, **Exhibit D**) to the Awarding Authority within 15 working days after completion of the Task Work Order.

## **ARTICLE 10 – COMPENSATION, INVOICING, AND PAYMENT**

Compensation for services provided under this CONTRACT shall be provided on a Cost Reimbursement –Billing Salary Rate basis, a Cost Reimbursement - Hourly Billing Rate basis, a Lump Sum basis, or a combination thereof, at the sole discretion of the CITY. For the Cost Reimbursement – Billing Salary Rate basis, compensation is defined as the sum of: (1) Billing Salary Rates; (2) Overhead; (3) Other Direct Cost with no markup; (4) Subcontract Expenses plus administrative fee as stated herein; and (5) Profit as defined herein. For the Cost Reimbursement – Hourly Billing Rate basis, compensation is defined as the sum of: (1) Hourly Billing Rates; (2) Other Direct Cost with no markup; and (3) Subcontract Expenses plus administrative fee as stated herein. For the Lump Sum basis, compensation is defined solely as the Lump Sum.

### **10.1 Cost Reimbursement – Billing Salary Rate Basis**

10.1.1 "Billing Salary Rates" negotiated by Task Order shall be at the rates approved by the ON-CALL MANAGER, to be charged by CONSULTANT for employees' time directly chargeable to their performance of the project work. Any adjustments to the CONSULTANT's Billing Salary Rate shall be in accordance with established BUREAU policies, existing at the time the adjustment is approved. Actual CONSULTANT employee salaries may be increased at the discretion of CONSULTANT's management. However, Billing Salary Rate

increases are limited to once per year, per employee, on the anniversary date of the CONSULTANT's CONTRACT execution, and are subject to the approval of the DIRECTOR. In no case shall the "Billing Salary Rates" exceed the actual salary rates paid to the employee.

If a CONSULTANT employee is promoted to a new classification or position, documentation shall be provided to the ON-CALL MANAGER. CONSULTANT shall provide explanation of the higher responsibilities of the CONSULTANT employee in the new classification or position as relating to the Task Order. CONSULTANT may increase the Billing Salary Rate due to promotion, subject to the approval of the ON-CALL MANAGER.

Subconsultant Billing Salary Rates are negotiated per Task Order. Any adjustments to subconsultants' Billing Salary Rates for a TASK ORDER shall be reviewed and approved by the ON-CALL MANAGER prior to invoicing. Adjustments to subconsultants' Billing Salary Rates may be increased one time per year, per employee, on the anniversary date of the CONSULTANT's CONTRACT execution, and are subject to approval of the ON-CALL MANAGER. Any such increases shall be in accordance with established BUREAU policy existing at the time the adjustment was approved.

10.1.2 "Overhead" (including payroll burden, general and administrative expenses, and all other expenses not included in Section 10.1.3) shall be at a rate applied to Billing Salary Rate. Payroll burden includes the cost of benefits for employees, which include, but are not limited to, employer paid costs for employee insurance programs, employer-paid payroll-related taxes, sick leave, holidays, vacation and retirement. Overhead for this Consultant Services Contract is fixed for the duration of the CONTRACT at a rate of ###.00 percent for CONSULTANT personnel located in the CONSULTANT's Office and fixed at a rate of ###.00 percent for CONSULTANT personnel located in a CITY office. At the ON-CALL MANAGER's discretion, the subconsultants' overhead rates are subject to review and approval by the ON-CALL MANAGER and shall remain fixed for the duration of the CONTRACT.

The CONSULTANT Office rate shall apply to CONSULTANT personnel on temporary assignment, not to exceed one month, at one of the CITY's offices. The CITY Office rate shall apply when the CONSULTANT personnel are on assignment at one of the CITY's offices for a period exceeding one month. The overhead rate selection for every CONSULTANT employee shall be approved by the ON-CALL MANAGER.

10.1.3 "Other Direct Cost" includes those costs of CONSULTANT directly identifiable to or incurred in the performance of services hereunder, including but not limited to reproduction, freight, messenger service, travel (in accordance with established CITY policies), equipment rented by CONSULTANT, auto rental,

and mileage charges (based on IRS allowable amounts), and supplies used in the work . CONSULTANT must obtain CITY approval prior to incurring any travel expenses. Expenses related to CONSULTANT travel will be reimbursed based upon the CITY's policies and procedures that are in place at the travel time (**Exhibit E**). Any specialized items purchased for the task at the request of the CITY shall be charged to the CITY, and shall become the property of the CITY and delivered to the CITY. Any other items purchased for the task shall be the property of the CONSULTANT, shall not be charged to the CITY, and will not be reimbursed. Communication expenses, cost of office space, equipment, and supplies furnished to CITY personnel at CONSULTANT's location shall be paid by the CITY. The CITY shall receive the full benefit of any free travel, frequent flyer mileage, discounts and/or any other advantages which are acquired by the CONSULTANT as a result of CITY sponsored travel.

10.1.4 "Subcontract Expenses" shall be the actual amount paid by CONSULTANT to subconsultant for their services to the CITY plus an administrative fee of five (5) percent. No administrative fee is allowed on Other Direct Costs by the subconsultants. The subconsultants shall bill the CONSULTANT for other direct costs as cost with no markup.

10.1.5 "Profit" shall be limited to ten (10) percent and shall be applied to the summation of "Billing Salary Rates" and "Overhead".

## 10.2 Cost Reimbursement - Hourly Billing Rate Basis

Cost Reimbursement - Hourly Billing Rate is a method of compensation whereby CONSULTANT is compensated on an hourly basis pursuant to established Hourly Billing Rates set forth in **Exhibit F**. The Hourly Billing Rates shall be approved by the ON-CALL MANAGER for CONSULTANT employees' time directly chargeable to their performance of the project work. The Hourly Billing Rate shall include salary, fringe benefits, overhead, profit and all other business expenses incurred by CONSULTANT. Reimbursement for Other Direct Costs and Subcontract Expenses shall be in accordance with Sections 10.1.3 and 10.1.4 of this CONTRACT.

Actual CONSULTANT salaries may be increased at the discretion of CONSULTANT's management. However, Hourly Billing Rate increases are limited to once per year, per employee, on the anniversary date of the CONSULTANT's CONTRACT execution, and are subject to the approval of the ON-CALL MANAGER. Any adjustments to the CONSULTANT's Hourly Billing Rates for a Task Order shall be in accordance with established BUREAU policies, existing at the time the adjustment is approved.

If a CONSULTANT employee is promoted to a new classification or position, documentation shall be provided to the ON-CALL MANAGER. CONSULTANT shall



provide explanation of the higher responsibilities of the CONSULTANT employee in the new classification or position as relating to the Task Order. CONSULTANT may increase the Hourly Billing Rate due to promotion, subject to the approval of the ON-CALL MANAGER.

Subconsultant Hourly Billing Rates are negotiated by Task Order. Any adjustments to subconsultants' Hourly Billing Rates shall be reviewed and approved by the ON-CALL MANAGER prior to invoicing. Adjustments to subconsultants' Hourly Billing Rates may be increased one time per year, per employee, on the anniversary date of the CONSULTANT's CONTRACT execution, and are subject to approval of the ON-CALL MANAGER. Any such increases shall be in accordance with established BUREAU policy existing at the time the adjustment is approved.

### 10.3 Lump Sum Basis

Lump Sum Basis is a method of compensation whereby CONSULTANT is compensated for percent completion of designated milestones for a specific task order. All of the CONSULTANT's costs including employee salaries, overhead, other direct costs, subcontract expenses, and profit are included in the Lump Sum Amount.

### 10.4 Proposed Project Cost Breakdown

At the discretion of the ON-CALL MANAGER, the Sample Project Service Cost Proposal Worksheet (**Exhibit G**), attached hereto and incorporated herein by this reference, may be used or modified for the estimated total cost by task for each Task Order. For Task Orders specifying a Cost Reimbursement – Billing Salary Rate compensation method, the Proposed Project Cost Worksheet shall be based upon the estimated hours of labor at estimated Billing Salary Rates, the allocated overhead, Other Direct Cost, Subcontract Expenses, and profit. For Task Orders specifying a Cost Reimbursement - Hourly Billing Rate compensation method, the Proposed Project Cost Worksheet shall be based upon the estimated hours of labor at estimated Hourly Billing Rates, Other Direct Cost, and Subcontract Expenses. For Task Orders specifying a Lump Sum compensation method, the Proposed Project Cost Worksheet shall set forth the total project cost and the appropriate payment milestones.

The amount shown for each task on a Proposed Project Cost Worksheet are estimates only, and unexpended funds allocated for one task may be used for another task as long as the total Cost Breakdown specified in the Task Order is not exceeded. Such reallocation of funds must have the prior written approval of the ON-CALL MANAGER.

### 10.5 Compensation

CONSULTANT agrees to perform the work specified in Article 4.4, and CITY shall compensate CONSULTANT on a Cost Reimbursement – Billing Salary Rate basis, a Cost Reimbursement - Hourly Billing Rate basis, a Lump Sum basis, or a combination thereof, at the sole discretion of the ON-CALL MANAGER. ON-CALL MANAGER shall designate the compensation method in the Task Orders to be issued under this CONTRACT. If the TASK ORDER Solicitation specifies the compensation as being on a Cost Reimbursement – Billing Salary Rate basis or a Cost Reimbursement - Hourly Billing Rate basis, payment shall be made in accordance with the Proposed Project Cost Breakdown to be provided for ON-CALL MANAGER approval prior to issuance of NOTICE TO PROCEED for any Task under this CONTRACT. Billing Salary Rates, Hourly Billing Rates, Subcontract Expenses, Overhead, and Other Direct Costs shall be in accordance with rates set herein. The total cost ceiling shall be stated in the Task Order.

If the Task Order Solicitation specifies the compensation as being on a Lump Sum basis, payment shall be made upon the satisfactory completion of the tasks or milestones, or percent completion thereof, as set forth in the Task Order. The total cost ceiling shall be stated in the Task Order.

## 10.6 Invoicing and Payment

10.6.1 For Task Orders specifying a Cost Reimbursement – Billing Salary Rate basis or a Cost Reimbursement - Hourly Billing Rate basis method of payment, CONSULTANT shall, once each month, submit to ON-CALL MANAGER an original and three (3) copies of a complete and valid invoice with required back up documents in a format acceptable to the CITY which will include all costs for services provided during the preceding month. ON-CALL MANAGER shall review CONSULTANT's invoice and notify CONSULTANT of exceptions or disputed items and their dollar value.

10.6.2 For Task Orders specifying a Lump Sum method of payment, CONSULTANT shall submit to the ON-CALL MANAGER, upon the satisfactory completion of each task/milestone, an original and three (3) copies of a complete and valid invoice in a format acceptable to the ON-CALL MANAGER. ON-CALL MANAGER shall review CONSULTANT's invoices and notify CONSULTANT of exceptions or disputed items and their dollar value. The total invoice amount, less any exceptions or disputed items shall be considered approved for payment.

All invoices shall be prepared in such form and supported by such copies of invoices, payrolls, time sheets, and other documents of proof as may be required by ON-CALL MANAGER to establish the amount of such invoices for allowable expenses.

- 10.6.3 CITY will make a good faith effort to pay CONSULTANT all amounts approved for payment within thirty (30) days after ON-CALL MANAGER receives CONSULTANT's correct and valid invoice, including all required documentation.
- 10.6.4 The CITY will not pay for CONSULTANT's nor subconsultant's personnel for invoice preparation. The CITY will not pay for CONSULTANT's nor subconsultant's communications expenses and computer lease, rental or hourly time charges.
- 10.6.5 For Task Orders over \$100,000, a Subconsultant Utilization Invoice Attachment **[Exhibit C]**, listing subconsultant amounts invoiced shall also be submitted as part of the monthly invoice. CONSULTANT must provide an explanation for any item that falls short of the planned utilization with specific plans and recommendations for recovering any shortfalls in utilization. No such invoice shall be paid without the Subconsultant Utilization Invoice Attachment.
- 10.6.6 All invoices shall be subject to audit. Support for any Other Direct Cost items less than \$25 need not be submitted by CONSULTANT unless specifically requested by CITY.
- 10.6.7 All charges related to the performance of the CONSULTANT's work for any Task Order, including the work of any subcontractors or subconsultants, shall be invoiced to the CITY within six months of TOS expiration. The CITY will not reimburse the CONSULTANT for any charges related to any Task Order invoiced to the CITY after six months.
- 10.6.8 If the project requires and if mutually agreed upon by the CONSULTANT and the CITY, specialty subconsultant services may be requested on a specific project Task Order. The Cost Reimbursement - Hourly Billing Rate method of compensation will be used when invoicing the CITY for the specialty subconsultant services. Hourly Billing Rates shall be at the rates approved by the ON-CALL MANAGER to be charged by the subconsultant for employees' time directly chargeable to their performance of the project work. The Hourly Billing Rate shall include salary, fringe benefits, overhead, profit and all other business expenses incurred by the subconsultant.
- 10.6.9 Within 15 days of discovery, CONSULTANT shall notify the ON-CALL MANAGER in writing when costs reach 75 percent (75%) of the amount authorized for the Task Order. Failure to provide written notification may result in late payment of invoices.
- 10.6.10 CITY shall not be obligated to reimburse CONSULTANT for costs incurred

in excess of the Proposed Project Cost Breakdown set forth. CONSULTANT shall not be obligated to continue performance (including actions under the temporary stop work or termination clauses) or otherwise incur costs in excess of the Proposed Project Cost Breakdown, either, unless and until, ON-CALL MANAGER shall have notified CONSULTANT in writing, or, unless and until CONSULTANT notifies ON-CALL MANAGER prior to work and ON-CALL MANAGER agrees to additional work in writing, that such Proposed Project Cost Breakdown has been increased and shall have specified in such notice an estimated Proposed Project Cost Breakdown which shall thereupon constitute the cost performance of this CONTRACT. In the absence of the specified notice, CITY shall not be obligated to reimburse CONSULTANT for any costs in excess of the Proposed Project Cost Breakdown set forth, whether those costs were incurred during the course of the CONTRACT or as a result of termination.

10.6.11 CITY liability under this CONTRACT shall only be to the extent of the present appropriation to fund the CONTRACT. No action, statement, or omission of any officer, agent, or employee of CITY shall impose any obligation upon CITY, such officer, agent, or employee, except to the extent CITY has appropriated funds and otherwise in accordance with the terms of this CONTRACT.

CONSULTANT and CITY agree that no indebtedness for work performed which results in costs under this CONTRACT shall arise against CITY until and unless there is an appropriation of funds to pay for such work. However, if CITY shall appropriate funds for any successive fiscal years, CITY's liability shall be extended to the extent of such appropriation subject to the terms and conditions of this CONTRACT.

#### 10.6.12 False Claims Act

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

### **ARTICLE 11 – AMENDMENTS, CHANGES, OR MODIFICATIONS**

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

## **ARTICLE 12 – INDEMNIFICATION AND INSURANCE**

### **12.1 INDEMNIFICATION**

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

### **12.2 INSURANCE**

During the term of this CONTRACT and without limiting the CONSULTANT'S indemnification of the CITY, the CONSULTANT shall provide and maintain at its own expense during the term of this CONTRACT a program of insurance having the coverage and limits customarily carried and actually arranged by CONSULTANT but not less than the amounts and types listed on the Insurance Requirements Sheet (Form Gen 146/IR), in **EXHIBIT H** hereto, covering its operations hereunder. Such insurance shall conform to CITY requirements as established by Charter, ordinance, or policy and shall comply with the instructions set forth, in **EXHIBIT H**, and which can also be found at the Board of Public Work's website: <http://bpw.lacity.org/Secretariat/Insurance.html>, in the form Instructions and Information on Complying with CITY Insurance Requirements, rev 05/12, and shall otherwise be in a form acceptable to the City Administrative Officer, Risk Management. The CONSULTANT shall comply with all insurance Contractual Requirements shown on **EXHIBIT H** hereto. **EXHIBIT H** is hereby incorporated by reference and made a part of this CONTRACT.

### **12.3 BONDS**

All bonds which may be required hereunder shall conform to CITY requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in

accordance with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

### **ARTICLE 13 – INDEPENDENT CONTRACTORS**

CONSULTANT is acting hereunder as an independent contractor and not as an agent or employee of the CITY. CONSULTANT 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 the CITY. CITY shall not represent or otherwise hold itself out or any of its Directors, officers, partners, employees or agents to be an agent or employee of CONSULTANT.

### **ARTICLE 14 – WARRANTY AND RESPONSIBILITY OF CONSULTANT**

- 14.1 CONSULTANT warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within CONSULTANT'S profession, doing the same or similar work under the same or similar circumstances.
- 14.2 CONSULTANT shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by CONSULTANT under this AGREEMENT. CONSULTANT shall, at no additional cost to CITY, correct or revise any errors, omissions, or other deficiencies in its designs, drawings, specifications, reports, calculations, and other services.
- 14.3 The CONSULTANT shall exhibit proper professional judgment in the use of information furnished by CITY in Article 6. In the event that said information is not delivered timely or that it is discovered to be incorrect or misleading, CONSULTANT will notify the CITY in a reasonable manner after the discovery of such tardiness or incorrect or misleading information and promptly make a determination of its costs and schedule impact on this AGREEMENT, as well as recommendations for the correction of such incorrect or misleading information.
- 14.4 CONSULTANT shall perform such professional services as may be necessary to accomplish the work required to be performed under this AGREEMENT in accordance with this AGREEMENT.
- 14.5 Except as specified in Article 12 and as otherwise provided in this AGREEMENT, the CONSULTANT shall be and shall remain liable, in accordance with applicable law, for all damages to CITY caused by CONTRACTOR'S/CONSULTANT'S negligent performance of any of the services furnished under this AGREEMENT, except for errors, omissions, or other deficiencies to the extent attributable to CITY, CITY-furnished data, or any third party.

## **ARTICLE 15 – INTELLECTUAL PROPERTY INDEMNIFICATION**

The CONSULTANT, at its own expense, undertakes and agrees to defend, indemnify, and hold harmless the CITY, and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information right (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software,

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

## **ARTICLE 16 – INTELLECTUAL PROPERTY WARRANTY**

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

## **ARTICLE 17 – OWNERSHIP AND LICENSE**

Unless otherwise provided for herein, all Work Products originated and prepared by CONSULTANT or its SUBCONSULTANTS of any tier under this CONTRACT shall be and remain the exclusive property of the CITY for its use in any manner it deems appropriate. Reuse of work products on projects not covered by this agreement is at the sole risk of the CITY. Work Products are all works, tangible or not, created under this CONTRACT including, without limitation, documents, material, data, reports, manuals, specifications, artwork, drawings, sketches, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas matters and combinations thereof, and all forms of intellectual property. CONSULTANT hereby assigns, and agrees to assign, all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared by CONSULTANT under this CONTRACT. CONSULTANT further agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.

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

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

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

#### **ARTICLE 18 – SUCCESSORS AND ASSIGNS**

All of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns provided, however, that no assignment of the AGREEMENT shall be made without written consent of the parties to this AGREEMENT as required under Article 27.

#### **ARTICLE 19 – CONTACT PERSONS - PROPER ADDRESSES - NOTIFICATION**

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

To The CITY:

Contact Person: Division Manager, Wastewater Engineering Services Division  
Address: 2714 Media Center Drive, Los Angeles, CA 90065

To CONSULTANT:

Contact Person:  
Address:

#### **ARTICLE 20 – FORCE MAJEURE**

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



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

#### **ARTICLE 21 – SEVERABILITY**

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

#### **ARTICLE 22 – DISPUTES**

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

#### **ARTICLE 23 – ENTIRE AGREEMENT**

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

#### **ARTICLE 24 – APPLICABLE LAW, INTERPRETATION, AND ENFORCEMENT**

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the CITY including but not limited to laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This AGREEMENT and its performance shall be enforced and interpreted under the laws of the State of California. All causes of action arising directly or indirectly from the business relationship evidenced by this AGREEMENT must be filed in the appropriate state or federal court located in Los Angeles County, California, and each party agrees to be subject to the jurisdiction of the State of California regardless of their residence. CONSULTANT shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this AGREEMENT.

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

## **ARTICLE 25 – CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED**

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

## **ARTICLE 26 – WAIVER**

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

## **ARTICLE 27 – PROHIBITION AGAINST ASSIGNMENT OR DELEGATION**

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

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

## **ARTICLE 28 – PERMITS**

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

## **ARTICLE 29 – DISCOUNTS**

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

### **ARTICLE 30 – CLAIMS FOR LABOR AND MATERIALS**

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

### **ARTICLE 31 – BREACH**

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

### **ARTICLE 32 – NON-DISCRIMINATION**

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

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

### **ARTICLE 33 – EQUAL EMPLOYMENT PRACTICES**

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

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

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

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
  2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
  3. CONSULTANT agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. CONSULTANT will, in all solicitations or advertisements for employees placed by or on behalf of CONSULTANT, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- C. As part of the CITY'S supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, CONSULTANT shall certify in the specified format that he or she has not discriminated in the performance of CITY contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.
- D. CONSULTANT shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of CITY contracts. On their or either of their request CONSULTANT shall provide evidence that he or she has or will comply therewith.
- E. The failure of any CONSULTANT to comply with the Equal Employment Practices provisions of this CONTRACT may be deemed to be a material breach of CITY contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to CONSULTANT.
- F. Upon a finding duly made that CONSULTANT has failed to comply with the Equal Employment Practices provisions of a CITY contract, the CONTRACT may be

forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the CITY. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the CONSULTANT is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, CONSULTANT shall be disqualified from being awarded a contract with the CITY for a period of two years, or until CONSULTANT shall establish and carry out a program in conformance with the provisions hereof.

- G. Notwithstanding any other provision of this CONTRACT, the CITY shall have any and all other remedies at law or in equity for any breach hereof.
- H. Intentionally blank.
- I. Nothing contained in this CONTRACT shall be construed in any manner so as to require or permit any act which is prohibited by law.
- J. At the time a supplier registers to do business with the CITY, or when an individual bid or proposal is submitted, CONSULTANT shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of CITY Contracts.
- K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
  - 1. Hiring practices;
  - 2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
  - 3. Training and promotional opportunities; and
  - 4. Reasonable accommodations for persons with disabilities.
- L. Any subcontract entered into by CONSULTANT, to the extent allowed hereunder, shall include a like provision for work to be performed under this CONTRACT. Failure of CONSULTANT to comply with this requirement or to obtain the compliance of its SUBCONSULTANTS with all such obligations shall subject CONSULTANT to the imposition of any and all sanctions allowed by law, including but not limited to termination of the CONSULTANT'S CONTRACT with the CITY.

#### **ARTICLE 34 – AFFIRMATIVE ACTION PROGRAM**

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

time to time.

- A. During the performance of a CITY contract, CONSULTANT certifies and represents that CONSULTANT and each SUBCONSULTANT hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
  - 1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
  - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
  - 3. CONSULTANT shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. CONSULTANT will, in all solicitations or advertisements for employees placed by or on behalf of CONSULTANT, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- C. As part of the CITY'S supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, CONSULTANT shall certify on an electronic or hard copy form to be supplied, that CONSULTANT has not discriminated in the performance of CITY contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- D. CONSULTANT shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of CITY contracts, and on their or either of their request to provide evidence that it has or will comply therewith.
- E. The failure of any CONSULTANT to comply with the Affirmative Action Program provisions of CITY contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to CONSULTANT.

- F. Upon a finding duly made that CONSULTANT has breached the Affirmative Action Program provisions of a CITY contract, the CONTRACT may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the CITY. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said CONSULTANT is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such CONSULTANT shall be disqualified from being awarded a contract with the CITY for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that CONSULTANT has been guilty of willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a CITY contract, there may be deducted from the amount payable to CONSULTANT by the CITY under the contract, a penalty of ten dollars (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a CITY contract.
- H. Notwithstanding any other provisions of a CITY contract, the CITY shall have any and all other remedies at law or in equity for any breach hereof.
- I. Intentionally blank.
- J. Nothing contained in CITY contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. CONSULTANT shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the CITY. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the CONTRACT. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, CONSULTANT may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, CONSULTANT must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the CONTRACT is awarded.
  - 1. Every contract of \$5,000 or more which may provide construction,

demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

2. CONSULTANT may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the CITY with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and CONSULTANT.
- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Apprenticeship where approved programs are functioning and other on-the-job training for non-apprenticeable occupations;
  2. Classroom preparation for the job when not apprenticeable;
  3. Pre-apprenticeship education and preparation;
  4. Upgrading training and opportunities;
  5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
  6. The entry of qualified women, minority and all other journeymen into the industry; and
  7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's work force



to achieve the requirements of the CITY'S Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the CITY and may be used at the discretion of the CITY in its Contract Compliance Affirmative Action Program.
- P. Intentionally blank.
- Q. All CONTRACTORS subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the CONTRACT with the CITY and shall impose the same obligations, including but not limited to filling and reporting obligations, on the subcontractors as are applicable to the CONTRACTOR. Failure of the CONTRACT to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject to CONTRACTOR to the imposition of any and all sanctions allowed by law, including but not limited to termination of the CONTRACTOR's CONTRACT with the CITY.

## **ARTICLE 35 – CHILD SUPPORT ASSIGNMENT ORDERS**

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

Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, the failure of CONSULTANT to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders or Notices of Assignment, or the failure of any Principal Owner(s) of CONSULTANT to comply with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally, shall constitute a default by the CONSULTANT under this CONTRACT, subjecting this

CONTRACT to termination if such default shall continue for more than ninety (90) days after notice of such default to CONSULTANT by the CITY.

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

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

### **ARTICLE 36 – LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE**

- A. Unless otherwise exempt in accordance with the provisions of this Ordinance, this AGREEMENT is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 et seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time. These Ordinances require the following:
1. The CONSULTANT assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits of compensated and uncompensated days off and health benefits, as defined in the LWO.
  2. The CONSULTANT further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. CONSULTANT shall require each of its SUBCONSULTANTS within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. CONSULTANT shall receive and retain on file the executed pledges from each such SUBCONSULTANT within ninety (90) days of the execution of the Subcontract. CONSULTANT'S evidence of executed pledges from each such SUBCONSULTANT shall fully discharge the obligation of the CONSULTANT to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
  3. The CONSULTANT, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for

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

4. Any Subcontract entered into by the CONSULTANT relating to this AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of LWO and the SCWRO, and shall incorporate the LWO and the SCWRO.
  5. The CONSULTANT shall comply with all rules, regulations and policies promulgated by the CITY'S Designated Administrative Agency, which may be amended from time to time.
- B. Under the provisions of Section 10.36.3(c) and Section 10.37.6(c) of the Los Angeles Administrative Code, the CITY shall have the authority, under appropriate circumstances, to terminate this AGREEMENT and otherwise pursue legal remedies that may be available if the CITY determines that the subject CONSULTANT has violated provisions of the LWO and the SCWRO or both.
  - C. Where under the LWO Section 10.37.6(d), the CITY'S Designated Administrative Agency has determined (a) that the CONSULTANT is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the CITY in such circumstances may impound monies otherwise due the CONSULTANT in accordance with the following procedures. Impoundment shall mean that from monies due the CONSULTANT, the CITY may deduct the amount determined to be due and owing by the CONSULTANT to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d) (3) and disposed of under procedures there described through final and binding arbitration. Whether the CONSULTANT is to continue work following an impoundment shall remain in the sole discretion of the CITY. The CONSULTANT may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.
  - D. The AGREEMENT shall inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit (EIC). CONSULTANT shall also make available to employees the forms informing them about the EIC and forms required to secure advance EIC payments from CONSULTANT.

### **ARTICLE 37 – AMERICANS WITH DISABILITIES ACT**

The CONSULTANT hereby certifies that it will comply with the Americans with Disabilities Act 42 U.S.C. Section 12101 et seq. and its implementing regulations. The CONSULTANT will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. The CONSULTANT will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the CONSULTANT, relating to this AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

### **ARTICLE 38 – CONTRACTOR RESPONSIBILITY ORDINANCE**

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

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this CONTRACT, CONSULTANT pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this CONTRACT, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. CONSULTANT further agrees to: (1) notify the CITY within thirty (30) CALENDAR DAYS after receiving notification that any government agency has initiated an investigation which may result in a finding that CONSULTANT is not in compliance with all applicable federal, state and local laws in performance of this CONTRACT; (2) notify the CITY within thirty (30) CALENDAR DAYS of all findings by a government agency or court of competent jurisdiction that CONSULTANT has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its SUBCONSULTANT(S), as defined in the Contractor Responsibility Ordinance, submit a Pledge of Compliance to the CITY; and (4) unless exempt, ensure that its SUBCONSULTANT(S), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the CITY within thirty (30) CALENDAR DAYS after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

### **ARTICLE 39 – LOS ANGELES BUSINESS INCLUSION PROGRAM**

CONSULTANT agrees and obligates itself to utilize the services of Minority, Women, Small, Emerging, Disabled Veteran and Other Business Enterprise

(MBE/WBE/SBE/EBE/DVBE/OBE) firms on a level so designated in its proposal, if any. CONSULTANT certifies that it has complied with Mayoral Executive Directive 14 regarding the Outreach Program for Personal Services Contracts (if applicable). CONSULTANT shall not change any of these designated subconsultants, nor shall CONSULTANT reduce their level of effort, without prior written approval of the CITY, provided that such approval shall not be unreasonably withheld.

CONSULTANT agrees and obligates itself to submit a signed MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile, provided herein as [**Exhibit C**], for each invoice as described in Article 10, listing current MBE/WBE/SBE/EBE/DVBE/OBE amounts invoiced as part of the invoicing procedures.

#### **ARTICLE 40 – EQUAL BENEFITS ORDINANCE**

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

- A. During the performance of the CONTRACT, the CONSULTANT certifies and represents that the CONSULTANT will comply with the EBO.
- B. The failure of the CONSULTANT to comply with the EBO will be deemed to be a material breach of this CONTRACT by the CITY.
- C. If the CONSULTANT fails to comply with the EBO, the CITY may cancel, terminate or suspend this CONTRACT, in whole or in part, and all monies due or to become due under this CONTRACT may be retained by the CITY. The CITY may also pursue any and all other remedies at law or in equity for any breach.
- D. Failure to comply with the EBO may be used as evidence against CONSULTANT in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.
- E. If the CITY'S Designated Administrative Agency determines that a CONSULTANT has set up or used its contracting entity for the purpose of evading the intent of the EBO, the CITY may terminate the CONTRACT. Violation of this provision may be used as evidence against CONSULTANT in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

The CONSULTANT shall post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the City of Los

Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Office of Contract Compliance at (213) 847-2625."

#### **ARTICLE 41 – SLAVERY DISCLOSURE ORDINANCE**

Unless otherwise exempt in accordance with the provisions of this Ordinance, this AGREEMENT is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as may be amended from time to time. CONSULTANT certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this AGREEMENT.

#### **ARTICLE 42 – CONTRACTOR PERFORMANCE EVALUATION ORDINANCE**

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

#### **ARTICLE 43 – MUNICIPAL LOBBYING ORDINANCE**

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

#### **ARTICLE 44 – FIRST SOURCE HIRING ORDINANCE**

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

CONSULTANT shall, prior to the execution of the CONTRACT, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that CONSULTANT estimate they will need to fill in order to perform the services under the CONTRACT. The Department of Public Works Office of Contract Compliance is the DAA.

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

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

CONSULTANT shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the Designated Administrative Agency has determined that the CONSULTANT intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 et seq., and must be documented in each of the CONSULTANT'S subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 et seq. This measure does not limit the CITY'S authority to act under this article.

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

#### **ARTICLE 45 – COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12) FOR MEASURE H/CONTRACTOR CONTRIBUTIONS/FUNDRAISING**

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

Notice Regarding Los Angeles Campaign Contribution and Fundraising

## Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are subcontractor on City of Los Angeles contract #\_\_\_\_\_. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to contractor within 5 business days. Failure to comply may result in termination of contract or any other available legal remedies include fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.

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



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

**CITY OF LOS ANGELES**

**CONSULTANT'S NAME**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: Commissioner, Board of Public Works

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: Commissioner, Board of Public Works

Date: \_\_\_\_\_

**APPROVED AS TO FORM**

**MICHAEL N. FEUER, City Attorney**

By: \_\_\_\_\_

John A. Carvalho

Title: Deputy City Attorney

Date: \_\_\_\_\_

**ATTEST:**

**HOLLY L. WOLCOTT, Interim City Clerk**

~~**JUNE LAGMAY, City Clerk**~~

By: \_\_\_\_\_

Title: Deputy City Clerk

Date: \_\_\_\_\_

# **EXHIBIT B**

## **Schedule B – MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile for Task/Project Work**

**SCHEDULE B**  
**TASK WORK ORDER LIST OF SUBCONSULTANTS**

(NOTE: COPY THIS PAGE AND ADD ADDITIONAL SHEETS AS NECESSARY, SIGN ALL SHEETS)

<b>Project Title</b>	<b>Work Order Number</b>
----------------------	--------------------------

<b>Contractor</b>	<b>Address</b>
<b>Contact Person</b>	<b>Phone/Fax</b>

LIST OF ALL SUBCONSULTANTS (SERVICE PROVIDERS/SUPPLIERS/ETC.)				
NAME, ADDRESS, TELEPHONE NO. OF SUBCONSULTANT	DESCRIPTION OF WORK OR SUPPLY	MBE/WBE/ SBE/EBE/ DVBE/OBE	CALTRANS/ CITY/MTA CERT. NO.	DOLLAR VALUE OF SUBCONTRACT

PERCENTAGE OF MBE/WBE/SBE/EBE/DVBE/OBE PARTICIPATION		
	DOLLARS	PERCENT
TOTAL MBE AMOUNT	\$	%
TOTAL WBE AMOUNT	\$	%
TOTAL SBE AMOUNT	\$	%
TOTAL EBE AMOUNT	\$	%
TOTAL DVBE AMOUNT	\$	%
TOTAL OBE AMOUNT	\$	%
BASE BID AMOUNT	\$	

---

**Signature of Person Completing this Form**

---

**Printed Name of Person Completing this Form**

---

**Title**

---

**Date**

**MUST BE SUBMITTED PRIOR TO THE ISSUANCE OF THE NOTICE TO PROCEED**

# **EXHIBIT C**

## **Schedule C – Utilization Profile of Subconsultants Form**

**SCHEDULE C**  
**DEPARTMENT OF PUBLIC WORKS**  
**MBE/WBE/SBE/EBE/DVBE/OBE UTILIZATION PROFILE**

<b>Project Title</b>	<b>Contract No.</b>
----------------------	---------------------

<b>Consultant</b>	<b>Address</b>
<b>Contact Person</b>	<b>Phone/Fax</b>

CONTRACT AMOUNT (INCLUDING AMENDMENTS)	THIS INVOICE AMOUNT	INVOICED TO DATE AMOUNT (INCLUDE THIS INVOICE)

MBE/WBE/SBE/EBE/DVBE/OBE SUBCONTRACTORS (LIST ALL SUBS)					
NAME OF SUBCONTRACTOR	MBE/WBE/ SBE/EBE/ DVBE/OBE	ORIGINAL SUBCONTRACT AMOUNT	THIS INVOICE (AMOUNT NOW DUE)	INVOICED TO DATE (INCLUDE THIS INVOICE)	SCHEDULED PARTICIPATION TO DATE

CURRENT PERCENTAGE OF MBE/WBE/SBE/EBE/DVBE/OBE PARTICIPATION TO DATE			<b>Signature of Person Completing this Form:</b>  <hr/>
	DOLLARS	PERCENT	
TOTAL MBE PARTICIPATION	\$	%	<b>Printed Name of Person Completing this Form:</b>  <hr/>  <b>Title:</b> _____ <b>Date:</b> _____
TOTAL WBE PARTICIPATION	\$	%	
TOTAL SBE PARTICIPATION	\$	%	
TOTAL EBE PARTICIPATON	\$	%	
TOTAL DVBE PARTICIPATION	\$	%	
TOTAL OBE PARTICIPATION	\$	%	

**MUST BE SUBMITTED WITH EACH INVOICE**

# **EXHIBIT D**

## **Schedule D – Subcontracting Final Report Form**

**SCHEDULE D  
DEPARTMENT OF PUBLIC WORKS  
FINAL SUBCONTRACTING REPORT**

<b>Project Title</b>		<b>Contract No.</b>	
<b>Company Name</b>		<b>Address</b>	
<b>Contact Person</b>		<b>Phone</b>	

Name, Address, Telephone No. of all Subconsultants Listed on Schedule C	Description of Work or Supply	MBE/WBE/SBE/EBE/DVBE/OBE	Original Dollar Value of Subcontract	Actual Dollar Value of Subcontract*

\* If the actual dollar value differs from the original dollar value, explain the differences and give details.

	Total Dollars	Achieved Levels	Pledged Levels		Total Dollars	Achieved Levels	Pledged Levels
<b>MBE Participation</b>				<b>WBE Participation</b>			
<b>SBE Participation</b>				<b>EBE Participation</b>			
<b>DVBE Participation</b>				<b>OBE Participation</b>			

**Signature of Person Completing this Form**
**Printed Name**
**Title**
**Date**

**SUBMIT WITHIN 15 DAYS OF TASK WORK ORDER COMPLETION**

# **EXHIBIT E**

## **Travel Authorization**

- 1. Consultant Travel Authority Form**
- 2. Personal Expense Statement Form**
- 3. City of Los Angeles (City) Travel Policy Manual Revised July 2014**
- 4. City Memorandum of Travel Allowances Dated July 2, 2014**

### **Notes:**

- Prime consultants and sub-consultants have to adhere to the same City travel policies that are enforced for City employees.
- Travel Authority Form must be submitted to the City Project Manager at least two (2) weeks in advance for approval prior to incurring any travel expenses.
- Personal Expense Statement Form must be submitted with the invoice package including receipts and other supporting documentation for all travel expenses.



# CONSULTANT TRAVEL AUTHORITY

<b>TOS Title:</b>	<b>TOS No.:</b>
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<b>Company:</b>	<b>City of Los Angeles Contract No.:</b>
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<b>Last Name:</b>	<b>First Name:</b>	<b>Middle Initial:</b>	<b>Phone No.:</b>
<b>Job Title:</b>			

<b>Destination:</b>	<b>Date Depart (mm/dd/yy):</b>	<b>Date Return (mm/dd/yy):</b>
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<b>List in order all points of authorized business stopovers:</b>
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<b>TRAVEL CHECK LIST (Check all that apply):</b> <input type="checkbox"/> LOCAL TRAVEL POLICY – Travel must be 50+ miles both from the traveler’s home <u>and</u> work location. Proof of mileage required. <input type="checkbox"/> INFORMATION – Brochures, pamphlets, flyers, etc., describing the importance and necessity of travel. <input type="checkbox"/> GROUND TRANSPORTATION: <input type="checkbox"/> Personal Vehicle - Travel for business will be at \$0.56 per mile per 2014 IRS standard mileage rate. • Current proof of insurance on file with the Department. <input type="checkbox"/> Auto Rental <input type="checkbox"/> Other method of transportation, specify: _____ <input type="checkbox"/> AIRLINE TRAVEL – Airline Ticket (Itinerary or Reservation Printout) <input type="checkbox"/> Purchase through City Authorized Business Travel Service Provider (CALtravelstore) <input type="checkbox"/> Purchase from other providers – attach cost comparison from CALtravelstore (Pre-approval required)
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<b>Justification for Travel:</b>
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**Approved by City Project Manager:**

PRINT NAME IN FULL

SIGNATURE

DATE

(MUST BE SUBMITTED TO THE CITY PROJECT MANAGER AT LEAST TWO (2) WEEKS IN ADVANCE)

## PERSONAL EXPENSE STATEMENT

(16) CLAIM TOTAL, this page	
(17) TOTAL FROM PAGE 1	
(18) TOTAL FROM PAGE 2	
(19) TOTAL DUE	

(21) CLAIMANT'S NAME & SIGNATURE		(23) APPROVING AUTHORITY'S NAME & SIGNATURE	
(Print Name)	(Signature)	(Print Name)	(Signature)
(22) DATE (mm/dd/yy)		(24) DATE (mm/dd/yy)	

**THIS FORM MUST BE COMPLETED AND SUBMITTED WITH THE INVOICE PACKAGE. PLEASE ALSO INCLUDE RECEIPTS AND OTHER SUPPORTING DOCUMENTATION FOR ALL TRAVEL EXPENSES BEING CLAIMED AS LISTED ABOVE.**

## TABLE OF CONTENTS

1.8	TRAVEL .....	1
1.8.1	Overview .....	1
1.8.2	Purpose of Policy .....	1
1.8.3	IRS Taxable Income Reporting Requirements .....	2
1.8.4	Controller Responsibilities.....	2
1.8.5	Controller Compliance Review .....	3
1.8.6	Definition of Travel .....	3
1.8.7	Purpose of Travel and Required Authorizations.....	4
A.	Travel Authority .....	4
B.	Travel Blanket Authorities.....	5
C.	Travel to Sacramento or Washington D.C. ....	5
D.	Foreign Travel involving more than one City Commissioner.....	5
E.	Mayor’s Executive Directive No. 4 Intergovernmental Relations .....	6
F.	Travel to Arizona .....	6
1.8.8	Approval of Travel Documents .....	6
A.	Office of the Mayor Approval .....	6
B.	Department Approval.....	7
1.8.9	Required Receipts and Documentation.....	7
1.8.10	LAAC Reporting Requirements .....	8
1.8.11	Department Travel Coordinator.....	8
1.8.12	Transportation to Destination .....	8
A.	City Authorized Business Travel Service Provider.....	8
B.	Airline Travel.....	9
1)	Seating Upgrade Programs .....	11
2)	Checked Baggage Fees .....	11
3)	Promotional Materials and Frequent Traveler Programs.....	11
4)	Airport Parking.....	11
C.	Alternate Mode of Transportation (other than airline travel).....	12
1.8.13	Per Diem (Lodging, Meals and Incidentals).....	13

## TABLE OF CONTENTS

A.	Lodging/Hotel .....	14
1)	Conference Travel.....	16
2)	Non-Conference Travel .....	17
B.	Meals and Incidentals (M&IE).....	18
1.8.14	Hosting While Traveling .....	21
1.8.15	Ground Transportation .....	22
1.8.16	Automobile Rental .....	22
1.8.17	Laundry Service .....	24
1.8.18	Telephone Calls .....	24
1.8.19	Internet Connection Services .....	24
1.8.20	Gratuities.....	24
1.8.21	Registration, Seminar or Meeting Fees .....	25
1.8.22	Expenses Not Specifically Set Forth in the LAAC .....	25
1.8.23	Non-reimbursable Travel Costs.....	25
1.8.24	Interrupted and Indirect Travel .....	26
1.8.25	City Contractor Travel .....	26
1.8.26	Non-City Employee Travel .....	26
1.8.27	Personal Expense Statement and Documentation of Expenses .....	27
1.8.28	FMS Travel Expenditure (TEX) Document.....	29
1.8.29	Foreign Currency.....	30
1.8.30	Travel Advances.....	30
1.8.31	Related Resources.....	32

## **1.8 TRAVEL**

### **1.8.1 Overview**

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

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

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

### **1.8.2 Purpose of Policy**

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

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

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

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

### **1.8.3 IRS Taxable Income Reporting Requirements**

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

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

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

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

### **1.8.4 Controller Responsibilities**

Charter Section 262 requires the Controller to, among other things, have adequate evidence that (1) the appropriation for the goods or services has been made; (2) the prices charged are reasonable; and, (3) any additional criteria established by ordinance have been satisfied before approving payment of demands drawn upon the City

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

### **1.8.5 Controller Compliance Review**

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

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

### **1.8.6 Definition of Travel**

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

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

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

### “50-mile” Rule Exceptions

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

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

### **1.8.7 Purpose of Travel and Required Authorizations**

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

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

#### **A. Travel Authority**

The Financial Management System (FMS) includes “*encumbrance processing for payment creation*” to ensure compliance with the Charter requirement for adequate evidence that appropriation for goods or services has been made prior to payment of demands upon the City Treasury. An encumbering document, the GAETL document, is required for all City travel. A completed travel authority document must be approved by the Department Head (or Authorized Approver) 10 business days prior to the commencement of travel. Also see Section [1.8.8.A](#) on required approvals from the Office the Mayor.



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

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

## **B. Travel Blanket Authorities**

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

Departments must submit a GAETL document for the total estimated dollar amount needed to cover the recurring and same purpose trips for the entire fiscal year. Departments must include a written justification explaining the recurring and same purpose nature of the requested trips.

## **C. Travel to Sacramento or Washington D.C.**

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

## **D. Foreign Travel involving more than one City Commissioner**

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

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

The Mayor's Executive Directive No. 4 and its accompanying "Procedures Manual for the Development and Representation of the City of Los Angeles' Policy and Legislative Positions" require that "all travel to Sacramento and Washington, D.C. by City employees and non-elected officials for the purposes of advocacy on behalf of the City is subject to the approval of the Mayor. This also includes any travel by any City employee outside of the State of California for the purpose of conducting official City business with any other government entity, commission, agency or department." It is the responsibility of each City employee to adhere to the Mayor's procedures manual. Elected officials and their staff are exempt from this requirement.

## **F. Travel to Arizona**

In May 2010, the Council suspended all City travel to the State of Arizona to conduct City business unless special circumstances can be demonstrated to the Council that the failure to authorize such travel would seriously harm City interests. The travel ban would be lifted upon the repeal of SB 1070 and HB 2162 in the State of Arizona. It is the responsibility of each City employee to obtain prior Council approval for travel on City business to the State of Arizona. The travel ban does not apply to proprietary departments, Fire and Police Pensions, and Los Angeles City Employee Retirement System unless their respective Boards have adopted the same or a similar policy.

### **1.8.8 Approval of Travel Documents**

#### **A. Office of the Mayor Approval**

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

## **B. Department Approval**

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

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

### **1.8.9 Required Receipts and Documentation**

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

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

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

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

#### **1.8.10 LAAC Reporting Requirements**

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

#### **1.8.11 Department Travel Coordinator**

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

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

#### **1.8.12 Transportation to Destination**

##### **A. City Authorized Business Travel Service Provider**

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

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

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

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

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

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

## **B. Airline Travel**

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

Coach or economy class fare is presumed to be the lowest regular fare available for regularly scheduled airlines. Travelers are required to only incur expenses that a reasonable and prudent person would incur if traveling on personal business and, therefore should consider the least expensive class of travel that meets their needs. Travelers are expected to make reservations as far in advance as possible to avoid paying higher fares. Purchase of a refundable ticket, which is usually more

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

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

- When use of other than coach-class is necessary to accommodate a medical necessity. A written certification of the medical necessity and a recommended suitable class of transportation from a competent medical authority must be submitted.
- When exceptional security circumstances require other than coach-class accommodations.
- Where the origin and/or destination are outside the Continental United States and the scheduled flight time, including non-overnight stopovers (e.g., layovers) and change of planes, is in excess of 14 hours; and the Traveler is required to report to duty the following day or sooner. Scheduled flight time is the flight time between the originating departure point and the ultimate arrival point including scheduled non-overnight time spent at airports during plane changes. Scheduled flight time does not include time spent at the originating or ultimate arrival airports. Direct flights must be selected except when flights with stopovers are more economical.
- When no coach-class accommodations are available on any airline that is scheduled to leave within 24 hours of the proposed departure time, or scheduled to arrive within 24 hours of the proposed arrival time.
- When the use of other than coach-class accommodations results in overall cost savings to the City. Sufficient proof of cost savings must be provided.

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

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

1) Seating Upgrade Programs

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

2) Checked Baggage Fees

Some airlines charge fees for checked baggage. In cases where the Traveler is charged for the first checked bag, the City will reimburse for the fee. Fees for additional checked bags will not be reimbursed unless justification is provided for a business need, such as when the Traveler needs to carry special equipment or the length of travel justifies additional bags. *Fees for additional checked bags should be noted as exception on GAETL and PES documents.*

3) Promotional Materials and Frequent Traveler Programs

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

4) Airport Parking

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



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

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

### **C. Alternate Mode of Transportation (other than airline travel)**

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

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

The use of private automobile must be authorized in advance by the Department Head. The reimbursement for the use of private automobile shall be in accordance with the mileage provisions under the LAAC Division 4, Chapter 5, Article 2 Use of Privately Owned Automobiles on City Business and Reimbursement Therefor. It should be noted that Article 2 prohibits the reimbursement of mileage traveled between the employee's home and headquarters. Mileage reimbursement for City employees will be for the distance in excess of home to headquarters during scheduled work days and for non-scheduled work days, reimbursement will be for miles from home to destination and back (map print-out with the number of miles is required).



Additionally, the LAAC requires the Traveler to obtain a satisfactory policy of public liability insurance covering the full use and operation of the private automobile. A memorandum authorizing the use of private automobile signed by the Department Head must be included with the GAETL. The memorandum must certify that the Traveler has complied with LAAC Section 4.232 and has a valid driver's license. For complete insurance requirements, see LAAC Section 4.232 or the Risk Management Procedure Manual at <http://caodocs.ci.la.ca.us/riskmgmt/CAORiskMgmtManual.pdf>.

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

*The use of a personal automobile for travel may not be reimbursable in cases where the Traveler receives a car allowance or any type of vehicle subsidy from the City on a regular basis through payroll. Travelers on mileage reimbursement should claim mileage associated with travel on the travel expense statement and not on the mileage reimbursement form.*

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

### **1.8.13 Per Diem (Lodging, Meals and Incidentals)**

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

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

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

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

#### **A. Lodging/Hotel**

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

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

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

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

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

#### IRS Rule – Reimbursement without Receipt

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

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

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

### Exceptions to Federal Per Diem Rate

#### 1) Conference Travel

##### a) Conference Hotel

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

##### b) “Authorized” or “Sponsor” Hotels

The LAAC does not specifically address instances where the conference or convention is held at a convention center or location other than a hotel. However, a reasonable conclusion is that the intent is to allow for staying at “authorized” or “sponsor” hotels of conference or convention. *To the extent feasible, Travelers should try to select the most economical among the “authorized” or “sponsor” hotels. However, it is not necessary to demonstrate that the selected hotel’s rate is the most economical rate of all the hotels.* Reimbursements for actual costs that do not exceed 200 percent of the federal destination per diem rate will be allowed if:

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

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

c) Other Hotels

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

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

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

2) Non-Conference Travel

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

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

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

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

## **B. Meals and Incidentals (M&IE)**

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

### Expense Substantiation Methods

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

### Reimbursement Limits

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

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

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

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

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

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

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

(continued on next page)

Summary of M&IE Reimbursements				
Selected Reimbursement Option (1,2 or 3) must be used for the entire trip <sup>(1)</sup>				
Methodology	Receipts Required	Reimbursement Cap at Destination	Prorated Reimbursement Cap for Travel Day/Conference Provided Meal/"50-mile" Rule Exceptions	Exception: Full Reimbursement Cap for Travel Day/Conference Provided Meal <sup>(2)</sup>
Option 1: Federal Per Diem	No	Reimburse at federal per diem amount for destination	75% proration of federal per diem amount	No exceptions allowed
Option 2: Actual costs capped at federal per diem	Yes	Reimburse actual costs <i>up to</i> federal per diem amount for destination	Reimburse actual costs <i>up to</i> 75% of federal per diem amount for destination	Reimburse actual costs <i>up to</i> full federal per diem amount for destination
Option 3: Actual costs capped at \$60/day	Yes	Reimburse actual costs <i>up to</i> \$60 per day	Reimburse actual costs <i>up to</i> \$45 per day	Reimburse actual costs <i>up to</i> \$60 per day
(1) Traveler must use actual costs reimbursement methodology if the trip's funding source requires actual receipts. Submittal of receipt for any single meal that costs more than \$25 in accordance with the LAAC does not preclude the Traveler from using the federal per diem reimbursement methodology.				
(2) Exceptions for prorated travel days will be made for full days spent at destination and in transit. Exceptions for prorated meals will be made for conference meals that cannot accommodate medical or religious restrictions.				

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#### IRS Rule – Meal Reimbursement without Lodging

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

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

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

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

#### 1.8.14 Hosting While Traveling

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

The provisions for lodging and M&IE reimbursements also apply to persons hosted by City officials or employees. Alcoholic drinks are NOT reimbursable expenses. Consistent with federal guidelines, the LAAC provision on food and beverage is interpreted to exclude alcoholic drinks. Further, it is the responsibility of City employees to comply with the Personnel Department policy regarding consumption of alcoholic beverages while on duty.

#### **1.8.15 Ground Transportation**

The LAAC mandates that the least expensive and most practical form of public transportation shall be used, taking into consideration such factors as time, availability and personal safety or health. Whenever possible, Travelers should take advantage of free or courtesy shuttle services offered by airports and hotels to keep costs to a minimum. Receipt is required for reimbursement of ground transportation costs. If a receipt is not available for **public transportation**, provide documentation of the fare (e.g., print the fare from the official website). Tips for driver of taxi and shuttle are reimbursed for up to 15 percent of the fare if reflected on the receipt. Tips in excess of 15 percent will not be reimbursed.

##### **IRS Rule – Reimbursement without Receipt**

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

See Section [1.8.13.B](#) for guidance on transportation to and from restaurants.

#### **1.8.16 Automobile Rental**

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

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

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

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

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

#### Automobile Rental Insurance

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

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

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

#### **1.8.17 Laundry Service**

Under the LAAC, expenses for laundry service are allowable if the duration of the trip, traveling conditions or some other special circumstances dictate. As a reference, the federal guidelines require a minimum of four consecutive nights lodging on official travel to qualify for laundry service reimbursement. *Otherwise, explanation should be provided on the special circumstances requiring laundry service and reimbursement requires Department Head approval of the exception.*

#### **1.8.18 Telephone Calls**

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

#### **1.8.19 Internet Connection Services**

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

#### **1.8.20 Gratuities**

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

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

#### **1.8.21 Registration, Seminar or Meeting Fees**

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

#### **1.8.22 Expenses Not Specifically Set Forth in the LAAC**

Other expenses not specifically set forth in the LAAC that are incurred by an employee or an elected official are allowable where deemed necessary in the conduct of City business, provided that the reasons for such expenses have been reviewed and certified by the Department Head as reasonable and proper and incurred in pursuit of City business. For example, costs of visa and/or passport are reimbursable when directly related to City travel and approved by Department Head. All reimbursements require receipts.

#### **1.8.23 Non-reimbursable Travel Costs**

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

Under the LAAC, the City will also not reimburse expenses of a purely personal nature. The following are examples (not an all-inclusive list) of travel costs NOT reimbursable:

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

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

#### **1.8.24 Interrupted and Indirect Travel**

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

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

#### **1.8.25 City Contractor Travel**

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

#### **1.8.26 Non-City Employee Travel**

Under certain circumstances, an individual who is not a City employee nor otherwise compensated by the City may need to travel on behalf of the City. For example, the City may request individuals from non-profit organizations to sit on interview panels to review

request for proposals. All City policies and procedures on travel will apply to the non-City employee.

### **1.8.27 Personal Expense Statement and Documentation of Expenses**

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

The Department Head shall certify that all expenditures were incurred in pursuit of City business. Falsification of such certification shall be grounds for appropriate disciplinary action and such other sanctions provided by law.

The LAAC further requires that receipts be provided for transportation costs, lodging, and for any single item of expenditure in excess of \$25. Internal Revenue Code 274 requires adequate records or sufficient evidence corroborating the Traveler's own statement to substantiate traveling expenses and in order to determine tax liability. Sufficient evidence must be presented as to the amount of travel expense, the time and place of the travel and the business purpose of the expense. Departments should certify expenses, and maintain copies of receipts for expenses regardless of amount when deemed necessary in these guidelines. For grant-funded and special-funded travel, it is the Traveler's responsibility to comply with the grant/special fund requirements relative to receipt documentation.

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

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

Description of Expense and Acceptable Documentation

*Airfare* Airfare receipt such as passenger ticket, invoice, itinerary, “e-ticket”, confirmation notice or other documentation reflecting the dates of travel.

Proof of payment such as credit card receipt or statement. For “e-ticket”, a screen print of the confirmation notice indicating payment by credit card is acceptable.

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

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

*Lodging* Hotel/motel invoice reflecting zero balance, or that the balance is subject to credit card payment. The invoice must provide a breakdown of daily expenses.

When lodging rates for persons other than the Traveler are charged, single occupancy rate documented on hotel/motel letterhead must be provided.

*Meals & Incidentals* In accordance with the LAAC Section 4.242.7, receipts for any single meal in excess of \$25 must be provided.

Receipts are required for reimbursements under Actual Costs Method.

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

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



statement of the event attended or sponsored and business discussed.

*Personal Automobile* When used in-lieu of airfare, the number of miles at the current mileage rate is reflected under the PES Miscellaneous Expense column. The total costs may *not* exceed the lowest regular fare available for regularly scheduled airlines for the date and time of travel.

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

*Registration* Original or copy of the registration form, reflecting form of payment.

*Telephone* Hotel invoice and on a separate attachment, *detailing* the name(s) of persons called, title(s), the affiliated department or business, and subjects discussed. Travelers are encouraged to consider the most economical option for telephone calls. In some cases, the use of pre-paid phone cards may be more economical than hotel or cellular phones.

*Miscellaneous* Other miscellaneous expenses are reimbursable when they are actual and necessary in the conduct of City business. The expenses require *review* and *certification* by the Department Head as reasonable and proper and incurred in pursuit of City business. Details of the charges must be included in the completed PES and receipts attached.

#### **1.8.28 FMS Travel Expenditure (TEX) Document**

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

### 1.8.29 Foreign Currency

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

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

### 1.8.30 Travel Advances

The LAAC authorizes the Controller to advance the amount of funds for travel purposes upon certification by the Department Head that they will be incurred for City business. Because processing travel advances is labor intensive and may result in overpayments, departments can reduce the need for an advance by booking flights with TravelStore when feasible, paying registration fee directly, and processing reimbursements in a timely manner.

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

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

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

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

As a matter of policy, the Controller will not accept travel advance requests more than thirty (30) calendar days prior to commencement of travel. The travel advance will be released to the Traveler no more than one week prior to travel except where advance deposits and registration fees are required. Advance travel checks are released by the Controller Paymaster Section on "Will-Call" basis only.

Travel advances must be resolved through the submission of a completed PES within 30 days after the conclusion of the trip. *A travel advance is considered delinquent if not resolved within 30 days after the conclusion of travel.* Travelers with a delinquent travel advance cannot receive another travel advance until the prior travel advance is resolved. Departments should notify and remind Travelers in writing to resolve outstanding advances until the advance is over 120 days old. However, ultimately, it is the Traveler's responsibility to remember to resolve travel advances regardless if he/she received reminders.

The Controller's Office will report all delinquent travel advances over 120 calendar days old as employee income as required by the IRS. Outstanding travel advances not accounted for within 120 calendar days will be included as part of the employee's wages on the first payroll period of the subsequent calendar quarter following the end of 120 calendar days. This amount will be subject to income and employment taxes for the period per IRS Publication 463. When the unresolved travel advance amount is reported in an employee's Wage and Tax Statement will depend on when the 120 days expires:

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

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

#### Refund of Travel Advances

Travelers may need to return money to the City after completion of travel due to excess travel advance or disallowed travel expenses. Refund checks or money orders must be made payable to the City of Los Angeles. Departments are responsible for depositing

any refund check immediately upon receipt by submitting a cash receipt (CR) together with the refund check to the Office of Finance. The Traveler should attach a copy of the CR with the Office of Finance stamp (or other receipt verification) to the completed PES. Questions regarding the preparation and submission of CR documents should be directed to the Office of the Finance.

### **1.8.31 Related Resources**

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

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: July 2, 2014

To: HEADS OF ALL DEPARTMENTS

From: Miguel A Santana, City Administrative Officer



Subject: **TRAVEL ALLOWANCES – AIR FARE AND PER DIEM RATES FOR 2014-15**

Council policy (C.F. No. 82-0944) specifies that advances and reimbursements for per diem (lodging and meals and incidental expenses) shall not exceed the per diem limits detailed in the "Travel Allowances – Air Fare and Per Diem Rates" of the City Budget Manual. As a result of the Controller's recent revision of City travel payment policies (see <http://ctr.ci.la.ca.us/quidestodepts.htm>), the methodology for calculating advances and reimbursements has changed. Therefore, in lieu of a full revision to the Budget Manual, this correspondence amends the methodology to perform these calculations.

**Airfare**

Departments may use the City's customary Travel Agent (TravelStore) or web-based travel agencies, such as Travelocity, to estimate air fares for 2014-15. Airfares should be based on a round trip flight, coach class, between Los Angeles and the destination city. Except in case of official necessity, the lowest regular fare available for regularly scheduled flights for the date and time selected is to be used, per Los Angeles Administrative Code (LAAC) Section 2.242.3(a).

**Per Diem**

Council policy requires that advances and reimbursements for per diem expenses associated with City travel shall not exceed the per diem limits given in the budget manual, except for conferences and legislative activities. Exceptions to the per diem rates below may be found in the Office of the Controller's travel payment policies.

**Lodging Per Diem:** The department should use the federal lodging per diem rate specific to the destination city and month of travel. Multiply the lodging per diem by the number of nights ending in an overnight stay at the destination. Note that hotel fees and taxes are not included in lodging per diems for continental U.S., Alaska and Hawaii, but will be eligible for reimbursement in accordance with Controller Office guidelines.

- Federal per diems for cities within the continental U.S. may be found at:  
<http://www.gsa.gov/portal/category/100120> .
- Federal Per diems for Alaska and Hawaii may be found at:  
<http://www.defensetravel.dod.mil/site/perdiemCalc.cfm> .

- Federal Per diems for foreign cities may be found at:  
[http://aoprals.state.gov/web920/per\\_diem.asp](http://aoprals.state.gov/web920/per_diem.asp).

For budgeting purposes, the department may multiply the federal lodging per diem by 1.17 to account for hotel fees and taxes.

**Meal and Incidental Expenses (M&IE) Per Diem:** The department should use the federal M&IE per diem rate specific to the destination city. The M&IE per diem rate applies for all full days at destination city. A prorated rate equivalent to 75 percent of the M&IE rate shall apply for the first and last day of travel to and from destination city.

*Example: May travel to New York City departing Sunday and returning Thursday.*

The following rates apply for Manhattan (includes the boroughs of Manhattan, Brooklyn, the Bronx, Queens and Staten Island), New York													
Max Lodging By Month (excluding taxes)													
2013				2014									
Oct	Nov	Dec		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Mean & Inc. Exp. <sup>1</sup>
303	303	303		191	191	267	267	267	267	228	228	303	71
Manhattan includes the boroughs of Manhattan, Brooklyn, the Bronx, Queens and Staten Island				Staten, Kings, New York, Queens, Richmond									

**Total Lodging Allowance:**  $4 \times \$267 = \$1068$  (plus fees and taxes) for Sunday through Wednesday overnight stays.

**Total M&IE Allowance:**  $(2 \times 0.75 \times \$71) + (3 \times \$71) = \$319.50$  for two travel days and three full days at destination.

Alternatively, in lieu of calculating the per diem lodging and M&IE rates as outlined above, the department may opt to use a minimum per diem rate of \$168 x days at destination, plus \$45 for the final day of travel. Note that actual reimbursement will be in accordance with travel payment policies established by the Office of the Controller.

### Other Expenses

The LAAC (Section 4.22) allows reimbursement for airport parking (long term), public transportation (taxi or bus) to and from the airport, automobile rental, telephone calls, laundry and other expenses. These items will not usually be budgeted unless the trip length or other unusual circumstances dictate. If such is the case, funds requested for these expenses should be added to the transportation or per diem expense, as appropriate.

The average daily long-term airport parking rate for local airports for 2014-15 of \$12.50 is provided for budgeting purposes only. Actual reimbursement will be in accordance with travel payment policies.

The average daily automobile rental rate for 2014-15 of \$48 is provided for budgeting purposes only. Actual reimbursement will be in accordance with travel payment policies.

The LACC requires that the least expensive and most practical form of public transportation be used as feasible, which should include the use of free courtesy shuttles provided by airports or hotels. Automobile rental is allowed if traveling by car is less expensive or more appropriate than traveling by bus or taxi. Pre-approval of the Department Head along with the documentation of savings or the justification of need is required for rental reimbursement.

For additional information on the travel reimbursement policies, please refer to LAAC Section 4.22, which establishes City policy for allowable travel expenses. Additionally, the Office of the Controller's updated guidelines for travel reimbursement, which details allowable exceptions for the per diems outlined in this correspondence, can be found at <http://ctr.ci.la.ca.us/guidestodepts.htm>. If there are further questions concerning the estimation of travel expenses, please contact Melissa Krance of my staff at (213) 473-7582.

MAS:BC/JWW/mck: 01140093

# **EXHIBIT F**

## **Hourly Billing Rates Table**



HOURLY BILLING RATES

(To be submitted for each Task Order Solicitation)

FIRM	Status	Last Name	First Name	Position	Rate (\$/hr)	Approved Overhead Rate	Approved Profit	Billing Rate (\$/hr)	Effective Date	Notes
Prime Firm	Prime									
Prime Firm	Prime									
Prime Firm	Prime									
MBE Firm Name 1	MBE									
MBE Firm Name 2	MBE									
MBE Firm Name 3	MBE									
WBE Firm Name 1	WBE									
WBE Firm Name 2	WBE									
SBE Firm Name	SBE									
EBE Firm Name	EBE									
DVBE Firm Name	DVBE									
OBE Firm Name 1	OBE									
OBE Firm Name 2	OBE									

Firm Name	Status	Fee	%Fee
MBE Firm Name 1	MBE		
MBE Firm Name 2	MBE		
MBE Firm Name 3	MBE		
WBE Firm Name 1	WBE		
WBE Firm Name 2	WBE		
SBE Firm Name	SBE		
EBE Firm Name	EBE		
DVBE Firm Name	DVBE		
OBE Firm Name 1	OBE		
OBE Firm Name 2	OBE		

Summary	Total Fee (\$)	% Fee
Prime		
MBE		
WBE		
SBE		
EBE		
DVBE		
OBE		
Total		

# **EXHIBIT G**

## **Sample Project Services Cost Proposal Worksheet**

# PROJECT SERVICES COST PROPOSAL WORKSHEET

City of Los Angeles - Bureau of Sanitation

On Call Consultant Services Contract

<b>Firm:</b>			<b>Date:</b>	
<b>Contract No.:</b>			<b>Project Task Order No.:</b>	
<b>Project Title:</b>			<b>W.O. No.:</b>	
<b>Scope of Work:</b> (Include project summary, milestones, payment schedule, deliverables, document format, etc., attach additional sheets as necessary)				
<b>Home Office Billing Salary Rates</b>				
Personnel (Name & Title)	Function	Hours	Rate	Amount
		@		\$
		@		\$
		@		\$
Total Hours			Total Direct Labor	\$
<b>Field Office Billing Salary Rates</b>				
Personnel (Name & Title)	Function	Hours	Rate	Amount
		@		\$
		@		\$
		@		\$
Total Hours			Total Direct Labor	\$
<b>Indirect Costs</b>				
		Direct Labor	Rate	Amount
Home Office Overhead	\$	@		\$
Field Office Overhead	\$	@		\$
Total Indirect Costs				\$
<b>Profit</b> (Home & Field Office Total Direct Labor + Total Indirect Costs) @ 10%				\$
<b>Other Direct Costs</b>				
Item	Quantity	Unit	Unit Cost	Amount
		@		\$
		@		\$
		@		\$
Total Other Direct Costs				\$
<b>TOTAL COST</b>				\$

# **EXHIBIT H**

## **Insurance Requirements**

1. Insurance instructions and information on complying with City insurance requirements can be accessed on the internet website of the City of Los Angeles

<http://cao.lacity.org/risk/index.htm>

2. Required Insurance and minimum limits

### **Note:**

When a Task Order is issued or prior to the commencement of work, insurance must be current with the City of Los Angeles' Board of Public Works Office

## CITY OF LOS ANGELES

### INSTRUCTIONS AND INFORMATION ON COMPLYING WITH CITY INSURANCE REQUIREMENTS

(Share this information with your insurance agent or broker)

1. **Agreement/Reference** All evidence of insurance must identify the nature of your business with the CITY. Clearly show any assigned number of a bid, contract, lease, permit, etc. or give the project name and the job site or street address to ensure that your submission will be properly credited. Provide the **types of coverage and minimum dollar amounts** specified on the Required Insurance and Minimum Limits sheet (Form Gen. 146) included in your CITY documents.

2. **When to submit** Normally, no work may begin until a CITY insurance certificate approval number ("CA number") has been obtained, so insurance documents should be submitted as early as practicable. For **As-needed Contracts**, insurance need not be submitted until a specific job has been awarded. **Design Professionals** coverage for new construction work may be submitted simultaneously with final plans and drawings, but before construction commences.

3. **Acceptable Evidence and Approval** Electronic submission is the best method of submitting your documents. **Track4LA®** is the CITY's online insurance compliance system and is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used by insurance brokers and agents as they submit client insurance certificates directly to the City. It uses the standard insurance industry form known as the **ACORD 25 Certificate of Liability Insurance** in electronic format – the CITY is a licensed redistributor of ACORD forms. Track4LA® advantages include standardized, universally accepted forms, paperless approval transactions (24 hours, 7 days per week), and security checks and balances. The easiest and quickest way to obtain approval of your insurance is to have your insurance broker or agent access **Track4LA®** at <http://track4la.lacity.org> and follow the instructions to register and submit the appropriate proof of insurance on your behalf.

Insurance industry certificates other than the ACORD 25 that have been approved by the State of California may be accepted, however ***submissions other than through Track4LA® will significantly delay the insurance approval process as documents will have to be manually processed.*** All Certificates must provide a thirty (30) days' cancellation notice provision (ten (10) days for non-payment of premium) AND an Additional Insured Endorsement naming the CITY an additional insured completed by your insurance company or its designee. If the policy includes an automatic or blanket additional insured endorsement, the Certificate must state the CITY is an automatic or blanket additional insured. An endorsement naming the CITY an Additional Named Insured and Loss Payee as Its Interests May Appear is required on property policies. All evidence of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter. Completed **Insurance Industry Certificates other than ACORD 25 Certificates** are sent electronically to [CAO.insurance.bonds@lacity.org](mailto:CAO.insurance.bonds@lacity.org).

Additional Insured Endorsements DO NOT apply to the following:

- Indication of compliance with statute, such as Workers' Compensation Law.
- Professional Liability insurance.

Verification of approved insurance and bonds may be obtained by checking **Track4LA®**, the CITY's online insurance compliance system, at <http://track4la.lacity.org>.

4. **Renewal** When an existing policy is renewed, have your insurance broker or agent submit a new Acord 25 Certificate or edit the existing Acord 25 Certificate through **Track4LA®** at <http://track4la.lacity.org>.

5. **Alternative Programs/Self-Insurance** Risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs are subject to separate approval after the CITY has reviewed the relevant audited financial statements. To initiate a review of your program, you should complete the Applicant's Declaration of Self Insurance form (<http://cao.lacity.org/risk/InsuranceForms.htm>) to the Office of the City Administrative Officer, Risk Management for consideration.

6. **General Liability** insurance covering your operations (and products, where applicable) is required whenever the CITY is at risk of third-party claims which may arise out of your work or your presence or special event on City premises. **Sexual Misconduct** coverage is a required coverage when the work performed involves minors. **Fire Legal Liability** is required for persons occupying a portion of CITY premises. Information on two CITY insurance programs, the SPARTA program, an optional source of low-cost insurance which meets the most minimum requirements, and the Special Events Liability Insurance Program, which provides liability coverage for short-term special events on CITY premises or streets, is available at ([www.2sparta.com](http://www.2sparta.com)), or by calling (800) 420-0555.

7. **Automobile Liability** insurance is required only when vehicles are used in performing the work of your Contract or when they are driven off-road on CITY premises; it is not required for simple commuting unless CITY is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

8. **Errors and Omissions** coverage will be specified on a project-by-project basis if you are working as a licensed or other professional. The length of the claims discovery period required will vary with the circumstances of the individual job.

9. **Workers' Compensation and Employer's Liability** insurance are not required for single-person contractors. However, under state law these coverages (or a copy of the state's Consent To Self Insure) must be provided if you have any employees at any time during the period of this contract. Contractors with no employees must complete a Request for Waiver of Workers' Compensation Insurance Requirement (<http://cao.lacity.org/risk/InsuranceForms.htm>). **A Waiver of Subrogation** on the coverage is required only for jobs where your employees are working on CITY premises under hazardous conditions, e.g., uneven terrain, scaffolding, caustic chemicals, toxic materials, power tools, etc. The Waiver of Subrogation waives the insurer's right to recover (from the CITY) any workers' compensation paid to an injured employee of the contractor.

10. **Property Insurance** is required for persons having exclusive use of premises or equipment owned or controlled by the CITY. **Builder's Risk/Course of Construction** is required during construction projects and should include building materials in transit and stored at the project site.

11. **Surety** coverage may be required to guarantee performance of work and payment to vendors and suppliers. A **Crime Policy** may be required to handle CITY funds or securities, and under certain other conditions. **Specialty coverages** may be needed for certain operations. For assistance in obtaining the CITY required bid, performance and payment surety bonds, please see the City of Los Angeles Bond Assistance Program website address at <http://cao.lacity.org/risk/BondAssistanceProgram.pdf> or call (213) 258-3000 for more information.

## Required Insurance and Minimum Limits

Name: Various ConsultantsDate: 12/09/2013Agreement/Reference: On-Call Consultant Services for Bureau of Sanitation's Wastewater, Stormwater, Solid Resources Programs (BAVN ID#12922)

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

☒ **Workers' Compensation - Workers' Compensation (WC) and Employer's Liability (EL)**
WC Statutory

EL \_\_\_\_\_

☐ Waiver of Subrogation in favor of City☐ Longshore & Harbor Workers☐ Jones Act
☒ **General Liability** \_\_\_\_\_ \$1,000,000
☐ Products/Completed Operations☐ Sexual Misconduct \_\_\_\_\_☐ Fire Legal Liability \_\_\_\_\_☐ \_\_\_\_\_
☒ **Automobile Liability** (for any and all vehicles used for this contract, other than commuting to/from work) \$1,000,000
☒ **Professional Liability** (Errors and Omissions) \$1,000,000
Discovery Period 12 Months After Completion of Work or Date of Termination
☐ **Property Insurance** (to cover replacement cost of building - as determined by insurance company) \_\_\_\_\_
☐ All Risk Coverage☐ Boiler and Machinery☐ Flood \_\_\_\_\_☐ Builder's Risk☐ Earthquake \_\_\_\_\_☐ \_\_\_\_\_
☐ **Pollution Liability** \_\_\_\_\_
☐ \_\_\_\_\_
☐ **Surety Bonds - Performance and Payment (Labor and Materials) Bonds** 100% of the contract price
☐ **Crime Insurance** \_\_\_\_\_

Other: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# **EXHIBIT I**

## **Declaration of Compliance with Living Wage Ordinance (LWO)**

- 1. LW-5 Form – Subcontractor Declaration of Compliance Form**
- 2. LW-6 Form – Employee Information Form**

These forms can be accessed on the following City of Los Angeles Bureau of Contract Administration's internet website.

<http://bca.lacity.org/>

Notes:

- LW-5 Form must be signed within 90 days of the execution of the subcontract and retained by the Prime Contractor.
- LW-6 Form must be submitted to the City Awarding Department within 30 days of contract execution.



# LWO/SCWRO – SUBCONTRACTOR DECLARATION OF COMPLIANCE FORM

## REQUIRED DOCUMENTATION FOR ALL SUBCONTRACTS SUBJECT TO LWO

**This form must be signed within 90 DAYS of the execution of the subcontract and **RETAINED** by the **PRIME CONTRACTOR**.**

### TO BE FILLED OUT BY THE PRIME CONTRACTOR:

1. Company Name: \_\_\_\_\_ Company Phone Number: \_\_\_\_\_
2. Company Address: \_\_\_\_\_
3. Awarding Department: \_\_\_\_\_
4. Project Name: \_\_\_\_\_

IF A SUBCONTRACTOR FAILS TO COMPLETE AND SUBMIT THIS FORM TO PRIME CONTRACTOR ON THE CITY CONTRACT, THE PRIME CONTRACTOR MAY BE DEEMED TO BE IN VIOLATION OF THE LWO AND SCWRO FOR FAILING TO ENSURE ITS SUBCONTRACTOR'S COMPLIANCE WITH THE ORDINANCES. THIS MAY RESULT IN WITHHOLDING OF PAYMENTS DUE THE PRIME CONTRACTOR, OR TERMINATION OF THE PRIME CONTRACTOR'S AGREEMENT WITH THE CITY.

### THE PRIME CONTRACTOR MUST INFORM THEIR SUBCONTRACTORS OF THE FOLLOWING:

#### **THE LIVING WAGE ORDINANCE (LWO) REQUIRES:**

That a subcontractor (including a sublessee, a sublicensee, or a service contractor to a City financial assistance recipient) that works on or under the authority of an agreement subject to the Service Contractor Worker Retention Ordinance (SCWRO) and Living Wage Ordinance (LWO) **must comply with all applicable provisions of the Ordinances unless specifically approved for an exemption.**

#### **THE SERVICE CONTRACTOR WORKER RETENTION ORDINANCE (SCWRO) REQUIRES:**

In case of a successor service contractor, a successor prime contractor and its subcontractors shall retain for a 90-day transition employment period, certain employees who have been employed by the terminated prime contractor and its subcontractor, if any, for the preceding 12 months or longer. Refer to the SCWRO Rules and Regulations, available from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance (OCC) website - <http://bca.lacity.org>, for details regarding the wage and benefit requirements of the Ordinance.

#### **THE LIVING WAGE ORDINANCE (LWO) REQUIRES THAT SUBJECT EMPLOYERS PROVIDE TO EMPLOYEES:**

- As of July 1, 2013 a wage of at least **\$10.91 per hour with health benefits** of \$1.25 per hour, or **\$12.16 per hour without health benefits** (to be adjusted annually) (Regulation #4);
- At least **12 compensated days off per year** for sick leave, vacation or personal necessity at the employee's request (pro-rated for part-time employees) (Regulation #4);
- At least **10 additional days off per year of uncompensated time off** for sick leave (pro-rated for part-time employees) (Regulation #4); and
- Making **less than \$12.00 per hour** information of their possible **right to the federal Earned Income Tax Credit (EITC)** and make available the forms required to secure advance EITC payments from the employer (Regulation #4).

#### **THE LIVING WAGE ORDINANCE (LWO) ALSO REQUIRES EMPLOYERS:**

- To permit access to work sites for authorized City representatives to review the operation, payroll and related documents, and to provide certified copies of the relevant records upon request by the City.
- **Not to retaliate** against any employee claiming non-compliance with the provisions of these Ordinances and to **comply with federal law** prohibiting retaliation for union organizing (Regulation #4). Refer to the LWO Rules and Regulations, available from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance (OCC) website - <http://bca.lacity.org>, for details regarding the wage and benefit requirements of the Ordinance.

### TO BE FILLED OUT BY THE SUBCONTRACTOR:

1. Company Name: \_\_\_\_\_ Company Phone Number: \_\_\_\_\_
2. Company Address: \_\_\_\_\_
3. Type of Service Provided by Subcontractor to Prime: \_\_\_\_\_
4. Amount of Subcontract: \_\_\_\_\_ Subcontract Start Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ End Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

By signing this Declaration of Compliance, the subcontractor certifies that it will comply with all applicable provisions of the SCWRO, LWO, and their implementing Rules and Regulations, including any amendments or revisions to the Ordinances and Regulations.

Print Name of Person Completing This Form \_\_\_\_\_

Signature of Person Completing This Form \_\_\_\_\_

Title \_\_\_\_\_

Phone # \_\_\_\_\_

Date \_\_\_\_\_

# LWO – EMPLOYEE INFORMATION FORM

REQUIRED DOCUMENTATION FOR ALL CONTRACTS SUBJECT TO LWO

**This form must be submitted to the AWARDING DEPARTMENT within 30 DAYS of contract execution. **INCOMPLETE SUBMISSIONS WILL BE RETURNED.****

**THE LIVING WAGE ORDINANCE (LWO) REQUIRES THAT SUBJECT EMPLOYERS PROVIDE TO EMPLOYEES:**

- As of July 1, 2013 a wage of at least **\$10.91 per hour with health benefits** of \$1.25 per hour, or **\$12.16 per hour without health benefits** (to be adjusted annually) (Regulation #4);
- At least **12 compensated days off per year** for sick leave, vacation or personal necessity at the employee's request (pro-rated for part-time employees) (Regulation #4); and
- At least **10 additional days off per year of uncompensated time off** for personal or immediate illness only (pro-rated for part-time employees) (Regulation #4). Refer to the LWO Rules and Regulations, available from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance (OCC) website, for details regarding the wage and benefit requirements of the Ordinance.
- Making **less than \$12.00 per hour** information of their possible **right to the federal Earned Income Tax Credit (EITC)** and make available the forms required to secure advance EITC payments from the employer (Regulation #4).

**THE LIVING WAGE ORDINANCE (LWO) ALSO REQUIRES EMPLOYERS:**

- **Not to retaliate** against any employee claiming non-compliance with the provisions of these Ordinances and to **comply with federal law** prohibiting retaliation for union organizing (Regulation #4).

**TO BE FILLED OUT BY THE CONTRACTOR:**

1. Company Name: \_\_\_\_\_ Email Address: \_\_\_\_\_
2. **STATE** the number of employees working ON THIS CITY CONTRACT: \_\_\_\_\_
3. **\*\*ATTACH** a copy of your company's 1<sup>st</sup> PAYROLL under THIS CITY CONTRACT.
4. **\*\*INDICATE** (highlight, underline) on the payroll which employees are working ON THIS CITY CONTRACT.
5. **\*\*Do you provide health benefits** (such as medical, dental, vision, mental health, and disability insurance) to your employees? ☐ Yes ☐ No  
If YES, **STATE** how much, if any, employees pay for co-premiums: \$ \_\_\_\_\_

**\*\*NOTE:** Payroll information need not be submitted if ALL employees working on this City agreement earn an hourly wage of at least \$15 per hour. If so, check the box below.

☐

**I certify under penalty of perjury that I do not have any employees earning less than \$15 per hour working on this City contract.**

**FAILURE TO COMPLY WITH THESE REQUIREMENTS WILL RESULT IN WITHHOLDING OF PAYMENTS BY THE CITY CONTROLLER, OR A RECOMMENDATION TO THE AWARDING AUTHORITY FOR CONTRACT TERMINATION. ALL INFORMATION SUBMITTED IS SUBJECT TO VERIFICATION, AND FALSE INFORMATION MAY RESULT IN CONTRACT TERMINATION.**

I understand that the employee information provided herein is confidential and will be used by the City of Los Angeles, Office of Contract Compliance for the purpose of monitoring the Living Wage Ordinance.

Print Name of Person Completing This Form \_\_\_\_\_

Signature of Person Completing This Form \_\_\_\_\_

Title \_\_\_\_\_

Phone # \_\_\_\_\_

Date \_\_\_\_\_

**AWARDING DEPARTMENT USE ONLY:**

**Dept:** \_\_\_\_\_ **Dept Contact:** \_\_\_\_\_ **Contact Phone:** \_\_\_\_\_ **Contract #:** \_\_\_\_\_